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104TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPT. 104–128
Part 1

AMERICAN OVERSEAS INTERESTS ACT OF 1995

REPORT

OF THE

COMMITTEE ON INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES

ON

H.R. 1561

together with

MINORITY AND ADDITIONAL VIEWS

MAY 19, 1995.—Ordered to be printed

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MAY 19, 1995.—Ordered to be printed

Mr. GILMAN, from the Committee on International Relations, submitted the following

REPORT

together with

MINORITY AND ADDITIONAL VIEWS

[To accompany H.R. 1561]

[Including cost estimate of the Congressional Budget Office]

The Committee on International Relations, to whom was referred the bill (H.R. 1561) to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for United States foreign assistance programs for fiscal years 1996 and 1997, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

The amendment strikes out all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

BACKGROUND AND PURPOSE

H.R. 1561, the "American Overseas Interests Act of 1995", is intended to provide for continued United States leadership in international affairs consistent with United States interests in the post-Cold War era and the constraints of the United States budget deficit.

The bill is organized into three divisions: Division A, the "Foreign Affairs Agencies Consolidation Act of 1995"; Division B, the

"Foreign Relations Authorization Act, Fiscal Years 1996 and 1997"; and Division C, the "Foreign Aid Reduction Act of 1995". Each of these divisions reforms the foreign affairs institutions and programs that have grown up over the last forty years and adapts them to the requirements of the post-Cold War era.

Division A abolishes three agencies that effectively promoted United States interests during the Cold War—the Arms Control and Disarmament Agency, the United States Information Agency, and the Agency for International Development—but whose functions can now be carried out more efficiently by a strengthened and reorganized Department of State. The consolidation of these agencies into the Department of State will improve the coordination of United States foreign policy under the leadership of the Secretary of State. It will also facilitate a more rational downsizing of the foreign affairs budget by encouraging elimination of overlapping and obsolete functions.

Division A seeks to provide maximum flexibility to the Executive branch to carry out the consolidation of foreign affairs agencies and the reorganization of the Department of State. By resisting the temptation to dictate the precise structure that is to emerge from the reorganization, the Committee intends to engage the expertise of the Executive branch in the reorganization and downsizing process.

Division B provides for a reduced level of funding for the programs and activities of the Department of State, the United States Information Agency, and the Arms Control and Disarmament Agency in fiscal years 1996 and 1997. These funding reductions, which are dictated by the urgent need to reduce the budget deficit and by the reduced requirements of the post-Cold War era, can be absorbed more readily as a result of the consolidation and reorganization of foreign affairs agencies mandated by Division A. The authorization levels in Division B for the operating costs of the foreign affairs agencies reduce spending in fiscal years 1996 and 1997 by $382 million from the appropriated levels in the current fiscal year.

Division C reduces spending on foreign assistance in fiscal years 1996 and 1997 and reorders spending priorities in order to concentrate spending on programs that promote essential U.S. interests.

The authorization levels in Division C reduce foreign assistance spending in fiscal year 1996 by about $1 billion from the appropriated level in the current fiscal year, and by $1.8 billion from the President's request. Spending in fiscal year 1997 is cut by about $2 billion from current spending. Projecting the spending levels authorized by Division C over seven years, a total of $21 billion will be saved.

Division C reorients the reduced level of foreign assistance spending toward programs and activities that demonstrably advance essential U.S. interests. Spending on antiterrorism assistance, antinarcotics assistance, NATO expansion assistance, and assistance to Israel and Egypt in support of the Middle East peace process is either protected from cuts or increased.

As a result of reduced spending and reordered priorities, numerous programs foreign assistance programs are eliminated. Among

the programs eliminated are the AID Housing Guarantee Program, the P.L. 480 Title III Food Aid Program, and the U.N. Capital Development Fund.

Because the cuts in foreign assistance and other international spending are focused away from high priority programs and activities, H.R. 1561 preserves the ability of the United States to vigorously advance its interests overseas. By streamlining government and contributing significantly to deficit reduction, H.R. 1561 will help foster U.S. economic growth, thereby preserving into the next century the true source of America's global power and influence.

COMMITTEE ACTION

DIVISION A

On April 4, l995, the Full Committee held a hearing on consolidation of the foreign affairs agencies.

Witnesses for this hearing included: Under Secretary Richard Moose, Department of State; Administrator Brian Atwood, Agency for International Development; Director Joseph Duffy, U.S. Information Agency; and Director John Holum, Arms Control and Disarmament Agency.

On May 9, 1995, the Full Committee held a hearing on H.R. 1561, with particular emphasis on consolidation of the foreign affairs agencies.

Witnesses for this hearing included: Under Secretary Richard Moose, Department of State; Administrator Brian Atwood, Agency for International Development; Director Joseph Duffy, U.S. Information Agency; and Deputy Director Ralph Earle,II, U.S. Arms Control and Disarmament Agency

DIVISION B

The Subcommittee on International Operations and Human Rights held the following hearings on the fiscal year 1996 authorization requests for the Department of State, USIA, and ACDA.

On February 7, 1995, the Subcommittee held a hearing on "1996–97 Foreign Relations Authorization: Department of State Management Initiatives."

Witness for this hearing included: Hon. Richard Moose—Under-Secretary for Management, DOS.

On February 8, 1995, the Subcommittee held a hearing on "1996–97 Foreign Relations Authorization: International Organizations, Conferences, and Committees."

Witnesses for this hearing included: Hon. Madeleine K. Albright, U.S. Representative to the UN Hon. Douglas J. Bennet, Ass. Sec. for Int'l Org., DOS.

On February 22, 1995, the Subcommittee held a hearing on "Foreign Relations Authorization: Refugees."

Witnesses for this hearing included: Ambassador Brunson McKinley, Deputy Assistant Secretary of State for Population, Refugees, and Migration.

On February 23, 1995, the Subcommittee held a hearing on "Foreign Relations Authorization Act: Arms Control and Disarmament Agency."

Witness for this hearing included: John Holum, Director ACDA.

On March 1, 1995, the Subcommittee held a hearing on "Foreign Relations Authorization Act: USIA."

Witnesses for this hearing included: Joseph Duffey, Director, USIA Carl Gershman, President, NED.

DIVISION C

The Full Committee held the following hearings on the fiscal year 1996 authorization requests for foreign assistance.

On March 30, 1995, the Full Committee held a hearing on "The President's International Affairs Budget Request for FY 96."

Witnesses for this hearing included: Secretary of State Warren Christopher, Administrator of the Agency for International Development J. Brian Atwood, and Director of the Defense Security Assistance Agency Lt. Gen. Thomas Rhame.

On April 4, 1995, the Full Committee held a hearing on "The President's International Affairs Budget Request for FY 96."

Witnesses for this hearing included: Steve Kull, Director, Program on International Policy Attitudes, Richard Armitage, President, Armitage Associates Tom Sheehy, Jay Kingham Fellow, Heritage Foundation and Ms. Linda Powers, Vice President, Global Finance, Enron Development Corporation.

On April 5, 1995, the Full Committee held a hearing on "The President's International Affairs Budget Request for FY 96."

Witnesses for this hearing included: Neal Sher, Executive Director, American-Israel Public Affairs Committee, John Fox, Director, Washington Office, Open Society Institute, Vivian Lowery-Derryck, President, Africa-American Institute, Victoria Markell, Director of Policy, Population Action International, Professor Julian Simon, University of Maryland, Ms. Frances Seymour, Senior Policy Officer, World Wildlife Fund, Julia Taft, President and CEO, InterAction, John Dellenback, Chairman of the Board, World Vision Relief and Development, Martin Fergus, District Coordinator for Bread for the World, Maria Otero, Executive Vice President, ACCION International, Hobart Gardiner, President, International Executive Services Corps, James Cox, Director, Project Finance, Westinghouse, and Sy Taubenblatt, Executive Representative, Bechtel Group, Inc.

JURISDICTIONAL ISSUES

H.R. 1561, as ordered reported by the Committee on International Relations, contains several provisions which may fall within the shared jurisdiction of other committees of the House. Correspondence received from the Committees on National Security, on Government Reform and Oversight, and on Agriculture relevant to these jurisdictional issues is set forth below:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON NATIONAL SECURITY,
Washington, DC, May 17, 1995.

Hon. BENJAMIN A. GILMAN,
Chairman, Committee on International Relations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I understand the Committee on International Relations has recently ordered reported H.R. 1561, a bill

related to foreign assistance programs for fiscal years 1996 and 1997. The bill includes a number of provisions that fall within the legislative jurisdiction of the Committee on National Security pursuant to House Rule X(k).

The specific provisions within this committee's legislative jurisdiction are: (1) sec. 3123—Transfer of Excess Defense Articles; (2) sec. 3124—Nonlethal Excess Defense Articles for Albania; (3) sec. 3192—End-use Monitoring of Defense Articles and Defense Services; and (4) sec. 3309—Future of United States Military Presence in Panama.

In recognition of your committee's desire to bring this legislation expeditiously before the House of Representatives, the Committee on National Security will not seek a sequential referral of the bill as a result of including these provisions, without, of course, waiving or diminishing this committee's jurisdiction over the provisions in question. This committee will seek to have conferees appointed for these provisions during any House-Senate conference.

I would appreciate your including this letter as a part of the report on H.R. 1561 and as part of the record during consideration of this bill by the House.

Thank you for your assistance and prompt attention to this matter.

With warm personal regards, I am.

Sincerely,

FLOYD D. SPENCE, *Chairman.*

U.S. CONGRESS,
COMMITTEE ON GOVERNNMENT REFORM AND OVERSIGHT,
Washington, DC, May 17, 1995.

Hon. BENJAMIN A. GILMAN,
Chairman, Committee on International Relations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: As you know, H.R. 1561, which includes the Foreign Affairs Agencies Consolidation Act of 1995, consolidates the United States Information Agency, the Agency for International Development and the Arms Control and Disarmament Agency in the Department of State. This consolidation affects civil service employees, and the statutory offices of the inspector general and the chief financial officers, that exist within these agencies. Matters affecting the inspectors general, the chief financial officers, and the civil service fall within the jurisdiction of the Government Reform and Oversight Committee.

The Government Reform and Oversight Committee staff has been working in consultation with your staff on the International Relations Committee to ensure that the personnel, inspectors general and chief financial officers issues raised by the consolidation are addressed as effectively as possible. Due to this cooperative arrangement and the need to expedite H.R. 1561, I will not assert the Government Reform and Oversight Committee's official jurisdiction over these matters as they relate to H.R. 1561. However, I hope our committees will continue to consult each other as appropriate throughout the legislative process.

Please note that this in no way affects or cedes the Government Reform and Oversight Committee's jurisdiction under Rule X, nor does it affect the Committee's jurisdictional claim to civil service, inspector general or chief financial officer matters in the future.

Thank you.

Sincerely,

WILLIAM F. CLINGER, Jr., *Chairman.*

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, DC, May 19, 1995.

Hon. BENJAMIN A. GILMAN,
Chairman, Committee on International Relations, Washington, DC.

DEAR MR. CHAIRMAN: I wish to thank you and your staff for advising the Committee that you had reported H.R. 1561, as amended in Committee, that would among other things authorize appropriations for Title II of the Agricultural Trade Development and Assistance Act of 1954—P.L. 480 (7 U.S.C. 1721 et seq.) for fiscal years 1996 and 1997. Also section 443(d) would transfer and reallocate fiscal year 1995 unexpended balances of appropriations (presumably including titles I, II and III of P.L. 480) from the Agency for International Development to the Department of State.

The Committee on Agriculture recognizes the general importance of this legislation. Also, as you know as a Committee with jurisdiction over programs authorized in the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480) and other programs related to enhancing the food security of the developing countries of the world, this Committee has an interest in H.R. 1561, the "American Overseas Interest Act of 1995". Moreover, the Committee is aware that the Senate Committee will apparently be acting on similar measures in the near future.

The Committee on Agriculture in Title XV of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 1691 note) addressed several of these matters. Furthermore, the Committee expects to hold hearings and address several of these issues in the consideration of the 1995 Farm Bill later in this Session.

However, in the interest of expediting the consideration of H.R. 1561, I do not intend to request a sequential referral of the bill to this Committee. However, I would appreciate receiving assurance that certain of the matters in the bill of concern to this Committee will be effected to our satisfaction without a Floor amendment by this Committee. Meanwhile, my action here is not intended to waive this Committee's jurisdiction over this matter, and should this legislation go to a House-Senate conference, the Committee on Agriculture reserves the right to request to be included as conferees on any provisions within this Committee's jurisdiction.

Thank you for your cooperation in this matter.

Sincerely,

PAT ROBERTS, *Chairman.*

ROLL CALL VOTES ON AMENDMENTS AND FINAL PASSAGE

In compliance with clause (2)(l)(2)(B) of rule XI of the Rules of the House of Representatives, the record of committee roll call

votes taken on final passage or amendments during the committee's consideration of H.R. 1561 is set out on the following pages, as is a report of the committee's final action on the bill.

DESCRIPTION OF AMENDMENT, MOTION, ORDER, OR OTHER PROPOSITION

Smith Amendment providing an earmark of $280 million from development assistance accounts child survival activities, $25 million for the Vitamin A Deficiency program, and $15 million for the UNDP/WHO Special Program for Research and Training in Tropical Diseases.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN		X	
William F. Goodling, PA	X			Sam Gejdenson, CT		X	
James A. Leach, IA	X			Tom Lantos, CA		X	
Toby Roth, WI	X			Robert G. Torricelli, NJ			
Henry J. Hyde, IL	X			Howard L. Berman, CA		X	
Doug Bereuter, NE	X			Gary L. Ackerman, NY		X	
Christopher H. Smith, NJ	X			Harry Johnston, FL			X
Dan Burton, IN	X			Eliot L. Engel, NY			X
Jan Meyers, KS		X		Eni F.H. Faleomavaega, Am. Samoa.			X
Elton Gallegly, CA	X			Matthew G. Martinez, CA			X
Ileana Ros-Lehtinen, FL	X			Donald M. Payne, NJ		X	
Cass Ballenger, NC	X			Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA	X			Robert Menendez, NJ	X		
Donald A. Manzullo, IL	X			Sherrod Brown, OH			X
Edward R. Royce, CA	X			Cynthia A. McKinney, GA	X		
Peter T. King, NY	X			Alcee L. Hastings, FL		X	
Jay Kim, CA		X		Albert Russell Wynn, MD	X		
Sam Brownback, KS	X			Michael R. McNulty, NY	X		
David Funderburk, NC	X			James P. Moran, VA	X		
Steven J. Chabot, OH	X			Victor O. Frazer, VI	X		
Marshall ''Mark'' Sanford, SC		X					
Matt Salmon, AZ	X						
Amo Houghton, NY		X					
Total					25	12	5

Lantos Amendment prohibiting certain assistance from being provided to countries providing assistance relating to nuclear or dual-use technology or other military weapons to Iran or any other country which the Secretary of State has determined repeatedly provides support for acts of international terrorism.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN		X	
William F. Goodling, PA	X			Sam Gejdenson, CT		X	
James A. Leach, IA				Tom Lantos, CA	X		
Toby Roth, WI		X		Robert G. Torricelli, NJ	X		
Henry J. Hyde, IL		X		Howard L. Berman, CA	X		
Doug Bereuter, NE		X		Gary L. Ackerman, NY	X		
Christopher H. Smith, NJ	X			Harry Johnston, FL		X	
Dan Burton, IN	X			Eliot L. Engel, NY	X		
Jan Meyers, KS	X			Eni F.H. Faleomavaega, Am. Samoa.	X		
Elton Gallegly, CA	X			Matthew G. Martinez, CA	X		
Ileana Ros-Lehtinen, FL	X			Donald M. Payne, NJ			
Cass Ballenger, NC		X		Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA	X			Robert Menendez, NJ	X		

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Donald A. Manzullo, IL		X		Sherrod Brown, OH	X		
Edward R. Royce, CA	X			Cynthia A. McKinney, GA	X		
Peter T. King, NY	X			Alcee L. Hastings, FL	X		
Jay Kim, CA	X			Albert Russell Wynn, MD	X		
Sam Brownback, KS		X		Michael R. McNulty, NY	X		
David Funderburk, NC	X			James P. Moran, VA	X		
Steven J. Chabot, OH	X			Victor O. Frazer, VI	X		
Marshall ''Mark'' Sanford, SC		X					
Matt Salmon, AZ	X						
Amo Houghton, NY							
Total					29	11	0

Bereuter amendment deleting and restating certain provisions relative to China, a special envoy to Tibet, and for other purposes.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN	X		
William F. Goodling, PA		X		Sam Gejdenson, CT	X		
James A. Leach, IA	X			Tom Lantos, CA			
Toby Roth, WI		X		Robert G. Torricelli, NJ	X		
Henry J. Hyde, IL		X		Howard L. Berman, CA			
Doug Bereuter, NE	X			Gary L. Ackerman, NY	X		
Christopher H. Smith, NJ		X		Harry Johnston, FL			
Dan Burton, IN		X		Eliot L. Engel, NY		X	
Jan Meyers, KS	X			Eni F.H. Faleomavaega, Am. Samoa.			
Elton Gallegly, CA		X		Matthew G. Martinez, CA	X		
Ileana Ros-Lehtinen, FL		X		Donald M. Payne, NJ	X		
Cass Ballenger, NC		X		Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA		X		Robert Menendez, NJ		X	
Donald A. Manzullo, IL		X		Sherrod Brown, OH		X	
Edward R. Royce, CA		X		Cynthia A. McKinney, GA		X	
Peter T. King, NY		X		Alcee L. Hastings, FL	X		
Jay Kim, CA		X		Albert Russell Wynn, MD	X		
Sam Brownback, KS		X		Michael R. McNulty, NY	X		
David Funderburk, NC		X		James P. Moran, VA	X		
Steven J. Chabot, OH		X		Victor O. Frazer, VI			
Marshall ''Mark'' Sanford, SC	X						
Matt Salmon, AZ		X					
Amo Houghton, NY	X						
Total					16	22	0

McKinney amendment to require adherence to a ''code of conduct'' for arms transfers, restricting the countries to which arms could be sold and revising Congressional approval/disapproval provisions of current law.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN		X	
William F. Goodling, PA		X		Sam Gejdenson, CT			
James A. Leach, IA	X			Tom Lantos, CA	X		
Toby Roth, WI				Robert G. Torricelli, NJ			
Henry J. Hyde, IL				Howard L. Berman, CA	X		
Doug Bereuter, NE		X		Gary L. Ackerman, NY	X		
Christopher H. Smith, NJ	X			Harry Johnston, FL	X		
Dan Burton, IN		X		Eliot L. Engel, NY	X		
Jan Meyers, KS		X		Eni F.H. Faleomavaega, Am. Samoa.	X		
Elton Gallegly, CA				Matthew G. Martinez, CA			
Ileana Ros-Lehtinen, FL		X		Donald M. Payne, NJ	X		
Cass Ballenger, NC		X		Robert E. Andrews, NJ			

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Dana Rohrabacher, CA	X			Robert Menendez, NJ	X		
Donald A. Manzullo, IL		X		Sherrod Brown, OH	X		
Edward R. Royce, CA		X		Cynthia A. McKinney, GA	X		
Peter T. King, NY		X		Alcee L. Hastings, FL	X		
Jay Kim, CA				Albert Russell Wynn, MD	X		
Sam Brownback, KS		X		Michael R. McNulty, NY		X	
David Funderburk, NC		X		James P. Moran, VA	X		
Steven J. Chabot, OH		X		Victor O. Frazer, VI	X		
Marshall ''Mark'' Sanford, SC		X					
Matt Salmon, AZ		X					
Amo Houghton, NY		X					
Total					17	18	0

Meyers amendment loosening restrictions on US contributions to the UN Fund for Population Activities, and striking language relating to prohibition on funding for abortion and to prohibition on funding for coercive population control methods, and making other changes.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.	X			Lee H. Hamilton, IN	X		
William F. Goodling, PA				Sam Gejdenson, CT	X		
James A. Leach, IA	X			Tom Lantos, CA	X		
Toby Roth, WI		X		Robert G. Torricelli, NJ			
Henry J. Hyde, IL		X		Howard L. Berman, CA	X		
Doug Bereuter, NE		X		Gary L. Ackerman, NY	X		
Christopher H. Smith, NJ		X		Harry Johnston, FL	X		
Dan Burton, IN		X		Eliot L. Engel, NY	X		
Jan Meyers, KS	X			Eni F.H. Faleomavaega, Am. Samoa.			
Elton Gallegly, CA		X		Matthew G. Martinez, CA	X		
Ileana Ros-Lehtinen, FL		X		Donald M. Payne, NJ			
Cass Ballenger, NC		X		Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA		X		Robert Menendez, NJ	X		
Donald A. Manzullo, IL		X		Sherrod Brown, OH	X		
Edward R. Royce, CA		X		Cynthia A. McKinney, GA	X		
Peter T. King, NY		X		Alcee L. Hastings, FL	X		
Jay Kim, CA		X		Albert Russell Wynn, MD	X		
Sam Brownback, KS		X		Michael R. McNulty, NY		X	
David Funderburk, NC		X		James P. Moran, VA	X		
Steven J. Chabot, OH		X		Victor O. Frazer, VI	X		
Marshall ''Mark'' Sanford, SC	X						
Matt Salmon, AZ		X					
Amo Houghton, NY	X						
Total					21	18	0

Wynn amendment transferring $12 million from the Contributions to International Organizations account to more fully fund the debt buyback program, and to earmark such funds for Latin America and the Caribbean.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN	X		
William F. Goodling, PA		X		Sam Gejdenson, CT	X		
James A. Leach, IA		X		Tom Lantos, CA			
Toby Roth, WI		X		Robert G. Torricelli, NJ	X		
Henry J. Hyde, IL				Howard L. Berman, CA	X		
Doug Bereuter, NE		X		Gary L. Ackerman, NY	X		
Christopher H. Smith, NJ		X		Harry Johnston, FL	X		
Dan Burton, IN		X		Eliot L. Engel, NY			

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Jan Meyers, KS		X		Eni F.H. Faleomavaega, Am. Samoa.	X		
Elton Gallegly, CA		X		Matthew G. Martinez, CA			
Ileana Ros-Lehtinen, FL		X		Donald M. Payne, NJ			
Cass Ballenger, NC		X		Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA		X		Robert Menendez, NJ	X		
Donald A. Manzullo, IL		X		Sherrod Brown, OH	X		
Edward R. Royce, CA		X		Cynthia A. McKinney, GA	X		
Peter T. King, NY		X		Alcee L. Hastings, FL	X		
Jay Kim, CA		X		Albert Russell Wynn, MD	X		
Sam Brownback, KS		X		Michael R. McNulty, NY	X		
David Funderburk, NC		X		James P. Moran, VA			
Steven J. Chabot, OH		X		Victor O. Frazer, VI			
Marshall ''Mark'' Sanford, SC		X					
Matt Salmon, AZ		X					
Amo Houghton, NY		X					
Total					14	22	0

Brownback amendment to cut authorizations for United States informational, educational, and cultural programs.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN		X	
William F. Goodling, PA		X		Sam Gejdenson, CT		X	
James A. Leach, IA		X		Tom Lantos, CA			
Toby Roth, WI	X			Robert G. Torricelli, NJ			
Henry J. Hyde, IL		X		Howard L. Berman, CA		X	
Doug Bereuter, NE		X		Gary L. Ackerman, NY		X	
Christopher H. Smith, NJ		X		Harry Johnston, FL		X	
Dan Burton, IN	X			Eliot L. Engel, NY		X	
Jan Meyers, KS		X		Eni F.H. Faleomavaega, Am. Samoa.		X	
Elton Gallegly, CA				Matthew G. Martinez, CA		X	
Ileana Ros-Lehtinen, FL		X		Donald M. Payne, NJ		X	
Cass Ballenger, NC		X		Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA	X			Robert Menendez, NJ		X	
Donald A. Manzullo, IL	X			Sherrod Brown, OH		X	
Edward R. Royce, CA	X			Cynthia A. McKinney, GA		X	
Peter T. King, NY		X		Alcee L. Hastings, FL		X	
Jay Kim, CA				Albert Russell Wynn, MD		X	
Sam Brownback, KS	X			Michael R. McNulty, NY		X	
David Funderburk, NC				James P. Moran, VA		X	
Steven J. Chabot, OH	X			Victor O. Frazer, VI		X	
Marshall ''Mark'' Sanford, SC	X						
Matt Salmon, AZ	X						
Amo Houghton, NY		X					
Total					10	28	0

Berman/Sanford amendment requiring recoupment of certain nonrecurring costs in connection with certain exports of major defense equipment.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN		X	
William F. Goodling, PA		X		Sam Gejdenson, CT			
James A. Leach, IA				Tom Lantos, CA	X		
Toby Roth, WI		X		Robert G. Torricelli, NJ			
Henry J. Hyde, IL				Howard L. Berman, CA	X		
Doug Bereuter, NE		X		Gary L. Ackerman, NY	X		
Christopher H. Smith, NJ	X			Harry Johnston, FL	X		
Dan Burton, IN		X		Eliot L. Engel, NY	X		

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Jan Meyers, KS		X		Eni F.H. Faleomavaega, Am. Samoa.	X		
Elton Gallegly, CA		X		Matthew G. Martinez, CA	X		
Ileana Ros-Lehtinen, FL		X		Donald M. Payne, NJ	X		
Cass Ballenger, NC		X		Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA		X		Robert Menendez, NJ	X		
Donald A. Manzullo, IL		X		Sherrod Brown, OH	X		
Edward R. Royce, CA		X		Cynthia A. McKinney, GA	X		
Peter T. King, NY		X		Alcee L. Hastings, FL	X		
Jay Kim, CA		X		Albert Russell Wynn, MD	X		
Sam Brownback, KS		X		Michael R. McNulty, NY			
David Funderburk, NC		X		James P. Moran, VA	X		
Steven J. Chabot, OH		X		Victor O. Frazer, VI	X		
Marshall ''Mark'' Sanford, SC	X						
Matt Salmon, AZ		X					
Amo Houghton, NY		X					
Total					18	20	0

Burton amendment to reduce authorizations for AID operating expenses.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN		X	
William F. Goodling, PA	X			Sam Gejdenson, CT			
James A. Leach, IA				Tom Lantos, CA		X	
Toby Roth, WI	X			Robert G. Torricelli, NJ			
Henry J. Hyde, IL				Howard L. Berman, CA		X	
Doug Bereuter, NE				Gary L. Ackerman, NY		X	
Christopher H. Smith, NJ				Harry Johnston, FL		X	
Dan Burton, IN	X			Eliot L. Engel, NY		X	
Jan Meyers, KS		X		Eni F.H. Faleomavaega, Am. Samoa.		X	
Elton Gallegly, CA	X			Matthew G. Martinez, CA			
Ileana Ros-Lehtinen, FL	X			Donald M. Payne, NJ		X	
Cass Ballenger, NC	X			Robert E. Andrews, NJ		X	
Dana Rohrabacher, CA	X			Robert Menendez, NJ		X	
Donald A. Manzullo, IL	X			Sherrod Brown, OH		X	
Edward R. Royce, CA	X			Cynthia A. McKinney, GA		X	
Peter T. King, NY		X		Alcee L. Hastings, FL		X	
Jay Kim, CA		X		Albert Russell Wynn, MD		X	
Sam Brownback, KS	X			Michael R. McNulty, NY			
David Funderburk, NC	X			James P. Moran, VA		X	
Steven J. Chabot, OH	X			Victor O. Frazer, VI		X	
Marshall ''Mark'' Sanford, SC	X						
Matt Salmon, AZ	X						
Amo Houghton, NY		X					
Total					14	21	0

Hastings amendment to increase authorizations for the Development Fund for Africa from $572.2 million to $802 million.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN	X		
William F. Goodling, PA		X		Sam Gejdenson, CT			
James A. Leach, IA		X		Tom Lantos, CA	X		
Toby Roth, WI		X		Robert G. Torricelli, NJ	X		
Henry J. Hyde, IL		X		Howard L. Berman, CA	X		
Doug Bereuter, NE				Gary L. Ackerman, NY	X		
Christopher H. Smith, NJ		X		Harry Johnston, FL	X		
Dan Burton, IN		X		Eliot L. Engel, NY	X		
Jan Meyers, KS		X		Eni F.H. Faleomavaega, Am. Samoa.			

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Elton Gallegly, CA		X		Matthew G. Martinez, CA	X		
Ileana Ros-Lehtinen, FL		X		Donald M. Payne, NJ	X		
Cass Ballenger, NC		X		Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA		X		Robert Menendez, NJ	X		
Donald A. Manzullo, IL		X		Sherrod Brown, OH	X		
Edward R. Royce, CA		X		Cynthia A. McKinney, GA	X		
Peter T. King, NY		X		Alcee L. Hastings, FL	X		
Jay Kim, CA		X		Albert Russell Wynn, MD	X		
Sam Brownback, KS		X		Michael R. McNulty, NY	X		
David Funderburk, NC		X		James P. Moran, VA	X		
Steven J. Chabot, OH		X		Victor O. Frazer, VI	X		
Marshall ''Mark'' Sanford, SC		X					
Matt Salmon, AZ		X					
Amo Houghton, NY		X					
Total					18	22	0

Ackerman amendment to reduce funds for the Foreign Military Financing program from $3.309 billion to $3.272 billion, and to provide $36 million in additional funds for Africa.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN	X		
William F. Goodling, PA		X		Sam Gejdenson, CT			
James A. Leach, IA				Tom Lantos, CA	X		
Toby Roth, WI		X		Robert G. Torricelli, NJ	X		
Henry J. Hyde, IL		X		Howard L. Berman, CA	X		
Doug Bereuter, NE				Gary L. Ackerman, NY	X		
Christopher H. Smith, NJ		X		Harry Johnston, FL	X		
Dan Burton, IN		X		Eliot L. Engel, NY	X		
Jan Meyers, KS		X		Eni F.H. Faleomavaega, Am. Samoa.			
Elton Gallegly, CA		X		Matthew G. Martinez, CA	X		
Ileana Ros-Lehtinen, FL		X		Donald M. Payne, NJ	X		
Cass Ballenger, NC		X		Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA		X		Robert Menendez, NJ	X		
Donald A. Manzullo, IL		X		Sherrod Brown, OH	X		
Edward R. Royce, CA		X		Cynthia A. McKinney, GA	X		
Peter T. King, NY		X		Alcee L. Hastings, FL	X		
Jay Kim, CA		X		Albert Russell Wynn, MD	X		
Sam Brownback, KS		X		Michael R. McNulty, NY	X		
David Funderburk, NC		X		James P. Moran, VA	X		
Steven J. Chabot, OH	X			Victor O. Frazer, VI	X		
Marshall ''Mark'' Sanford, SC		X					
Matt Salmon, AZ		X					
Amo Houghton, NY		X					
Total					19	20	0

Manzullo amendment to strike all funding for United States informational, educational, and cultural exchange programs.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN		X	
William F. Goodling, PA				Sam Gejdenson, CT			
James A. Leach, IA				Tom Lantos, CA		X	
Toby Roth, WI		X		Robert G. Torricelli, NJ		X	
Henry J. Hyde, IL		X		Howard L. Berman, CA		X	
Doug Bereuter, NE		X		Gary L. Ackerman, NY		X	
Christopher H. Smith, NJ		X		Harry Johnston, FL		X	
Dan Burton, IN	X			Eliot L. Engel, NY		X	
Jan Meyers, KS		X		Eni F.H. Faleomavaega, Am. Samoa.			

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Elton Gallegly, CA		X		Matthew G. Martinez, CA		X	
Ileana Ros-Lehtinen, FL	X			Donald M. Payne, NJ		X	
Cass Ballenger, NC		X		Robert E. Andrews, NJ		X	
Dana Rohrabacher, CA	X			Robert Menendez, NJ		X	
Donald A. Manzullo, IL	X			Sherrod Brown, OH		X	
Edward R. Royce, CA	X			Cynthia A. McKinney, GA		X	
Peter T. King, NY		X		Alcee L. Hastings, FL		X	
Jay Kim, CA	X			Albert Russell Wynn, MD		X	
Sam Brownback, KS	X			Michael R. McNulty, NY	X		
David Funderburk, NC		X		James P. Moran, VA		X	
Steven J. Chabot, OH	X			Victor O. Frazer, VI		X	
Marshall ''Mark'' Sanford, SC		X					
Matt Salmon, AZ	X						
Amo Houghton, NY		X					
Total					10	29	0

Bereuter amendment to limit United States contributions to the International War Crimes Tribunal for the Former Yugoslavia to the lesser of $15 million or 25 percent of its budget, whichever is less.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.	X			Lee H. Hamilton, IN	X		
William F. Goodling, PA	X			Sam Gejdenson, CT			
James A. Leach, IA		X		Tom Lantos, CA	X		
Toby Roth, WI	X			Robert G. Torricelli, NJ			
Henry J. Hyde, IL				Howard L. Berman, CA	X		
Doug Bereuter, NE	X			Gary L. Ackerman, NY	X		
Christopher H. Smith, NJ		X		Harry Johnston, FL	X		
Dan Burton, IN	X			Eliot L. Engel, NY		X	
Jan Meyers, KS	X			Eni F.H. Faleomavaega, Am. Samoa.			
Elton Gallegly, CA	X			Matthew G. Martinez, CA	X		
Ileana Ros-Lehtinen, FL	X			Donald M. Payne, NJ			
Cass Ballenger, NC				Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA	X			Robert Menendez, NJ	X		
Donald A. Manzullo, IL	X			Sherrod Brown, OH	X		
Edward R. Royce, CA				Cynthia A. McKinney, GA	X		
Peter T. King, NY		X		Alcee L. Hastings, FL	X		
Jay Kim, CA	X			Albert Russell Wynn, MD	X		
Sam Brownback, KS	X			Michael R. McNulty, NY	X		
David Funderburk, NC		X		James P. Moran, VA	X		
Steven J. Chabot, OH	X			Victor O. Frazer, VI			
Marshall ''Mark'' Sanford, SC	X						
Matt Salmon, AZ		X					
Amo Houghton, NY	X						
Total					29	6	0

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN		X	
William F. Goodling, PA				Sam Gejdenson, CT			
James A. Leach, IA				Tom Lantos, CA		X	
Toby Roth, WI				Robert G. Torricelli, NJ			
Henry J. Hyde, IL				Howard L. Berman, CA		X	
Doug Bereuter, NE		X		Gary L. Ackerman, NY		X	
Christopher H. Smith, NJ	X			Harry Johnston, FL		X	
Dan Burton, IN		X		Eliot L. Engel, NY	X		

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Jan Meyers, KS		X		Eni F.H. Faleomavaega, Am. Samoa.			
Elton Gallegly, CA		X		Matthew G. Martinez, CA			
Ileana Ros-Lehtinen, FL	X			Donald M. Payne, NJ			
Cass Ballenger, NC				Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA		X		Robert Menendez, NJ	X		
Donald A. Manzullo, IL		X		Sherrod Brown, OH	X		
Edward R. Royce, CA		X		Cynthia A. McKinney, GA	X		
Peter T. King, NY		X		Alcee L. Hastings, FL		X	
Jay Kim, CA		X		Albert Russell Wynn, MD		X	
Sam Brownback, KS		X		Michael R. McNulty, NY	X		
David Funderburk, NC		X		James P. Moran, VA	X		
Steven J. Chabot, OH		X		Victor O. Frazer, VI			
Marshall ''Mark'' Sanford, SC		X					
Matt Salmon, AZ		X					
Amo Houghton, NY		X					
Total					9	23	0

Smith amendment restricting United States assistance to countries blocking the delivery of United States humanitarian assistance.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.	X			Lee H. Hamilton, IN		X	
William F. Goodling, PA				Sam Gejdenson, CT			
James A. Leach, IA				Tom Lantos, CA		X	
Toby Roth, WI		X		Robert G. Torricelli, NJ	X		
Henry J. Hyde, IL				Howard L. Berman, CA	X		
Doug Bereuter, NE		X		Gary L. Ackerman, NY			
Christopher H. Smith, NJ	X			Harry Johnston, FL		X	
Dan Burton, IN		X		Eliot L. Engel, NY	X		
Jan Meyers, KS	X			Eni F.H. Faleomavaega, Am. Samoa.			
Elton Gallegly, CA	X			Matthew G. Martinez, CA	X		
Ileana Ros-Lehtinen, FL	X			Donald M. Payne, NJ			
Cass Ballenger, NC				Robert E. Andrews, NJ			
Dana Rohrabacher, CA	X			Robert Menendez, NJ	X		
Donald A. Manzullo, IL	X			Sherrod Brown, OH	X		
Edward R. Royce, CA	X			Cynthia A. McKinney, GA	X		
Peter T. King, NY	X			Alcee L. Hastings, FL	X		
Jay Kim, CA	X			Albert Russell Wynn, MD	X		
Sam Brownback, KS	X			Michael R. McNulty, NY	X		
David Funderburk, NC	X			James P. Moran, VA	X		
Steven J. Chabot, OH	X			Victor O. Frazer, VI	X		
Marshall ''Mark'' Sanford, SC	X						
Matt Salmon, AZ	X						
Amo Houghton, NY		X					
Total					27	7	0

Hamilton amendment eliminating funding for the Foreign Military Financing programs for countries in Central Europe and transferring $25 million for the Newly Independent States and $25 million for the SEED program.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN	X		
William F. Goodling, PA		X		Sam Gejdenson, CT	X		
James A. Leach, IA	X			Tom Lantos, CA	X		
Toby Roth, WI		X		Robert G. Torricelli, NJ			
Henry J. Hyde, IL				Howard L. Berman, CA			
Doug Bereuter, NE	X			Gary L. Ackerman, NY	X		

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Christopher H. Smith, NJ		X		Harry Johnston, FL	X		
Dan Burton, IN		X		Eliot L. Engel, NY	X		
Jan Meyers, KS		X		Eni F.H. Faleomavaega, Am. Samoa.			
Elton Gallegly, CA		X		Matthew G. Martinez, CA	X		
Ileana Ros-Lehtinen, FL		X		Donald M. Payne, NJ	X		
Cass Ballenger, NC				Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA	X			Robert Menendez, NJ	X		
Donald A. Manzullo, IL		X		Sherrod Brown, OH	X		
Edward R. Royce, CA	X			Cynthia A. McKinney, GA			
Peter T. King, NY		X		Alcee L. Hastings, FL	X		
Jay Kim, CA		X		Albert Russell Wynn, MD	X		
Sam Brownback, KS	X			Michael R. McNulty, NY	X		
David Funderburk, NC	X			James P. Moran, VA	X		
Steven J. Chabot, OH		X		Victor O. Frazer, VI	X		
Marshall ''Mark'' Sanford, SC							
Matt Salmon, AZ	X						
Amo Houghton, NY		X					
Total					23	13	0

Meyers amendment relaxing language conditioning the provision of certain funds to the State Department on access by certain groups to the Beijing Women's Conference.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.	X			Lee H. Hamilton, IN	X		
William F. Goodling, PA		X		Sam Gejdenson, CT	X		
James A. Leach, IA	X			Tom Lantos, CA	X		
Toby Roth, WI		X		Robert G. Torricelli, NJ	X		
Henry J. Hyde, IL				Howard L. Berman, CA			
Doug Bereuter, NE	X			Gary L. Ackerman, NY	X		
Christopher H. Smith, NJ		X		Harry Johnston, FL	X		
Dan Burton, IN		X		Eliot L. Engel, NY	X		
Jan Meyers, KS	X			Eni F.H. Faleomavaega, Am. Samoa.			
Elton Gallegly, CA		X		Matthew G. Martinez, CA	X		
Ileana Ros-Lehtinen, FL		X		Donald M. Payne, NJ	X		
Cass Ballenger, NC				Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA		X		Robert Menendez, NJ		X	
Donald A. Manzullo, IL		X		Sherrod Brown, OH	X		
Edward R. Royce, CA		X		Cynthia A. McKinney, GA	X		
Peter T. King, NY		X		Alcee L. Hastings, FL	X		
Jay Kim, CA	X			Albert Russell Wynn, MD	X		
Sam Brownback, KS		X		Michael R. McNulty, NY	X		
David Funderburk, NC		X		James P. Moran, VA	X		
Steven J. Chabot, OH		X		Victor O. Frazer, VI	X		
Marshall ''Mark'' Sanford, SC		X					
Matt Salmon, AZ		X					
Amo Houghton, NY	X						
Total					23	16	0

Lantos amendment to strike a provision creating a coordinator for human rights and refugee affairs reporting to the Secretary of State.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN	X		
William F. Goodling, PA				Sam Gejdenson, CT	X		
James A. Leach, IA		X		Tom Lantos, CA	X		
Toby Roth, WI		X		Robert G. Torricelli, NJ	X		
Henry J. Hyde, IL				Howard L. Berman, CA			

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Doug Bereuter, NE		X		Gary L. Ackerman, NY	X		
Christopher H. Smith, NJ		X		Harry Johnston, FL		X	
Dan Burton, IN		X		Eliot L. Engel, NY		X	
Jan Meyers, KS		X		Eni F.H. Faleomavaega, Am. Samoa.			
Elton Gallegly, CA		X		Matthew G. Martinez, CA	X		
Ileana Ros-Lehtinen, FL		X		Donald M. Payne, NJ		X	
Cass Ballenger, NC				Robert E. Andrews, NJ	X		
Dana Rohrabacher, CA		X		Robert Menendez, NJ	X		
Donald A. Manzullo, IL		X		Sherrod Brown, OH	X		
Edward R. Royce, CA		X		Cynthia A. McKinney, GA		X	
Peter T. King, NY		X		Alcee L. Hastings, FL	X		
Jay Kim, CA				Albert Russell Wynn, MD	X		
Sam Brownback, KS		X		Michael R. McNulty, NY		X	
David Funderburk, NC		X		James P. Moran, VA	X		
Steven J. Chabot, OH		X		Victor O. Frazer, VI	X		
Marshall ''Mark'' Sanford, SC		X					
Matt Salmon, AZ		X					
Amo Houghton, NY		X					
Total					13	24	0

Hamilton amendment to replace mandatory language with respect to principles of fair employment practice in connection with activities funded by U.S. contributions to the International Fund for Ireland with language urging compliance with such principles in such circumstances.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.		X		Lee H. Hamilton, IN	X		
William F. Goodling, PA		X		Sam Gejdenson, CT		X	
James A. Leach, IA		X		Tom Lantos, CA		X	
Toby Roth, WI		X		Robert G. Torricelli, NJ		X	
Henry J. Hyde, IL				Howard L. Berman, CA			
Doug Bereuter, NE		X		Gary L. Ackerman, NY		X	
Christopher H. Smith, NJ		X		Harry Johnston, FL	X		
Dan Burton, IN	X			Eliot L. Engel, NY		X	
Jan Meyers, KS	X			Eni F.H. Faleomavaega, Am. Samoa.	X		
Elton Gallegly, CA		X		Matthew G. Martinez, CA			
Ileana Ros-Lehtinen, FL		X		Donald M. Payne, NJ		X	
Cass Ballenger, NC	X			Robert E. Andrews, NJ		X	
Dana Rohrabacher, CA		X		Robert Menendez, NJ		X	
Donald A. Manzullo, IL		X		Sherrod Brown, OH		X	
Edward R. Royce, CA	X			Cynthia A. McKinney, GA		X	
Peter T. King, NY		X		Alcee L. Hastings, FL		X	
Jay Kim, CA		X		Albert Russell Wynn, MD		X	
Sam Brownback, KS		X		Michael R. McNulty, NY		X	
David Funderburk, NC	X			James P. Moran, VA		X	
Steven J. Chabot, OH		X		Victor O. Frazer, VI		X	
Marshall ''Mark'' Sanford, SC		X					
Matt Salmon, AZ		X					
Amo Houghton, NY		X					
Total					8	32	0

Gilman amendment in the nature of a substitute, as amended.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.	X			Lee H. Hamilton, IN		X	
William F. Goodling, PA	X			Sam Gejdenson, CT		X	
James A. Leach, IA	X			Tom Lantos, CA		X	
Toby Roth, WI	X			Robert G. Torricelli, NJ		X	

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Henry J. Hyde, IL	X			Howard L. Berman, CA			
Doug Bereuter, NE	X			Gary L. Ackerman, NY		X	
Christopher H. Smith, NJ	X			Harry Johnston, FL		X	
Dan Burton, IN	X			Eliot L. Engel, NY		X	
Jan Meyers, KS	X			Eni F.H. Faleomavaega, Am. Samoa.		X	
Elton Gallegly, CA	X			Matthew G. Martinez, CA			
Ileana Ros-Lehtinen, FL	X			Donald M. Payne, NJ		X	
Cass Ballenger, NC	X			Robert E. Andrews, NJ		X	
Dana Rohrabacher, CA	X			Robert Menendez, NJ		X	
Donald A. Manzullo, IL	X			Sherrod Brown, OH		X	
Edward R. Royce, CA	X			Cynthia A. McKinney, GA		X	
Peter T. King, NY	X			Alcee L. Hastings, FL		X	
Jay Kim, CA	X			Albert Russell Wynn, MD		X	
Sam Brownback, KS	X			Michael R. McNulty, NY		X	
David Funderburk, NC	X			James P. Moran, VA		X	
Steven J. Chabot, OH	X			Victor O. Frazer, VI		X	
Marshall ''Mark'' Sanford, SC	X						
Matt Salmon, AZ	X						
Amo Houghton, NY	X						
Total					23	18	0

Goodling motion to order the bill, H.R. 1561, reported with an amendment in the nature of a substitute with the recommendation that the bill, as amended, do pass.

Name and State	Aye	No	Present	Name and State	Aye	No	Present
Benjamin A. Gilman, NY, Chmn.	X			Lee H. Hamilton, IN		X	
William F. Goodling, PA	X			Sam Gejdenson, CT		X	
James A. Leach, IA	X			Tom Lantos, CA		X	
Toby Roth, WI	X			Robert G. Torricelli, NJ		X	
Henry J. Hyde, IL	X			Howard L. Berman, CA		X	
Doug Bereuter, NE	X			Gary L. Ackerman, NY		X	
Christopher H. Smith, NJ	X			Harry Johnston, FL		X	
Dan Burton, IN	X			Eliot L. Engel, NY		X	
Jan Meyers, KS	X			Eni F.H. Faleomavaega, Am. Samoa.		X	
Elton Gallegly, CA	X			Matthew G. Martinez, CA		X	
Ileana Ros-Lehtinen, FL	X			Donald M. Payne, NJ		X	
Cass Ballenger, NC	X			Robert E. Andrews, NJ		X	
Dana Rohrabacher, CA	X			Robert Menendez, NJ		X	
Donald A. Manzullo, IL	X			Sherrod Brown, OH		X	
Edward R. Royce, CA	X			Cynthia A. McKinney, GA		X	
Peter T. King, NY	X			Alcee L. Hastings, FL		X	
Jay Kim, CA	X			Albert Russell Wynn, MD		X	
Sam Brownback, KS	X			Michael R. McNulty, NY		X	
David Funderburk, NC	X			James P. Moran, VA		X	
Steven J. Chabot, OH	X			Victor O. Frazer, VI		X	
Marshall ''Mark'' Sanford, SC	X						
Matt Salmon, AZ	X						
Amo Houghton, NY	X						
Total					23	18	0

SECTION-BY-SECTION ANALYSIS

DIVISION A

Title I—General Provisions

Sec. 101—Short Title

Sets forth the short title of this division, the ''Foreign Affairs Agencies Consolidation Act of 1995.''

Sec. 102—Congressional Findings

Sets forth congressional findings that the United States must remain engaged in international affairs; that the U.S. budget deficit requires streamlining of government programs and activities, including foreign programs and activities; and that, as part of the downsizing of the international affairs budget, the proliferation of foreign affairs agencies that occurred during the Cold War must be reversed and the leadership of the Secretary of State strengthened.

Sec. 103—Purposes

States that the purposes of the division are to consolidate and reinvent the foreign affairs agencies of the United States within the Department of State; provide for the reorganization of the Department of State; strengthen the coordination of U.S. foreign policy; and to abolish not later than March 1, 1997, the United States Arms Control and Disarmament Agency (ACDA), the United States Information Agency (USIA), the International Development Cooperation Agency, and the Agency for International Development (AID).

Sec. 104—Definitions

Defines terms used within this division.

Title II—United States Arms Control and Disarmament Agency

Chapter 1—General Provisions

Sec. 201—Effective Date

Provides that the amendments made by this title (other than section 221) shall take effect on March 1, 1997, or on an earlier date announced by the President in the Federal Register, which date may be not earlier than 60 calendar days (excluding any days on which either House of Congress is not in session because of a sine die adjournment) after the President has submitted a reorganization plan to the appropriate committees of Congress pursuant to section 221. Section 221 shall take effect on the date of enactment.

Sec. 202—References in Title

States that, except as otherwise provided, the references in this title to provisions of law shall be considered references to the Arms Control and Disarmament Act.

Chapter 2—Abolition of United States Arms Control and Disarmament Agency and Transfer of Functions to Secretary of State

Sec. 211—Abolition of United States Arms Control and Disarmament Agency

Abolishes ACDA.

Sec. 212—Transfer of Functions to Secretary of State

Transfers to the Secretary of State all functions of the Director of ACDA and of ACDA.

Chapter 3—Reorganization of Department of State Relating to Functions Transferred Under This Title

Sec. 221—Reorganization Plan

Provides that, not later than March 1, 1996, the President, in consultation with the Secretary of State and the Director of ACDA, shall submit a reorganization plan to the appropriate committees of Congress. The plan is to provide for the abolition of ACDA; the transfer of ACDA's functions and personnel to the Department of State; and the consolidation, reorganization, and streamlining of the Department of State upon the transfer in order to carry out the transferred functions.

The plan is to identify the functions of ACDA that are to be transferred; the personnel and positions of ACDA and the Department that are to be transferred, separated, or eliminated; specify the consolidations and reorganizations within the Department that will be required; specify the funds available to ACDA that will be transferred; specify the proposed allocations within the Department of unexpended funds that are to be transferred from ACDA; and specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of ACDA.

The plan is to provide for an appropriate number of assistant secretaries of state to carry out the functions transferred to the Department.

The Committee notes that ACDA's single-mission focus has permitted the agency to develop over the years unique expertise and experience among its personnel in arms control matters. The Department of State has needed to develop similar expertise within the Bureau of Political-Military Affairs and elsewhere. However, the personnel system of the Department, which emphasizes the development of broad expertise among the Department's employees so as to equip them to effectively carry out the Department's many missions, has necessarily limited the Department's ability to match the training and experience in arms control matters that is found within ACDA.

The Committee believes that it would be detrimental to the interests of the United States for the expertise and experience of ACDA personnel to be lost as a result of the consolidation of ACDA with the Department of State. Accordingly, the Committee would expect the reorganization plan submitted pursuant to section 221 to be designed, to the maximum extent feasible, to ensure that the unique expertise and experience of ACDA personnel is not lost to the United States government as a result of the consolidation.

Sec. 222—Principal Officers

Amends the State Department Basic Authorities Act to establish the new position within the Department of State of Coordinator for Arms Control and Disarmament, with the rank and status of Ambassador-at-Large. The Coordinator heads the Bureau of Arms Control and Disarmament and reports directly to the Secretary of State. In addition, an amendment to the National Security Act of 1947 provides that the Coordinator shall serve as a statutory advisor to the National Security Council.

A transition provision provides that the President is authorized to appoint as the Coordinator for Arms Control and Disarmament the Director of ACDA, or other officials of ACDA or the Department of State confirmed by the Senate, to serve in an acting capacity until the President nominates and the Senate confirms a permanent appointee.

Chapter 4—Conforming Amendments

Sec. 241—References

Provides that any reference in any statute or other official document or proceeding to the Director of ACDA shall be deemed to refer to the Secretary of State, and any reference to ACDA shall be deemed to refer to the Department of State.

Sec. 242—Repeal of Establishment of Agency

Repeals section 21 of the Arms Control and Disarmament Act (relating to the establishment of ACDA).

Sec. 243—Repeal of Positions and Offices

Makes conforming amendments to other provisions of the Arms Control and Disarmament Act.

Sec. 244—Transfer of Authorities and Functions Under the Arms Control and Disarmament Act to the Secretary of State

Makes conforming amendments to other provisions of the Arms Control and Disarmament Act.

Title III—United States Information Agency

Chapter 1—General Provisions

Sec. 301—Effective Date

Provides that the amendments made by this title (other than section 321) shall take effect on March 1, 1997, or on an earlier date announced by the President in the Federal Register, which date may be not earlier than 60 calendar days (excluding any days on which either House of Congress is not in session because of a sine die adjournment) after the President has submitted a reorganization plan to the appropriate committees of Congress pursuant to section 321. Section 321 shall take effect on the date of enactment.

Chapter 2—Abolition of United States Information Agency and Transfer of Functions to Secretary of State

Sec. 311—Abolition of United States Information Agency

Abolishes USIA.

Sec. 312—Transfer of Functions to Secretary of State

Transfers to the Secretary of State all functions of the Director of USIA and of USIA.

Chapter 3—Reorganization of Department of State Relating to Functions Transferred Under This Title

Sec. 321—Reorganization Plan

Provides that, not later than March 1, 1996, the President, in consultation with the Secretary of State and the Director of USIA, shall submit a reorganization plan to the appropriate committees of Congress. The plan is to provide for the abolition of USIA; the transfer of USIA's functions and personnel to the Department of State; and the consolidation, reorganization, and streamlining of the Department of State upon the transfer in order to carry out the transferred functions.

The plan is to identify the functions of USIA that are to be transferred; the personnel and positions of USIA and the Department that are to be transferred, separated, or eliminated; specify the consolidations and reorganizations within the Department that will be required; specify the funds available to USIA that will be transferred; specify the proposed allocations within the Department of unexpended funds that are to be transferred from USIA; and specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of USIA.

The plan is to provide for an appropriate number of assistant secretaries of state to carry out the functions transferred to the Department.

Sec. 322—Principal Officers

Amends the State Department Basic Authorities Act to establish the new positions within the Department of State of Under Secretary for Public Diplomacy, Assistant Secretary for Academic Programs and Cultural Exchanges, and Assistant Secretary for Information, Policy, and Programs. Both assistant secretaries shall report to the under secretary.

Transition provisions provide that the President is authorized to appoint to each of these positions the Director of USIA, or other officials of USIA or the Department of State confirmed by the Senate, to serve in an acting capacity until the President nominates and the Senate confirms permanent appointees.

Chapter 4—Conforming Amendments

Sec. 341—References

Provides that any reference in any statute or other official document or proceeding to the Director of USIA shall be deemed to refer to the Secretary of State, and any reference to USIA shall be deemed to refer to the Department of State.

Sec. 342—Abolition of Office of Inspector General of the United States Information Agency and Transfer of Functions to Office of Inspector General of the Department of State

Abolishes the Office of Inspector General of USIA, and transfers the functions of that Office to the Office of Inspector General of the Department of State.

Sec. 343—Amendments to Title 5

Makes conforming amendments to title 5 of the United States Code.

Sec. 344—Amendments to United States Information and Educational Exchange Act of 1948

Makes conforming amendments to the United States Information and Educational Exchange Act of 1948.

Sec. 345—Amendments to the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act)

Makes conforming amendments to the Mutual Educational and Cultural Exchange Act of 1961.

Sec. 346—International Broadcasting Activities

Makes conforming amendments to the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, and to title 5 of the United States Code.

Sec. 347—Television Broadcasting to Cuba

Makes conforming amendments to the Television Broadcasting to Cuba Act.

Sec. 348—Radio Broadcasting to Cuba

Makes conforming amendments to the Radio Broadcasting to Cuba Act.

Sec. 349—National Endowment for Democracy

Makes conforming amendments to Public Law 98–164.

Sec. 350—United States Scholarship Program for Developing Countries

Makes conforming amendments to the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987.

Sec. 351—Fascell Fellowship Board

Makes conforming amendments to the Fascell Fellowship Act.

Sec. 352—National Security Education Board

Makes conforming amendments to the Intelligence Authorization Act, Fiscal Year 1992.

Sec. 353—Center for Cultural and Technical Interchange Between North and South

Makes conforming amendments to the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993.

Sec. 354—East-West Center

Makes conforming amendments to the Mutual Security Act of 1960.

Sec. 355—Mission of the Department of State

Makes conforming amendments to the Foreign Relations Authorization Act, Fiscal Year 1979.

Sec. 356—Consolidation of Administrative Services

Makes conforming amendments to the State Department Basic Authorities Act of 1956.

Sec. 357—Grants

Makes conforming amendments to the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993.

Sec. 358—Ban on Domestic Activities

Makes conforming amendments to the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987.

Sec. 359—Conforming Repeal to the Arms Control and Disarmament Act

Makes conforming amendment to the Arms Control and Disarmament Act.

Sec. 360—Repeal Relating to Procurement of Legal Services

Makes conforming amendment to the State Department Basic Authorities Act of 1956.

Sec. 361—Repeal Relating to Payment of Subsistence Expenses

Makes conforming amendment to the State Department Basic Authorities Act of 1956.

Sec. 362—Conforming Amendment to the SEED Act

Makes conforming amendment to the Support for East European Democracies Act of 1989.

Sec. 363—International Cultural and Trade Center Commission

Makes conforming amendments to the Federal Triangle Development Act.

Sec. 364—Foreign Service Act of 1980

Makes conforming amendments to the Foreign Service Act of 1980.

Sec. 365—Au Pair Programs

Makes conforming amendment to the Eisenhower Exchange Fellowship Act of 1990.

Sec. 366—Exchange Program With Countries in Transition From Totalitarianism to Democracy

Makes conforming amendments to the National and Community Service Act of 1990.

Sec. 367—Edmund S. Muskie Fellowship Program

Makes conforming amendments to the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993.

Sec. 368—Implementation of Convention on Cultural Property

Makes conforming amendment to the Convention on Cultural Property Implementation Act.

Sec. 369—Mike Mansfield Fellowships

Makes conforming amendment to the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

Title IV—Agency for International Development

Chapter 1—General Provisions

Sec. 401—Effective Date

Provides that the amendments made by this title (other than section 421) shall take effect on March 1, 1997, or on an earlier date announced by the President in the Federal Register, which date may be not earlier than 60 calendar days (excluding any days on which either House of Congress is not in session because of a sine die adjournment) after the President has submitted a reorganization plan to the appropriate committees of Congress pursuant to section 421. Section 421 shall take effect on the date of enactment.

Sec. 402—References in Title

States that, except as otherwise provided, the references in this title to provisions of law shall be considered references to the Foreign Assistance Act of 1961.

Chapter 2—Abolition of the Agency for International Development and the International Development Cooperation Agency and Transfer of Functions to Secretary of State

Sec. 411—Abolition of Agency for International Development and International Development Cooperation Agency

Abolishes AID and the International Development Cooperation Agency.

Sec. 412—Transfer of Functions to Secretary of State

Transfers to the Secretary of State all functions of the Administrator of AID and of AID, and all functions of the Director of the International Development Cooperation Agency and of the International Development Cooperation Agency.

Chapter 3—Reorganization of Department of State Relating to Functions Transferred Under This Title

Sec. 421—Reorganization Plan

Provides that, not later than March 1, 1996, the President, in consultation with the Secretary of State and the Administrator of AID, shall submit a reorganization plan to the appropriate committees of Congress. The plan is to provide for the abolition of AID; the transfer of AID's functions and personnel to the Department of State; and the consolidation, reorganization, and streamlining of the Department of State upon the transfer in order to carry out the transferred functions.

The plan is to identify the functions of AID that are to be transferred; the personnel and positions of AID and the Department that are to be transferred, separated, or eliminated; specify the consolidations and reorganizations within the Department that will be

required; specify the funds available to AID that will be transferred; specify the proposed allocations within the Department of unexpended funds that are to be transferred from AID; and specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of AID.

The plan is to provide for an appropriate number of assistant secretaries of state to carry out the functions transferred to the Department.

The Committee intends that AID be transferred en bloc into the Department of State, reporting to the Under Secretary for Development. The Committee reviewed the option of dividing AID among the Department's regional bureaus and specifically rejected that option.

Sec. 422—Principal Officers

Amends the State Department Basic Authorities Act to establish the new position within the Department of State of Under Secretary for Development and Economic Affairs. A transition provision provides that the President is authorized to appoint to this position the Administrator of AID, or another official of AID or the Department of State confirmed by the Senate, to serve in an acting capacity until the President nominates and the Senate confirms a permanent appointee.

The Committee intends the Under Secretary for Development to be responsible for the administration of funds under the Sustainable Development, Development Fund for Africa, SEED, FREEDOM Support, ESF, Disaster, Housing Guarantee, Small and Micro-enterprise, PL–480 Titles II & III, American Schools and Hospitals Abroad and International Fund for Ireland accounts. The Committee intends this list of accounts to be the minimum number of accounts administered by the Under Secretary for Development. Should the Administration wish, the Committee would welcome the movement of other foreign assistance programs under the Under Secretary's administration.

Chapter 4—Conforming Amendments

Sec. 441—References

Provides that any reference in any statute or other official document or proceeding to the Administrator of AID shall be deemed to refer to the Secretary of State, and any reference to AID shall be deemed to refer to the Department of State.

Sec. 442—Abolition of Office of Inspector General of the Agency for International Development and Transfer of Functions to Office of Inspector General of the Department of State

Abolishes the Office of Inspector General of AID, and transfers the functions of that Office to the Office of Inspector General of the Department of State.

Sec. 443—Abolition of Chief Financial Officer of the Agency for International Development and Transfer of Functions to Chief Financial Officer Department of State

Abolishes the Office of Chief Financial Officer of AID, and transfers the functions of that Office to the Office of Chief Financial Officer of the Department of State.

Sec. 444—Amendments to Title 5, United States Code

Makes conforming amendments to title 5 of the United States Code.

Sec. 445—Public Law 480 Program

Makes conforming amendment to the Agricultural Trade Development and Assistance Act of 1954.

Title V—Transition

Sec. 501—Reorganization Authority

Authorizes the Secretary of State to allocate or reallocate functions transferred to the Department among the officers of the Department, and to establish, consolidate, alter, or discontinue organizational entities within the Department as necessary to carry out any reorganization under this division. This authority does not extend to the abolition of organizational entities or offices established by law, or to the alteration of any delegation of functions required by law.

Sec. 502—Transfer and Allocation of Appropriations and Personnel

Provides that personnel, assets, liabilities, contracts, property, records, and unexpended appropriations balances of the abolished agencies shall be transferred to the Secretary of State. Unexpended and unobligated funds that are so transferred shall be used only for the purposes for which they were originally authorized and appropriated. When an agency is abolished, the limit on the number of members of the foreign service that may be employed by that agency shall be added to the limit for the Department of State.

Sec. 503—Incidental Transfers

The Director of the Office of Management and Budget, in consultation with the Secretary of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations as may be necessary to carry out this division.

Sec. 504—Effect on Personnel

Personnel holding Executive Schedule positions who are transferred to the Department of State shall continue to be compensated at a rate not less than that of their previous position. Positions whose incumbents are appointed by the President and confirmed by the Senate, the functions of which are transferred, shall terminate upon the transfer. Personnel terminated as a result of the abolition of their agency or the reorganization of the Department of State may be appointed in the competitive or excepted service of another agency.

Sec. 505—Voluntary Separation Incentives

Authorizes the payment of voluntary separation incentives to minimize the need for involuntary separations as a result of the abolition of an agency or the reorganization of the Department of State pursuant to this division. Such payments are to be made in accordance with the authorities of section 3 of the Federal Workforce Restructuring Act of 1994 (Public Law 103–226), subject to certain temporal restrictions.

Sec. 506—Savings Provisions

All orders, rules, regulations, agreements, contracts, and other administrative actions of the agencies abolished under this division shall remain in effect according to their terms. Pending proceedings shall not be affected by the transfer of functions of the abolished agencies to the Department of State.

Sec. 507—Property and Facilities

The Secretary of State shall review the property and facilities transferred to the Department to determine whether they are required by the Department.

Sec. 508—Authority of Secretary to Facilitate Transition

The Secretary of State is authorized to utilize the services of employees and the funds of the agencies that are to be abolished pursuant to this division in order to facilitate the transfer of functions to the Department.

Sec. 509—Recommendations for Additional Conforming Amendments

The Congress urges the President to submit recommendations for additional technical and conforming amendments to reflect the changes made by this division.

Sec. 510—Final Report

Not later than October 1, 1998, the President, in consultation with the Secretary of the Treasury and the Director of the Office of Management and Budget, shall submit to the appropriate congressional committees a final accounting of the finances of the abolished agencies.

Sec. 511—Severability

If any provision of this division is held invalid, the remainder of the division shall not be affected.

DIVISION B—FOREIGN RELATIONS AUTHORIZATION

Sec. 2001—Short title

Section 2001 provides a short title, the "Foreign Relations Authorization Act, Fiscal Years 1996 and 1997" for this Division of the American Overseas Interest Act of 1995.

Sec. 2002—Definitions

Chapter 1—Authorization of Appropriations

Sec. 2101—Administration of Foreign Affairs

Section 2101(a) authorizes appropriations for the Department of State as follows:

(1) $1,728,797,000 for fiscal year 1996 and $1,676,903,000 for fiscal 1997 for diplomatic and consular programs;

(2) Sec. 2101(a)(1)(B) allocates $5,000,000 for fiscal year 1996 and $5,000,000 for fiscal year 1997 to assure that funds are available for the purpose of processing immigrant visas for persons who are outside their country of nationality, have asserted a fear of returning to their countries of nationality and have a credible basis for such fear, and for whom immigrant visas are currently available. This section would not create any new visas or make anyone eligible to immigrate who is not eligible under current law. It is intended to facilitate the processing of applicants who are in refugee camps and who are already eligible to immigrate under current law, but are required by current administrative policies to return to the countries from which they fled in order to apply for immigrant visas to the U.S. These applicants are primarily close relatives of U.S. citizens and lawful permanent residents.

(3) $366,276,000 in fiscal year 1996 and $355,287,000 for fiscal year 1997 for salaries and expenses;

(4) Sec. 2101(a)(2)(B) states that $11,900,000 in fiscal year 1996 and $11,900,000 in fiscal year 1997 authorized for salaries and expenses must be available for the salaries and expenses of the bureau that administers Refugee and Migration Assistance. This continues a provision of current law under which salaries and expenses for the bureau that administers the refugee and migration assistance account are paid out of the Diplomatic and Consular Programs account, not out of funds authorized for refugee and migration programs as requested by the Administration. The purpose of this provision is to ensure that all funds authorized for the refugee account are spent on programs.

(5) $20,000,000 for fiscal year 1996 and $20,000,000 for fiscal year 1997 for the Capital Investment Fund;

(6) $ 391,760,000 in fiscal year 1996 and $391,760,000 for fiscal year 1997 for acquisition and maintenance of buildings abroad;

(7) $4,780,000 for fiscal year 1996 and $4,780,000 for fiscal year 1997 for representation allowances;

(8) $6,000,000 in fiscal year 1996 and $6,000,000 in fiscal year 1997 for emergencies in the diplomatic and consular service;

(9) $23,469,000 in fiscal year 1996 and $23,469,000 in fiscal year 1997 for the Office of Inspector General;

(10) $15,165,000 for fiscal year 1996 and $14,710,000 for fiscal year 1997 for the American Institute in Taiwan;

(11) $9,579,000 for fiscal year 1996 and $9,579,000 for fiscal year 1997 for protection of foreign missions and officials;

(12) $776,000 for fiscal year 1996 and $776,000 for fiscal year 1997 for repatriation loans;

Amounts provided in the bill for the operations of the Department of State support U.S. embassies, consulates, and other diplomatic offices abroad, passport and citizens services in the United States, and policy direction for the entire foreign affairs establishment.

In 265 overseas offices, American officials work, often under extremely difficult circumstances, to protect American citizens and economic interests abroad, represent American political interests, and report on economic and political conditions abroad.

The Department plays an essential role in securing the United States border by screening visa applicants, combatting visa and passport fraud, and operating anti-terrorism programs.

The Committee expects that the Department will use funds provided in the capital investment fund to expeditiously modernize its antiquated computer and communications equipment. In view of the great cost of maintaining American personnel abroad, the Committee believes that it may be possible to accomplish many more administrative tasks within the United States through the use of modern communications techniques.

The Committee urges the Secretary of State to act quickly to carry out the management recommendations and consolidation of functions within the Department proposed in the Strategic Management Initiative.

The Committee urges the Department to consider reducing staffs in large posts in addition to its plans to close posts.

Sec. 2102—International Organizations, Programs, and Conferences

Section 2102(a), authorizes $873,505,000 for fiscal year 1996 and $867,050,000 for fiscal year 1997 for assessed contributions to international organizations.

Organization of American States.—In the last five years, the Organization of American States (OAS) has begun to emerge as a more relevant tool in advancing the common interests of its member states, particularly with respect to strengthening representative democracy, protecting human rights, and promoting hemispheric trade. New plans are being developed for reorganizing the General Secretariat to be more responsive on issues of trade liberalization and democratic reform; enhanced effectiveness of OAS technical assistance programs and new standards of professionalism of OAS personnel are key objectives.

The Committee contemplates that the OAS receive $51 million for payment toward the U.S. assessed contribution. While this sum is lower than the request, it represents a smaller cut than is being recommended for many other international organizations. The Committee notes that the United States is asked to carry no more than its fair share at the OAS; the United States pays roughly 60 percent of the OAS regular budget, but represents 75 percent of GDP in the hemisphere. Conversely, the Committee recognizes that, because the U.S. contribution is a much higher percentage of the OAS's regular fund than at the United Nations, unilateral cuts on the lean OAS budget have a disproportionate impact on that regional organization.

The Committee acknowledges that the U.S. Mission to the OAS has advanced a practical discussion of new mechanisms to ensure that other member and observer states contribute more to special voluntary programs (such as electoral observer missions, etc.). The Committee expects definitive progress in the coming year to ensure that some burden-sharing mechanism is in place so that the United States no longer is expected to shoulder most if not all of these special costs.

The Committee also notes that, to its credit, USAID has funded certain multilateral missions that complement U.S. programs, particularly the ongoing OAS missions in Nicaragua and Haiti, as well as *ad hoc* election support and observation missions; the Committee intends that USAID continue to treat these activities as priorities.

Sec. 2102(b)—$309,375,000 for fiscal year 1996 and $302,902,000 for fiscal year 1997 for voluntary contributions to international organizations.

While the Committee has provided adequate funding for many of the international organizations of vital interest to the U.S., such as the World Health Organization, the Organization of American States, the Organization for Economic Cooperation and Development and the General Agreement on Tariffs and Trade, budgetary limitations in fiscal year 1997 will require the administration to scale back our participation in some lower priority organizations and eliminate a U.S. role in others. The Committee has identified more than 15 such international organizations where our financial contributions could be eliminated altogether in two years time. The Committee believes it is important for the administration to prioritize our interests in an era of declining budgets.

Sec. 2102(b)(2)(A) states that of the amounts authorized to be appropriated for voluntary contributions to international organizations, $103,000,000 for fiscal year 1996 and $103,000,000 for fiscal year 1997 is authorized only for the United Nations Children's Fund (UNICEF). This section also states that for fiscal year 1996 not more than 25 percent of the funds may be made available to UNICEF until 30 days after the submission to Congress of the report required by section 2523.

Section 2102(b)(2)(B) states that of the amounts authorized to be appropriated for voluntary contributions to international organizations, $43,000,000 in fiscal year 1996 and $43,000,000 for fiscal year 1997 are authorized to be appropriated only for the International Atomic Energy Agency. In addition this section states that the U.S. contribution to the International Atomic Energy Agency is conditioned on that agency allowing Israel to participate in its activities.

Section 2102(b)(2)(C) states that of the amounts authorized to be appropriated for voluntary contributions to international organizations, $15,000,000 for fiscal year 1996 and $15,000,000 for fiscal year 1997 is authorized to be appropriated only for War Crimes Tribunal for the Former Yugoslavia, or 25 percent of the Tribunal's budget, whichever is less.

The Committee strongly supports the work of the International Tribunal for the former Yugoslavia, yet the Committee is also reluctant to pay a disproportionate share of the costs of the tribunal's

costs. Indeed, the Committee is sensitive to the fact that this tribunal must be perceived as a truly international effort supported by all nations, lest critics contend that the tribunal is a strictly U.S. driven effort. To that end, the Committee adopted a provision that the U.S. contribution be limited to $15,000,000 or 25% of the tribunal's budget, whichever is less. It also is the view of the Committee that the tribunal should be placed in the regular U.N. budget, thus establishing for it a secure source of funding.

Section 2102(b)(2)(D) states that of the amounts authorized to be appropriated for voluntary contributions to international organizations, $5,000,000 for fiscal year 1996 and $5,000,000 for fiscal year 1997 are authorized to be appropriated only for the World Food Program.

Section 2102(b)(2)(E) states that of the amounts authorized to be appropriated for voluntary contributions to international organizations, $1,500,000 for fiscal year 1996 and $3,000,000 for fiscal year 1997 are authorized to be appropriated only for the United Nations Voluntary Fund for Victims of Torture.

Section 2102(b)(2)(F) states that of the funds authorized for voluntary contributions to international organizations, not more than $25,000,000 for fiscal year 1996 and $25,000,000 for fiscal year 1997 shall be available for the United Nations Population Fund (UNFPA).

The Committee remains concerned about repeated reports of forced abortions and other coercive population practices in China. Between 1986 and 1993, the U.S. did not contribute to UNFPA because previous Administrations determined that UNFPA was ineligible for U.S. support as a result of its program in the People's Republic of China. UNFPA neither funds abortion nor supports or condones coercion in any country, including China.

To ensure that no U.S. funds can be used to support coercive activities in China, the Committee has included statutory language prohibiting UNFPA from using U.S. funds in China. In order to effectively monitor and track U.S. funds, UNFPA is required to maintain the funds in a separate account and not commingle them with any other funds. In addition, the U.S. contribution must be reduced by the United States' proportionate share of UNFPA's activities in China. The provision also requires that the Secretary of State must submit a report to the Committee and other House and Senate committees with jurisdiction each fiscal year by February 15th indicating the amount that UNFPA is budgeting for activities in China. The provision stipulates that the U.S. contribution be reduced by the amount of any increase above $7,000,000 in UNFPA's program in China in fiscal years 1996 and 1997.

The Committee does not believe that the United States contribution should be conditioned on UNFPA withdrawal from China. UNFPA cannot withdraw from any country without the approval of its 48-member nation Governing Council. Many of UNFPA's other donors believe that the organization's emphasis on voluntary family planning is an important reason for UNFPA to continue to operate in China. To condition U.S. funding on a withdrawal of UNFPA from China would have the same practical effect as simply cutting off the entire U.S. contribution. The main consequence of such an action would be to reduce UNFPA assistance to the many of the

140 developing countries in which it works where the United States has no bilateral population program.

Section 2102(b)(2)(G) states that of the amounts authorized to be appropriated for voluntary contributions to international organizations, $15,000,000 for fiscal year 1996 and $15,000,000 for fiscal year 1997 are authorized to be appropriated only for the Organization of American States. The $15 million is comprised of $12,000,000 for technical assistance programs and $3,000,000 for activities to strengthen democracy and human rights.

Technical Assistance.—The $12,000,000 for technical assistance programs is authorized with the understanding that the OAS should provide $1,000,000 to the Inter-American Drug Abuse Control Commission and $1,000,000 to activities of the OAS Special Committee on Trade. The Committee acknowledges the initiatives being considered to restructure the Organization's technical assistance programs to focus attention on fewer key priorities, to encourage more developed member states to become donors rather than recipients, and to ensure evaluation of projects to determine their relative value. The Committee acknowledges that, unlike other OAS activities, such technical assistance programs have historically ensured burden-sharing and have systematically leveraged small sums to attract large contributions by international financial institutions or larger donors.

Strengthening Democracy and Human Rights.—The $3,000,000 for democracy and human rights activities is authorized with the understanding that the OAS should provide adequate funding to implement fully a project of peaceful conflict resolution in Guatemala (approximately $1,000,000) as well as provide $500,000 to the Inter-American Commission on Human Rights. The Committee intends that these U.S. funds not be used to pay recurring costs (such as salaries) but should support activities to which the OAS and other member states are also making significant contributions.

Section 2102(b)(2)(H) states that none of the funds authorized are available for the U.S. proportionate share of contributions to international organizations for any programs identified in section 397 of the Foreign Assistance Act or for programs in Libya, Iran or any terrorist country.

Section 2102(b)(2)(I) states that of the funds authorized to be appropriated for voluntary contributions to international organizations, not to exceed $70,000,000 for fiscal year 1996 and 1997 shall be available for the United Nations Development Program (UNDP). None of the funds available to UNDP for fiscal years 1996 and 1997 may be spent in Burma. The provision provides for a withholding of funds until a Presidential certification is made that UNDP has terminated its activities in Burma. This limitation is considered necessary for the following reasons:

Section 431 of the Foreign Relations Authorization Act for Fiscal Years 1994 and 1995 provided that funds could be made available for the UNDP for FY 1995 if a certification was made that "The United Nations Development Program has initiated no new programs and no new funding for existing programs in or for Burma since the United Nations Development Program Governing Council (Executive Board) meeting of June 1993".

Although such a certification was made, the Committee rejects the Administration's reading of the law. The Administration chose to treat what appears to have been either new programs or new funding for existing programs, as having been "contemplated" at the June, 1993 Governing Council meeting. Under that reading of the law, the Administration released funds to the UNDP. Whether a program was "contemplated" at the June, 1993 Governing Council meeting is immaterial to the question of whether a "new program" or "new funding for existing programs" were "initiated" during the relevant period.

In view of the Administration's decision to make the certification referred to above, the Committee has chosen to withhold an amount equal to the amount the Committee projects the UNDP will spend in Burma—$18.2 million in Fiscal Year 1996 and $25.48 million in Fiscal Year 1997—until the President certifies that the UNDP has terminated its activities in and for Burma.

The Committee notes that the legitimate democratic representatives of the Burmese people have asked the UNDP to withdraw completely. Further, it will be impossible under the current circumstances for the UNDP to avoid benefitting the SLORC regime and its allies.

International Fund for Agricultural Development.—The Committee endorses continued U.S. participation in the International Fund for Agricultural Development (IFAD) and has provided the full Administration's request for IFAD.

Section 2102(c)(1) authorizes $445,000,000 for the fiscal year 1996 and $345,000,000 for fiscal year 1997 for contributions to international peacekeeping activities. The Committee notes that the funds authorized in fiscal year 1996 match the Administration's request.

Sec. 2102(c)(2)—Limitation on Use of Assessed Peacekeeping Funds for Contributions to UNPROFOR:

The limitation on the use of funds authorized to be appropriated for "Contributions for International Peacekeeping Activities" for contributions to the United Nations Protection Force (UNPROFOR) in Bosnia and Herzegovina reflects serious concerns within the Committee about that peacekeeping operation. The UNPROFOR operation is by far the most expensive United Nations peacekeeping operation, accounting for nearly half of the Administration's Fiscal Year 1996 request for "Contributions for International Peacekeeping Activities." That the long-term viability of the operation is in doubt was underscored by the Administration's decision to request funding for only the first six months of Fiscal Year 1996.

The Committee believes that, after some initial successes, UNPROFOR increasingly has proven unable to carry out its mandate. The continued presence of UNPROFOR in Bosnia and Herzegovina in many respects has become an excuse for inaction by the parties to the conflict and by the international community. At some point, the United Nations may have lost sight of the fact that the objective of its policy in Bosnia is not to keep UNPROFOR on the ground, but to facilitate a just settlement of the conflict.

The parties to the conflict have taken advantage of this confusion on occasion by threatening to expel UNPROFOR, as if they were doing the United Nations a favor by permitting UNPROFOR to re-

main in the former Yugoslavia. The United Nations has ratified this behavior by negotiating the terms of UNPROFOR's continued presence. In a similar vein, the United Nations has overlooked military provocations, detention of its personnel, serious human rights violations, and countless other humiliations in order to keep UNPROFOR on the ground. These types of compromises have undermined respect for UNPROFOR and exacerbated the operation's ineffectiveness.

The criteria that must be satisfied before peacekeeping funds may be provided for UNPROFOR are designed to assist the Administration in evaluating whether UNPROFOR is a worthy investment or has become a costly and ineffective band-aid. If the latter, the criteria will compel cessation of U.S. financial support for the operation.

The Committee hopes that this prospect will concentrate the attention of the parties on the need for them to seriously negotiate an end to the conflict. It should also induce the international community to consider alternatives to current policy in the event that the conflict persists and UNPROFOR remains unable effectively to carry out its mandate.

Section 2102(d) authorizes to be appropriated $68,260,000 in fiscal year 1996 and $68,260,000 in fiscal year 1997 for voluntary contributions to peacekeeping operations.

Section 2102(e) authorizes to be appropriated $5,000,000 for fiscal year 1996 and $6,000,000 for fiscal year 1997 for international conferences and contingencies. The provision makes available an additional $1,000,000 in fiscal year 1996 if certain conditions are met by the Department of State. The additional funds would be made available if the Secretary of State certifies to Congress that no funds of the Department of State were expended for travel by any U.S. official or delegate to the Fourth World Conference on Women; or that the United States vigorously urged the United Nations to grant accreditation to a wide range of nongovernmental organizations including United States-based groups representing Taiwanese and Tibetan women in accordance with relevant international standards; that the U.S. encouraged the Government of China and the United Nations to provide the accredited nongovernmental organizations with access to the main conference site that is substantially equivalent in manner and degree to access afforded at previous major United Nations conferences; that the U.S. delegation vigorously and publicly supported access by representatives of accredited nongovernmental organizations to the conference especially with respect to U.S. nongovernmental organizations; that the U.S. delegation vigorously promoted universal respect for human rights; and that if the standards of previous conferences are not met regarding access and accommodation for nongovernmental, that the United States has made a formal, public protest to the United Nations.

The Committee is deeply concerned that the United Nations has been unduly restrictive in accrediting nongovernmental organizations to the Fourth World Conference on Women, which is to be held in Beijing in September 1995. Furthermore, the Chinese government is not providing adequate facilities to enable the parallel

nongovernmental forum to be held in such a way as to provide the nongovernmental organizations with access to the main conference.

Sec. 2103—International Commissions

Section 2103 authorizes appropriations for the international commissions account of the Department of State, to fulfill the U.S. share of treaty and other international obligations involving Canada, Mexico and other countries on international boundary and fisheries matters.

Section 2103 authorizes to be appropriated $13,858,000 for fiscal year 1996 and $12,472,000 for fiscal year 1997 for salaries and expenses of the International Boundary and Water Commission, United States and Mexico; $10,393,000 for fiscal year 1996 and $9,353,000 for fiscal year 1997 for construction activities of the Commission; $740,000 for fiscal year 1996 and $666,000 for fiscal year 1997 for the International Boundary Commission, United States and Canada; $3,500,000 for fiscal year 1996 and $3,195,000 for the fiscal year 1997 for the International Joint Commission; $14,669,000 in fiscal year 1996 and $13,202,000 for fiscal 1997 for the International Fisheries Commissions.

Section 2104—Migration and Refugee Assistance

Section 2104(a) authorizes to be appropriated $560,000,000 for fiscal l996 and $590,000,000 for fiscal year 1997 for migration and refugee assistance. In addition it authorizes $80,000,000 in fiscal year 1996 and $80,000,000 for fiscal year 1997 for refugees resettling in Israel; authorizes $1,500,000 in fiscal year 1996 and $1,500,000 in fiscal year 1997 for displaced Burmese; and $30 million in fiscal year 1996 for resettlement of Vietnamese, Laotians and Cambodians. The total funding for the above listed activities is $671,500,000 for fiscal year 1996 and $671,500,000 for fiscal year 1997.

Subsection (a)(2) authorizes $80,000,000 for fiscal years 1996 and 1997 for refugees resettling in Israel. The Committee recommends continuation of this program based on need. Between 65,000 and 70,000 Jews are expected to arrive in Israel this year from the former Soviet Union. Since 1989 Israel has absorbed over one-half million refugees, primarily from the Soviet Union and Ethiopia. This massive influx has severely strained the resources of the government of Israel. U.S. government funding helps by underwriting the part of the cost of the resettlement of the refugees. None of the funds are used for programs outside the pre-1967 borders of Israel.

Subsection (a)(3) authorizes $1,500,000 for fiscal year 1996 and $1,500,000 for fiscal year 1997 for assistance to displaced Burmese.

Subsection (a)(4) authorizes $30,000,000 for fiscal year 1996 for admission and resettlement of certain Southeast Asian refugees who are in the high-risk categories identified by the "Lautenberg Amendment"; who served with United States forces or in the former government of South Viet Nam, religious refugees, or are members of the Hmong ethnic minority from Laos.

Subsection (b) prohibits expenditures on programs involving repatriation to Viet Nam, Laos, or Cambodia until the President certifies that resettlement offers have been made to those in high-risk

categories and that others have been offered access to a fair and effective process for the determination of refugee status.

Section 2104(c) requires that funds appropriated pursuant to this section remain available until expended.

Section 2104(d) defines "refugee camp" to mean any place in which people who left Vietnam, Cambodia, or Laos are housed or held by a government or international organization.

Section 2105 Certain Other International Affairs Programs

Section 2105 authorizes to be appropriated $10,000,000 for fiscal 1996 and $9,000,000 in fiscal year 1997 for the Asia Foundation.

There remains substantial support on the Committee for the efforts of the Asia Foundation, particularly in the area of democracy building and human rights. The benefits to American foreign policy from the non-official presence of the Foundation in the Asian region are understood and acknowledged by the Committee.

Section 2106—United States Informational, Educational and Cultural Exchange Programs

Section 2106 authorizes to be appropriated the following amounts for international information activities, and educational and cultural exchange programs:

(1) $450,645,000 for the fiscal year 1996 and $428,080,000 for fiscal year 1997 for salaries and expenses;

(2) $5,050,000 for the fiscal year 1996 and $5,050,000 for fiscal year 1997 for the Technology Fund;

(3) $117,484,200 for fiscal year 1996 and $113,680,800 for fiscal year l997 for Fulbright Academic Exchanges Programs;

(4) $900,000 for fiscal year 1996 and $900,000 for fiscal year 1997;

(5) $800,000 for fiscal year 1996 and $800,000 for fiscal year 1997 for East Timorese Scholarships;

(6) $141,000 for fiscal year 1996 and $141 for fiscal year 1997 for Cambodian Scholarships;

(7) $500,000 for fiscal year 1996 and $500,000 for fiscal year 1997 Tibetan Exchanges;

(8) $87,265,800 for fiscal year 1996 and $87,341,400 for fiscal year l997 for other educational exchange programs;

(9) $321,191,000 for fiscal year 1996 and $286,191,000 for fiscal year 1997 for international broadcasting activities;

(10) $75,164,000 for fiscal year 1996 and $67,647,000 for fiscal year 1997 for Radio Construction;

(11) $10,000,000 for fiscal year 1996 and $10,000,000 for fiscal year 1997 for Radio Free Asia;

(12) $24,809,000 for fiscal year 1996 and $24,809,000 for fiscal year 1997 for Broadcasting to Cuba;

(13) $4,300,000 for fiscal year 1996 and $3,870,000 for fiscal year 1997 for the Office of the Inspector General;

(14) $15,000,000 for fiscal year 1996 and $10,000,000 for fiscal year 1997 for the Center for Cultural and Technical Interchange between East and West;

(15) $34,000,000 for fiscal year 1996 and $34,000,000 for fiscal year 1997 for the National Endowment for Democracy;

(16) $4,000,000 for fiscal year 1996 and $3,000,000 for fiscal year 1997 for the Center for Cultural and Technical Interchange between North and South.

International Broadcasting.—The Committee believes that international broadcasting continues to be important to and supportive of American foreign policy objectives. Furthermore, while commercial media sources have an increasingly global reach, they do not necessarily communicate a message that is culturally relevant or in the appropriate language for the foreign audience. The Committee would encourage the USIA to explore options for supporting broadcasting activities through sale of commercial time and encouraging further privatization of language services.

Exchange Programs.—Educational and cultural exchanges are an important tool of American foreign policy. Exchanges advance mutual understanding through the interchange of people, ideas and knowledge. In the opinion of the Committee, mutual understanding is important to maintaining a peaceful world. Prudent programs designed to increase mutual understanding are needed, even with constrained budgets.

Exchanges allow current and potential opinion leaders to travel to the United States and see the American system for themselves. While America no longer faces a cold war adversary, many foreign ideologues paint this country in dark tones. The ability of American national leaders to influence these individuals begins with disabusing them of such notions. First-hand exposure is one of most effective ways to accomplish that end.

The Committee supports exchanges that bear directly on the political relations between the United States and foreign countries. It is important to bringing foreign political leaders to the United States through programs such as those of the Institute for Representative Government and through other organizations running similar programs.

In the past, the funding of numerous scholarship and/or exchange programs under a general heading such as "Other Programs," with discretion implicitly vested in USIA to fund or not to fund specific programs, has led to the non-funding of certain programs, such as the East Timorese scholarships.

By means of specific allocations, the House seeks to guarantee its policy objective of injecting a strong element of human rights concern into the student exchange programs. In addition to helping future leaders get to know the United States, it is hoped that these programs will also be a source of information about the situation in the named countries, and will signal to the rulers of those countries that in order to obtain American training for their promising students, they will have to accept the "risk" that American notions of democracy and open government will be brought home.

This policy interest is particularly keen with regard to Hong Kong. The Hong Kong Scholarship (Section 2403) is introduced this year as a response to the fact that Hong Kong will come under the control of the People's Republic of China during the authorization cycle covered by this bill.

Freedom Support Act.—The Committee understands that USIA's fiscal year 1996 budget request for international exchange programs included an assumption of $40 million for programs author-

ized by the Freedom Support Act. Previously these funds were appropriated to the Agency for International Development and transferred to USIA to administer. Given that the overall funding for exchange programs has been reduced below the Administration request and the fiscal year 1995 appropriated level, the Committee believes that the Freedom Support Act programs should share in the reduction. The Committee expects that of the total funds authorized to USIA for international education and exchange programs, $32 million will be available for the exchange programs for the Newly Independent States (NIS). The Committee would expect any sums transferred to USIA from AID or other agenices for education and exchange programs in the NIS will be in addition to the $32 million in USIA funds allocated to this purpose.

In view of the reduced level of funding for programs in the NIS, the Commmittee suggests that an appropriate balance be achieved in the allocation of funds among the secondary schools exchange program and other exchange and training programs with the NIS.

The Committee finds the secondary school program to be worthwhile. The effort to provide high school students from Russia, Ukraine and the other newly independent states with the opportunity to participate in American society and to return to their home countries with insights into the American models of democratic government and private enterprise enjoys bipartisan support.

The committee recognizes however that other programs in the NIS run by USIA are equally important to the goal of advancing democratic political reform and market based economic transformation in the former Soviet Union.

Claude and Mildred Pepper Scholarship Program.—The Committee recognizes the valuable contributions of the Executive Education Program for Central European Business and Professional Leaders in facilitating a smooth transition to a market economy in the new republics of Central Europe. The Committee also recognizes this leadership program as a component of the Claude and Mildred Pepper Scholarship Program of the Washington Workshops Foundation. The authorization for the Pepper Scholarship Program includes the leadership program as well as the ongoing democracy studies program.

Administrative Funds.—Section 2106(3) authorizes appropriations for various educational and cultural exchange programs. The Committee expects that up to $14,500,000 of the amounts authorized to be appropriated under subsections (A) and (F) may be made available for each of the fiscal years 1996 and 1997 for exchange support activities.

Section 2106(3)(b) South Pacific Exchanges. This authorizes funds for an academic scholarship and exchange program promoting better relations between the United States and developing nations in the South Pacific region by enabling qualified students from the Cook Islands, Kiribati, Niue, Tonga, Tuvalu, Western Samoa, Fiji, Papua New Guinea, the Solomon Islands, and Vanuatu to pursue undergraduate and postgraduate study at institutions of higher learning in the United States.

Section 2106(9) The East West Center. The Committee recognizes the unique contribution of the East-West Center to the fostering of close relations between the people of the United States and

Asia. The Committee believes, however, that the Center must make greater efforts to attract funding from private sources and from Asian and Pacific governments, which have benefited greatly over the years from the Center's programs. In addition, in making any necessary program cuts, the Committee encourages the Center to retain or enhance those programs most closely targeted to U.S. foreign policy objectives, such as the APEC Education Initiative.

Book Donation.—The Committee suggests that USIA continue the funding for logistic and warehouse support for non-governmental organizations undertaking book donations abroad. These programs can serve information and training needs in developing countries and can assist in opening new markets for U.S. businesses.

Section 2107—United States Arms Control and Disarmament Agency

Section 2107 authorizes to be appropriated $44,000,000 for fiscal year 1996 and $40,500,000 for fiscal year 1997 for the Arms Control and Disarmament Agency. The section also authorizes such sums as may be necessary for each of the fiscal years 1996 and 1997 for increases in salary, pay, retirement, other employee benefits authorized by law, and to offset adverse fluctuations in foreign currency exchange rates.

The Committee notes that $12,000,000 of the $17,000,000 requested by the Administration for assessed contributions under the Chemical Weapons Convention is assumed to be included in the assessed contributions to international organizations account, and the Committee does not intend that such contributions be paid from this account.

The Committee does not provide an authorization of appropriation for the Cobra Dane facility. The Administration's budget request proposes to fund the program within ACDA rather than from the Defense budget as has been the case in previous years. The Committee believes that the facility should continue to be funded out of the DoD budget as is the On-Site Inspection Agency which is responsible for the technical aspects of monitoring and verification of the START I Treaty. The Committee urges ACDA to reopen discussions with the Office of Management and Budget with regard to the funding of this facility.

Section 2201—Revision of Department of State Rewards Program

Section 2201 raises to $15 million the funds available for the payment of rewards program for the purposes of preventing acts of terrorism, and narcotics offenses. It also allows rewards to be paid for help in preventing counterfeiting of U.S. currency by state sponsors and others supporting international terrorism. The Secretary is required to submit a report to Congress when a reward payment is made, as well as an annual report that summarizes all rewards or expenditures made from this account, and requests for rewards payments that were denied.

The rewards program is an important tool for capturing fugitives abroad in cases of terrorism and narcotics related offenses. It is in our vital national interest.

In order to be fully effective, funds must be available to pay rewards. Therefore, the Committee has provided that if necessary, fees collected from the machine readable visa (MRV) be available for the payment of a reward if there are insufficient funds available in the rewards account. The MRV fees are to be used only in extraordinary circumstances.

In addition, the Committee has added sense of Congress language recommending long needed asset forfeiture authority for the State Department to make its visa and passport fraud investigations more effective. The proceeds from the forfeitures should be retained to carry out the purposes of the rewards program.

Sec. 2202—Authorities of the Secretary of State

Section 2202 amends the Basic Authorities Act to require that either the Director of the Office of Foreign Missions or the next most senior officer be an individual who has served in the intelligence community. Current law is permissive on this point.

Sec. 2203—Buying Power Maintenance Account.—This provision permits the transfer of expired, unobligated balances into the no-year Buying Power Maintenance Account, subject to compliance with congressional reprogramming requirements. The Department maintains that paragraph (D), which makes such transfers subject to advance appropriations, is unnecessary and has made the transfer authority unworkable. Striking paragraph (D) enables the Department to transfer expiring balances with greater flexibility.

Section 2204—Expenses relating to certain international claims and proceedings

Section 2204(a) allows the Department to accept, in certain cases, reimbursement from private sector claimants for tribunal expenses, salaries, and other ordinary expenses.

Section 2204(b) amends the State Department Basic Authorities Act to enable the Department to use personal services contracts to obtain expert and other support services for international claims and proceedings. Currently the law allows the Legal Advisor's Office to obtain these services by contracting with firms. In many cases the same services could be obtained at half the cost by contracting with an individual.

Section 2205—Consolidation of U.S. diplomatic Missions and consular posts

Section 2205 requires the Secretary of State to prepare a world wide plan for the consolidation, wherever practicable, on a regional or area wide basis of U.S. missions and consular posts abroad. This plan is to be submitted to the appropriate committees of Congress not later than 180 days after the date of the enactment.

As the Secretary of State develops this worldwide plan there should be a recognition of the unique value of the U.S. diplomatic mission to the North Atlantic Treaty Organization, the mission to the European Union in Brussels, and the U.S. consulate covering the activities of the Council of Europe and the European Parliament in Strasbourg, France. These missions have broad responsibility for representing U.S. security and economic interests in Europe. The Committee is mindful that these organization's respon-

sibilities cannot be duplicated by our bilateral missions in Brussels and Paris.

Section 2206—Denial of Passports to Noncustodial Parents Subject To State Arrest Warrants in Cases of Nonpayment of Child Support

Section 2206 allows the Secretary of State to refuse to issue a passport, or to revoke, restrict, or limit a passport in any case in which the Secretary of State determines or is informed by a competent authority that the applicant or passport holder is a noncustodial parent who is the subject of an outstanding arrest for nonpayment of child support.

Section 2207—Capital Investment Fund

Section 2207 amends how the fund may be used so that the Department is able to do in-house upgrades rather than contracting out for these activities. It also requires a Congressional reprogramming notification to be made at the time when monies are to be expended from the fund.

Section 2208—Efficiency in Procurement

Section 2208 allows US agencies operating overseas to participate in existing contracts rather than being required to let new contracts for services.

Section 2209—Training

Section 2209 Allows the US Department of State to provide training for employees of U.S. companies operating overseas on a reimbursable basis. In addition, this section allows the Department to provide foreign language training on a reimbursable basis to Members, officials and employees of the U.S. Congress.

Section 2210—Lease-Purchase Agreements

Section 2210 revises current scoring procedures so when the Department of State enters into lease-purchase agreements involving property in foreign countries it can score the budget authority on an annual basis over the period of the lease in an amount equal to the annual lease payments.

Sec. 2231—Surcharge for processing machine readable visas.

Section 2231 extends for fiscal year 1996 and fiscal year 1997 the ability of the State Department to collect and retain fees from the issuance of machine readable visas. The cap on the collection of fees is increased to $250 million. The provision has been modified to make clear that the fees retained are to be used to cover the costs of installation and operation of the machine readable visa process, improvements in the quality and security of passports, investigations of passport and visa fraud, and the technology to support these activities. In particular, fees should be dedicated to accelerating the modernization and extension of machine readable technology and automated name check capability to all non-immigrant visa issuing posts. The Committee considers these activities to be a top priority for the Department of State and the Bureau of Consular Affairs.

Section 2232—Modification of fingerprint check requirement

Section 2232 modifies the fingerprint requirement for immigrant visa applicants established in the FY95 Commerce Justice State Appropriations Act (Sec. 505 of PL 103–317). The purpose of this amendment is to target more accurately the fingerprinting resources to persons who may have a criminal record in the United States. The revision requires the fingerprinting of individuals 16 years of age, who have at some time been in the U.S. and have been determined to have a criminal history record under subsection (d)(1) of Sec. 140(e)(1) of P.L. 103–236, the Foreign Relations Authorization Act for Fiscal Years 1994/95.

Sec. 2233—Use of certain passport processing fees for enhanced passport services

Section 2233 requires that ten percent of the funds generated by the expedited passport fee be dedicated exclusively to enhancing passport services for U.S. citizens, improving the integrity and efficiency of the passport issuance process, improving the secure nature of the passport, investigating passport fraud, and deterring entry into the U.S by terrorists and other criminals.

Sec. 2234—Consular Officers

Section 2234 is aimed at furthering improvements in the efficiency of consular staffing abroad. The Secretary of State is currently authorized to designate U.S. citizen employees abroad (other than consular officers) to perform notarial and passport services. These provisions permit U.S. citizen employees abroad, who are not consular officers, to perform additional consular functions, including the issuance of certificates of birth abroad, the authentication of foreign documents, the administration of nationality provisions in Title III of the Immigration and Nationality Act, and the administration of oaths for patent purposes.

Sec. 2251—U.S. emergency migration and refugee assistance fund

Section 2251 amends the Migration and Refugee Assistance Act (P.L. 87–510) to specify Congressional notification requirements for use of funds under the Act. This provision requires a 15-day notification to Congress of the drawdown of funds from the Emergency Refugee and Migration Account. A waiver of this notification is permitted under emergency situations.

Sec. 2252—Persecution for Resistance to Coercive Population Control Methods

Section 2252 provides that forced abortion, forced sterilization, or persecution for resistance to such measures are "persecution on account of political opinion" within the meaning of the refugee definition in the Immigration and Nationality Act. It is intended to overrule administrative law decisions holding that subjection to such measures is not ordinarily persecution on account of political opinion. This section would effectively reinstate the interpretation of the law that was reversed by an Immigration and Naturalization Service order on August 5, 1994.

This section will ensure that people whose asylum or refugee claims are based on forced abortion or sterilization, such as many

of those who arrived on the vessel *Golden Venture* in 1993, and who have been detained for nearly two years, will receive a speedy adjudication of their cases and that this adjudication will be based on a careful and sensitive application of the principles underlying our refugee laws.

Section 2253—Report to Congress concerning Cuban emigration policies

Section 2253 requires periodic reports on the Cuban government's methods of enforcing its 1994 and 1995 anti-immigration agreements with the United States, on treatment of persons returned to Cuba under the 1995 agreement and on the methods used by the United States to monitor such treatment and enforcement.

Sec. 2254—United States policy regarding the involuntary return of refugees

Section 2254 provides that no funds authorized by this Act be used for the involuntary return of any person to a country in which he or she has a well-founded fear of persecution. It would not prohibit funding for the return of people who had been found to be non-refugees by any process genuinely calculated to detect a well-founded fear of persecution.

Sec. 2255—Extension of certain adjudication provisions

Section 2255 extends the "Lautenberg Amendment," which identifies certain high-risk refugee categories and provides that applicants in these categories are presumed to be refugees if they assert both a fear of persecution and a credible basis for their fear of persecution. This standard is somewhat more generous than the general "well-founded fear" status. The high-risk categories include nationals or residents of an independent state of the former Soviet Union or Estonia, Latvia, or Lithuania who are Jews or evangelical Christians, as well as certain Southeast Asians. The provision would also extend until Oct. 1, 1997 the Attorney General's ability to adjust the status of aliens who are nationals of an independent state of the former Soviet Union, Estonia, Latvia, Lithuania, Vietnam, Laos, or Cambodia and were granted parole into the US after August 14, 1988, to the status of aliens lawfully admitted for permanent residence.

Section 2301—Coordinator for Counterterrorism

Section 2301 makes permanent the office of the Coordinator for Counterterrorism, and retains the reporting line directly to the Secretary of State.

Section 2302—Special envoy for Tibet

Section 2302 requires the establishment of a special envoy to Tibet within the State Department. The Special Envoy is authorized to promote substantive negotiations between the Dalai Lama or his representatives and senior members of the Chinese government.

Through this special envoy, the United States demonstrates its continued support for His Holiness the Dalai Lama in his quest for

a peaceful resolution to the situation in Tibet through negotiations with the Chinese government.

This provision also authorizes the special envoy to build relations with representatives of the Tibetan Government in exile and to travel to Tibet and Tibetan refugee settlements. The special envoy would report to Congress and the Secretary of State on U.S. policies relevant to Tibet.

This provision calls attention to the discriminatory practices engaged in by the Chinese government against the Tibetan people, highlighting the fact that the Tibetans are prevented from meaningful participation in decision-making as well as in designing development programs which effect the Tibetan people. This has led to the further marginalization of the Tibetan people.

Section 2303—Establishment of Coordinator for Human Rights and Refugees and Bureau of Refugee and Migration Assistance

Section 2303 establishes a Coordinator for Human Rights and Refugees within the Office of the Secretary of State. It also establishes a statutory bureau of Refugee and Migration Assistance. The Coordinator for Human Rights and Refugees would supervise the Bureau of Refugee and Migration Assistance and the Bureau of Democracy, Human Rights, and Labor, and would report directly to the Secretary of State. This provision is intended to unify the functions of the Department relating to refugees and human rights, to put an end to the present situation in which the bureau charged with administering refugee assistance programs also performs unrelated functions, and to ensure that refugee and human rights concerns will be represented by an official with direct and regular access to the Secretary and other senior foreign policy decision makers.

Section 2304—Elimination of statutory establishment of certain positions of the Department of State

Section 2304 eliminates the statutory requirements for an Assistant Secretary of South Asian Affairs, an Assistant Secretary for Oceans, Environment and Science and the Deputy Assistant Secretary for Burdensharing. This provides the Secretary of State with greater discretion to organize the Department.

Section 2305—Establishment of Assistant Secretary of State for Human Resources

Section 2305 establishes an Assistant Secretary for Human resources and requires that the position be occupied by a professional in the field personnel and human resources management. This is intended to change the current structure where the Director General of the Foreign Service is also the Director of Personnel.

The purpose of this section is to emphasize that broad-based principles of personnel administration—and not just the special needs of administering the foreign service—are to receive top priority in the administration of foreign affairs. As employment patterns in the State Department lean more heavily on the talents of the civil service personnel—especially with the pending consolidation of the foreign affairs agencies—personnel matters deserve priority attention. It is the intent of the Committee that the Director General

of the Foreign Service retain current policy and management responsibilities and report to the Secretary through the Assistant Secretary for Human Resources to ensure the coordination of all personnel policies.

Section 2306—Authority of United States Permanent Representative to the United Nations

Section 2306 is intended to improve the coordination of United States foreign policy by clarifying that the United States Permanent Representative to the United Nations is subordinate to the Secretary of State and takes policy direction from the Secretary. The provision addresses the confusion that can arise from the fact that some Presidents have chosen to give the Permanent Representative Cabinet rank. The provision does not preclude Presidents from elevating the Permanent Representative to the Cabinet, but it underscores that such elevation does not accord the Permanent Representative a role in the formulation and conduct of foreign policy equal to that of the Secretary of State. This change is consistent with Division A of this Act which is intended to concentrate responsibility for the conduct of foreign affairs in the Secretary of State.

Section 2351—Authorized Strength of the Foreign Service

Section 2351 imposes specific limits on the total number of Foreign Service personnel and on the number of Foreign Service personnel who are members of the Senior Foreign Service. The levels are specified for the Foreign Service at USIA, AID and Department of State. This is an extension of current law with adjustments made to reflect the continued "right sizing" of the Foreign Service.

Section 2352—Repeal of authority for Foreign Service performance pay

Section 2352 repeals section 405 of the Foreign Service Act that provides for the payment of performance pay. The Department has elected not to award performance payments in recent years.

Section 2353—Recovery of Costs of Health Care Services

Section 2353 authorizes the Department of State to recover and retain the costs incurred by the Department for health care services provided to eligible employees and their families. The provision permits the recovery and retention of such costs from third-party payers and to recover directly from the employee if the employee chooses to be uninsured.

Section 2401—Elimination of permanent authority

Section 2401 eliminates the permanent authorization of the North/South Center to conform it to similar centers that are authorized every two years in the Foreign Relations Authorization Act.

Section 2402—Extension of Au Pair programs

Section 2402 extends the Au Pair program for two years through fiscal year 1997.

Section 2403—Education and cultural exchanges in Hong Kong

Section 2403 requires the Director of USIA to conduct exchange programs with Hong Kong.

Section 2404—Conduct of educational and cultural exchange programs

Section 2404 states that the Director of USIA shall seek to provide opportunities for participation in exchange programs for human rights and democracy leaders from countries including Hong Kong, China, Vietnam, Cambodia, Tibet, Burma, and East Timor.

Section 2405—Educational and cultural exchanges and scholarships for Tibetans and Burmese

Section 2405 requires the Director of USIA to establish exchange programs with the people of Tibet. It requires that at least 30 scholarships shall be available to Tibetan students and professionals who are outside Tibet and at least 15 scholarships shall be available for Burmese students and professional outside Burma. A waiver provision is included if a sufficient number of qualified students can not be found.

The Tibetan people inside Tibet have been isolated from the international community for almost fifty years. It is extremely rare that Tibetans are able to participate in US-PRC exchanges, and when they do, they are hand-picked communist party members. This program seeks to provide opportunities for a wider pool of Tibetans—give them exposure to the free world—where their efforts to secure peace and democracy can be bolstered.

It is the opinion of the Committee that American organizations with expertise inside Tibet such as the Tibet Fund and the International Campaign for Tibet, will be able to identify participants inside Tibet who would benefit most from cultural and educational exchanges with the United States.

Thousands of refugees each year make the harrowing escape from Tibet, across the Himalayas, into Nepal and Tibet. As the ever-expanding refugee community requires more skilled leaders and coordinators to function, the need for the Fulbright Scholarship program continues to grow in importance.

Section 2406—Availability of VOA transcripts

Section 2406 permits university level linguistic researchers to use VOA and Radio Marti transcripts for the purposes of research. This authority sunsets in 5 years from date of enactment.

Section 2407—Retention of interest

Section 2407 allows grantees of the National Endowment for Democracy, with the approval of the grantor, to deposit their grant money in interest-bearing accounts and use the interest for the purposes for which the grant was made. The Committee intends that this authority will only be used in the case of small grants where it is not cost effective to require the return of the interest earned to the U.S. Treasury.

Section 2408—USIA office in Kosova

Section 2408 states the director of the USIA shall seek to establish an office in Pristina, Kosova. This office would serve an invaluable role in disseminating information about the United States, promoting discussions on human rights, democracy, rule of law, and conflict resolution.

Section 2431—Expansion of Broadcasting Board of Governors

Section 2431 expands the current board by two, from 9 to 11, in an attempt to ensure greater diversity of viewpoints among board members. It is particularly intended that the Board should include members who vigorously support the goals of Radio Free Asia, Radio and TV Marti, and other "freedom broadcasting" programs.

Section 2432—Plan for Radio Free Asia

Section 2432 requires the Director of the USIA to submit a plan to Congress to establish Radio Free Asia no later than 90 days after the date of enactment of this act.

Section 2433—Pilot project for freedom broadcasting to Asia

Section 2433 authorizes USIA to make grants for broadcasting to Asian countries that do not enjoy freedom of expression pending establishment of Radio Free Asia. It is intended to guarantee that broadcasting of the type that will eventually be presented by Radio Free Asia is available to people in these countries during the time it will take for Radio Free Asia to become fully operational.

The provision also requires the Director of the USIA to submit to Congress the plan for implementing this section which shall include details concerning a timetable for implementation, grant criteria, and grant application procedures. The procedures and timetable should be designed to ensure that grantees will begin broadcasting no later than 120 days after the date of enactment of this Act.

This interim broadcasting activity is deemed important because of the lack of progress by the Administration to fulfill obligations to appoint a Broadcasting Board of Governors and to proceed with Radio Free Asia. Additional targeted broadcasting into Asia is necessary to provide news relevant to people in the region struggling for democracy.

To facilitate this broadcasting program, USIA is authorized to make grants to organizations that have an expertise in the pro-democracy and human rights movements of Asia.

Section 2501—International Boundary and Water Commission (IBWC)

Section 2501 clarifies the authority of the U.S. Section of the IBWC with regard to the reach of the Rio Grande from the Percha Diversion Dam in New Mexico to the American Diversion Dam in El Paso, Texas. This provision would permit the U.S. Section to stabilize the river channel within the Rio Grande Canalization Project .

Section 2521—Reform in budget decision making procedures of the United Nations

Section 2521 extends current law allowing the President to withhold up to 20 percent of appropriated funds for the United Nations or certain of its specialized agencies if the UN or the agency fails to implement or to continue to implement consensus-based budget decision-making procedures. This is to ensure that the U.S. and other major contributors to UN agency budgets have an appropriate influence in the budget decision making processes of international organizations.

Subsection (b) requires the President to notify Congress when a decision is made to withhold funds under subsection (a) and when a decision is made to pay any previously withheld amounts.

Subsection (c) clarifies that the Department of State may also make arrearage payments for assessed contributions in prior years without regard to subsection (a) of this section or other similar provisions, provided such payments would further US interests in the organization to which payment is made.

Subsection (d) requires the President to submit a report to the Congress not later than February 1 of each year, concerning the amount of the US assessed contributions paid to the UN and each of its specialized agencies during the preceding calendar year.

Section 2522—Limitation on contributions to the United Nations or United Nations affiliated organizations

Section 2522 prohibits U.S. contributions to the United Nations or United Nations affiliated organizations that grant full membership to any organization that does not have the internationally recognized attributes of statehood.

Section 2523—Report on UNICEF

Section 2523 requires the Secretary to report on aspects of UNICEF's progress, including management reforms and commitment to the traditional mission of child health and welfare, with particular attention to whether UNICEF has resisted pressure to become involved in activities within the scope of responsibility of other United Nations agencies.

Section 2524—UN Budgetary and Management Reform

Sec. 2524(a) amends the UN Participation Act requiring withholding at the beginning of Fiscal Year 1996, and in each subsequent year, of 20% of the amounts made available for assessed contributions to the regular UN budget, 50% of the amounts made available for amounts made available for our assessed contributions to UN peacekeeping, and all voluntary contributions to UN peacekeeping until the President submits an annual certification to Congress specifying that:

(1) the UN has an independent office of Inspector General to conduct audits, investigations and inspections of UN programs;

(2) the UN has an Inspector General who was appointed by the Secretary General with the approval of the General Assembly and whose appointment was made on the basis of the appointee's integrity and ability in accounting;

(3) the Inspector General is authorized to make investigations and reports, have access to all records and documents and materials relating to UN programs, have access to any UN official, and have access to all records and officials of UN specialized agencies;

(4) the UN has fully implemented, and made available to member states, procedures that protect the identity of, and prevent reprisals against, any UN staff member making a complaint or disclosing information to the Inspector General;

(5) the UN has fully implemented procedures ensuring the compliance with recommendations of the Inspector General;

(6) the UN has required the Inspector General to issue an annual report and all other reports of the Inspector General are made available to the General Assembly without modification;

(7) the UN has provided sufficient resources to ensure the effective operation of the office of the Inspector General.

The Committee notes with concern that the performance of this office fails to meet the standards established in law in the FY94-95 Foreign Relations Act (Public Law 103-236) insofar as the UN has not fully implemented procedures ensuring compliance with recommendations of the Inspector General, in so far as the office lacks the resources needed to ensure its effective operation, and in regard to its failure to protect the identity of, and prevent reprisals against, any UN staff member making a complaint or disclosing information to the Inspector General.

Section 2524(b) amends Section 11(a) of the UN Participation Act by withholding 10% of the amount of funds made available for FY97 and in each successive year for U.S. assessed contributions to the regular UN budget unless a certification has been made by the President to Congress that the UN has implemented a system requiring (a) prior notification for the submission of all qualified bid proposals on all UN procurement opportunities and (b) a public announcement of the award of any contract over $100,000.

It further amends Section 11(b) of the same act for Fiscal Year 1997 and in each successive year requiring a 10% withholding for the US assessed contribution to the regular budget of the UN unless a certification has been made by the President to Congress that the procurement regulations of the UN prohibit punitive actions, such as the suspension of contract eligibility for contractors who challenge contract awards.

It further amends Section 11(c) of the Act for Fiscal Year 1998 and each subsequent fiscal year requiring a 10% withholding for the US assessed contribution to the regular budget of the UN unless the President has certified to the Congress that the UN has established a contract review process for contracts over $100,000.

It also amends Section 4(d) of the UN Participation Act, as amended by section 407 of P.L. 103-236, the Foreign Relations Act for Fiscal Years 1994 and 1995, by requiring information on contracts won by American firms not only on headquarters procurement decided in New York but also on local procurement decided on site in each peacekeeping mission around the world.

The Committee notes that too often the notice of a pending contract is received too late to permit a qualified contractor to submit

a bid. In many of these instances, an "insider" will enjoy a distinct advantage over other bidders. The Committee also notes that at present there is no formal system to allow unsuccessful bidders to challenge the awarding of UN contracts and that when a contractor complains, for example, about the failure of the UN to make prompt payment for goods, the contractor can be suspended from eligibility to bid on additional contracts.

Section 2601—Applicability of the Taiwan Relations Act

Section 2601 makes two amendments to the Taiwan Relations Act. Section 2601(a) amends the Act to add a new subsection (d) to section 3 of the Act. This new subsection reasserts the primacy of sections 3(a) and 3(b) of the Taiwan Relations Act with regard to United States arms sales to Taiwan. Sections 3(a) and 3(b) provide in pertinent part that "the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability", and that "[t]he President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan."

Subsequent to the enactment of the Taiwan Relations Act, and without the approval of the Congress, the Executive branch issued a "Joint Communique of the United States and China" on August 17, 1982, which purported to commit the United States "to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final solution." Insofar as this policy statement is inconsistent with sections 3(a) and 3(b) of the Act, it is contrary to law and cannot be the policy of the United States. The new section 3(d) of the Act is intended to underscore this fact.

The emphasis of the People's Republic of China (PRC) in recent years on naval modernization and the acquisition of long range strike aircraft has increased Taiwan's exposure to the threat of a naval blockade. The PRC has acquired advanced conventionally powered submarines of the Russian "KILO" class, and will likely produce this submarine in China. The most effective means of deterring the PRC from contemplating the use of a naval blockade to forcibly incorporate Taiwan into the PRC is conventionally powered coastal patrol submarines. The decision of the Department of State to deny Taiwan's request for the transfer of conventionally powered coastal patrol submarines or their components to Taiwan has increased rather than decreased the likelihood of armed conflict in the Taiwan Straits, and therefore raises serious questions under sections 3(a) and 3(b) of the Act.

The new section 3(d) of the Act does not change United States law; it reaffirms it. It merely states that the Taiwan Relations Act, a law passed by the Congress, has primacy over a policy statement issued by the Executive branch. Any policy statement which, contrary to sections 3(a) and 3(b) of the Act, does not take into account Taiwan's defense needs or the role of the Congress and the President in determining such needs is invalid as a matter of law.

Section 2601(b) amends the Taiwan Relations Act to add a new subsection (e) to section 4. This new subsection is intended to end the Executive branch policy of denying visas for travel to the Unit-

ed States to officials of the Government of the Republic of China on Taiwan. The Congress has expressed its dissatisfaction with this policy on several occasions during the past year, but the Administration has chosen to disregard the clear view of the Congress. As a last recourse, therefore, the new section 4(e) of the Taiwan Relations Act will render inapplicable to officials of the Government of the Republic of China on Taiwan the statutory authority upon which the Executive branch has relied to deny visas to such officials.

Section 2602—Bosnia Genocide Justice Act

Section 2602 expresses the sense of Congress that the President should focus on bringing to justice persons responsible for genocide, war crimes and other serious violations of international human rights law committed in the territory of the former Yugoslavia since 1991. The Committee urges the President to allow for the collection of relevant data on such war crimes and share the information with the War Crimes Tribunal and to assist the United Nations in its efforts to investigate, prosecute, and try those responsible for the atrocities. The provision also requires a report every six months describing progress of assisting the War Crimes Tribunal for the former Yugoslavia established by the Security Council of the United Nations.

Section 2603—Expansion of the Commission for Security and Cooperation in Europe (CSCE)

Section 2603 expands the CSCE by 8 Commissioners, 4 from the House and 4 from the Senate. With this change, the CSCE membership would include a total of 13 Senators and 13 Representatives with seven from the majority and six from the minority party of each body. It is the understanding and expectation of the Committee that any expansion of the membership of the Commission will not result in any increases in staff or other support provided by the Commission.

Section 2641—Policy Toward North Korea

Chapter 2 (encompassing Sections 2641–2645) addresses congressional concerns about certain provisions of the Agreed Framework and supplies needed additional policy direction to the Administration regarding any additional steps towards normalization of U.S.-North Korean relations.

Section 2641 summarizes the findings of Congress regarding the salient features of the accord and its inadequacies in regard to specific congressional concerns.

The United States-North Korea nuclear agreement signed last October contains troubling risks for important American nonproliferation and regional security interests as well as the potential to end the threat posed by North Korea's nuclear activities. North Korea's behavior to date raises serious questions about whether Pyongyang is acting in good faith. North Korea apparently has diverted to military use some heavy fuel oil in apparent contravention of the agreed purposes of interim fuel deliveries, and has continued its relentless campaign of harsh denunciations of our ally, South Korea. In April, 1995, U.S.-North Korean talks in Berlin

were broken off prematurely and without agreement due to Pyongyang's refusal to accept South Korea as the source of light water reactors to be provided under the agreement.

Section 2642 expresses the Sense of the Congress regarding minimum nuclear nonproliferation conditions to be met by North Korea.

Section 2643 makes clear that South Korea is the only acceptable source for the light water reactors that are to be provided to North Korea under the agreement.

Section 2644 expresses the Sense of the Congress regarding conditions for any further steps towards upgrading relations with North Korea. It emphasizes the primacy of the U.S.-South Korea relationship by conditioning further steps towards upgrading U.S.-North Korea relations on progress towards a North-South dialogue and fulfillment of the 1992 North-South accord on the denuclearization of the Korean peninsula. The same section reinforces the importance of other American objectives regarding the Korean Peninsula, including the reduction of North Korea's military forces and their redeployment away from the Demilitarized Zone, prohibiting the deployment of ballistic missiles by Pyongyang, and deterring the export of missiles and other weapons of mass destruction.

Section 2645—Restrictions on Assistance to North Korea and the Korean Peninsula Energy Development Organization

Section 2645 amends the Foreign Assistance Act of 1961 to add a new section 620G. This new section will prohibit the provision of any U.S. assistance to North Korea or the Korean Peninsula Energy Development Organization (KEDO) unless such assistance is provided in accordance with otherwise applicable requirements and procedures, and unless the President notifies the appropriate congressional committees in accordance with the reprogramming procedures of section 634A of the Foreign Assistance Act and determines that the provision of such assistance is vital to the national interests of the United States.

The new section 620G of the Foreign Assistance Act is intended to serve two purposes with respect to any U.S. financial contributions to implementation of the Agreed Framework with North Korea.

First, the section mandates that any proposed provision of U.S. foreign assistance to North Korea or the Korean Peninsula Energy Development Organization (KEDO) will be subject to the reprogramming procedures of section 634A of the Foreign Assistance Act. This ensures that the Committee will be notified adequately of the intended provision of such assistance and will have the opportunity to consider whether the provision of such assistance is warranted in view of North Korean behavior.

The second purpose served by the new section 620G is to remove any incentive the Administration otherwise might have to provide U.S. assistance to North Korea or KEDO from funds other than those authorized for foreign assistance and related purposes. The Administration's action in January, 1995, to utilize approximately $4.5 million in Defense Department funds to purchase heavy oil for delivery to North Korea pursuant to the Agreed Framework gave rise to suspicions that the Administration wished to avoid restric-

tions that would have applied to the use of foreign assistance funds for such purposes.

Had the Administration sought to provide such assistance under the Foreign Assistance Act, the President would have had to utilize special waiver authorities to avoid such restrictions as the prohibition on providing assistance to communist countries (section 620(f) of the Act), and the prohibition on providing assistance to countries supporting international terrorism (section 620A of the Act). In addition, the President would have had to comply with the reprogramming procedures of section 634A of the Act. These requirements and procedures did not apply to the assistance provided to North Korea from Defense Department funds.

The new section 620G will place the provision of assistance to North Korea or KEDO from Defense Department and other non-foreign assistance funds on an equal footing with the provision of such assistance under the Foreign Assistance Act. Under the new section 620G, non-foreign assistance funds can be provided to North Korea or KEDO only in accordance with the reprogramming procedures of section 634A, and only if the President makes a determination similar to that required in order for the President to exercise the waiver authority of section 614 of the Foreign Assistance Act.

Section 2651—United States Policy Concerning the Dictatorship in Burma

Section 2651(a) states the sense of Congress that the U.N. Security Council should impose an international arms embargo on Burma, should affirm human rights and protection of minorities, condemn Burmese officials responsible for crimes against humanity, take steps to encourage multilateral assistance programs for refugees from Burma in Thailand and India, and reduce U.N. organizations' activities in Burma.

Section 2651(b) states the sense of Congress that the President should reduce the foreign service presence in Burma.

Section 2661—Torture

Section 2661 provides definitions of the terms used in section 2662.

Section 2662—United States policy with respect to the involuntary return of persons subjected to torture

Section 2662 prohibits the use of funds authorized by this Act in the involuntary return of any person to a place in which he or she is in serious danger of subjection to torture.

Section 2701—Inter-American Organizations

Section 2701 states that the Secretary of State should take into account the long-term commitment of the United States to the affairs of the Western Hemisphere in setting funding levels for Inter-American organizations.

Section 2702—Territorial integrity of Bosnia and Herzegovina

Section 2702 expresses the sense of Congress that the U.S. should refuse to recognize the incorporation of any of the territory

of Bosnia-Herzegovina into the territory of any neighboring state or the creation of any new state within the borders of Bosnia-Herzegovina. The Committee reiterates the U.S. commitment to recognize the territorial integrity of Bosnia-Herzegovina as an extension of U.S. recognition of Bosnia as a sovereign and independent state on April 7, 1992, and its admission as a full participating Member to the United Nations and the Organization for Security and Cooperation in Europe.

Section 2703—The Laogai system of political prisons

Section 2703 expresses the sense of Congress that the President should condemn the continued existence of the Laogai and call upon the Government of the People's Republic of China to dismantle it and release all of its political prisoners and instructs the diplomatic representatives of the United States to support the passage of a resolution condemning the Laogai before the U.N. Human Rights Commission.

Section 2704—Concerning the use of Funds to further normalize relations with Vietnam

Section 2704 expresses a sense of Congress that funds in this bill should not be obligated to further normalization of relations with the government of Vietnam until that government holds free elections, respects human rights, and accounts for POWs and MIAs.

Section 2705—Declaration of Congress regarding U.S. Government human rights policy toward China

Section 2705 expresses the sense of Congress that the People's Republic of China government continues to violate a broad range of human rights, and requires reports on all aspects of the success of the President's 1994 human rights policy toward China, as well as on the status of coercive population control programs and on prison labor conditions.

Section 2706—Concerning the UN Voluntary Fund for Victims of Torture

Section 2706 expresses the sense of Congress that the Voluntary Fund should develop and support treatment centers for torture victims and that the United States should support the work of the Special Rapporteur on Torture and the Convention Against Torture.

Section 2707—Recommendations of the President for reform of War Powers Resolution

Section 2707 expresses the sense of Congress that the President should transmit to Congress recommendations for reform of the War Powers Resolution.

Section 2708—Conflict in Kashmir

Section 2708 expresses the sense of Congress that the United States reiterates the need for all parties to the conflict in Kashmir to enter into negotiations and resolve the conflict peacefully. It also urges the executive branch to work with the parties to the conflict

to facilitate a peaceful negotiated settlement of the Kashmir conflict.

Section 2709—United States Relations with the Former Yugoslav Republic of Macedonia

Section 2709 expresses the sense of Congress that the Former Yugoslav Republic of Macedonia should be eligible for all United States foreign assistance programs including programs of the Export-Import Bank and the Overseas Private Investment Corporation if the government continues to respect the rights of all ethnic minorities.

Section 2710—Sense of the Congress Relating to Indonesia

Section 2710 expresses the sense of Congress that the United States should continue to urge progress in promotion and protection of internationally recognized human rights by the Government of Indonesia.

Section 2711—Displaced Persons

Section 2711 expresses the sense of Congress that at least $20 million of the amounts made available by the United States to the United Nations Development Program should be devoted to programs for persons displaced within their own countries of nationality, in co-operation with the International Organization for Migration, the International Committee for the Red Cross, and other non-governmental organizations.

DIVISION C

Section 3001. Short Title

Section 3001 states that the short title of Division C is the "Foreign Aid Reduction Act."

Section 3002. Findings and Purposes

Section 3002 states three declarations of policy.

Title XXXI—Defense and Security Assistance

Chapter 1—Military and Related Assistance

Subchapter A—Foreign Military Financing Program

Section 3101. Authorization of Appropriations for Foreign Military Financing Assistance

Section 3101 authorizes $3,284,440 for FY96 and $3,240,020 for FY97 for Foreign Military Financing (grant and loan) under section 23 of the Arms Export Control Act.

Section 3102. Administrative Expenses

Section 3102 authorizes that not more than $24,020,000 for each of FY96 and FY97 from assistance made available under the Foreign Military Financing program under section 23 of the Arms Export Control Act may be utilized for necessary expenses for the general costs to administer military assistance and sales programs.

Section 3103. Assistance for Israel

Section 3103 authorizes that not less than $1.8 billion in grant assistance under the Foreign Military Financing program under section 23 of the Arms Export Control Act for each of FY96 and FY97 shall be made available for Israel. This section also directs that such funds be disbursed in both FY96 and FY97 within 30 days of enactment, or by October 31, 1995 and 1996, whichever is later. This section also states that grant FMF made available for Israel may be utilized for advanced weapons systems, of which not less than $475 million shall be available for procurement in Israel of defense articles and services, including research and development. This section also includes a new provision "termed expanded fair pricing" which allows the President to provide without charge to Israel certain services to support government-to-government sales (NATO member states are also eligible for this exemption). Under this authority, the President may exempt Israel from being charged for quality assurance, inspection, contract administration services, contract audit defense services, and cataloging data and cataloging services if Israel provides such services on a reciprocal basis to the U.S.

Section 3104. Military Assistance for Egypt

Section 3104 authorizes that not less than $1.3 billion in grant assistance under the Foreign Military Financing program under section 23 of the Arms Export Control Act for each of FY 96 and FY 97 shall be made available for Egypt.

Section 3105. Loans for Greece and Turkey

Section 3105 authorizes not more than $26.62 million for Greece and not more than $37.8 million for Turkey of those funds made available for FY 96 under section 23 of the Arms Export Control Act shall be made available for the subsidy cost of direct loans. No funds are authorized for FY 97.

It is intended that this authorization level for subsidy costs would support a loan program of $224 million for Greece in FY 96 and $320 million for Turkey in FY 96. This provision represents a reduction from the Administration's FY 96 request for subsidy costs of Greece and Turkey was $89.890 million to support a loan program of $315 million for Greece and $450 million for Turkey. The FY 95 program level is $229 million for Greece and $328 million for Turkey; subsidy costs were lower because interest costs were lower and the credit ratings of these countries were higher in FY 97.

The Committee's recommended level of funding for Turkey completes the commitment of the U.S. for funding for Peace Onyx I/II, a joint F–16 fighter aircraft program for the Turkish Air Force.

The Committee recommends this level of FMF funding for Greece and Turkey in order to maintain the principle of balance in U.S. military assistance to those countries, which has been recognized over the years by the Congress as an important factor in maintaining a stable political and military situation in the Eastern Mediterranean.

Section 3106. Terms of Loans Under Foreign Military Financing

Section 3106 states that loans made available under section 23 of the Arms Export Control Act shall be not provided at concessional rates of interest. This section updates and codifies in the Arms Export Control Act the FMF loan terms that have been carried annually on the Foreign Operations Appropriation bill.

Section 3107. Nonrepayment of Grant Assistance

Section 3107 codifies in the Arms Export Control Act a provision carried in annual appropriations bills which states that the President shall not require repayment of grant assistance provided under the Foreign Military Financing program under section 23 of the Arms Export Control Act.

Section 3108. Additional Requirements

Section 3108 amends section 23 of the Arms Export Control Act to codify several provisions which have been carried on annual appropriations bills. The first provision limits the use of grant or loan Foreign Military Financing under section 23 of the Arms Export Control Act for the purpose of financing commercial sales to NATO member states, major non-NATO allies or Jordan which are justified in the annual congressional presentation documents. The second provision directs the Secretary of Defense, as requested by the Director of the Defense Security Assistance Agency, to conduct audits on a nonreimbursable basis of firms which have entered into contracts with foreign governments under which grant or loan Foreign Military Financing under section 23 of the Arms Export Control Act is utilized. The third provision prohibits the use of Foreign Military Financing under section 23 of the Arms Export Control Act to be used to facilitate the transport of aircraft to commercial arms sales shows. The fourth provision states that the Committee shall receive a 15-day pre-notification for any country or international organization which has been approved for cash flow financing for the procurement of defense articles, services or design and construction services in excess of $100 million that is financed in whole or in part with funds made available under the Arms Export Control Act or the Foreign Assistance Act of 1961. The fifth provision limits to $100 million the amount of grant or loan Foreign Military Financing under section 23 of the Arms Export Control Act that may be made available to countries, other than Egypt and Israel, for the purpose of financing commercial sales.

Finally, the sixth provision in this section authorizes Foreign Military Financing under section 23 of the Arms Export Control Act for demining activities and activities implemented through nongovernmental and international organizations.

With respect to the demining authority, the Committee directs the Secretary of State to make all possible efforts to ensure that assistance under this subsection, including the provision of mine detection/clearing equipment, mine clearing training and other assistance related to reducing the threat of injury from mines, especially to civilian personnel, be made available to Slovenia, Croatia, Bosnia-Hercegovina, Macedonia, Angola and Mozambique.

Subchapter B—Other Assistance

Section 3121. Defense Drawdown Special Authorities

Section 3121 increases the special drawdown authorities of defense articles and services from defense stocks to assist foreign countries from $75 million to $100 million (for unforeseen emergencies) and from $75 million to $150 million (for national interests relating to international narcotics, international disaster assistance, migration and refugee assistance and POW/MIA repatriation efforts). The POW/MIA repatriation drawdown is codified from the current appropriations law. It allows for the drawdown of up to $15 million in defense articles and services to Vietnam, Cambodia and Laos to support efforts to locate and repatriate members of the U.S. Armed Forces and civilians who remain unaccounted for since the end of the Vietnam war.

Section 3122. Stockpiles of Defense Articles

Section 3122 authorizes $50 million for each of FY96 and FY97 for additions to stockpiles of DoD articles in Korea ($40 million) and Thailand ($10 million). This section also provides authority for the President to establish additional stockpiles pursuant to congressional notification procedures. Further, this section provides Israel with a permanent authorization for additions to DoD stockpiles in that country. (The same authority is already in current law for NATO member states).

Section 3123. Transfer of Excess Defense Articles

Section 3123 streamlines and consolidates DOD authorities of current law to transfer excess defense articles.

This new consolidated authority stipulates that only countries which are justified in the annual congressional presentation documents for military assistance or counter-narcotics programs, or separately justified during the fiscal year for such purposes, are eligible to receive excess defense articles. This section retains current limitations on EDA transfers, including: excess defense articles must be drawn from existing DoD stocks; no DoD procurement funds may be expended in connection with the transfer; the transfer of EDA will not have an adverse impact on the military readiness of the U.S.; that an analysis be preapred on the impact of providing EDA on a grant versus sales basis; and the transfer of such articles is consistent with the policy framework for the Eastern Mediterranean pursuant to section 620C of the Foreign Assistance Act.

An additional limitation on proposed transfers requires the President to determine that the transfer will not have an adverse impact on U.S. defense industry and that the transfer will not reduce opportunities of U.S. companies to sell new or used equipment to countries where transfers are either being transferred or being considered for transferred. Such determination is also required to be included as part of the congressional notification on any proposed transfer (see below). The Committee would note that such determination applies to both grant transfers and sales of EDA. The Committee expects the Defense Security Assistance Agency to work closely with U.S. defense industry to ensure that both the spirit

and the law are met fully with regard to this limitation. The Committee will be monitoring the implementation of this provision closely.

This section also codifies EDA provisions carried over from current appropriations law including a provision which directs that EDA provided to NATO member countries on the southern and southeastern flank of NATO and major non-NATO nations on such southern and southeastern flank shall be given priority to the maximum extent feasible on the delivery of EDA over other countries.

This section also includes a subsection which prohibits the expenditure of DoD funds for packing, crating, and handling associated with transfers of EDA. Transportation may be provided and paid for with DoD funds but on the strict terms outlined in this subsection.

Other subsections of this section include a provision for congressional notification of proposed transfers of EDA if the proposed transfer is significant military equipment or EDA valued at more than $7 million (acquisition cost). This notification requires that specific information and assessments be made with regard to the proposed transfer.

This section also includes an aggregate annual limitation of $350 million (current value) on the transfer of EDA under this section to countries in any fiscal year. The Committee directs the Defense Security Assistance Agency to promptly consult with the Committee should DSAA consider changing the regulations or definitions addressing how current value is determined. This aggregate ceiling does not apply to sales of EDA.

Finally, this section requires that the Executive branch expand upon the current EDA section in the annual congressional presentation documents to provide the committee with specific information.

Section 3124. Non-Lethal Excess Defense Articles for Albania

Section 3124 authorizes DoD to expend funds for crating, packing, handling and transportation of nonlethal EDA transferred under section 516 of the Foreign Assistance Act to Albania, notwithstanding section 516(e) which prohibits the expenditure of such funds for such purposes.

Chapter 2—International Military Education and Training

Section 3141. Authorization of Appropriations

Section 3141 fully funds the Administration's request of $39,781,000 in FY96 and FY97 for the International Military and Education Training (IMET) program. While this level of support is an increase over FY 94 and FY 95 funding levels, it is far lower than the level of support IMET experienced during the 1980s and early 1990s. This military education program will train approximately 3,500 personnel from over 100 countries. It enhances the military professionalism of our friends and allies, contributes to cooperation in the event of international crises, and introduces an intensive level of human rights and rule-of-law education to military officers from a wide range of developing countries.

Section 3142. Assistance for Indonesia

Section 3142 authorizes the resumption of IMET for Indonesia with the condition that all such IMET be comprised of the human rights-oriented Expanded IMET program as described in clauses (i) through (iv) of the second sentence of section 541 of 22 U.S.C. § 2347. The decision to resume targeted IMET for Indonesia is based on the importance of Indonesia as a trade and security partner, on professionalism and human rights sensitivity of the foreign military beneficiaries.

This limited restoration of IMET, therefore, should not be interpreted as an expression of congressional satisfaction with the Government of Indonesia's human rights performance in East Timor or elsewhere in Indonesia. The Congress remains concerned about poor human rights conditions in Indonesia and urges the Administration to actively promote better human rights practices. Moreover, the Congress looks for improvements in these areas prior to restoration of the full range of security cooperation with Indonesia as it existed prior to the massacre in Dili, East Timor, in November 1991.

Section 3143. Additional Requirements

Section 3142 amends the Foreign Assistance Act to place into permanent law several provisions carried in annual appropriations law: first, a provision which allows NGOs to be eligible for Expanded IMET assistance; and second, a provision which limits IMET assistance to $300,000 to any high-income country and only if such country agrees to pay for the transportation and living allowances of its students. For purposes of this section, "high-income country" means any country whose annual per capita GNP exceeds $2,349 as set forth in the "World Development Report, 1988". In addition, this section contains a new authority which allows foreign military and civilian defense personnel to attend U.S. test pilot flight schools if such attendance is agreed to on a reciprocal basis with a foreign country and is accomplished without charge to this section. This authority will allow the Air Force to train test pilots from the U.K. and France on a reciprocal basis without cost to the U.S. Government.

Chapter 3—Antiterrorism Assistance

Section 3151. Authorization of Appropriations

Section 3151 authorizes the appropriations of $20 million in fiscal year 1996 and $25 million in fiscal year 1997 for the Antiterrorism Assistance (ATA) program. This represents a $5 million increase in FY96 and a $10 million increase in FY97 from both the FY95 level and the President's request. Amounts authorized to be appropriated under this section will remain available until expended.

The increase in the authorization level reflects the priority the Committee places on antiterrorism assistance. The Committee notes that the law enforcement effort following the World Trade Center bombing required the active cooperation and support of a number of friendly governments. The Committee strongly urges the Administration to strengthen such cooperation and assistance to

improve and expand the capability of friendly governments to assist antiterrorism law enforcement activities.

Section 3152. Antiterrorism Training Assistance

Section 3152 makes a variety of amendments to section 573 of the Foreign Assistance Act relating to the manner in which Antiterrorism Training Assistance (ATA) assistance may be provided. When the ATA program was established, a variety of restrictions were imposed on how training could be provided and specified that only certain types of material assistance could be provided due to lingering sensitivities about U.S.-supported police training assistance. Some of these restrictions currently make the program less effective.

Section 3152 allows assistance through the ATA program to be provided outside the United States, mirroring other current law enforcement training authorities. This modification will make the program more efficient as well as more cost effective. Section 3152 also removes the specific list of material assistance that may be provided in favor of a restriction on the provision of arms and ammunition. Arms and ammunition may only be provided if they are directly and integrally related to training being provided and if the Congress is notified 15 days in advance in accordance with regular reprogramming procedures. This change also makes the program consistent with other U.S.-supported law enforcement training programs.

Section 3153. Research and Development Expenses

Section 3153 would allow the Bureau of Diplomatic Security's Office of Antiterrorism Assistance to use funds, as practicable, for the State Department's Technical Support Working Group. Such funds could be made available during the fiscal year only after the Office of Antiterrorism Assistance determines that its remaining annual training requirements, related equipment purchases, and contractual obligations can be effectively met by the existing funding allocation. Priority use of funds to carry out chapter 8 of part II of the Foreign Assistance Act (22 U.S.C. § 2349aa et seq.; relating to antiterrorism assistance) shall continue to focus upon training and training-related equipment purchases.

Chapter 4—Narcotics Control Assistance

Section 3161. Authorization of Appropriations

Section 3161 authorizes the appropriation of $213 million in FY96 and FY97 for international narcotics control assistance. This fully funds the President's request for this program. The authorization also grants the President's request for a consolidation of all narcotics-related assistance, including Economic Support Fund assistance and Foreign Military Financing assistance, into a single account. The President requested this consolidation in order to better coordinate all counter-narcotics assistance programs and to improve the efficiency of the delivery of such assistance.

Section 3162. Additional Requirements

Section 3162 makes the following technical and administrative amendments to the narcotics control authorities under the Foreign Assistance Act.

Section 3162(a) restates a one-year provision of the International Narcotics Control Corrections Act of 1994 relating to programs to combat other international criminal activities and makes the provision permanent law. The section reflects concern over the increased level of organized international criminal activity and the threat posed by such activity to U.S. national security. The section is intended to allow the provision of assistance to address a variety of criminal activities that may not be directly related to narcotics production and trafficking, such as alien smuggling, counterfeiting, and other types of illegal international activity. The section also reflects the creation in the Department of State of the Bureau of International Narcotics and Law Enforcement Affairs. The Committee intends that all Department of State anticrime activities (other than antiterrorism activities) be conducted by that bureau.

Section 3162(b) establishes administrative authorities for the provision of international narcotics control assistance by allowing the President to accept contributions from other governments to augment existing narcotics control activities and to provide training and other assistance on a reimbursable basis. The United States has the most well-established mechanism for providing a wide variety of international counter-narcotics related assistance. An integral component of the U.S. international narcotics control strategy for the past seven years has been efforts to increase support for counter-narcotics activities by other countries affected by the narcotics problem. However, most of these countries do not have any type of mechanism available that would allow the effective delivery of such assistance. The authority to accept contributions from other interested foreign governments will allow the President to administer another country's assistance efforts under the same terms and conditions as U.S. assistance.

Section 3162(c) requires that funds authorized under other sections of the Foreign Assistance Act for narcotics control or crime purposes be apportioned directly to the Bureau for International Narcotics and Law Enforcement Affairs. This provision is intended to address a problem with internal transfers of funds within the Department and between the Department and AID (or AID's successor). In FY95, $5 million in Economic Support Fund assistance was authorized for anticrime programs. These funds experienced a long delay in obligation because of the cumbersome inter-Department transfer system. A similar situation arose with respect to the $30 million authorized for law enforcement assistance to Central Europe and the independent states of the former Soviet Union. Despite the urgent problems in those countries which the assistance was designed to address, the obligation of these funds was delayed for several months due to the necessity to transfer the money from AID to the Department and then within the Department. Section 3162(c) also allows the Secretary to receive property declared excess by other U.S. Government agencies and to transfer such property to foreign governments under the same terms and conditions as funds authorized for international narcotics control programs.

Section 3162(d) makes expanded certification and reporting requirements first enacted in the International Narcotics Control Act of 1992 permanent. That legislation expanded the number of countries about which the President is required to report in the annual International Narcotics Control Strategy Report (INCSR) and expanded the reporting requirement to include more detailed information on major money laundering countries and countries which are a major source of precursor chemicals. With respect to certification, the International Narcotics Control Act of 1992 modified the procedures for recertification, allowing a country that had undergone a fundamental change in government after being decertified to receive assistance without additional congressional action.

Section 3163. Notification Requirement

Section 3163 requires the Director of the Office of National Drug Control Policy to notify the appropriate congressional committees 15 days in advance of using the authority of the National Narcotics Control Leadership Act of 1988 to reallocate resources and personnel associated with international narcotics control programs and activities. The Committee believes that in order to fulfill its oversight responsibilities with respect to such programs and activities, no such reallocation of personnel or resources should be permitted without the prior consultation and approval of the Committee.

Section 3164. Waiver of Restrictions for Narcotics-Related Economic Assistance

Section 3164 restates for FY96 and FY97 a provision of law allowing the President to provide narcotics-related economic assistance without regard to other restrictions on assistance, except for countries which have been decertified for narcotics concerns or which systematically violate internationally recognized human rights.

Chapter 5—Nonproliferation and Disarmament Fund

Section 3171. Nonproliferation and Disarmament Fund

Section 3171 authorizes $25 million for each of FY 96 and FY 97 to fund the Nonproliferation and Disarmament Fund which is used to carry out bilateral and multilateral nonproliferation and disarmament activities worldwide.

The Committee notes that this fund, which has been authorized and appropriated at $10 million for FY 94 and FY 95, is increased to $25 million because $15 million has been transferred from the 050 defense account to the 150 international affairs account to carry out export control activities in the former Soviet Union. The Committee directs the Under Secretary of State for Arms Control and International Security Affairs, to which the implementation of this program was delegated, to ensure that not more than $15 million of the funds authorized for this section are obligated for export control activities worldwide. Further, the Committee intends that the majority of the remaining funds authorized for this fund be dedicated to bilateral and multilateral disarmament activities outside of the FSU. Those countries are eligible for assistance under the Nunn-Lugar program.

Chapter 6—Other Provisions

Section 3181. Standardizing Congressional Review Procedures for Arms Transfers

Section 3181 eliminates anomalies in current law regarding congressional review procedures applicable to different categories of transfers to the same country or group of countries. This section creates common review procedures for given recipients irrespective of the nature of the type of transfer (for example, FMS or commercial sale). This section also equates the statutory period of time for enactment of a joint resolution of disapproval of a transfer to the period of time stipulated for review of that transfer. Finally, this section standardizes the requirements for all types of sales for any Presidential waiver of congressional notification.

The Committee notes that this section does not affect the informal process agreed to between the Committee and the Administration regarding arms transfers.

Section 3182. Standardization of Third Country Transfers of Defense Articles

Section 3182 standardizes the rules governing the re-transfer of certain U.S.-origin military equipment. Currently, re-transfer regulations for direct commercial sales and FMS sales differ with respect to re-transfers. By standardizing the rules governing third party transfers of FMS equipment and commercial sales we provide equitable treatment of equipment previously bought under FMS or DCS. While requests to approve re-transfers of the type permitted under this proposal are routinely granted under the current system, the requirement to seek U.S. government approval is administratively burdensome for both the foreign parties and the U.S. government. This section addresses that problem.

Section 3183. Increased Standardization, Rationalization, and Interoperability of Assistance and Sales Programs

Section 3183 amends the Foreign Assistance Act to remove country specific references with respect to standardization, rationalization and interoperability of assistance and sales programs, thereby allowing the U.S. to pursue these objectives with other nations. Section 515(a)(6) of the Foreign Assistance Act (current law) states that the President may assign members of the U.S. Armed Forces in a foreign country the function of "promoting rationalization, standardization and interoperability, and other defense cooperation measures among members of NATO, and the armed forces of Japan, Australia and New Zealand . . ." By deleting the specific country references, this section makes it clear that U.S. security assistance officers may pursue those functions worldwide.

Section 3184. Repeal of Price and Availability Reporting Requirement Relating to Proposed Sale of Defense Articles and Services

Section 3184 repeals a duplicative reporting requirement in the Arms Export Control Act. Sales offers to foreign countries as well as actual sales are reported in a much broader scope (at the $1 million threshold) on a quarterly basis as required by section 36(a) of the AECA.

Section 3185. Definition of Significant Military Equipment

Section 3185 amends the Arms Export Control Act to provide a definition of significant military equipment as defined in the International Traffic in Arms Regulations (ITAR).

Section 3186. Requirements relating to the Special Defense Acquisition Fund

Section 3186 deals with issues related to the Special Defense Acquisition Fund (SDAF).

Section 3186(a) repeals an annual reporting requirement which is no longer needed or useful. Section 53(a) of the Arms Export Control Act requires a report on specific SDAF issues related to the SDAF fund for which monies are no longer being appropriated. The report is therefore obsolete and this section eliminates the report.

Section 3186(b) increases the decapitalization rate for the Special Defense Acquisition Fund by $6,281,000 for FY 96. After assurances from the DoD that this modest increase in the SDAF is possible, the decapitalization for FY 96 was increased from $220,000,000 to $226,281,000.

Section 3187. Cost of leased Defense Articles that Have been Lost or Destroyed

Section 3187 conforms provisions within the AECA which require reimbursement for the cost of leased defense articles that have been lost or destroyed. Current law requires the leasing country to pay "the replacement cost (less any depreciation in the value) of the articles if the articles are lost or destroyed while leased." In circumstances in which the leased item is not going to be replaced by the U.S. Government, the rationale that justifies charging the foreign government the full replacement cost is no longer valid or just. Section 21(a)(1)(A) of the Arms Export Control Act contains a provision regarding the pricing of items to be sold which the U.S. does not intend to replace: "The President may sell . . . if such country agrees to pay, in the case of a defense article not intended to be replaced at the time such an agreement is entered into, not less than the actual value thereof." This same rationale should be used in the pricing of lost or destroyed leased items.

Section 3188. Designation of Major non-NATO Allies

Section 3188 designates Australia, Egypt, Israel, Japan, Korea and New Zealand as major non-NATO allies for purposes under the Foreign Assistance Act and Arms Export Control Act. This section also authorizes the President to designate additional major non-NATO allies and terminate such designations if he notifies the Congress.

Section 3189. Certification Thresholds

Section 3189 amends the Arms Export Control Act to increase the dollar thresholds for reporting arms sales to the Congress: from $14 million to $25 million for major defense equipment; from $50 million to $75 million for defense articles and services; and from $200 million to $300 million for design and construction services.

Section 3190. Competitive Pricing for Sales of Defense Articles and Services

Section 3190 amends the Arms Export Control Act to require that countries utilizing grant Foreign Military Financing for government-to-government arms sales shall be priced on the same costing basis with regard to profit, overhead, independent research and development, bid and proposal, and other costing elements, as is applicable to procurement of like items purchased by the Department of Defense.

Section 3191. Depleted Uranium Ammunition

Section 3191 amends the Foreign Assistance Act to place into permanent law a provision carried in annual appropriations law that restricts the sale or transfer of M–833 antitank shells or any comparable antitank shell containing a depleted uranium penetrating component to any country except for NATO member states, major non-NATO states and Taiwan. The section also contains a national security interest waiver for the President.

Section 3192. End-use monitoring of defense articles and defense services

Section 3192 directs the Secretary of State to establish a comprehensive end-use monitoring program for defense articles and services in order to improve accountability with respect to those defense articles and services sold, leased or exported under the Arms Export Control Act or Foreign Assistance Act. The Committee believes that the benefits of an effective system of pre- and post-shipment verifications are clear. A random selection of licenses/applications for bona fides and end use checks will deter those who would illegally acquire and/or divert U.S. defense articles. Having proven the effectiveness of this type of program for commercial arms transactions through the Blue Lantern program at the Office of Defense Trade Controls in the Department of State, the Committee believes that there would be clear benefits in using a similar procedure for FMS sales. Accordingly, this section directs the Secretary of State to establish a comprehensive program which covers both commercial and FMS types of transactions. This section outlines the purposes and objectives of the program and requires a report on the implementation of the new program.

Section 3193. Brokering activities relating to commercial sales of defense articles and services

Section 3193 requires U.S. persons (and foreign persons located in the U.S.) involved in defense trade of U.S. and non-U.S. defense equipment or technology to register with the U.S. government and provides the U.S. government authority to regulate such brokering activities. The Arms Export Control Act provides the Department of State with the authority to regulate the destination and use of U.S. origin and U.S.-made defense commodities. However, the AECA does not authorize the Department to regulate the activities of U.S. persons (and foreign persons located in the U.S.) brokering defense transactions overseas (except for transactions involving a small number of terrorist countries). Nor does the AECA authorize

the Department to regulate the brokering of non-U.S. defense articles or technology.

This provision provides those new authorities to ensure that arms exports support the furtherance of U.S. foreign policy objectives, national security interests and world peace. More specifically, in some instances U.S. persons are involved in arms deals that are inconsistent with U.S. policy. Certain of these transactions could fuel regional instability, lend support to terrorism or run counter to a U.S. policy decision not to sell arms to a specific country or area. The extension of U.S. legal authority under this provision to regulate brokering activities would help to curtail such transactions.

Title XXXII—Economic Assistance

Chapter 1—Economic Support Assistance

Section 3201. Economic Support Fund

Section 3201 authorizes the appropriation of $2,356,378,000 for FY96 and $2,283,478,000 for FY97 to the Economic Support Fund (ESF). The ESF is the primarily source of economic aid funds used by the President to support allies and key programs. This represents a cut of $12.2 million from last year's appropriation and $147.9 million from the President's FY96 request. For FY97, it represents an $85.1 million cut from FY95. The Committee directs these funds to be spent to support the following countries or programs:

[In millions of dollars]

Country or program	Fiscal year	
	1996	1997
Israel	1,200.000	1,200.000
Egypt	815.000	815.000
Jordan	7.200	7.200
Lebanon	3.639	3.639
ME Multilaterals	3.639	3.639
ME Regional (MERC)	5.000	5.000
West Bank (Gaza)	75.000	75.000
Africa Regional Fund	7.400	7.400
Angola	5.000	5.000
Asia Regional Fund	9.500	9.500
Cambodia	20.000	10.000
Mongolia	5.000	2.500
South Pacific Tuna	14.000	14.000
Cyprus	15.000	15.000
International Fund for Ireland	29.600	19.600
Turkey	50.000	40.000
Haiti	71.400	36.000
LAC Regional Fund	10.000	10.000
Admin. of Justice/ICITAP	5.000	5.000
International Criminal Justice	5.000	5.000
Total	2,356,378	2,283,478

1. Cyprus

The Committee recommends assistance to Cyprus at the level of $15 million in FY96 and FY97 to support scholarships and bicommunal projects as evidence of our government's strong com-

mitment to a peaceful and just solution of the Cyprus problem. Aid to Cyprus plays a role in facilitating cooperation between the two communities, enhancing prospects for a resolution to the 21-year old division of Cyprus. The Committee is concerned that with the reductions in foreign assistance projected under the budget resolution, continued U.S. aid beyond FY97 to Cyprus may be reduced. The Committee urges the Administration to study other ways to demonstrate and improve the close ties between the U.S. and Cyprus. One such proposal may be to study jointly the prospects for a free trade agreement between the U.S. and Cyprus.

The Committee supports the U.N. framework to end Cyprus's division providing, among other things, for a bicommunal and bizonal federal structure as called for in U.N. Security Council Resolution 939. The Committee commends President Clerides' proposal for the demilitarization of Cyprus as a constructive initiative which could meet the security concerns of all sides.

The Committee welcomes the recent appointment of a Special Presidential Emissary for Cyprus and strongly supports our continuing commitment to assisting efforts to resolve the Cyprus problem. The Committee views the resolution of the Cyprus problem as an important measure which would improve stability in the Eastern Mediterranean.

The Committee is pleased to note that the European Parliament recently called on the European Union to "follow the example of the U.S. Congress" and investigate the fate of missing persons in Cyprus. The Committee calls upon the President to do everything possible to return Cypriot missing persons, especially including U.S. citizens, to their families. This would also include returning the remains of those who were killed in the 1974 invasion and ensuing conflict.

2. Turkey

The Committee directs the allocation of $50 million in ESF in FY96 for Turkey to support the Turkish government's efforts to reform the Turkish economy. Although Turkey faces many hardships, the Committee is encouraged by the progress made to date. For future assistance allocations, the Committee will pay special attention to the opening of Turkish markets to U.S. goods and services.

The Committee recognizes the importance of continuing U.S. security cooperation with Turkey. Turkey's importance as a member of NATO and as a force for stability in the Middle East and Trans-Caucasus region is noted. The Committee appreciates Turkey's continued support of our mutual interests in the development of democratic and free-market institutions in this vital area of the globe.

The Committee deeply appreciates Turkey's role as a base for Operation Provide Comfort and its support for U.N. sanctions against Iraq. The Committee recognizes the sacrifices Turkey has made in this regard, and hopes that the international community will continue to assist Turkey in bearing these burdens. The Committee applauds the Administration's strong support for the implementation of the E.U.-Turkey customs union and other measures to more closely integrate Turkey with the European and world economy.

The Committee is concerned about the human rights situation in Turkey, particularly government actions against journalists and others which infringe upon freedom of expression. The Committee has received numerous credible reports from human rights organizations of serious violations of international standards for human rights which the Committee urges the government of Turkey to address. The Committee believes that violations of human rights undermine democracy and stability in Turkey and run counter to the interests of the Turkish people.

The Committee expresses concern regarding recent attacks on the Ecumenical Patriarchate in Istanbul, Turkey, the center for over 250 million Orthodox Christians worldwide. The Committee appreciates and encourages the continuation and expansion of the actions the government of Turkey took to protect the Patriarchate from terrorist activity.

3. Middle East Regional Cooperative Program

While the Committee did not earmark a specific amount for the Middle East Regional Cooperative Program (MERC), the Committee strongly urges its continuation at last year's level of $5 million. By fostering cooperative projects of a scientific and technological nature between Israel and its neighbors, MERC programs provide a strong foundation for economic and cultural ties within the region. All countries in the region share common problems that MERC projects in the fields of agriculture, health, energy, the environment, education, water resources, and the social sciences are aimed to address.

Section 3202. Assistance for Israel

Section 3202 requires that not less than $1,200,000,000 of ESF funds be provided to Israel in FY96 and FY97. It requires a cash transfer, early disbursement and amounts provided so as not to cause an adverse impact on the total level of nonmilitary exports from the United States to Israel—all as required in the FY95 Foreign Operations Appropriations Act.

A fundamental element of United States foreign policy has been support for a strong and secure Israel. Israel remains the most reliable strategic ally of the United States in the Middle East, and a vital partner in the U.S. pursuit for peace in the Middle East. There must be no doubt about the United States' commitment to Israel. The continuation of U.S. assistance to Israel provides that clear signal, in addition to providing Israel with the means it needs to defend itself in an increasingly dangerous environment. The successes of the past few years through the peace process, including a historic peace treaty between Israel and Jordan and progress on the Israel/Palestinian front are the best evidence of the effectiveness of our consistent support of Israel through our foreign assistance programs.

Section 3203. Assistance for Egypt

Section 3203 requires that not less than $815,000,000 of ESF funds be provided for Egypt in FY96 and FY97. Provisions in subsection (b) add the additional appropriations law requirement to ensure that there is no adverse impact on the total level of non-

military exports from the United States to Egypt as required in the FY95 Foreign Operations Appropriations Act.

The Committee finds that Egypt is a vital U.S. ally in the Middle East and a stalwart partner for peace in the region. Egypt's stance toward Middle East peace has been fostered by the enlightened Egyptian leadership and reinforced by successive U.S. Presidents and Congresses. The Committee reasserts its commitment to Middle East peace and Egypt's central position to a comprehensive and permanent peace.

U.S. aid to Egypt is intended to both bolster this long-standing ally as well as to provide access to the Egyptian market for U.S. firms and exports. AID funds provided to Egypt support U.S. exports to Egypt as well as contracts in Egypt for U.S. firms. The dual purpose of U.S. foreign aid is exemplified by the telecommunications sector in Egypt, where AID has funded projects for the last 15 years. AID funding of such projects helped encourage the entry of U.S. telecommunications firms into the Egyptian market in the early 1980's and this is now a significant commercial market for such U.S. firms and U.S. exports. These projects have greatly increased the efficiency of Egypt's telecommunications infrastructure, which, in turn, will help promote the growth of business in Egypt. AID's funding of the telecommunications sector, therefore, has ramifications far beyond that one sector.

Section 3204. International Fund for Ireland

Section 3204 provides that not more than $29,600,000 in FY96 and $19,600,000 in FY97 from ESF may be provided for the International Fund for Ireland ("IFI"). Funds are conditioned on the IFI adhering to the MacBride equal opportunity principles.

Unemployment, economic hardship, and discrimination fueled sectarian violence in Northern Ireland for decades. The problem of discrimination in Northern Ireland remains a serious concern to the Committee. The contributions of the U.S. Government to the IFI must be used in the most effective ways possible to help alleviate hardship and to create new opportunities. Moreover, this must be accomplished in a manner which does not perpetuate unfair hiring practices, and disperses U.S. assistance in an evenhanded manner.

This provision establishes clear and reasonable requirements for recipients of United States funds in order to carry out the clear intention of the Congress that U.S. funds be put to fair and effective use to create the greatest economic opportunity. These goals are served by the twofold thrust of the provision:

First, the provision requires that U.S. IFI funds must be directed to areas with the highest rates of unemployment without reference to sectarian demographics. U.S. funds must be primarily directed to activities justified by the economic needs of the residents of distressed communities and not on the basis of sectarian quotas.

Second, the provision also requires recipients to agree in writing to make reasonable, good faith efforts to implement fair employment practices, consistent with the terms of economic justice, as defined.

The provision thus helps ensure that the assistance provided by American taxpayers will be effectively and justly put to use to bring some measure of economic advancement and economic justice to the people of Northern Ireland.

The provision accomplishes these goals without imposing burdensome requirements or compromising fundamental American values of fairness, equal justice and responsible use of U.S. public funds. It also does not put American companies in Northern Ireland at a disadvantage if they are already in voluntary compliance with the MacBride Principles.

The fair employment principles set forth in the provision are drawn from and closely follow the MacBride Principles, and are also reflective of some of the recent changes on the ground in Northern Ireland. Several of these principles are already embodied in the British Fair Employment Act (FEA) and none of these principles impose any requirement inconsistent with existing law and policy.

The establishment of these conditions for U.S. assistance merely brings the manner of U.S. participation into harmony with prevailing legal trends and international business practices in Northern Ireland.

The Committee fully supports the increased levels of U.S. assistance to the IFI as requested by the Administration for FY96. This contribution is timely and necessary to support and advance the peace process at this important moment in Irish history.

Based on testimony before the Committee, it is evident that U.S. assistance should be carefully targeted at the areas of greatest need, based upon levels of unemployment and the changes incorporated in the Anglo-Irish Agreement of 1986, to accomplish that worthy goal.

In the Committee's opinion, the increased U.S. assistance and the clear need for targeted investment consistent with the principles of economic justice establish a need for greater involvement and oversight by the U.S. observer to the IFI.

In extending U.S. oversight to the IFI, the Committee does not intend to extend the other restrictions and requirements of the Foreign Assistance Act to Funds activities.

Section 3205. Law Enforcement Assistance

Section 3205 provides that not more than $12,000,000 from ESF for FY96 and FY97 may be provided to support law enforcement assistance under the counter-narcotics chapter of the Foreign Assistance Act as requested by the President. The Committee intends that these funds shall be administered by the State Department's Bureau for International Narcotics and Law Enforcement Affairs.

Chapter 2—Assistance for Private Sector Programs and Activities

Section 3211. Private Sector Enterprise Funds

Section 3211 authorizes the establishment of enterprise funds to support private sector growth using the model of the SEED Act. This section would generally authorize the establishment of new enterprise funds as a way of fostering development. This section would use the authorities under the SEED Act as a model for es-

tablishing new enterprise funds. This funding may come from the Sustainable Development, Development Fund for Africa or ESF accounts. Funding from the Development Fund for Africa may only support enterprise funds in Africa.

Section 3212. Micro- and Small Enterprise Development Credits

Section 3212 rewrites section 108 of the Foreign Assistance Act to account for credit reform. Prior to credit reform, grant and loan programs were scored equally against the budget. After credit reform, loan programs are scored by the amount equal to the estimated risk that the government may not be repaid. An interagency group determines the risk of each loan program on a country-by-country basis.

Under credit reform, Congress authorizes and appropriates funds for loan programs to be set aside against loan losses (this is called the "subsidy" under credit reform). Congress must separately authorize and appropriate funds to administer these loan programs. The current section 108 of the Foreign Assistance Act did not take any of these credit reform provisions into account. This section rewrites section 108 to authorize appropriations for the subsidy and administrative cost portions of the Foreign Assistance Act micro- and small enterprise loan program.

Under this section, the Committee authorizes $2 million in FY96 and FY97 for the subsidy costs of loans under this program. This represents the current level of funding. The Committee reviewed the President's proposal to fund an "Enhanced Credit Authority" (ECA). The Committee chose not to authorize such funding at this time, without prejudice to the underlying proposal. The Committee expects the President to further define this proposal and the risks it entails. Given the cuts in aid programs under this bill, the Committee will reconsider this proposal next year.

The Committee also authorizes $500,000 in FY96 and FY97 for the administration and training costs of this loan program.

Section 3214. Microenterprise Development Grant Assistance

Section 3214 adds a new section to the Foreign Assistance Act authorizing grants to microenterprise groups in accordance with the Gejdenson/McKinney/Gilman/Bereuter bill in the 103rd Congress (H.R. 4511).

Unlike the *credit* program outlined above, this program establishes a new section 129 to the Foreign Assistance Act that authorizes microenterprise *grant* assistance to microenterprise groups that would use these funds to make small loans to the poor. Under this section, approximately 50 percent of the assistance would be used to provide loans of $300 or less to very poor members of society, especially women.

Chapter 3—Development Assistance

Subchapter A—Development Assistance Authorities

Section 3221. Authorization of Appropriations

This section authorizes appropriations for programs in the following amounts:

[In millions of dollars]

Program	Fiscal year	
	1996	1997
Sustainable Development Assistance Program	858.000	858.000
Development Fund for Africa	629.214	629.214
Aid for the Newly Indep. States of the FSU	643.000	650.000
Aid for Eastern Europe (SEED Act)	325.000	275.000
Inter-American Foundation	20.000	10.000
Africa Development Foundation	10.000	5.000

Cuts of this kind were recommended by the House Budget Committee as part of its deficit reduction package to set the U.S. Government on a seven year "glide path" to a balanced budget. The amounts authorized under this section for FY96 would represent a cut of $726 million from the FY95 appropriated levels and $914.8 million from the request. For FY97, the amounts authorized represent a cut of $769.6 million from the FY95 level.

1. Development Assistance

The Committee continues to support the provision of development assistance in order to: 1) promote global economic growth (which increases U.S. exports and creates U.S. jobs), 2) support the transitions to democracy and market economies, and 3) contribute the U.S. share and provide leadership to solve global problems such as environmental degradation, the spread of disease and rapid population growth.

The Committee believes that, in providing development assistance, the U.S. should:

A. Support private sector development, grassroots activities that directly benefit the poor and government efforts to create an enabling environment for the private sector to increase economic growth.

B. Invest in people through child survival, basic education and health, and other programs which meet basic human needs to build a foundation for economic growth.

C. Promote economic growth by supporting free-market policies, U.S. trade, micro- and small and medium enterprises, more accountable institutions, and greater access for women over productive assets.

D. Invest in programs to improve child and maternal health and reduce the incidence of abortion through voluntary family planning and other health programs which emphasize women and children.

E. Invest in programs which protect the environment while promoting free-market, private sector economic growth, such as more efficient agricultural production and energy from renewable resources.

F. Strengthen democratic processes, develop a strong and healthy not-for-profit charitable sector relying on private sector contributions and tax preferences, foster inclusion in decision-making at all levels, promote human rights and the rule of law, and enhance access to information.

G. Emphasize broad-based participation, especially of women, in all phases of development programs and projects,

and promote decentralization and the strengthening of non-governmental organizations and the private sector in development efforts.

2. Development Fund for Africa

The Committee believes that the United States should remain involved in Africa where the U.S. has important interests. The Committee notes that over the past three decades, Africa failed to foster real economic growth. Africa, and especially Tanzania (according to testimony before the Committee), served as a lesson of the total failure of the statist, centrally-planned economy of the developing world. The Committee is encouraged that some 25 African countries are taking steps toward democracy and economic reform. While this shift in policy is late, the trend is now positive. The current pace of these reforms cannot be too quick.

The Committee believes that Africa's economic development needs are best met by sound currencies, foreign investment, free trade—particularly with the U.S.—and the freeing of economies from regulation and government interference. The U.S. can play a more active role by supporting programs in a wide variety of fields: free trade, open foreign investment, micro- and small enterprise, natural resource management, child survival, health care and population planning.

The responsibility for Africa's democratic development lies ultimately with the African people. The U.S. can play a helpful role in their efforts. Many African nations are taking their first tentative steps toward real democratic reform. The Committee believes that the U.S. must be actively engaged in encouraging these steps. Consequently, the Committee increased its original authorized level from $529 million in the introduced bill to $629 million for development activities under the DFA.

A. Angola

The Committee commends the leaders of both the Government of Angola and UNITA for the important steps they have taken toward peace. The recent meeting of President Jose Eduardo dos Santos and Dr. Jonas Savimbi is a positive indication that the two sides can lay the foundation of trust necessary for lasting peace.

The Committee supports the Lusaka Protocol and UNAVEM III. The Committee has a number of concerns, however, including the use of mercenaries, particularly by the government, the lack of cooperation with international de-mining efforts by both sides, and the failure, thus far, of the U.N. to provide appropriate reconnaissance aircraft to its ceasefire observers.

B. Ethiopia

The Committee is concerned by the failure of the major opposition parties in Ethiopia to participate in recent elections. While the elections were held to be free and fair, they cannot be regarded as a complete success. The Committee urges the State Department to press both the government and recalcitrant political parties to cooperate in future civic activity.

C. Kenya

The Committee is greatly disturbed by the deteriorating human rights situation in Kenya and apparent complicity of the government in so-called "ethnic clashes." The government stifled the press and antagonized non-governmental organizations. The Committee is concerned that the Government of Kenya has interpreted the renewed economic assistance from the international community as a license to engage in various human rights abuses. The Committee urges the Administration to work closely with other donor nations to present a united front and condemn these abuses.

D. Mozambique

The Committee is encouraged by the transition to peace in Mozambique and congratulates the people of Mozambique on the successful elections held last year. The Committee is concerned, however, that Mozambique—the poorest country in the world—is not taking advantage of its peace and stability to open up to foreign investment and make other important economic reforms. The United States and the international community invested a great deal of time and money in Mozambique—an investment that will only succeed if the Government makes significant changes in its budget priorities and approach to foreign investment. The Committee strongly urges the President and the State Department to continue to press the Government of Mozambique to make these necessary changes.

E. Nigeria

The Committee strongly supports the President's decision to decertify Nigeria for failure to cooperate with U.S. anti-narcotics efforts. Nigerian drug courier networks and money-laundering mechanisms are becoming more and more important in the world drug trade, while the Government of Nigeria does virtually nothing to stop it. The Committee notes additionally that Nigeria has done nothing to crack down on the rampant document fraud that facilitates these drug networks. The Committee urges the State Department, in the context of U.S. anti-narcotics efforts, to pressure the Nigerian government to crack down on visa and passport fraud.

The Committee is alarmed by the naked power grab of the current Head of State, General Sani Abacha. Gen. Abacha has jailed his most serious political rivals and frustrated a constitutional conference, preventing it from advocating real reform. As the most populous and potentially the richest of sub-Saharan nations, Nigeria is crucial to the success of the region. The Committee calls upon the Government of Nigeria to respect the basic human rights of its citizens and to move quickly to build democratic institutions of government.

F. Rwanda

The Committee is gravely concerned about the potential for further bloodshed in Rwanda. Recognizing that the Government of Rwanda has limited resources, the Committee urges AID and the State Department to make available appropriate levels and types of assistance to Rwanda's devastated justice system. Additionally,

the Committee strongly urges the President to devote sufficient resources to the International Tribunal in Rwanda.

3. American Schools and Hospitals Abroad

The Committee continues to support the valuable work of the institutions which were funded under the American Schools and Hospitals Abroad (ASHA) program. The Committee chose specifically not to earmark funds for this program in light of the reductions made in this bill. Nevertheless, the Committee does support the work of the institutions mentioned below. The Committee regards the ASHA program as an effective public/private partnership and calls on the Administration to maintain a program to support American educational and medical institutions abroad.

The Committee recognizes the Administration's efforts to address past concerns that some ASHA funds were being provided to "pervasively sectarian" institutions. A new screening procedure for ASHA applications, implemented in response to a decision of the U.S. Court of Appeals for the Second Circuit, appears now to have laid to rest questions about the program's integrity.

The Committee is aware of the work of many institutions, in particular:

A. The American University of Beirut (AUB) has been educating Middle Eastern leaders for nearly 130 years. In the process, it earned immense respect for America in a region of the world vital to U.S. interests. To take full advantage of this resource, and to strengthen AUB as an outpost of American culture and ideas in the Middle East, the Committee supports continued funding of AUB to assist it, in the aftermath of the Lebanese war, to rebuild a quality faculty, to renovate its facilities, and to modernize equipment for education and medical care.

B. The Committee supports continued funding for the Hadassah Medical Organization in Israel. For more than a decade, Hadassah served as a flagship institution and model example of how Private Voluntary Organizations can make significant contributions to U.S. foreign aid. The Committee strongly supports Hadassah's outreach to Arab patients and strongly supports the expansion of such efforts.

C. The Feinberg Graduate School (FGS) of the Weizmann Institute of Science has long served as a model of American scientific education for graduate science students and scholars from around the world. Chartered in the State of New York, FGS has for several decades received U.S. Government funding support through the ASHA program. These funds, which have been used exclusively to purchase American-made scientific equipment from American suppliers, enabled FGS and Weizmann to maintain the level of excellence required to attract and train future generations of scientists. These funds also helped FGS and Weizmann to collaborate with major U.S. research centers and universities, enriching U.S. researchers and the U.S. research agenda, and to develop scientific knowledge and technologies of importance to the United States.

3. Family Planning Assistance

In an effort to provide the Administration with maximum flexibility in administering U.S. development assistance, the Committee refrained from imposing earmarks on many programs. This action should in no way be interpreted as a reflection of diminishing interest on the part of the Committee in preserving adequate levels of funding for voluntary family planning assistance programs.

Rapid population growth undermines the achievement of the broader objectives of better social, economic, environmental and health conditions in the developing world. Family planning is a critical investment in saving lives and in improving the health of women and children. As population growth outstrips economic growth, providing employment and social services becomes increasingly more difficult for developing countries.

The Committee encourages the Administration to continue to focus resources on programs which provide high-quality voluntary family planning and related reproductive health services in both developing countries and countries in economic transition. These programs should strive to improve their coverage and to provide the benefits of these programs to underserved populations among the very poor, migrants, refugees and adolescents.

4. Biodiversity Conservation and Tropical Forest Protection

Since 1987, the Congress directed AID to support biodiversity and tropical forest protection in developing countries. The Committee views such programs as an important aspect of U.S. development assistance. Maintaining a viable global resource basis for important genetic material is vital for pharmaceutical applications. Conservation of such resources enhances U.S. economic interests.

The Committee reaffirms its support for biodiversity conservation programs. The Committee recommends that the Administration focus its efforts on biologically-diverse ecosystems facing the most immediate threat of degradation, sometimes referred to as the tropical forest "hotspots." Biodiversity is not evenly distributed over the planet's surface. In order to maintain its effectiveness, the Committee believes the Administration must keep a narrow focus on key priority areas for conservation.

The Committee also believes that the Administration should emphasize the use of U.S. NGOs and PVOs as efficient means of project implementation. The Administration should minimize unnecessary bureaucracy and deliver its assistance in a cost effective manner.

Given the cut the Committee recommends for the Sustainable Development Assistance account and the Committee's understanding that AID biodiversity program spending totalled $90 million in FY95, the Committee recommends that the Administration provide at least a $60 million level of funding to biodiversity conservation programs in FY96.

5. Assistance for the Newly Independent States of the Former Soviet Union

$643 million is authorized by the Committee to carry out programs to support democratic political reform and market-based economic transformation in FY96 under the FREEDOM Support Act

of 1992. This represents a cut of $76.4 million from the FY95 level and $145 million from the President's FY96 request. $650 million is authorized for FREEDOM Support Act programs in FY97. This represents a cut of $69.4 million from the FY95 level.

A. Doubts About Agency Coordination

The Committee is concerned over the manner in which the FY96 budget request for the New Independent States (NIS) of the former Soviet Union was presented. The FREEDOM Support Act of 1992 clearly sets forth the central role of the State Department's Coordinator for Assistance to the NIS in allocating U.S. Government assistance to those states. Regrettably, the FY96 request of $788 million for assistance under the FREEDOM Support Act does not accurately reflect the entire request for such assistance. Instead, the Administration has requested $40 million separately for exchanges and training carried out by the U.S. Information Agency and an estimated $92 million in trade and investment assistance separately through the Trade and Development Agency, the Overseas Private Investment Corporation and the Export-Import Bank.

Following a February 1995 General Accounting Office report outlining problems in the proper coordination of U.S. Government assistance to the Newly Independent States, the manner of presentation of the budget request leaves the Committee in doubt as to the Administration's commitment to the Coordinator's role in allocating limited funds among various agencies in the most efficient manner possible.

B. Lower Levels of Funding for the Program

As introduced, H.R. 1561 authorized $700 million of the $788 million request for FREEDOM Support Act programs in FY96. An amendment adopted in Committee reduced the authorization further to $643 million (in favor of funding for the Development Fund for Africa). The Committee acknowledges this to be a considerable decline from the appropriation levels for assistance to the twelve Newly Independent States of $2.3 billion in FY94 and $850 million in FY95. This lowered level of authorization will require the Coordinator to focus the U.S. assistance program in the NIS on the two basic objectives of democratic political reform and market-based economic transformation.

The Committee strongly recommends and expects that the Coordinator will, in focusing on the prime objectives of the FREEDOM Support Act, desist from further funding for: nuclear safety activities in the NIS (only if such activities may be financed separately by the Department of Energy), restructuring of energy generation systems, technical advice on energy pricing, demonstration projects on energy conservation, contingency accounts, creation of non-governmental organizations, health care finance and health care improvement programs other than hospital partnerships, and environmental policy and technology.

The Committee believes that the implementation of measures such as pricing of inputs and outputs, meant to rationalize market mechanisms, will bring about far greater improvements in areas of environmental and health care than that now brought about as a

result of the limited technical assistance, equipment and training provided under FREEDOM Support programs.

In addition, the Committee recommends that limited decreases in funding for the NIS Exchanges & Training Program and in economic restructuring projects be undertaken to provide sharper focus in both of those efforts.

C. Country Allocations

The Committee notes that the allocation of FREEDOM Support funding to activities in Russia declined from an estimated two-thirds of the total in FY94 to an estimated one-third of the total under the FY96 request. At the same time, the allocation for Ukraine has risen from roughly 10% to an estimated 20% of the total.

While acknowledging the importance of reform efforts in Russia to reform efforts in neighboring states, the Committee welcomes this more balanced allocation of assistance under the FREEDOM Support Act. It recommends that reductions in programs beyond the program terminations and adjustments it recommends be carried out in a manner that maintains better-balanced allocation among the NIS.

D. Qualifications of Contractors and Aid Personnel

The Committee recognizes that the success or failure of U.S. assistance programs in the NIS often rides on the caliber of the contractors chosen by the Administration to carry out those programs. The Committee is concerned over continuing allegations that the caliber of many AID contractors is, in fact, not good. The Committee, while therefore encouraged by reports of some very worthwhile AID efforts, such as the New Business Development and privatization programs in the NIS, realizes that even a sound and structured program can deteriorate in the hands of a contractor who is unfamiliar with the needs of the countries in which the contract is to be carried out—particularly if the contractor is not familiar with the local language, customs and business practices.

The Committee therefore urges AID to redouble its efforts to incorporate in its contract proposals strong requirements for fluency in aid-recipient country languages and familiarity with aid-recipient country society, politics and business practices.

The Committee is also not persuaded that such language fluency and regional expertise is yet the rule among AID employees as well, despite AID's efforts to address that important matter. AID is again strongly urged to redouble its efforts to ensure language and regional studies competency.

Contractor and AID personnel familiarity with host country languages and practices is vital to soliciting the initiative and involvement in assistance projects by host country nationals—a vital factor in ensuring long-term impact and sustainability.

E. The Eurasia Foundation

The Committee is encouraged by the work of the Eurasia Foundation and calls on the Coordinator to ensure an allocation of up to $19 million in funding for the Foundation in FY96. At the same time, the Committee expects the Foundation to focus its small

grants on projects and efforts that most directly contribute to political reform and market-based economic transformation. The Foundation is also strongly encouraged to raise substantial financing for its programs from the private sector as well.

F. Aid Partnerships and Training Project

The Committee is interested to see the "Partnerships and Training Project," already under way with AID financing, funded at no less than $15 million in each of the two fiscal years authorized by this bill. As stated in the report language on assistance to Eastern Europe, the Committee sees this program as an interesting approach to building long-term sustainability into our technical assistance programs in the NIS. The Committee is concerned that current means of delivering technical assistance to the NIS may well be inadequate in that regard. The program also introduces a degree of contribution, either in-kind or financial, by participants in Partnership projects.

G. Organizations That Contribute a Significant Portion to U.S. Programs

The Committee is eager to see the Administration's support and funding for organizations involved in FREEDOM Support programs that bring voluntary, in-kind or financial contributions to those programs and/or elicit such contributions from host country institutions and businesses. The Committee particularly notes the efforts of the Citizens Democracy Corps, the International Executive Service Corps, the Civic Education Project, and the American Bar Association's Central and East European Law Initiative program in this regard and strongly encourages the Coordinator and AID to fund or to continue funding for organizations such as these, which bring a "value-added" factor to the programs in both the New Independent States and Eastern Europe. As U.S. Government financial resources under both the Support for East European Democracy (SEED) and FREEDOM Support programs decline over the next few years, the participation of such organizations may well be crucial.

H. Assistance to Fight Crime and Corruption

The Committee expects the Coordinator to ensure that up to $15 million is allocated in each of FY96 and FY97 to support Rule of Law and law enforcement and criminal justice assistance activities in the NIS.

I. Victims of Chernobyl

The Committee believes that U.S. assistance should be made available for the victims of Chernobyl, the largest nuclear disaster in history. Nearly five million people in Belarus, Russia and the Ukraine live in areas affected by the accident's radioactive fallout. Thousands have died and the health of hundreds of thousands of others has deteriorated, with particular consequences for children, especially thyroid cancer. Because of the latency period of various radiation-related diseases, the peak effect of the disaster will not be evident until the late 1990's. A severe shortage of medical supplies and effective health care treatment continues. Technical as-

sistance is also needed for decontamination and resettlement efforts to prevent further radioactive contamination from Chernobyl. The Committee urges AID to provide up to $10,000,000 for needed assistance, including transportation of materials. Special attention should be given to the health care needs of children.

J. Title VIII

The Committee supports funding from the FREEDOM Support Act for the Russian, Eurasian and East European Research and Training program (referred to as the "Title VIII" program). The Committee also supports funding for this program from the assistance account for Eastern Europe. This program is the only U.S. Government-sponsored program that supports American research, training and language expertise concerning states of Eastern Europe and the former Soviet Union. The program is intended to ensure that broad-based regional expertise is available in both the academic and policy-making community.

Given the declining authorization levels contained in the bill for both Eastern Europe and the New Independent States, the Committee supports funding for this program at $5 million in FY96 and $4.5 million in FY97, with one-third of that total funded from the East European account and two-thirds funded from the NIS account.

K. Purchase of Broadcast Equipment for Independent Media

The Committee recommends that the Coordinator and AID employ the "Notwithstanding" authority provided in the FREEDOM Support Act to ensure that efforts to provide broadcasting equipment to independent media outlets move forward expeditiously. The Committee finds that coverage of the brutal Russian military operation in the separatist region of Chechnya by independent Russian media clearly demonstrated the positive impact that the free flow of information can have for political reform in the NIS.

Regrettably, Russian broadcast equipment standards do not match American equipment standards. A judicious use of the "Notwithstanding" authority in the FREEDOM Support Act should assist in furthering U.S. reform objectives throughout the NIS.

6. Assistance for East European Countries

The Committee authorized to be appropriated $325 million in FY96 for programs to support democratic political reform and market-based economic transformation in the countries of Eastern Europe under the Support for East European Democracy (SEED) Act of 1989. $275 million is authorized for FY97. This represents a cut of $34 million from the FY95 spending level and a cut of $155 million from the President's request. For FY97, it represents a cut of $84 million from the FY95 spending level.

A. Lower Levels of Funding for the Program

As the level of resources available for projects carried out under important programs such as this declines, the Committee expects the Coordinator for East European assistance to conduct a rigorous review of all SEED Act projects. The fundamental purpose of SEED Act assistance is to further U.S. national interests in Europe

through promotion of democratic political reform and market-based economic transformation in the central and eastern part of that important continent. The Committee notes that the SEED Act, while specifically noting those two objectives, also authorized a wide variety of projects and activities, including environmental and medical assistance.

The Committee shares the concern to see improvements in the environment and in health care systems in the countries of Eastern Europe. It notes that, as of the end of FY94, $142 million in SEED funds had been allocated to these two project areas over five years. It is apparent, however, that as the overall appropriation for SEED Act activities declines, SEED projects must be more directly targeted towards democratic political reform and market-based economic transformation. It is also the expectation of the Committee that as steps to rationalize market economic mechanisms (such as prices) are carried out in these countries, increased efficiency and clearer understanding of supply and demand will create far more extensive improvements in areas such as the environment and health care systems than that achieved by already-limited SEED Act assistance. The Committee therefore expects the Coordinator of East European assistance to ensure that the already-limited SEED Act projects in such areas are ended. It is the expectation of the Committee that international financial and development institutions are best positioned to carry on with such projects where they are desirable.

Furthermore, the Coordinator for East European assistance is in a position to review on-going projects under the SEED Act and weed out programs that are duplicative in nature. The Committee submitted several questions for answers in writing subsequent to the hearing held on SEED Act programs in March 1995. Some of the most important of those questions related to perceived duplication among SEED projects. The Committee does not find the answers provided to those questions persuasive, and expects the Coordinator to take expeditious steps to ensure that duplication among projects does not continue.

B. Language and Regional Expertise Among Contractors

The Committee would welcome and expects to receive by September 30, 1995 a report by the Coordinator for East European assistance and the Assistant AID Administrator for Europe and the New Independent States on steps that have been taken to ensure that a greater proportion of contractors participating in SEED Act-financed projects possess adequate fluency in the language of the country to which the assistance is delivered, as well as adequate knowledge of the country, its society, culture, political system and business practices. Such a report should provide a listing and brief description of contracts awarded under the SEED Act that required such language fluency and background knowledge of the recipient country and its surrounding region. The report shall compare that listing with the overall list of contracts awarded under the SEED Act.

C. Title VIII

The Committee supports funding from the Eastern European and Baltic States account for the Russian, Eurasian and East European Research and Training program (referred to as the "Title VIII" program). The Committee also supports funding for this program from the assistance account for the New Independent States. This program is the only U.S. Government-sponsored program that supports American research, training and language expertise concerning the states of Eastern Europe and the former Soviet Union. The program is intended to ensure that broad-based regional expertise is available in both the academic and policy-making community.

Given the declining authorization levels contained in the bill for both Eastern Europe and the New Independent States, the Committee supports funding for this program at $5 million in FY96 and at $4.5 million in FY97, with one-third of that total funded from the East European account and two-thirds funded from the New Independent States account.

D. Central and Eastern European Graduate Fellowship Program

The Committee supports the continuation of the Central and Eastern European Graduate Fellowship (CEEGF) program, which enables graduate students from that region to participate in masters degree programs in the U.S. in a number of fields of direct relevance to the transition to market economies and democratic political systems in Central and Eastern Europe.

The CEEGF program is a useful counterpart to the Muskie Fellowship program, which provides similar opportunities for graduate students from the states of the former Soviet Union. The Committee recommends that the level of funding for this program from the Eastern European assistance account be at a level of funding provided from that account in FY95, adjusted proportionately to reflect any overall decreases in the appropriation for the East European account in each of those two fiscal years.

The Committee furthermore recommends that administration of recruitment, selection, and placement of fellows under the CEEGF program be conducted on a competitive basis by qualified non-profit organizations.

E. Support for Activities of the North Atlantic Assembly

The Committee notes that much of the funding for the Rose-Roth Initiative has been provided on a grant basis from the account for Eastern Europe and the Baltic States. The Committee supports continued grant support from funds appropriated for assistance to Eastern Europe under the authority of the Support for East European Democracy (SEED) Act. Such grant funds should total no more than $100,000 in either FY96 or FY97. The Committee expects that any reductions in Assembly activities that may come about as a result of that level of grant assistance will be applied to activities that might otherwise involve non-parliamentary staff and that might otherwise involve fellowships or other academic study or research opportunities of more than two weeks' duration.

F. Partnerships and Training Project

The Committee is interested to see the "Partnerships and Training Project," already begun by the Agency for International Development in the states of the former Soviet Union, introduced into the states of Eastern Europe. To that end, the Committee recommends that $10 million in FY96 funds for assistance to Eastern Europe and the Baltic States be provided for such a project in that region. The Committee supports this measure in the expectation that the self-sustaining institutional partnerships that might arise from this approach will assist in furthering the U.S. foreign policy goals of democratization and market transformation long after U.S. assistance programs for the region have ended. The Committee is concerned that current means of delivering technical assistance to the dates of the region may be inadequate in that regard.

G. Assistance for Rule of Law, Law Enforcement and Criminal Justice Activities

The Committee expects the Coordinator to ensure that up to $15 million is allocated to Rule of Law, law enforcement and criminal justice assistance activities in the East European and Baltic States in each of the two fiscal years authorized by this Bill.

H. Croatia

The Committee supports efforts by the Republic of Croatia to stabilize the Croatian economy and introduce market-based reforms while faced with the military division of Croatia. The Committee notes that the U.S. Export-Import Bank and Overseas Private Investment Corporation have recently raised Croatia's credit rating.

The Committee supports the creation of an Enterprise Fund to support further economic reforms and growth in Croatia and in certain of its neighboring states upon the peaceful resolution of the conflict there.

7. United States-Asia Environmental Partnership (US–AEP)

The Committee recommends that the export promotion activities of the United States-Asia Environmental Partnership (US–AEP) program be discontinued and consolidated in the Trade and Development Agency (TDA) and the United States & Foreign Commercial Service (US&FCS), respectively. The Committee believes that US–AEP activities—such as the funding of feasibility studies, its placement of commercial officers, and its other export promotion activities—can be more efficiently performed by TDA and US&FCS.

The Committee notes that the Trade Promotion Coordination Committee, which was statutorily created by Congress in 1992 to oversee all trade promotion efforts, recommended in its 1994 report that funding for all feasibility studies, including US–AEP funded feasibility studies, be consolidated in TDA.

The US–AEP began operation in FY92 and to date has expended $58.1 million from its five-year core AID grant of $100 million. US–AEP has 15 overseas offices in 12 Asian countries and territories. The partnership claims to have raised outside contributions to match core grant funds at a ratio of 4/1 (contributions/core grant). To date however, outside contributions amount to only $142.5.

Moreover, the partnership lists United States Government agencies as a source of "outside contributions."

8. The Regional Asia Democracy Fund

This is an entirely new program and it is still unclear how the funds would be spent. The Committee sees some merit in providing funds for American and, possibly, Chinese and Tibetan NGO's working on human rights and democracy in China and Tibet. However, there seem to be organizational obstacles to setting up this program. In addition, the Committee raises the question as to whether this assistance is permissible given the Foreign Assistance Act's prohibition on aid to Communist countries. The Committee needs to be assured that the aid would not go to the PRC government or PRC Government-sponsored Chinese or Tibetan NGOs but to truly independent NGOs working on human rights and democracy-building in China.

9. Port Cooperation

The Committee urges the AID to study the involvement of U.S. seaports in assisting developing world seaports to transition into a modern world economy.

10. U.S. Business Volunteer Programs

The New Partnership Initiative proposed by the Administration appropriately would enhance the roles of both PVOs and small and medium size enterprises (SMEs) in U.S. development assistance programs.

The private sector is the principle component of development. Within the private sector, SMEs are important. U.S. expertise can be particularly effective with SMEs. As in the United States, such enterprises serve as the backbone of economic growth and the principle source of new employment. Small and medium-size enterprises are more responsive to market signals and outside assistance. They are part of the pluralism of civic society that is so important to creating demand and support for reform and to consolidating and sustaining democratic institutions.

Business volunteer programs, such as VOCA, CDC, IESC, and the MBA Enterprise Corps, among others, are an effective means to support institutions and new markets in developing countries—to the benefit of the client company, the economy and U.S. economic interests. By applying real world expertise from volunteer U.S. business persons at the grass roots level, these programs offer high impact, effective people-to-people approaches to enterprise and economic development.

In the time of budget constraints, the tripartite public/private partnership of the volunteer, the client company, and AID and other donor organizations provides a particularly cost-effective means of supporting enterprise development. The experience and capabilities of these programs should increasingly be looked to for the implementation of U.S. enterprise development programs.

Volunteer business programs benefit U.S. interests by promoting indigenous enterprise and economic development, economic and political reform and stability, and U.S. trade opportunities.

11. The U.S.-Israel Cooperative Development Research Program

The Cooperative Development Research Program (CDR) promotes international development through science and technology. It is based on several important premises: that no country has a monopoly on good ideas; that less developed countries (LDC's) can and must learn how to solve their own problems; and that strengthening local technological capacity can lead to sustainable growth. Many of the new technologies that the CDR develops provide concrete economic benefits to the United States, in terms of services, exports and jobs. By providing tangible mutual benefits, the CDR strengthens U.S.-Israeli-LDC ties, and helps build the international cooperation and trust needed for peace.

12. WHO and PAHO

The Committee urges AID to provide resources for two important vaccine initiatives led by the World Health Organization (WHO) and the Pan American Health Organization (PAHO): global elimination of polio and measles in the Americas. The Committee commends AID for the significant role it played in the development of vaccines and in assuring viable programs to realize their full life-saving potential.

The success of vaccination programs eradicated smallpox from the entire world with a modest U.S. investment of $40 million, each saving the taxpayers more than ten times that amount for vaccinations we no longer give.

13. Education

The Committee believes that foreign assistance programs of the U.S. Government need have an emphasis on long-term effectiveness. When the U.S. Government supports basic education, we are not only developing key trading partners, we are also supporting the development of stable communities and the development of democracies. Therefore, the Committee supports a U.S. Government foreign assistance program that invests in education and training.

Section 3222. Child Survival Activities, Vitamin A Deficiency Program, and Related Activity

Section 3222 would earmark $280 million in FY96 and FY97 from the Development Assistance, Development Fund for Africa, ESF and Multilateral Assistance Initiative (MAI) accounts for child survival programs. Of these amounts not less than $30 million shall be provided to private and voluntary organizations under the PVO Child Survival grants program. An additional $25 million for FY96 and FY97 is earmarked for vitamin A deficiency and related program activities.

The programs funded through these allocations have contributed significantly to the successful achievement of a child vaccination rate of 80 percent worldwide, which is saving three million children annually. Oral rehydration therapy saves more than a million lives every year. Vitamin and micronutrient programs, also funded through these allocations, are a low-cost way of eliminating illness, blindness, and death among children in areas of the world with chronic vitamin deficiencies. The allocation for tropical disease research will set researchers on the road toward eliminating leprosy,

river blindness, and malaria by the year 2010. In short, the specific fund allocations in this bill will help guarantee the United States a highly favorable cost-benefit ratio in its foreign aid program.

Section 3223. Assistance for Family Planning

This section includes current appropriations law on family planning assistance. Under subsection (a) of this provision, recipients of assistance under the Foreign Assistance Act's section 104(b) (the main family planning section of the Act), would only be allowed for projects "which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services."

Under subsection (b), funds may not be made available to "any organization or program which, as determined by the President, supports or participated in the management of a program of coercive abortion or involuntary sterilization."

Under subsection (c), in providing funds for natural family planning, the administration "shall not discriminate against applicants because of any religious or conscientious commitment by such applicants to offer only natural family planning services."

Under subsection (d), the bill adds the appropriations language stating that "for the purposes of this paragraph, the term motivate shall not be construed to prohibit the provision, consistent with local law, of information and counseling concerning all pregnancy options, including abortion."

The Committee amended the permanent statute and included language in the bill that reaffirms current law and policy governing population assistance under the appropriations legislation. The bill requires that no funds may be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization.

The Committee wishes to clarify that it remains permissible under current law to provide treatment to women who are suffering from medical complications as a result of septic or incomplete abortion. Under language included in the bill, population assistance may only be provided to voluntary family planning projects that offer (either directly or through referral to or information about) access to a broad range of family planning information and services. An additional provision requires that in awarding grants for natural family planning, no applicant shall be discriminated against because of an applicant's religious or conscientious commitment to offer only natural family planning. However, all such applicants shall comply with the requirements of informed consent included in the bill.

During its deliberations, the Committee considered and rejected amendments which sought to add additional statutory prohibitions against the funding of abortion and restrictions on the use of population assistance funds.

Section 3224. Assistance for the Independent States of the Former Soviet Union

Section 3224 amends the "FREEDOM Support Act" aid program for Russia, Ukraine and ten other former Soviet Republics to at-

tach current appropriations law and new conditions for the provision of such aid to any of these states. As under current appropriations law, this section makes it clear that no aid under that Act shall go to enhance the military capability of any of the recipients and that aid should be provided primarily through private voluntary organizations, non-governmental organizations or the private sector.

Under current law, the FREEDOM Support Act (Chapter 11 of the Foreign Assistance Act) now contains conditions prohibiting aid to any government that the President determines:

(a) is engaged in a consistent pattern of gross violations of internationally recognized human rights.

(b) has failed to take constructive actions to facilitate the implementation of certain arms control agreements.

(c) has transferred missile technology inconsistent with the guidelines of the Missile Technology Control Regime.

(d) has knowingly made certain transfers of material, equipment or technology that would contribute significantly to the recipient country's ability to manufacture weapons of mass destruction, or that has violated certain other proliferation-related standards.

The President is permitted to waive the above conditions in certain circumstances.

The conditions also include a prohibition on FREEDOM Support aid to a government that is involved in nuclear enrichment transfers, nuclear reprocessing transfers, illegal exports for nuclear explosive devices and nuclear detonations—referencing Sections 669 and 670 of the Foreign Assistance Act and sections 306(a)(1) and 307 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991. The President may not waive these provisions.

In approving this bill, the Committee inserted additional conditions regarding the provision of assistance to the states of the former Soviet Union under the FREEDOM Support Act of 1992. Specifically, the bill states that no assistance may be provided:

A. If the President determines that the government of any of the former Soviet republics directs actions that violate the territorial integrity or national sovereignty of any other of the former Soviet republics. Humanitarian, disaster and refugee relief is exempted from this particular prohibition.

B. To enhance the military capability of any of the former Soviet republics, with the exception of programs of support for demilitarization, defense conversion, nonproliferation, and troop withdrawal.

C. To the government of any of the former Soviet republics that sells nuclear reactor components to Iran if the President determines that such sales are not consistent with U.S. national security objectives and U.S. concerns regarding proliferation of nuclear weapons. Exemptions are provided for humanitarian, disaster and refugee relief, and for assistance in support of democratic political reform and rule of law activities, and assistance for the creation of a private sector and non-governmental sector independent of government ownership and control.

The bill also inserts new conditions governing the provision of FREEDOM Support Act assistance. Under this section the Government of Russia may not receive assistance if:

A. The President certifies that it is not taking various steps to achieve a peaceful resolution of the conflict in the region of Chechnya. (Exemptions are provided for humanitarian, disaster and refugee relief, and for assistance in support of democratic political reform and rule of law activities, and for assistance for the creation of a private sector and non-governmental sector independent of government ownership and control).

B. The Government of Russia is not implementing comprehensive economic reforms or if it employs any assistance provided under the FREEDOM Support Act to expropriate assets and investments.

The bill maintains the authority granted to the President under the FREEDOM Support Act to issue a waiver of the conditions in that Act should that be determined to be in the national interest.

In attempting to address the several issues of great concern in relations between the United States and the Russian Federation, the Committee maintains the distinction between U.S. assistance that goes to the Government of Russia and U.S. assistance that goes to support reform-minded elements, particularly the on-going effort to support the emergence of a private sector and non-governmental sector outside the government's control.

In FY96, roughly 30% of our FREEDOM Support Act assistance will be allocated to programs intended to benefit the people of Russia. Most of that assistance does not go to assist the Russian Government directly. The bulk of that assistance instead goes to create institutions and a growing private sector of the Russian economy that will be free of government ownership and control. Breaking down the former Soviet government's totalitarian structure of control over Russia's society, politics and economy is in the U.S. national security interest.

The Committee takes note, in particular, of recent statements by Mr. Sergei Kovalev, a prominent critic of the Russian Government's actions in the separatist region of Chechnya, who has called on the U.S. to maintain its support and economic assistance for reforms in Russia while pressing the Russian Government on issues of concern.

The Committee does not discount the importance of the issues over which the United States and Russia now have serious disagreements. The Russian military operation that began in the separatist region of Chechnya in December 1994 has been extremely brutal. The U.S. and its allies in Europe must search for ways to ensure that the Government of Russia lives up to its obligations as a member of the Organization on Security and Cooperation in Europe (OSCE) and takes concrete steps to end the conflict in Chechnya.

The sale of civilian nuclear reactors to Iran by Russia will very likely prove a setback to U.S. efforts to ensure that the Iranian regime does not develop the ability to produce nuclear weapons. Efforts to dissuade the Russian Government from carrying through with this sale to Iran have the strong support of the Committee. The Committee believes that the additional conditions it has placed

on assistance to Russia or any other of the New Independent States that might sell nuclear reactor components to Iran will help in achieving the cancellation of this or other reactor sales to Iran. The Committee also notes that under this new condition on assistance under the FREEDOM Support Act, the President must determine that such sales are consistent with U.S. national security and non-proliferation concerns. That is a higher standard than simply requiring that such states meet international law and treaty standards.

Finally, the Committee recommends that the Congress search for additional means by which it might more directly and effectively influence the Russian Government on issues such as the sale of reactors to Iran and the military operation in Chechnya. It seems obvious that such influence is most closely associated with U.S. assistance and U.S. programs that directly involve the Russian Government or benefit it.

In fact, much of our FREEDOM Support Act assistance does not go to the Government of Russia, and so its influence over governmental actions is limited. The Committee notes, however, that the Congress has already enacted into law a prohibition on any U.S. nuclear cooperation agreement with Russia, under Section 123 of the Atomic Energy Act, until U.S. concerns over the reactor sale to Iran are addressed (P.L. 104–6). The provisions of this bill, if enacted into law, would end U.S. assistance to the Government of Russia until those concerns (and concerns over the situation in Chechnya) are met.

Should Russia's policies not respond to U.S. concerns in areas of serious disagreement between the two countries, the Committee would recommend that the Congress consider at the appropriate time ending support for other programs and assistance that directly benefit the Russian Government or its ministries and agencies. Specifically, contracts with the Russian Space Agency might be terminated, assistance for defense conversion joint venture projects might be withheld and support for financing of the Russian Government through the International Monetary Fund and other international financial institutions might be questioned.

At the same time, the Committee suggests that U.S. efforts to resolve the serious disagreements now outstanding in our relations with Russia employ incentives, wherever those are available. The Committee notes a recent report alleging that the process by which the United States is to purchase highly-enriched uranium from Russia is not operating as was envisioned when the federally-owned U.S. Enrichment Corporation was created to carry out such purchases. The Committee recommends that responsible U.S. Government agencies review the workings of the Enrichment Corporation to ensure that the Russian Ministry of Atomic Energy is afforded the opportunity to earn hard currency in transactions supported by the U.S. rather than in unwelcome sales transactions, such as the sale of nuclear reactors to Iran.

Section 3225. Development Fund for Latin America and the Caribbean

1. Analysis

Section 3225 authorizes a "Development Fund for Latin America and the Caribbean" to promote democracy, sustainable development, and economic growth in the region. The intent of this section is not to earmark a specific sum for these activities. The Committee strongly opposes any new regional earmarks for development assistance and related programs. This section merely states that "not less than an amount requested by the President and approved by Congress in appropriations Acts shall be made available" to carry out these activities under the Fund.

Because of proximity and interdependence, certain development issues in the Western Hemisphere naturally have a unique impact on the well-being of the American people. Therefore, the Committee concluded that programs focused on U.S. priorities close to home—for example, private sector-led growth, free-market economic reform, trade liberalization, anti-drug cooperation, democratic stability in neighboring states—are among the most worthy investments of U.S. aid funds that should be spared from deep reductions.

The Committee notes that because the Western Hemisphere, Asia, the Middle East and Western Europe have not had geographic earmarks, some programs in these regions have suffered. For example, current funding for programs in Latin America and the Caribbean already has been reduced by 38 percent from FY93 levels ($1.02 billion). In another example, because of the disproportionate commitment President Clinton has made in Haiti—spending approximately $1.5 billion from FY94 to present—funding was stripped from many AID programs, particularly in the Western Hemisphere, with little apparent regard for bilateral commitments in third countries or their relative importance to U.S. interests in the region.

In particular, the Committee recognizes the contributions made by certain AID programs in supporting democracy and political stability over the last decade in the Western Hemisphere. The Committee expects that AID will treat these programs as priorities, including the Latin American Journalism project, strengthening legislatures throughout the Hemisphere, rule of law programs, and support for the Inter-American Institute for Human Rights.

2. General Commentary

The Committee recognizes that 15 years of promoting representative democracy and free market economies in the Western Hemisphere has produced a dramatic legacy:

> Military dictatorships of the left and right have given way to elected civilians. Military juntas in Grenada, Nicaragua, Haiti, El Salvador, Chile, Argentina and elsewhere submitted to intense U.S. pressure to hold and respect democratic elections. In 1980, only 30% of the people in Latin America and the Caribbean lived under democratically-elected governments. Today, that number is well over 90%.
>
> President Reagan and Bush's prescriptions for the Latin debt crisis and hemispheric free trade helped many regional govern-

ments break their economic free-fall and emerge from the "lost decade" of the 1970's. President Bush's 1989 Enterprise for the Americas Initiative further strengthened the hand of fiscal reformers who raced to rationalize economic policies, privatize statist enterprises, and liberalize trade and investment.

The Committee notes a new irony: the terms of reference in the Americas changed so dramatically since President Reagan laid out a vision for hemispheric free trade in 1979 that the Latin American and Caribbean leaders were more eager to include trade on the agenda of the December 1994 Summit of the Americas than the U.S. Administration. Moreover, democratically-elected leaders came to the table with new legitimacy and accountability—eager and able to follow through with ambitious plans for political and economic cooperation in the region.

The Committee recognizes that the stakes are high for the United States in this Hemisphere:

U.S. exports to Canada, Mexico, the Caribbean, and Central and South America totalled about $180 billion in 1993, nearly 40 percent of all U.S. sales abroad.

Latin America is the only area of the world in which we enjoy a substantial trade surplus—more than $4 billion. (The United States sells more today to Brazil than to Russia, and more to Ecuador than to Hungary and Poland combined.) U.S. exports to Latin America totalled $80 billion in 1993, employing 1.5 million Americans.

The Committee recognizes the important regional objectives advanced at the 1994 Summit of the Americas (held in Miami), particularly the fundamental recognition that free market policies and democratic governments are indispensable to economic growth and modernization. The 34 heads of government in attendance signed a "Plan of Action" and a "Declaration of Principles" in which they agreed, inter alia, to:

Form a "Free Trade Area of the Americas," in which barriers to trade and investment will be eliminated progressively, with negotiations completed by the year 2005;

Preserve and strengthen democracy;

Eradicate poverty and discrimination; and,

Guarantee sustainable development and conserve the environment.

This Declaration also cited the pernicious effects of crime and illegal narcotics and condemned terrorism; highlighted the marginalization of the very poor and the indigenous people and acknowledged significant reforms that make the Organization of American States a vital organ in following through with many parts of the Summit agenda.

The Committee endorses many of the specific initiatives set forth in the Summit's "Plan of Action," in particular commitments to:

Launch the Free Trade Area of the Americas by directing trade ministers to take concrete steps under a specific timetable, to study existing trade arrangements;

Combat illegal drugs and related crime, promote programs that reduce the demand for illicit drugs, reduce cultivation and processing, support a global anti-drug conference;

Practical initiatives to strengthen democratic institutions and the rule of law, particularly through legislatures and the courts; and

Take steps to make government transparent and accountable and to battle corruption.

The Committee stresses that the United States must not shrink from its leading role in preserving stability and security in the Hemisphere. Although multilateral organizations and agreements provide some basis for regional security cooperation, the United States must be prepared to act alone if necessary to defend its vital national security interests in the region. The Committee asserts that the reliance of the Clinton Administration on the United Nations Security Council in the case of Haiti should not serve as a precedent for deferring to that or any other multilateral organ on matters of vital U.S. national interest. Multilateralism should be a tool of U.S. policy, not a substitute for U.S. leadership.

The Committee urges the Administration to review existing regional security arrangements and organizations for their relevance and effectiveness in a post-Cold War era. The Administration should also redouble its efforts through assistance programs and diplomacy to promote effective control of democratically elected civilians over the military.

A. Chile

Chile's free-market economic policies—which have been sustained since the 1980's—generated impressive economic growth and spurred remarkable expansion in trade and investment with the United States and the rest of the Hemisphere. U.S. trade with Chile has doubled since 1986. In December 1994, the NAFTA governments declared their intention to pursue Chile's accession to the trade agreement. The Committee supports vigorous consideration of Chile's accession to NAFTA.

B. El Salvador

The Committee applauds the progress made by the people of El Salvador from across the political spectrum to implement the January 1992 peace accords to put a definitive end to a 12-year civil war, build a more just society, and reconstruct the Salvadoran economy. The Committee recognizes that the United States played a crucial role in this process—through diplomatic support and by following through with commitments of military and development assistance. The Committee joins the Department of State in encouraging other donor countries and entities in meeting their commitments to help implement the peace accords. The Committee also intends that AID provide priority funding to El Salvador programs, particularly those aimed at ensuring broad-based, private sector-led economic growth and strengthening democratic institutions, in order to help ensure a permanent peace with democracy that serves as a global model.

C. Haiti

Even with the extraordinary investment of U.S. military might and financial assistance, the opportunity for making profound economic and political changes in Haiti is fleeting. The Committee be-

lieves that without urgent attention to the recommendations outlined below, high expectations will not be met, dissatisfaction and instability may ensue, momentum behind reform will be lost, and the international community might abandon its commitment to shoulder more of the burden in Haiti:

The United States shouldered a disproportionate cost in restoring Haiti's duly-elected government, and U.S. companies deserve priority consideration in competing for trade, investment, privatization, and contract opportunities.

AID should have included urgent support for the private sector in its original aid plans. The Overseas Private Investment Corporation should have moved faster in supporting private sector companies interested in restoring U.S. and Haitian jobs. The Committee notes that companies that expanded in Haiti in the mid-1980's at the behest of U.S. officials were hardest-hit by the recent embargo. Any U.S. support program that does not help these companies, which happen to be the most prepared to expand in Haiti and create jobs immediately, has failed a key test.

The conduct of free and fair elections and the peaceful transition of power to a new president in February 1996 are key tests of our Haiti policy. The Committee is concerned with the capacity of the Haitian government to meet the tight schedule for holding elections as well as the lack of a secure, and even "playing field". Elections preparations will require urgent and careful attention by the Embassy and AID. Non-governmental organizations familiar with Haitian politics, such as the Center for Democracy and the International Republican Institute for International Affairs, must be enlisted to support a fair and transparent process.

The Committee believes that a professionally-trained, adequately equipped, and nonpartisan police force is needed to provide political and economic stability.

The Committee believes that a competent, independent parliament is needed to institutionalize democracy and to efficiently promulgate the economic and political reforms. The Committee believes that U.S. support for the parliament was inadequate in the days immediately following the U.S.-led occupation in September 1994, fueling the perception that U.S. policy was not to restore democratic institutions but merely to return the president to office. AID should enlist the involvement of technically experienced non-governmental organizations familiar with the Haitian political scene, such as the Center for Democracy, to support the parliament.

D. Jamaica

The Committee recognizes that Jamaica emerged as a key partner of the United States in the Caribbean Basin. Jamaica implemented wide-ranging economic and trade liberalization reforms, which have stimulated an active private sector and expanded U.S.-Jamaica commercial links. In the past year alone, Jamaica reaffirmed the importance of this relationship by signing a Bilateral Investment Treaty and an intellectual property rights agreement with the United States. Moreover, Jamaica maintained excel-

lent cooperation in fighting illicit narcotics trafficking in the region. The Committee notes that U.S. programs aimed at supporting economic development and counternarcotics efforts, in particular, have great merit.

E. Mexico

With unprecedented U.S. support (including the availability of $20 billion in economic stabilization funds by the President), Mexico is gradually overcoming its economic crisis that ensued with a dramatic devaluation of the peso beginning in December 1994. The Committee recognizes that the condition of Mexico's economy has an impact on trade with the United States, illegal immigration, the level of resources dedicated to anti-drug cooperation, U.S. jobs, and conditions in U.S. border communities. The Committee also believes that the Congress must continue to play an active role in monitoring compliance with the conditions of the February 21, 1995, agreements under which U.S. economic assistance is being provided to Mexico.

The Committee recognizes that, although bilateral anti-drug cooperation is unprecedented in its scope and intensity, there is no substitute for bringing drug "kingpins" to justice and purging official corruption. The Committee acknowledges strides made in 1994 toward establishing free and fair electoral processes in Mexico and attaches great significance to the conduct of upcoming state and local elections in measuring the central government's commitment to representative democracy. The Committee also applauds efforts by the Mexican government to find a peaceful settlement to the armed conflict in the state of Chiapas. The Committee will continue to take into account the government's efforts to protect the human rights of all persons in the affected region.

F. Peru

The Committee notes that Peru appears to have returned to a fully democratic track: four national elections, culminating in a landslide victory for President Alberto Fujimori (including outright control of the 120-member congress), have restored constitutional order that was breached by the autogolpe (self-coup) of April 1992.

According to the State Department's 1994 International Narcotics Control Strategy Report, the Government of Peru took concrete anti-drug measures, although it continued to oppose eradication of mature coca plants without increased alternative development aid from foreign donors. The Committee notes that the Peruvian government in September, 1994, approved a national plan for drug prevention and control, which includes a goal for reducing coca cultivation by 50 percent. The Committee welcomes the decision of AID and the State Department to cooperate with the Peruvian government to initiate an alternative development project—with $30 million in unfrozen U.S. assistance—aimed at making significant reductions in coca production by facilitating legitimate economic activity.

The Committee asserts that the primary interest of the United States in Peru today is reducing coca production and expanding anti-drug cooperation. Our government should seek to build con-

structive relations with a Government that has both the will and ability to be an effective partner in that fight.

G. Peru-Ecuador Conflict

The Committee urges the Governments of Peru and Ecuador to continue to observe the mutual cease-fire and comply with commitments under the 1942 Protocol of Rio in order to bring a definitive and permanent end to a border conflict that recurred in January 1994. The Committee notes that the appalling loss of life and economic costs on both sides, as well as the setback to the progress of regional cooperation, compel both sides to reach a peaceful settlement without delay. The Committee applauds the earnest work of the United States government as a guarantor of the Rio Protocol.

Section 3226. Effectiveness of United States Development Assistance

Section 3226 amends chapter 1 of part 1 of the Foreign Assistance Act of 1961, as amended, to require the President to report to the Congress every three years on the effectiveness of U.S. development assistance. The first report shall not be transmitted later than December 31, 1996. The report shall analyze, on a country-by-country basis, the impact and effectiveness of U.S. development assistance, including the specific objectives of the assistance, whether the assistance was successful, and if not, an explanation of why not. Additionally, the report will specify the amount and nature of assistance from other donors and discuss the commitment of the host government to development. Finally, the report shall list the five countries in which U.S. assistance has been the most successful and the five least successful.

Section 3227. Funding for Private Voluntary Organizations and Cooperatives

Section 3227 would protect funding for private and voluntary organizations and cooperatives (PVOs) at an aggregate level of the funding provided in FY94. The work of these organizations is one of the most effective parts of the U.S. foreign aid budget. This section would protect these organizations and their important work despite the budget reductions in the bill.

Section 3225 of this bill recognizes and promotes the important role of America's private and voluntary organizations and cooperatives, which have proven to be an efficient and cost-effective means of implementing development and humanitarian assistance programs overseas. In an era of shrinking resources, the Committee believes that priority should be placed on supporting the U.S. Government's partnership with U.S. PVOs and cooperatives. These organizations promote people-to-people assistance, which has sustainable and lasting impact in benefitting the lives of the poor. The Committee notes that these organizations leverage public funds with private resources.

It is the intent of the Committee that the Administration, in carrying out this section as well as section 123(g) of the Foreign Assistance Act, should continue to follow the existing procedures and requirements as applied by AID regarding PVOs, specifically: the definition of PVOs, the process of registration with the U.S. Gov-

ernment, the definition of privateness and the criteria for funding eligibility.

Section 3228. Sense of Congress Relating to United States Cooperatives and Credit Unions

Section 3228 contains sense of the Congress language highlighting the importance of Cooperatives and Credit Unions in development work. Cooperatives enable people to achieve dignity and lasting economic independence through member-owned, democratic businesses. In the U.S., they have lifted farmers and low income people out of poverty and spread the benefits of capitalism through credit unions and community-based businesses.

Cooperatives are a nongovernmental and business approach to solving problems. They bootstrap people into the marketplace and introduce democratic business practices in former Communist countries. By sharing business expertise how, these overseas programs directly benefit Americans by building long-term business partners, increased international sales and investments by U.S. businesses.

The programs do not provide any direct cash payments. The cost to U.S. taxpayers is modest for technical and managerial expertise only. These programs, which require little federal bureaucracy, strengthen the competitive position of U.S companies and cooperatives. Without some assistance, U.S. firms would not be able to develop markets where investment and trade opportunities are opening up, and Western competitors are being subsidized by their governments to help capture these new markets.

In sum, U.S. cooperatives provide private sector assistance that links American communities and cooperative businesses with overseas partners that, in turn, serve U.S. economic interests.

Subchapter B—Operating Expenses

Section 3231. Operating Expenses Generally

Section 3231 provides $465,774,000 for FY96 and $419,196,000 for FY97 to administer the FAA. Upon transfer, these funds will be transferred from AID to the State Department.

These amounts represent a reduction from the current funding of $517 million for AID's Operating Expenses. The bill would cut this account below the FY95 level by $52 million in FY96 and $98 million in FY97.

Section 3232. Operating Expenses of the Office of the Inspector General

Section 3232 authorizes $35,206,000 for FY96 and $31,685,000 for FY97 for AID's IG. Upon transfer, these funds will be transferred from AID to the State Department.

Chapter 4—Public Law—480

Section 3241. Authorization of Appropriations for Title II

Section 3241 reauthorizes minimum levels of assistance for Title II food assistance programs under Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480). The Committee freezes the minimum overall assistance levels for FY96 and FY97 for the Title II program at 2,025,000 metric tons.

This is the same level authorized for FY95. Similarly, the Committee freezes the sub-minimum non-emergency assistance level for FY96 and FY97 for the Title II program at 1,550,000 metric tons. This is also the same level authorized for FY95. The Committee understands that funding for this activity will total $863,951,000 in FY96 and FY97.

The Committee notes that overall funding for the P.L. 480 program was cut 24% between fiscal years 1993 through 1995. The Committee also notes that Congress, in implementing the Uruguay Round Trade Agreement legislation, pledged to "increase its contribution of bona fide food assistance to developing countries consistent with the Agreement on Agriculture." [Section 411(e) of the Uruguay Round implementing legislation.]

In March, the Department of State indicated to member countries of the Food Aid Convention that it would decrease its minimum commitment of food aid from 4.47 million metric tons to 2.5 million metric tons. Over the past decade, the United States has provided between 6.5 and 8 million metric tons.

Section 3242. Authorization of Appropriations for Title III

Section 3242 would effectively end the P.L. 480 Title III government-to-government food aid program. Last year, the U.S. spent $157 million on this program. This year, the Administration only requested $50 million for this program. It is widely acknowledged that the program is relatively ineffective and duplicated initiatives funded under development assistance accounts. In a time of severe budgetary constraints, the Committee chose to fund Title II, which saves lives, rather that Title III which saves bureaucracies.

Chapter 5—Housing Guarantee Program

Section 3251. Authorization of Appropriations

Section 3251 provides close-down funding for the Housing Investment Guarantee (HIG) program in accordance with GAO's recommendation. Loan losses and management problems have plagued this program. This section authorizes $7 million in FY96 and $6 million in FY97 to administer the existing portfolio of loans.

Section 3252. Additional Requirements

Section 3252 prohibits the issuance of any new guarantees under the HIG program after the date of enactment of this bill. Existing guarantees which have not been applied to loans are cancelled upon enactment of this bill. Guarantees of existing loans are not affected, nor are guarantees issued for loans in Israel, which have been provided under separate statutory authority.

No assistance may be provided under the Foreign Assistance Act of 1961 to any entity which is in arrears on a loan which is guaranteed under the Foreign Assistance Act, or which has caused a claim to be paid by the U.S. Government under a guarantee issued under the Act. Assistance is restored when the entity is no longer in arrears or when the entity reimburses the U.S. Government for its losses. The President may waive the suspension of assistance if maintaining assistance is in the national interest.

The termination of the HIG is the bi-partisan recommendation of members of the Subcommittee on International Economic Policy and Trade, who have had long-standing concerns about this program. In 1993, the subcommittee requested a General Accounting Office investigation of reports that defaults on guarantees were significant, that the program did not serve its statutory purpose and that U.S. efforts to recover losses were ineffective. The subcommittee has received a draft report of the results of GAO's investigation, which confirms the subcommittee's concerns. GAO found that $542 million in claims have been paid on the total $2.7 billion in guarantees issued thus far and that an additional $600 million is likely to be paid in future claims on these existing guarantees.

GAO investigators located an AID-funded outside audit which projects even greater losses than GAO estimated. Moreover, GAO asserts that the program does not fulfill the program's statutory purpose of expanding the local financing of housing and related infrastructure. GAO also determined that U.S. Government efforts are ineffective in seeking repayment of the debts which are owed to the U.S. by recipients of guarantees who have caused claims to be paid. Currently $409 million is owed to the U.S. by 23 recipients of guarantees. These debtors total more than half of all those who have received guarantees during the operation of this program. Some have received new guarantees from the United States while owing funds on previous guarantees.

The provisions of this chapter reflect the recommendations of GAO and are strongly supported by members of the Subcommittee and full Committee. The time has come to terminate this program and improve the collection of losses on these guarantees.

The Committee notes that it will seek to adjust the provision as reported to exempt the existing HIG program for the Republic of South Africa from the requirement that affects unused existing guarantees.

Chapter 6—Peace Corps

Section 3261. Peace Corps

Section 3261 authorizes $219,000,000 for FY96 and 97. The Committee strongly supports the work of the Peace Corps and regrets it could not do more to fund its operations. Without Section 3262, this would represent a cut of $12 million from Peace Corps funding in FY95.

Section 3262. NIS Funds for Peace Corps

Section 3262 provides that not more than $11 million may be transferred from the NIS account to preserve Peace Corps funding for FY96 and 97. It is the Committee's intention that AID make this transfer to cover the costs of Peace Corps' operations in the NIS and restrict the reductions under Section 3261.

Section 3263. Prohibition on Use of Funds for Abortion

Section 3263 enacts into the permanent statute the current appropriations restrictions on spending for abortion activities under Peace Corps authorities.

Chapter 7—International Disaster Assistance

Section 3271. Authority to Provide Reconstruction Assistance

Section 3271 broadens the authority to use disaster assistance funds for short-term rehabilitation and reconstruction. This was suggested by the Administration and would help expand relief activities beyond the immediate post-disaster operation.

Section 3272. Authorization of Appropriations

Section 3272 would authorize the President's full request for $200,000,000 for FY96 and 97. The represents and increase of $30 million from FY95. The Committee sees no higher humanitarian mission than the saving of lives following a man-made or natural disaster.

Chapter 8—Other Provisions

Section 3281. Exemption from Restrictions on Assistance through Nongovernmental Organizations

Section 3281 enacts into the permanent statute current appropriations law that relaxes the restrictions contained in the Foreign Assistance Act and any other act for aid delivered through Non-Governmental Organizations (NGOs). This section also broadens this exemption to include the work of NGOs funded under the Freedom Support Act for their work in the NIS.

Section 3282. Funding Requirements Relating to United States Private and Voluntary Organizations

Section 3282 enacts into the permanent statute the current appropriations law requiring PVOs to raise at least 20 percent of their funds from private sources.

Section 3283. Documentation Requested of Private and Voluntary Organizations

Section 3283 enacts into the permanent statute the current appropriations law on the documentation required of PVOs.

Section 3284. Foreign Government Parking Fines

Section 3284 enacts into the permanent statute the current appropriations law withholding aid to require payment of parking fines by foreign governments. This section also adds liabilities for tickets written by New York City.

Section 3285. Human Rights Reports

Section 3285 would amend the Foreign Assistance Act to add reporting on the votes of each member of the United Nations Commission on Human Rights on "all country-specific and thematic resolutions voted on at the Commission's annual session."

This section would also require reporting on the extent to which each country has extended protection to refugees, including the provision of first asylum and resettlement.

Section 3285. Deobligation of Certain Unexpended Economic Assistance Funds

Section 3285 requires the deobligation of certain categories of economic assistance funds which have remained unexpended for more than three years after being appropriated. Deobligated funds are returned to the Treasury. The President may exempt from deobligation any funds which are allocated to long-term construction projects or which are allocated to projects which have been delayed for unforeseen circumstances. The President must submit a report to Congress on any exemptions granted. The Inspector General of the agency administering foreign assistance must provide Congress with comments on exemptions granted.

This section reflects recommendations made by the General Accounting Office to the Committee. After analyzing the expenditure of funds from prior years, GAO concluded that retaining funds for more than two fiscal years leads to significant instances of inappropriate expenditures. In this provision, the Committee grants an additional year for retention of prior-year funds, beyond what GAO recommendations.

The accumulation of prior-year funds in AID accounts is significant. As of January 1, 1995, AID had $7.7 billion in unexpended funds from previous fiscal years. Some $2 billion of these funds date back to appropriations made for FY92 and earlier, going back to FY88. The Committee included this section in foreign assistance authorization bills in prior Congresses and continues to believe that significant savings can result from enacting this section.

The Committee has not restricted the ability of AID or its successor to reprogram funds even late into the third year to be obligated against newer, more worthy projects. The Committee will insist that the full protections of section 634A of the Foreign Assistance Act govern such reprogrammings.

Title XXXIII—Regional Provisions

Section 3301. Prohibition on Assistance to Foreign Governments Providing Assistance to Cuba

Section 3301 adds a new section to the Foreign Assistance Act to prohibit aid (other than humanitarian and refugee aid) to countries providing "economic assistance to or engaged in non-market based trade" with Cuba. The President may waive the prohibition if he determines that continued aid is vital to the national security of the United States. The President will also have to report on other countries' aid programs to Cuba.

Although the Soviet collapse has stripped Cuba's President Castro of his ability to wage war in Latin America or Africa, his war on the Cuban people goes on. For 35 years, Fidel Castro has been an aggressive enemy of U.S. interests: providing a platform for Soviet nuclear weapons targeted on U.S. shores, sustaining Latin American guerrilla movements, destabilizing Africa and serving as a military and intelligence outpost for the Soviet Union.

Cuba's economic and political isolation of Cuba—the policy of eight U.S. Administrations—is having a greater effect now that the Soviet life-line has been cut off. The end of Soviet subsidies (which totalled $18.5 billion from 1970 to 1989) has wrecked Cuba's al-

ready stunted economy (e.g., GDP has declined by 40 percent since 1989).

The Committee believes that any government that provides assistance or concessionary trade as defined in this section of the Act renders itself ineligible for any form of assistance under this Act. This prohibition is subject to two forms of waiver: a national interest certification by the President using procedures under section 634A of the Foreign Assistance Act, or a determination by the President that the requirements of section 1708 of Cuban Democracy Act of 1992 (specific steps toward democracy in Cuba) have been met.

The Committee notes that, contrary to the assertion made at the May 15, 1995, mark-up of this legislation by a State Department representative, the definitions in this section of "non-market based trade" are much more specific than the definitions in current law that the State Department professed to prefer. The Committee expects that the Administration will apply this section with vigor, not relying on the vague assertions made by Administration witnesses that this prohibition does not now affect any country that receives U.S. assistance. The Committee expects to be consulted carefully as the Administration makes its determinations on the coverage of this provision. The Committee hopes that this provision has the effect of deterring countries beginning or continuing to aid or engage in non-market based trade with Cuba.

Section 3302. Assistance for Nicaragua

Section 3302 conditions aid to Nicaragua based on the Secretary of State certifying that seven conditions are met. Under subsection (c), several programs including human rights monitoring, election aid and democracy building programs would be exempted from these restrictions.

The Committee recognizes the significant accomplishments achieved by the Nicaraguan people since the transition to a democratically-elected government of President Violeta Barrios de Chamorro on April 20, 1990. The climate of free expression and press has improved since the routine repression and censorship during the Sandinista regime. The National Assembly is operating vigorously. Political parties and civic groups are active; spirited public debate on political and economic policies has become routine. Although Sandinista unions and activists have resorted to violent protest against government policies, expression is generally peaceful.

Nicaragua's economy is showing superficial signs of recovery: In 1994, after a decade of drastic economic contraction, nearly 3 percent growth was recorded; fueled by recovering prices for traditional crops, increased export earnings are expected to buoy the growth rate further. Inflation, which was astronomical in the late 1980's, was at 7.7 percent in 1994.

The Committee notes however, that these dramatic gains are threatened by a serious constitutional crisis and persistent violations of human rights carried out with absolute impunity by Nicaragua's army and police, to wit:

> Since late 1994, a diverse coalition in the National Assembly drafted and approved, by overwhelming margins, over 60 key

reforms to the 1987 Sandinista constitution. The executive branch has delayed the promulgation of these reforms (including enhancement of individual rights, protection of private property, accountability of the presidency and reform of the electoral process), which were advocated by President Chamorro in her 1990 campaign. The Committee is concerned that a prolonged institutional crisis, which compromises badly needed constitutional reforms reached by broad-based consensus in the National Assembly, threatens the hard-won legacy of the last five years.

Between April 1990 and February 1995, the International Commission for Support and Verification of the Organization of American States (CIAV–OEA) recorded 1,561 human rights violations, including 298 murders, committed against former members of the Nicaraguan Resistance and their families. Nearly 75 percent of the total abuses and over 50 percent of the murders were considered to be political crimes. Nicaragua's security forces were responsible for 55 percent of all of the reported abuses and 30 percent of the homicides.

Dozens of soldiers and policemen accused of committing or conspiring to conceal gross human rights violations have never been brought to justice, despite having been implicated by key authorities of the civilian government itself based on an exhaustive investigation by the international Tripartite Commission. An admitted assassin, ex-army officer Frank Ibarra, has never been prosecuted for his politically-motivated crimes. The military has never cooperated fully in investigating the October 1990 killing of 15-year-old Jean Paul Genie—a case in which retired General Humberto Ortega himself is implicated—or the February 1991 assassination of former Nicaraguan Resistance leader Enrique Bermudez.

The Committee notes that all of these particular abuses have occurred since the transition to the current government. As recently as January 6, 1995 an apparent massacre of 13 civilians by the army occurred at La Maranosa, in northern Nicaragua. The Human Rights Committee of the National Assembly, three Nicaraguan human rights groups, and CIAV–OEA have each interviewed numerous witnesses and reached the same conclusion: that the army's explanation of this incident is not credible. Independent investigators found physical evidence suggesting that the truck was ambushed and received testimony that the victims were unarmed.

The Committee concludes that the lack of justice in the vast majority of these cases—and in virtually every case involving the security forces—manifests an absence of political will, which stands in sharp contrast with (and, indeed, undermines) the progress recorded in other issues. The Committee will also continue to monitor whether the rule of law is respected in resolving the constitutional impasse in a timely fashion.

Section 3302 restricts aid to the Government of Nicaragua in FY 96 and 97 (as well as unobligated balances from prior years) until the Secretary of State determines that the Nicaraguan Government has investigated and prosecuted cases of terrorism and made substantial progress in adjudicating human rights cases and resolving outstanding property confiscation claims. Several human rights activities, democracy-building programs, and support for free and fair

elections (including technical assistance to Nicaragua's Supreme Electoral Council, if necessary) are explicitly excepted from this funding restriction.

Section 3303. Sense of Congress Regarding Relations With Burma

Section 3303 expresses the Committee's concerns with U.S. policy towards Burma.

Section 3304. Debt Restructuring for Egypt

Section 3304 calls for a report to Congress by January 31, 1996 by the Secretary of State and the Secretary of the Treasury on options to restructure and buy down Egypt's debt through the use of Economic Support Fund resources. In the development of such options, the Secretaries shall consult with the Secretary of Commerce for the purpose of determining the impact of such options on the level of U.S. exports to Egypt.

Egypt's remaining debt to the United States totals more than $6 billion, and Egypt has been paying the United States several hundred million dollars per year while receiving $815 million per year in ESF funds from the United States.

The purpose of this report is to provide guidance on how to reduce Egypt's debt burden to the United States at a time when maintaining current assistance levels are increasingly difficult.

The Committee remains strongly supportive of the Camp David peace process and the assistance provided to the Middle East which is designed to reinforce the peace process.

The purpose of such a report is to give guidance to Congress on a "soft landing" for Egypt if and when cuts in assistance do occur. The options this provision seeks to develop are intended to help confront budget realities in a way that strengthens the peace process and does not undermine it.

Section 3305. Prohibition on Assistance to Foreign Governments Providing Assistance to Iran

Section 3305(a) notes that Iran is engaged in an intensive effort to develop nuclear weapons, that possession of nuclear weapons by Iran would represent a serious threat to the security of the Middle East region, and that the United States places the highest priority on denying to Iran the capability of producing nuclear weapons.

Section 3305(b) expresses the sense of Congress that the U.S. should oppose the accession of any country to NATO which sells nuclear or dual-use technology, military weapons or military equipment of any kind, or any item on any list covered by the Missile Technology Control Regime to Iran or any other country supporting terrorism pursuant to Section 6(j) of the Export Administration Act.

Section 3305(c) would prohibit any U.S. assistance from the U.S. Government to any country which sells nuclear or dual use technology or military weapons or military equipment of any kind, or any item on any list covered by the MTCR to Iran or any other country supporting terrorism pursuant to Section 6(j) of the Export Administration Act.

Section 3306. Assistance for Pakistan

Section 3306 partially relaxes the ban on assistance and arms transfers to Pakistan as currently required by the terms of Section 620E(e) of the Foreign Assistance Act (the Pressler amendment), while retaining the elements of the sanctions—military assistance and arms transfers—that impose the most serious penalty for Pakistan's nuclear weapons activities. The underlying principle governing the Committee's action is that non-military aid that directly benefits the people of Pakistan—such as development assistance to nongovernmental organizations and microenterprises— should not be denied, and that other programs, which benefit U.S. interests as much or more than they aid Pakistan, should be allowed. These latter include Overseas Private Investment Corporation (OPIC) insurance programs and narcotics control assistance. International Military Education and Training (IMET) would be allowed in view of Pakistan's prominence in international peacekeeping activities and in the broader interest of maintaining professional relationships between the American and Pakistani military establishments. For FY97, this authority is contingent on a Presidential certification that Pakistan is fully cooperating with U.S. narcotics assistance programs and policies.

The Committee also has acted to relax sanctions regarding other programs that directly affect the health, welfare and safety of American citizens, such as antiterrorism assistance; assistance and training in support of aviation safety and security; immigration and customs procedures; international peacekeeping and multilateral operations; and programs in addition to OPIC that promote U.S. trade and investment.

Section 3307. Return of Military Equipment of Pakistan

Section 3307 includes language that addresses some troublesome bilateral complications arising out of the Pressler Amendment sanctions. Pakistan has paid several hundred million dollars for military aircraft that cannot be delivered under the terms of the Pressler amendment. Under current law, the funds or aircraft cannot be delivered to Pakistan and the manufacturer cannot provide a refund (since the planes have been completed).

The section expresses the sense of the Congress that the United States should make a determined effort to find a third party buyer for the aircraft and reimburse Pakistan with any proceeds thereby derived, up to the amount paid by Pakistan. This is consistent with the stated intent of the Administration, but removes any doubt about the propriety of such action. The amendment imposes no obligation either to reimburse Pakistan out of U.S. Government funds or to make up any difference between the selling price and the amount of progress payments paid by Pakistan.

Subsection 3307(3) seeks to clear up another unforeseen complication arising out of the cutoff of aid and arms transfers by allowing the return to Pakistan of military equipment or spare parts that had been exported to the United States for upgrading or repair. Under the amendment, the return of a part in an unrepaired state or a weapons system without the upgrade for which it was sent to the United States would not be deemed as assistance or a "transfer" under the terms of Sec. 620E(e).

Section 3308. Eligibility of Panama Under Arms Export Control Act

Section 3308 authorizes Panama for assistance under the Arms Export Control Act to purchase defense articles and defense services. Under current law, Panama is not eligible to purchase defense articles and services through Foreign Military Sales since it no longer has a military. Cash FMS sales however would facilitate U.S. assistance in developing civilian-led law enforcement institutions, specifically, the national police, and maritime and air services. Currently, Panamanian law enforcement patrols and counternarcotics activities are hindered by a lack of spare parts and components.

Section 3309. The Future of the United States Military in Panama

Section 3309 expresses the sense of the Congress that the President should negotiate a new base rights agreement with the Government of Panama to allow the stationing of U.S. armed forces in that country beyond December 31, 1999, and to ensure that the United States will be able to act appropriately, consistent with the Canal treaties, to help ensure that the Panama Canal shall remain open, neutral, secure, and accessible. The Committee acknowledges explicitly that these objectives can and should be met consistent with the treaties and with full respect for the sovereignty of the Government of Panama.

The Committee recognizes that inter-American security priorities include helping preserve democratic stability in the Hemisphere, nurturing constructive relations based on mutual respect, expanding commerce and investment and combatting the criminal drug trade. Although only 14 percent of U.S. seaborne trade goes through the Panama Canal, its strategic location makes it important to each of these regional security objectives. Conscientious and complete implementation of the 1977 Canal treaties will impact significantly on U.S. relations with other governments in the region.

Under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, all U.S. forces would be withdrawn from Panama no later than December 31, 1999. However, the United States and Panama agreed that the two countries could decide to negotiate the stationing of U.S. military forces or the maintenance of defense sites deemed necessary to maintain the Canal's neutrality after 1999.

The Committee believes that a U.S. military force in Panama is critical to projecting our interests in the Western Hemisphere. In light of the historic presence in Panama, the practical advantages of that site to ongoing cooperation against narcotics production and trafficking, as well as the shared responsibility under the Canal treaties to defend the neutrality of the Canal, the Committee believes the Administration should move expeditiously to negotiate a new base rights agreement with the Government of Panama.

Section 3310. Peace and Stability in the South China Sea

Section 3310 contains policy language on the dispute over the Spratly Islands. The South China Sea is a critically important waterway through which twenty-five percent of the world's ocean freight and seventy percent of Japan's energy supplies transit. It

also serves as a crucial sea lane for the United States Navy. Without the right of free passage through the South China Sea in time of emergency, the United States and allied forces would have to add weeks of additional steaming time to move ships between the Pacific and the Persian Gulf, for example.

Until the 1970's, the countries bordering the South China Sea essentially were content to assert their territorial claims without any serious effort to enforce them. In January 1975, however, Chinese military forces evicted the then-Republic of Vietnam from its claimed locations and began a slow-campaign of deception and aggression to assert Chinese claims over other parts of the South China Sea. During the 1980's Chinese and Socialist Republic of Vietnam forces fought several battles over control of various islands and reefs in the South China Sea. In all cases, Chinese forces were the aggressors.

In February 1992, the Chinese National People's Congress passed a law claiming the South China Sea as "territorial waters" of the People's Republic of China and asserting the right "to expel intruders". China now has overlapping territorial claims in the East and South China Seas with Japan, the Republic of China on Taiwan, the Philippines, Brunei, the Socialist Republic of Vietnam, Malaysia and Indonesia. In a startling new development, Chinese Premier Li Peng has begun to assert sovereignty over the airspace above the South China Sea as well as territorial and water navigation rights upon it.

Essentially in response to Chinese aggression against the Socialist Republic of Vietnam, the countries of the Association of South East Asian Nations (ASEAN) have been attempting to mediate and promote a harmonious solution to the competing claims. In 1992, ASEAN and Vietnam declared in Manila that all claimants to territory in the South China Sea should resolve questions of boundaries through peaceful negotiations. China adhered to the 1992 Manila Declaration and Indonesia has sponsored a series of regional workshops designed to promote a practical solution. But, even with the best of intentions, the workshops were not successful.

At the beginning of 1995, China raised the tension levels in the region markedly by secretly fortifying a number of reefs claimed by the Philippines. One of these Chinese military installations is well within the Philippines Economic Zone (as defined by the Law of the Sea Treaty). When a citizen of the Philippines detected Chinese forces on Philippines territory, he was kidnapped by the Chinese military and told not to report his discovery to Philippine authorities.

Section 3310 rests on the proposition that armed aggression by any of the claimants in the South China Sea against any other is a serious matter. However, the significance rises profoundly when the aggressor, in this case China, is a large, military strong non-democratic state and the victim of aggression, in this case the Philippines, is a democratic country with a substantially lower level of defense forces. Traditionally, the United States has treated acts of aggression by a non-democratic state against a democratic state to be a matter of grave concern.

This section declares that the right of free passage through the South China Sea is vital to the national security interests of the

United States, its friends, and allies. It further declares that any attempt by a non-democratic power to assert, through the use of force or intimidation, its claims to territory in the South China Sea to be a matter of grave concern to the United States.

The best solution to the current problem would be for the People's Republic of China to adhere faithfully to the 1992 Manila Declaration, and this section calls upon the government of the PRC to do so. However, in the fact of Chinese intransigence, the democratic powers must look at the situation in a realistic manner.

The Committee strongly believes that the time has come for the United States to review the defense needs of all the democratic claimants to territories in the South China Sea. The Philippines, for example, has an urgent need for naval and Air Force upgrades. Most of its naval and air assets are limited by a lack of spare parts and are decades out of date. This section urges the President to begin such a review.

Section 3311. Sense of the Congress Regarding Narcotics Control Efforts of Colombia

Section 3311 reflects the priority the Committee attaches to counter-narcotic efforts, expressing the sense of the Congress that the Secretary of State should make the issue of illicit narcotics the highest foreign policy priority with key transit and production nations such as Colombia. This section lays out specific, attainable objectives that the Government of Colombia should be encouraged to complete, including: the arrest and prosecution of cartel leaders, tough sentences of drug traffickers, passage of money-laundering legislation and eradication of illicit crops. It is the Committee's intention that the President consider progress in these specific areas when making his certification with respect to Colombia under section 490(b)(1)(A) of the Foreign Assistance Act (regarding major narcotics producing and transit countries).

Section 3312. Notification of Arms Sales to Saudi Arabia

Section 3312 requires that the Congress be notified of all proposed government-to-government arms transfers to Saudi Arabia unless the Secretary of State certifies and report to the Congress that specific commercial dispute cases between U.S. firms and the Government of Saudi Arabia have been resolved satisfactorily. More specifically, this section changes the dollar thresholds for reporting arms sales to the Congress under section 36(b) of the Arms Export Control Act as follows: from $14 million to $0 for major defense equipment; from $50 million to $0 for defense articles and services; and from $200 million to $0 for design and construction services. It is important to note that by reducing these reporting thresholds to zero, this section does not restrict sales to Saudi Arabia but rather requires the Executive branch to notify all proposed government-to-government arms sales to Saudi Arabia until the Saudi Government settles outstanding claims with U.S. firms. The Committee believes this amendment is necessary to help U.S. firms which have completed extensive work for the Saudi Government but have had no success in getting their due compensation. For example, Gibbs and Hill, Inc. of New Jersey has outstanding claims for $43.3 million for work on a power plant completed in 1984.

Section 3313. Assistance for Zaire

Section 3313(a) prohibits ESF, IMET and FMF assistance for Zaire for FY 96 and 97. Section 3313(b) prohibits the transfer of development (DFA and DA) assistance to the government of Zaire for fiscal years 1996 and 1997.

The Committee strongly condemns President Mobutu Sese Seko's continuing suppression of democracy and human rights. In addition, the Committee fully supports the Presidential determination that suspends the issuance of visas to Zairians who impede the transition to democracy.

This section contains, on a freestanding basis, current appropriations law preventing transfers of assistance to the Government of Zaire.

Title XXXIV—Special Authorities and Other Provisions

Chapter 1—Special Authorities

Section 3401. Enhanced Transfer Authority

Section 3401 rewrites section 610 of the Foreign Assistance Act to increase the amount allowed to be transferred *from* accounts under the Foreign Assistance Act and Arms Export and Control Act from 10 to 20 percent. Limits on the amount transferred *to* accounts would be maintained. It would also correct a typographical error in the Foreign Assistance Act to allow transfers to military assistance. Transfers under 610 would now require notifications under section 634A of this Act.

Section 3402. Authority to Meet Unanticipated Contingencies

Section 3402 rewrites section 451 of the Foreign Assistance Act to increase the amount allowed for contingencies (from $25 million to $40 million). It would now require notifications under section 634A of the Foreign Assistance Act but would allow a waiver of the notification requirement if there was a "substantial risk to human health or welfare."

Section 3403. Special Waiver Authority

Section 3403 rewrites section 614 of the Foreign Assistance Act to allow assistance under a unified standard of "vital to the national interest" rather than the two standards used now for economic ("important to the security of the United States") and military ("vital to the security of the United States").

Section 3404. Termination of Assistance

Section 3404 rewrites section 617 of the Foreign Assistance Act to update authorities (by removing the outdated references to concurrent resolutions) to spend funds and provide the option to assume obligations of terminated programs.

Chapter 2—Other Provisions

Section 3411. Congressional Presentation Documents

Section 3411 rewrites section 634 of the Foreign Assistance Act to update the language of reports no longer provided to the Com-

mittee. The section would now govern the annual Congressional Presentation Document ("CPD") report and require the Secretary to estimate when countries receiving development assistance will graduate.

Section 3412. Prohibition on Assistance to Foreign Governments Engaged in Espionage Against the United States

Section 3412 prohibits all but humanitarian and refugee assistance to any foreign government that the President determines conducted espionage "harmful to the national security." This section also directs the President to transmit unclassified and classified annual reports listing the foreign government the President determines are conducting intelligence activities within the United States harmful to the national security of the United States.

Section 3413. Debt Restructuring for Foreign Assistance

Section 3413 adds an amendment requested by the Treasury Department to the Foreign Assistance Act to authorize and regulate reduction of official debt incurred under the Foreign Assistance Act or the Arms Export Control Act for especially poor countries. A similar provision is carried in the FY '95 Foreign Operations Appropriations Act.

The proposal allows the Congress the gain control of this program and put it on a regular authorization footing. Debt reduction is aimed at clearing the books and helping eligible debtor countries that continue with their economic reform programs to return to viability and met their remaining debt service obligations.

The G–7 decided at the 1994 Naples summit to move to more substantial debt reduction for most of the most heavily-indebted, poorest counties. Because of the low credit-worthiness of the countries and under the credit reform provisions of the Budget Reform Act, the cost of debt relief is quite modest in comparison to the debt owed. Leverage ratios of about 19 to 1 can be obtained, according to the Treasury Department.

Relief can only be afforded to countries meeting economic, anti-terrorism, human rights, excess military spending, and similar criteria.

Section 3414. Debt Buybacks or Sales for Debt Swaps

Section 3414 contains language requested by the Treasury Department to engage in debt buybacks and swaps to support environmental and child survival activities in Latin America. This proposal will allow highly indebted countries in the Hemisphere to reduce their bilateral debt burden with the United States through direct buy backs or through debt swaps with non-governmental organizations.

In its FY 96 budget, the Administration proposed $15 million to offset the costs of debt buy backs and other debt reduction programs for Latin America and the Caribbean. This proposal will allow highly indebted countries in the Hemisphere to reduce their bilateral debt burden with the United States through direct buy backs or through swaps with non-governmental organizations. This proposal mirrors an approach adopted for the Enterprise for the American Initiative (EAI), which this committee supported and

which successfully reduced debt burdens while stimulating development objectives in several countries throughout Latin America and the Caribbean.

Through the EAI debt reduction project, the United States reduced approximately $875 million of bilateral foreign assistance and/or foreign aid debt of seven Latin American and Caribbean countries. These agreements have generated roughly $154 million in local currency trust funds, which have been used to support environmental and child survival projects. Moreover, by easing debt pressures on foreign exchange reserves, such debt relief directly promotes U.S. export markets in Latin America and the Caribbean.

Due to budgetary constraint, the Committee was able to approve only $3 million in funding for FY 96 and FY 97.

Section 3415. Impact on Jobs in the United States

Section 3415 contains the language of current appropriations law restricting the use of aid funds to assist U.S. business enterprises to move from the United States or to support zones, such as foreign free trade zones, failing to meet certain minimum labor standards.

Section 3416. Prohibition on Assistance to Foreign Governments that Export Lethal Military Equipment to Countries Supporting International Terrorism

Section 3416 contains language that carries current appropriations law conditioning aid to countries that export lethal equipment to terrorist countries. The President may waive the requirements of this section if he determines that the provision of assistance is important to the national security of the United States. If the President uses this waiver authority, he must prepare and transmit a report on the assistance to be provided.

Section 3417. Prohibition on Assistance to Countries that Consistently Oppose the United States Position in the United Nations General Assembly

Section 3417 would prohibit the U.S. from providing security assistance to a country that supports the United States position on U.N. General Assembly votes less than 25 percent of the time. The provision would not require a termination of development assistance to any country. Specifically, the provision of development assistance to India would not be affected. The Secretary of State may waive this requirement based on a determination and a report to Congress stating that the provision of assistance is necessary to promote U.S. foreign policy objectives. This section will be effective upon the submission to Congress on March 31, 1996 of a report detailing the voting practices of all U.N. General Assembly members in 1995.

Section 3418. Limitation on Assistance to Countries that Restrict the Transport or Delivery of United States Humanitarian Assistance

Section 3418 prohibits assistance to any country that impedes or prohibits the transport or delivery of U.S. humanitarian assistance. The ban on U.S. aid to countries impeding delivery of U.S. humanitarian aid to third countries would be waived if the President is-

sued Congress a waiver stating that continued aid would be in the U.S. national security interest.

In countries where U.S. law requires that humanitarian assistance is delivered through non-governmental organizations, NGOs may use governmental facilities, equipment and personnel to distribute commodities, as long as the NGO retains control of the commodities and services.

Section 3419. Prohibition on Assistance to Foreign Governments, Private Voluntary Organizations, and Other Entities that Inhibit United States-Supported Demining Operations and Activities

Section 3419 prohibits assistance to foreign governments, private and voluntary organizations, and other entities that inhibit United States-supported demining operations and activities.

Land mines create serious obstacles to success in the transition from war to peace in many countries where a peace process is underway. Therefore, the Committee supports continued funding for demining operations through the FMF account.

The U.S. supports demining activities both financially and as part of our wider diplomatic efforts to bring about normalcy in war-torn societies. The Congress expects full cooperation of all parties to a conflict when international efforts are made to remove live land mines. We are also aware that some of these land mine clearing activities encounter bureaucratic obstacles which can throttle demining efforts. Therefore, the Committee adopted this section to cut off aid to any government, private voluntary organization or any entity which inhibits U.S. supported demining operations. This includes both financial and diplomatic support for such efforts.

Chapter 3—Repeals

Section 3421. Repeal of Obsolete Provisions

This section contains a list of administration-approved, bipartisan-backed repeals of outdated statutes previously proposed for repeal.

Title XXXV—Effective Date

Section 3501. Effective Date

Unless otherwise provided, this Division will become effective on October 1, 1995 or the date of enactment, whichever is later.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report. Among the principal oversight activities which contributed to the Committee's formulation of H.R. 1561 were:

Extensive hearings and review of the Executive branch's request for programs authorized by this legislation by the full Committee and by the Subcommittees on International Eco-

nomic Policy and Trade; on International Operations and Human Rights; on the Western Hemisphere; on Africa; and on Asia and the Pacific; and

Ongoing consultations between Committee Members and staff and Executive branch officials.

As a result of these oversight activities, the Committee recommends that the House approve H.R. 1561 as reported.

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT FINDINGS

No findings or recommendations of the Committee on Government Reform and Oversight were received as referred to in clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

The Committee adopts the cost estimate of the Congressional Budget Office, set out below, as its submission of any required information on new budget authority, new spending authority, new credit authority, or an increase or decrease in the national debt required by clause 2(l)(3)(B) of rule XI of the House of Representatives.

INFLATIONARY IMPACT STATEMENT

In compliance with clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that H.R. 1561 will have no significant inflationary impact on prices and costs in the operation of the national economy.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives, the Committee sets forth with respect to H.R. 1561 the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 19, 1995.

Hon. BENJAMIN A. GILMAN,
Chairman, Committee on International Relations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1561, the American Overseas Interests Act of 1995, as ordered reported by the House Committee on International Relations on May 15, 1995.

The bill would affect receipts and direct spending and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

PAUL VAN DE WATER,
(For June E. O'Neill).

Enclosure.

CONGRESSIONAL BUDGET OFFICE

COST ESTIMATE

May 19, 1995.

1. Bill number: H.R. 1561.

2. Bill title: American Overseas Interests Act of 1995.

3. Bill status: As ordered reported by the House Committee on International Relations on May 15, 1995.

4. Bill purpose: The bill would consolidate U.S. foreign affairs agencies by abolishing the Arms Control and Disarmament Agency, the United States Information Agency, and the U.S. Agency for International Development and transferring their functions to the Department of State. The bill would authorize appropriations in fiscal years 1996 and 1997 for State Department operations, contributions to international organizations, broadcasting and cultural exchange activities, economic and military assistance programs, and various other activities and agencies.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
DIRECT SPENDING AND RECEIPTS					
Estimated receipts	(1)	(1)	(1)	(1)	(1)
Estimated budget authority	40	40	40	40	40
Estimated outlays	15	15	38	37	37
SPENDING SUBJECT TO APPROPRIATIONS ACTION					
Estimated authorization of appropriations	15,597	15,065	2	2	2
Estimated direct loan obligations	549	1	0	0	0
Estimated guaranteed loan commitments	17	17	0	0	0
Estimated outlays	10,222	12,604	4,038	1,263	527

[1] Less than $500,000.

The costs of the bill fall in budget function 150 (international affairs) and budget function 300 (natural resources and environment).

Basis of estimate

The estimate assumes enactment of the bill by September 30, 1995, and subsequent appropriation of the authorized amounts. CBO used historical spend-out rates for estimating outlays except for certain development assistance programs where provisions of the bill are estimated to change those rates.

DIRECT SPENDING AND RECEIPTS

In addition to authorizing appropriations, the bill contains several provisions affecting direct spending and receipts.

Fees for Brokering Activities. Section 3193 requires that persons engaged in brokering activities with respect to the manufacture, export, import, or transfer of defense articles or services register and pay a fee for a license to conduct those activities. The license fees are estimated to increase revenues by less than $500,000 a year.

Fees for Machine Readable Visas. Section 2231 would authorize the Secretary of State to collect up to $250 million in fees for machine readable visas and to spend the funds on a border security program. Fees collected in excess of that amount would be depos-

ited in the Treasury as miscellaneous receipts, but collections are likely to be much less than that threshold. OMB estimates that the Department will collect and spend $80 million in 1996 and $92 million in 1997; the table below shows the net effects of collecting and spending those amounts.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Budget Authority	0	0	0	0	0
Outlays	−12	−6	11	3	1

Buying Power Maintenance Reappropriation. Section 2203 would reappropriate expired balances in various State Department accounts and allow the Department to spend the funds to cover the increased costs of overseas activities caused by the depreciation of the dollar. OMB estimates that the Department will recover $20 million per year from expired balances. CBO estimates the Department will use the funds recovered in 1996 to fund programs in the diplomatic and consular service. CBO estimates that funds recovered after 1996 will be credited to the Department's buying power maintenance account and will be released as needed to cover lost purchasing power from currency fluctuations.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Budget Authority	20	20	20	20	20
Outlays	17	12	14	18	20

Authority to Provide Services on a Reimbursable Basis. The bill contains several sections that would allow the Department of State to accept reimbursements for services and to credit the funds to the performing account. Section 2204 allows the Department to accept reimbursement for the expenses of pursuing a claim against a foreign government or entity.

Section 2209 authorizes the Department to provide training services to corporate employees, their families, and Congressional employees on a reimbursable basis. Section 2353 authorizes the State Department to collect from insurance companies the reasonable costs of health care services provided by the Department beginning in 1997 and to spend the collections on health care services or other expenses. The following table shows the net effect of these provisions.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Budget Authority	0	0	0	0	0
Outlays	(1)	−2	−1	(1)	(1)

[1] Less than $500,000.

Waiver of Charges for Contract Administration Services. Section 3103 would permit the President to provide on a reciprocal basis certain contract administration services on military sales to Israel without charge. The U.S. government currently charges 1.5 percent of the value of sales for such services. CBO estimates that enactment of the provision would lower receipts by $20 million a year.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Budget Authority	20	20	20	20	20
Outlays	20	20	20	20	20

Housing Investment Guarantee Program. Section 3252 would cancel unobligated housing investment guarantee commitments issued under the authority of Section 222 of the Foreign Assistance Act of 1961. Cancelling the commitments would lower disbursements from the subsidy account by $34 million over the next five years.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Budget Authority	0	0	0	0	0
Outlays	−10	−10	−6	−4	−4

Other Provisions. Section 2407 authorizes recipients of grants from the National Endowment for Democracy to deposit grant funds in interest bearing accounts and to use the interest for the same purpose for which the grant was made. Under current law, the grantees refund their interest earnings to the government. CBO estimates that under this provision the Treasury would forgo collections of less than $60,000 a year.

Section 3162 authorizes the President to accept contributions from other governments for international narcotics control activities and to provide narcotics control services on a reimbursable basis. CBO cannot estimate the amount of activity that might be undertaken using this authority.

Section 3404 authorizes the President to deobligate and reobligate development assistance funds for countries whose assistance program is terminated. The reobligation would cover equitable settlements of third parties whose contracts were cancelled when the assistance ended. CBO cannot estimate the budgetary effect of this section.

Voluntary Separation Incentives. Section 505 would allow the Department of State, the Arms Control and Disarmament Agency, the United States Information Agency, and the U.S. Agency for International Development to offer payments to encourage employees to retire before the end of fiscal year 1997. Section 505(c) is intended to make the exercise of this authority conditional on the provision of funds in advance in an appropriations act for the express purpose of making incentive payments. Although CBO believes that the language in the reported bill does not achieve the committee's

intent, the cost estimate assumes that the provision will be corrected. If the provision were not corrected, CBO's estimate of the bill would include additional spending for federal employee retirement.

SPENDING SUBJECT TO APPROPRIATIONS ACTION

The bill would authorize $30.7 billion for international affairs and other programs over the next two years. The estimate assumes amounts specifically authorized will be appropriated in the year specified in the bill.

In addition to the amounts specified, the bill contains various indefinite authorizations. Section 2102(f) would authorize such sums as may be necessary to cover the increased costs of assessed and voluntary contributions to international organizations caused by the depreciation of the dollar. OMB estimates that an additional $42 million in 1996 would be needed to restore the value lost by the sharp drop in the dollar since the budget was prepared. Section 2107 makes similar provision for contributions under the Arms Control and Disarmament Act. That section would authorize an additional $0.7 million.

Section 2201 would authorize such sums as may be necessary to maintain an unobligated balance of up to $15 million for the payment of rewards leading to the arrest or conviction of individuals who have committed or conspired to commit terrorist acts or narcotics related offenses. CBO estimates that an additional $2 million per year would be authorized by that section.

Deobligation of Certain Unexpended Economic Assistance Funds. Section 3286 would require the deobligation of unexpended balances in various development assistance programs. CBO estimates that enactment of this provision would raise outlays in 1997 and 1998 and lower them in 1999 and 2000. The change in outlays occurs because the bill would create an incentive for program managers to adopt incremental funding of multi-year assistance projects and to use existing deobligation/reobligation authority to avoid losing funds. These practices have been used in recent years to shorten the disbursement period in the development assistance account. Over 90 percent of development assistance disburses in the first three years; the other programs specified in this section disburse over a five- to seven-year period. The outlay rates for the other programs are estimated to change to rates similar to those for development assistance.

Directed Scorekeeping. Section 2210 would direct a change in the scoring of budget authority for lease-purchase agreements involving property in foreign countries. The change would allow the State Department to incur obligations in excess of appropriated amounts. In most cases, acquiring property through a lease-purchase agreement is more costly than buying the same property. Enacting the provision would encourage acquisition of property through lease-purchases, thereby increasing the government's long-term costs.

6. Comparison with spending under current law: Appropriations in 1995 for discretionary spending programs covered by this bill totalled $16,687 million. The bill would authorize discretionary spending of $15,597 million in 1996 and $15,065 million in 1997.

These amounts represent reduction of $1,090 million and $1,622 million, respectively, from the 1995 level.

7. Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. H.R. 1561 would have the following pay-as-you-go impact:

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998
Change in Outlays	0	15	15	38
Change in Receipts	[1]	[1]	[1]	[1]

[1] Less than $500,000.

8. Estimated cost to state and local governments: None.

9. Estimate comparison: None.

10. Previous CBO estimate: None.

11. Estimate prepared by: Joseph C. Whitehill, Christopher Duncan, Wayne Boyington.

12. Estimate approved by: Matthew Miller (for Paul N. Van de Water, Assistant Director for Budget Analysis).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

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

STATE DEPARTMENT BASIC AUTHORITIES ACT OF 1956

* * * * * * *

TITLE I—BASIC AUTHORITIES GENERALLY

ORGANIZATION OF THE DEPARTMENT OF STATE

SECTION 1. (a) * * *

(b) UNDER SECRETARIES.—**[**There**]**

(1) IN GENERAL.—There shall be in the Department of State not more than 5 Under Secretaries of State, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate provided for at level III of the Executive Schedule under section 5314 of title 5, United States Code.

(2) UNDER SECRETARY FOR PUBLIC DIPLOMACY.—There shall be in the Department of State an Under Secretary for Public Diplomacy who shall have responsibility to assist the Secretary and the Deputy Secretary in the formation and implementation of United States public diplomacy policies and activities, in-

cluding international educational and cultural exchange programs, information, and international broadcasting.

(3) UNDER SECRETARY FOR DEVELOPMENT AND ECONOMIC AFFAIRS.—There shall be in the Department of State an Under Secretary for Development and Economic Affairs who shall assist the Secretary and the Deputy Secretary in the formation and implementation of United States policies and activities concerning international development and economic affairs.

(c) ASSISTANT SECRETARIES.—

(1) * * *

[(2) ASSISTANT SECRETARY OF STATE FOR DEMOCRACY, HUMAN RIGHTS, AND LABOR.—(A) There shall be in the Department of State an Assistant Secretary of State for Democracy, Human Rights, and Labor who shall be responsible to the Secretary of State for matters pertaining to human rights and humanitarian affairs (including matters relating to prisoners of war and members of the United States Armed Forces missing in action) in the conduct of foreign policy and such other related duties as the Secretary may from time to time designate. The Secretary of State shall carry out the Secretary's responsibility under section 502B of the Foreign Assistance Act of 1961 through the Assistant Secretary.

[(B) The Assistant Secretary of State for Democracy, Human Rights, and Labor shall maintain continuous observation and review all matters pertaining to human rights and humanitarian affairs (including matters relating to prisoners of war and members of the United States Armed Forces missing in action) in the conduct of foreign policy including the following:

[(i) Gathering detailed information regarding humanitarian affairs and the observance of and respect for internationally recognized human rights in each country to which requirements of sections 116 and 502B of the Foreign Assistance Act of 1961 are relevant.

[(ii) Preparing the statements and reports to Congress required under section 502B of the Foreign Assistance Act of 1961.

[(iii) Making recommendations to the Secretary of State and the Administrator of the Agency for International Development regarding compliance with sections 116 and 502B of the Foreign Assistance Act of 1961, and as part of the Assistant Secretary's overall policy responsibility for the creation of United States Government human rights policy, advising the Administrator of the Agency for International Development on the policy framework under which section 116(e) projects are developed and consulting with the Administrator on the selection and implementation of such projects.

[(iv) Performing other responsibilities which serve to promote increased observance of internationally recognized human rights by all countries.]

(2) ASSISTANT SECRETARY FOR HUMAN RESOURCES.—There shall be in the Department of State an Assistant Secretary for Human Resources who shall be responsible to the Secretary of State for matters relating to human resources including the implementation of personnel policies and programs within the Department of State and international affairs functions and activities carried out through the Department of State. The Assistant Secretary shall have substantial professional qualifications in the field of human resource policy and management.

(3) ASSISTANT SECRETARY FOR ACADEMIC PROGRAMS AND CULTURAL EXCHANGES.—There shall be in the Department of State an Assistant Secretary for Academic Programs and Cultural Exchanges who shall report to the Under Secretary for Public Diplomacy.

(4) ASSISTANT SECRETARY FOR INFORMATION, POLICY, AND PROGRAMS.—There shall be in the Department of State an Assistant Secretary for Information, Policy, and Programs who shall report to the Under Secretary for Public Diplomacy.

* * * * * * *

(e) OTHER SENIOR OFFICIALS.—[In]

(1) In addition to officials of the Department of State who are otherwise authorized to be appointed by the President, by and with the advice and consent of the Senate, and to be compensated at level IV of the Executive Schedule of section 5315 of title 5, United States Code, four other such appointments are authorized.

(2) COORDINATOR FOR COUNTERTERRORISM.—

(A) There shall be within the office of the Secretary of State a Coordinator for Counterterrorism (hereafter in this paragraph referred to as the "Coordinator") who shall be appointed by the President, by and with the advice and consent of the Senate.

(B)(i) The Coordinator shall perform such duties and exercise such power as the Secretary of State shall prescribe.

(ii) The principal duty of the Coordinator shall be the overall supervision (including policy oversight of resources) of international counterterrorism activities. The Coordinator shall be the principal advisor to the Secretary of State on international counterterrorism matters. The Coordinator shall be the principal counterterrorism official within the senior management of the Department of State and shall report directly to the Secretary of State.

(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.

(D) For purposes of diplomatic protocol among officers of the Department of State, the Coordinator shall take precedence after the Secretary of State, the Deputy Secretary of State, and the Under Secretaries of State and shall take precedence among

the Assistant Secretaries of State in the order prescribed by the Secretary of State.

(3) UNITED STATES SPECIAL ENVOY FOR TIBET.—

(A) There shall be within the Department of State a United States Special Envoy for Tibet, who shall be appointed by the President, by and with the advice and consent of the Senate. The United States Special Envoy for Tibet shall hold office at the pleasure of the President.

(B) The United States Special Envoy for Tibet shall have the personal rank of ambassador.

(C) The United States Special Envoy for Tibet is authorized and encouraged—

(i) to promote substantive negotiations between the Dalai Lama or his representatives and senior members of the Government of the People's Republic of China;

(ii) to promote good relations between the Dalai Lama and his representatives and the United States Government, including meeting with members or representatives of the Tibetan government-in-exile; and

(iii) to travel regularly throughout Tibet and Tibetan refugee settlements.

(D) The United States Special Envoy for Tibet shall—

(i) consult with the Congress on policies relevant to Tibet and the future and welfare of all Tibetan people;

(ii) coordinate United States Government policies, programs, and projects concerning Tibet; and

(iii) report to the Secretary of State regarding the matters described in section 536(a)(2) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236).

(4) COORDINATOR FOR HUMAN RIGHTS AND REFUGEES.—

(A) There shall be within the office of the Secretary of State a Coordinator for Human Rights and Refugees (hereafter in this paragraph referred to as the 'Coordinator') who shall be appointed by the President, by and with the advice and consent of the Senate. The Coordinator shall report directly to the Secretary of State.

(B) The Coordinator shall be responsible for matters pertaining to human rights, refugees, and humanitarian affairs (including matters relating to prisoners of war and members of the United States Armed Forces missing in action) in the conduct of foreign policy. The Coordinator shall head the Bureau of Refugee and Migration Assistance and the Bureau of Democracy, Human Rights, and Labor.

(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.

(D) For purposes of diplomatic protocol among officers of the Department of State, the Coordinator shall take prece-

dence after the Secretary of State, the Deputy Secretary of State, and the Under Secretaries of State and shall take precedence among the Assistant Secretaries of State in the order prescribed by the Secretary of State.

(5) COORDINATOR FOR ARMS CONTROL AND DISARMAMENT.—

(A) There shall be within the office of the Secretary of State a Coordinator for Arms Control and Disarmament (hereafter in this paragraph referred to as the "Coordinator" who shall be appointed by the President, by and with the advice and consent of the Senate. The Coordinator shall report directly to the Secretary of State.

(B)(i) The Coordinator shall perform such duties and exercise such power as the Secretary of State shall prescribe.

(ii) The Coordinator shall be responsible for arms control and disarmament matters. The Coordinator shall head the Bureau of Arms Control and Disarmament.

(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.

(f) ESTABLISHMENT OF CERTAIN BUREAUS, OFFICES, AND OTHER ORGANIZATIONAL ENTITIES WITHIN THE DEPARTMENT OF STATE.—

(1) BUREAU OF REFUGEE AND MIGRATION ASSISTANCE.—There is established within the Department of State the Bureau of Refugee and Migration Assistance which shall assist the Secretary of State in carrying out the Migration and Refugee Assistance Act of 1962. The Bureau shall be headed by the Coordinator for Human Rights and Refugees.

(2) BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.—There is established within the Department of State the Bureau of Democracy, Human Rights, and Labor. The Bureau shall be headed by the Coordinator for Human Rights and Refugees. The Bureau shall continuously observe and review all matters pertaining to human rights and humanitarian affairs (including matters relating to prisoners of war and members of the United States Armed Forces missing in action) in the conduct of foreign policy including the following:

(A) Gathering detailed information regarding humanitarian affairs and the observance of and respect for internationally recognized human rights in each country to which the requirements of section 116 and 502B of the Foreign Assistance Act of 1961 are relevant.

(B) Preparing the statements and reports to Congress required under section 502B of the Foreign Assistance Act of 1961.

(C) Making recommendations to the Secretary of State regarding compliance with sections 116 and 502B of the Foreign Assistance Act of 1961, and as part of the Bureau's overall policy responsibility for the creation of United States Government human rights policy, advising the Sec-

retary on the policy framework under which section 116(e) projects are developed and consulting with the Secretary on the selection and implementation of such projects.

(D) Performing other responsibilities which serve to promote increased observance of internationally recognized human rights by all countries.

* * * * * * *

ADMINISTRATIVE SERVICES

SEC. 23. (a) AGREEMENTS.—Whenever the head of any Federal agency performing any foreign affairs functions [(including, but not limited to, the Department of State, the International Communication Agency, the Agency for International Development, and the Arms Control and Disarmament Agency)] determines that administrative services performed in common by the Department of State and one or more [other such agencies] *other Federal agencies* may be performed more advantageously and more economically on a consolidated basis, the Secretary of State and the heads of the other agencies concerned may, subject to the approval of the Director of the Office of Management and Budget, conclude an agreement which provides for the transfer to and consolidation within the Department or within one of the other agencies concerned of so much of the functions, personnel, property, records, and funds of the Department and of the other agencies concerned as may be necessary to enable the performance of those administrative services on a consolidated basis for the benefit of all agencies concerned. Agreements for consolidation of administrative services under this section shall provide for reimbursement or advances of funds from the agency receiving the service to the agency performing the service in amounts which will approximate the expense of providing administrative services for the serviced agency.

* * * * * * *

SEC. 24. (a) * * *

(b)(1) In order to maintain the levels of program activity for the Department of State provided for each fiscal year by the annual authorizing legislation, there are authorized to be appropriated for the Department of State such sums as may be necessary to offset adverse fluctuations in foreign currency exchange rates, or overseas wage and price changes, which occur after November 30 of the earlier of—

(A) * * *

* * * * * * *

(7)(A) Subject to the limitations contained in this paragraph, not later than the end of the fifth fiscal year after the fiscal year for which funds are appropriated or otherwise made available for an account under "Administration of Foreign Affairs", the Secretary of State may transfer any unobligated balance of such funds to the Buying Power Maintenance account.

* * * * * * *

[(D) The authorities contained in this section may only be exercised to such an extent and in such amounts as specifically provided for in advance in appropriations Acts.]

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SEC. 26. (a) * * *

[(b) The authority available to the Secretary of State under this section shall be available to the Director of the United States Information Agency, the chairman of the Board for International Broadcasting, and the Director of the United States International Development Cooperation Agency with respect to their respective agencies.]

* * * * * * *

SEC. 32. The Secretary of State may pay, without regard to section 5702 of title 5, United States Code, subsistence expenses of (1) special agents of the Department of State who are on authorized protective missions, and (2) members of the Foreign Service and employees of the Department who are required to spend extraordinary amounts of time in travel status. [The authorities available to the Secretary of State under this section with respect to the Department of State shall be available to the Director of the United States Information Agency and the Director of the United States International Development Cooperation Agency with respect to their respective agencies, except that the authority of clause (2) shall be available with respect to those agencies only in the case of members of the Foreign Service and employees of the agency who are performing security-related functions abroad.]

* * * * * * *

SEC. 33. The following documents shall have the same force and effect as proof of United States citizenship as certificates of naturalization or of citizenship issued by the Attorney General or by a court having naturalization jurisdiction:

(1) A passport, during its period of validity (if such period is the maximum period authorized by law), issued by the Secretary of State to a citizen of the United States.

(2) The report, designated as a "Report of Birth Abroad of a Citizen of the United States", issued by a consular officer *(or any United States citizen employee of the Department of State designated by the Secretary of State to adjudicate nationality abroad pursuant to such regulations as the Secretary may prescribe)* to document a citizen born abroad.

* * * * * * *

[SEC. 36. (a)(1) The Secretary of State may pay a reward to any individual who furnishes information—

[(A) leading to the arrest or conviction in any country, of any individual for the commission of an act of international terrorism, or

[(B) leading to the arrest or conviction, in any country, of any individual for conspiring or attempting to commit an act of international terrorism, or

[(C) leading to the prevention, frustration, or favorable resolution of an act of international terrorism.

if the act of international terrorism is against a United States person or United States property.

[(2) For purposes of this subsection, the term "act of international terrorism" includes any act substantially contributing to the acquisition of unsafeguarded special nuclear material (as defined in section 830(8) of the Nuclear Proliferation Prevention Act of 1994) or any nuclear explosive device (as defined in section 830(4) of that Act) by an individual, group, or non-nuclear-weapon state (as defined in section 830(5) of that Act).

[(b)(1) The Secretary of State, upon the request of a chief of mission and with the concurrence of the Attorney General, may pay a reward to any individual who furnishes information leading to—

[(A) the arrest or conviction in any country of any individual for committing, primarily outside the territorial jurisdiction of the United States, any narcotics-related offense if that offense involves or is a significant part of conduct that involves—

[(i) a violation of United States drug laws which occurs primarily outside the territorial jurisdiction of the United States and which is such that the individual would be a major violator of such laws; or

[(ii) the killing or kidnapping outside the territorial jurisdiction of the United States of—

[(I) any officer, employee, or contract employee of the United States Government while such individual is engaged in official duties, or on account of that individual's official duties, in connection with the enforcement of United States drug laws or the implementing of United States drug control objectives; or

[(II) a member of the immediate family of any such individual on account of that individual's official duties in connection with the enforcement of United States drug laws or the implementation of United States drug control objectives; or

[(iii) an attempt or conspiracy to do any of the acts described in clause (i) or (ii); or

[(B) the prevention or frustration of an act described in subparagraph (A).

[(2) The purpose of the rewards under this subsection is to assist narcotics law enforcement in the effective arrest and prosecution of major narcotics traffickers and, wherever appropriate, to offer rewards in connection with the killing of, or the attempt to kill, any United States officer or employee, in connection with the performance of narcotics control duties by such officer or employee, or any member of the family of such officer or employee. To ensure that the rewards program authorized by this subsection, especially paragraph (1)(A)(i), does not duplicate or interfere with the payment of informants or the purchase of evidence or information, as authorized to the Department of Justice, the offering, administration, and payment of rewards under this subsection, including procedures for—

[(A) identifying individuals, organizations, and offenses with respect to which rewards will be offered,

[(B) the publication of rewards,

[(C) offering of joint rewards with foreign governments,

[(D) the receipt and analysis of data,

[(E) the payment and the approval of payment, and

[(F) the recommendations of rewards by chiefs of mission to the Secretary of State and the Attorney General,

shall be governed by procedures approved by the Secretary of State and the Attorney General.

[(c) A reward under this section may not exceed $2,000,000. A reward of $100,000 or more may not be made without the approval of the President or the Secretary of State personally.

[(d) Before making a reward under subsection (a) in a matter over which there is Federal criminal jurisdiction, the Secretary of State shall advise and consult with the Attorney General.

[(e) Any reward granted under this section shall be certified for payment by the Secretary of State. If the Secretary determines that the identity of the recipient of a reward or of the members of the recipient's immediate family must be protected, the Secretary may take such measures in connection with the payment of the reward as he deems necessary to effect such protection.

[(f) An officer or employee of any governmental entity who, while in the performance of his or her official duties, furnishes information described in subsection (a) or (b) shall not be eligible for a reward under this section.

[(g) There are authorized to be appropriated, without fiscal year limitation, $5,000,000 for use in paying rewards under this section, up to $2,000,000 of which may be used for rewards for information described in subsection (b)(1). In addition to the amount authorized to be appropriated by the preceding sentence, there are authorized to be appropriated, without fiscal year limitation, $5,000,000 for "Administration of Foreign Affairs" for use in paying rewards for information described in subsection (b)(1). Additional funds to pay rewards under this section shall be authorized to be appropriated in the annual authorizing legislation for the Department of State.

[(h) Not later than 30 days after paying any reward under this section, the Secretary of State shall submit a report to the Congress with respect to that reward. The report, which may be submitted on a classified basis if necessary, shall specify the amount of the reward paid, to whom the reward was paid, and the acts with respect to which the reward was paid, and shall discuss the significance of the information for which the reward was paid in dealing with those acts.

[(i) As used in this section—

[(1) the term "United States drug laws" means the laws of the United States for the prevention and control of illicit traffic in controlled substances (as such term is defined for purposes of the Controlled Substances Act); and

[(2) the term "member of the immediate family" includes—

[(A) a spouse, parent, brother, sister, or child of the individual;

[(B) a person to whom the individual stands in loco parentis; and

[(C) any other person living in the individual's household and related to the individual by blood or marriage.]

SEC. 36 DEPARTMENT OF STATE REWARDS PROGRAM.

(a) ESTABLISHMENT.—(1) There is established a program for the payment of rewards to carry out the purposes of this section.

(2) The rewards program established by this section shall be administered by the Secretary of State, in consultation, where appropriate, with the Attorney General.

(b) PURPOSE.—(1) The rewards program established by this section shall be designed to assist in the prevention of acts of international terrorism, international narcotics trafficking, and other related criminal acts.

(2) The Secretary of State may pay a reward to any individual who furnishes information leading to—

(A) the arrest or conviction in any country of any individual for the commission of an act of international terrorism against a United States person or United States property;

(B) the arrest or conviction in any country of any individual conspiring or attempting to commit an act of international terrorism against a United States person or United States property;

(C) the arrest or conviction in any country of any individual for committing, primarily outside the territorial jurisdiction of the United States, any narcotics-related offense if that offense involves or is a significant part of conduct that involves—

(i) a violation of United States narcotics laws and which is such that the individual would be a major violator of such laws; or

(ii) the killing or kidnapping of—

(I) any officer, employee, or contract employee of the United States Government while such individual is engaged in official duties, or on account of that individual's official duties, in connection with the enforcement of United States narcotics laws or the implementing of United States narcotics control objectives; or

(II) a member of the immediate family of any such individual on account of that individual's official duties, in connection with the enforcement of United States narcotics laws or the implementing of United States narcotics control objectives; or

(iii) an attempt or conspiracy to commit any of the acts described in clause (i) or (ii); or

(D) the arrest or conviction in any country of any individual aiding or abetting in the commission of an act described in subparagraphs (A) through (C); or

(E) the prevention, frustration, or favorable resolution of an act described in subparagraphs (A) through (C).

(c) COORDINATION.—(1) To ensure that the payment of rewards pursuant to this section does not duplicate or interfere with the payment of informants or the obtaining of evidence or information, as authorized to the Department of Justice, the offering, administration, and payment of rewards under this section, including procedures for—

(A) identifying individuals, organizations, and offenses with respect to which rewards will be offered;

(B) the publication of rewards;

(C) offering of joint rewards with foreign governments;

(D) the receipt and analysis of data; and

(E) the payment and approval of payment,

shall be governed by procedures developed by the Secretary of State, in consultation with the Attorney General.

(2) Before making a reward under this section in a matter over which there is Federal criminal jurisdiction, the Secretary of State shall advise and consult with the Attorney General.

(d) FUNDING.—(1) There is authorized to be appropriated to the Department of State from time to time such amounts as may be necessary to carry out the purposes of this section, notwithstanding section 102 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99–93).

(2) No amount of funds may be appropriated which, when added to the amounts previously appropriated but not yet obligated, would cause such amounts to exceed $15,000,000.

(3) To the maximum extent practicable, funds made available to carry out this section should be distributed equally for the purpose of preventing acts of international terrorism and for the purpose of preventing international narcotics trafficking.

(4) Amounts appropriated to carry out the purposes of this section shall remain available until expended.

(e) ADDITIONAL FUNDING.—(1) In extraordinary circumstances and when it is important to the national security of the United States, the Secretary of State may use fees collected for processing machine readable nonimmigrant visas and machine readable combined border crossing identification cards and nonimmigrant visas pursuant to section 140 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236; 8 U.S.C. 1351 note) to carry out the purposes of this section, subject to the limitation contained in subsection (d)(2).

(2) The authority contained in paragraph (1) may be used only if the Secretary notifies the appropriate congressional committees 15 days in advance in accordance with regular reprogramming procedures. Such notification shall contain a detailed justification of the circumstances necessitating the use of such fees for the purposes of this section.

(f) LIMITATION AND CERTIFICATION.—(1) A reward under this section may not exceed $2,000,000.

(2) A reward under this section of more than $100,000 may not be made without the approval of the President or the Secretary of State.

(3) Any reward granted under this section shall be approved and certified for payment by the Secretary of State.

(4) The authority of paragraph (2) may not be delegated to any other officer or employee of the United States Government.

(5) If the Secretary determines that the identity of the recipient of a reward or of the members of the recipient's immediate family must be protected, the Secretary may take such measures in connection with the payment of the reward as he considers necessary to effect such protection.

(g) INELIGIBILITY.—An officer or employee of any governmental entity who, while in the performance of his or her official duties,

furnishes information described in subsection (b) shall not be eligible for a reward under this section.

(h) REPORTS.—(1) Not later than 30 days after paying any reward under this section, the Secretary of State shall submit a report to the appropriate congressional committees with respect to such reward. The report, which may be submitted on a classified basis if necessary, shall specify the amount of the reward paid, to whom the reward was paid, and the acts with respect to which the reward was paid. The report shall also discuss the significance of the information for which the reward was paid in dealing with those acts.

(2) Not later than 60 days after the end of each fiscal year, the Secretary of State shall submit an annual report to the appropriate congressional committees with respect to the operation of the rewards program authorized by this section. Such report shall provide information on the total amounts expended during such fiscal year to carry out the purposes of this section, including amounts spent to publicize the availability of rewards. Such report shall also include information on all requests for the payment of rewards under this section, including the reasons for the denial of any such requests.

(i) DEFINITIONS.—As used in this section—

(1) the term "appropriate congressional committees" means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate;

(2) the term "act of international terrorism" includes, but is not limited to—

(A) any act substantially contributing to the acquisition of unsafeguarded special nuclear material (as defined in section 830(8) of the Nuclear Proliferation Prevention Act of 1994) or any nuclear explosive device (as defined in section 830(4) of that Act) by an individual, group, or non-nuclear weapon state (as defined in section 830(5) of that Act); and

(B) any act, as determined by the Secretary of State, which materially supports the conduct of international terrorism, including the counterfeiting of United States currency or the illegal use of other monetary instruments by an individual, group, or country supporting international terrorism as determined for purposes of section 6(j) of the Export Administration Act of 1979;

(3) the term "United States narcotics laws" means the laws of the United States for the prevention and control of illicit traffic in controlled substances (as such term is defined for purposes of the Controlled Substances Act); and

(4) the term "member of the immediate family" includes—

(A) a spouse, parent, brother, sister, or child of the individual;

(B) a person to whom the individual stands in loco parentis; and

(C) any other person living in the individual's household and related to the individual by blood or marriage.

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EXPENSES RELATING TO PARTICIPATION IN ARBITRATIONS OF CERTAIN DISPUTES

SEC. 38. (a) * * *

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(c) PROCUREMENT OF SERVICES.—The Secretary of State may use competitive procedures or procedures other than competitive procedures to procure the services of experts for use in preparing or prosecuting a proceeding before an international tribunal or a claim by or against a foreign government or other foreign entity, whether or not the expert is expected to testify, or to procure *personal and* other support services for such proceedings or claims. The Secretary need not provide any written justification for the use of procedures other than competitive procedures when procuring such services under this subsection and need not furnish for publication in the Commerce Business Daily or otherwise any notice of solicitation or synopsis with respect to such procurement.

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TITLE II—AUTHORITIES RELATING TO THE REGULATION OF FOREIGN MISSIONS

* * * * * * *

AUTHORITIES OF THE SECRETARY OF STATE

SEC. 203. The Secretary shall carry out the following functions:

(1) * * *

* * * * * * *

(4) As determined by the Secretary, designate an office within the Department of State to carry out the purposes of this Act. If such an office is established, the President may appoint, by and with the advice and consent of the Senate, a Director, with the rank of ambassador. Of the Director and the next most senior person in the office, one [should] *shall* be an individual who has served in the Foreign Service and the other [should] *shall* be an individual who has served in the United States intelligence community.

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SECTION 101 OF THE NATIONAL SECURITY ACT OF 1947

NATIONAL SECURITY COUNCIL

SEC. 101. (a) * * *

* * * * * * *

(i) The Coordinator for Arms Control and Disarmament may, in the role of advisor to the National Security Council on arms control and disarmament matters, and subject to the direction of the President, attend and participate in meetings of the National Security Council.

ARMS CONTROL AND DISARMAMENT ACT

AN ACT To establish a United States Arms Control and Disarmament Agency.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE, PURPOSE, AND DEFINITIONS

SHORT TITLE

SECTION 1. This Act may be cited as the "Arms Control and Disarmament Act".

[PURPOSE

[SEC. 2. An ultimate goal of the United States is a world which is free from the scourge of war and the dangers and burdens of armaments; in which the use of force has been subordinated to the rule of law; and in which international adjustments to a changing world are achieved peacefully. It is the purpose of this Act to provide impetus toward this goal by creating a new agency of peace to deal with the problem of reduction and control of armaments looking toward ultimate world disarmament.

[Arms control, nonproliferation, and disarmament policy, being an important aspect of foreign policy, must be consistent with national security policy as a whole. The formulation and implementation of United States arms control, nonproliferation, and disarmament policy in a manner which will promote the national security can best be insured by a central organization charged by statute with primary responsibility for this field. This organization must have such a position within the Government that it can provide the President, the Secretary of State, other officials of the executive branch, and the Congress with recommendations concerning United States arms control, nonproliferation, and disarmament policy, and can assess the effect of these recommendations upon our foreign policies, our national security policies, and our economy.

[This organization must have the capacity to provide the essential scientific, economic, political, military, psychological, and technological information upon which realistic arms control, nonproliferation, and disarmament policy must be based. It shall have the authority, under the direction of the President and the Secretary of State, to carry out the following primary functions:

[(1) The preparation for and management of United States participation in international negotiations and implementation fora in the arms control and disarmament field.

[(2) When directed by the President, the preparation for, and management of, United States participation in international negotiations and implementation fora in the nonproliferation field.

[(3) The conduct, support, and coordination of research for arms control, nonproliferation, and disarmament policy formulation.

[(4) The preparation for, operation of, or, as appropriate, direction of, United States participation in such control systems

as may become part of United States arms control, nonproliferation, and disarmament activities.

[(5) The dissemination and coordination of public information concerning arms control, nonproliferation, and disarmament.]

DEFINITIONS

SEC. 3. As used in this Act—

(a) The terms "arms control" and "disarmament" mean the identification, verification, inspection, limitation, control, reduction, or elimination, of armed forces and armaments of all kinds under international agreement including the necessary steps taken under such an agreement to establish an effective system of international control, or to create and strengthen international organizations for the maintenance of peace.

(b) The term "Government agency" means any executive department, commission, agency, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, or any board, bureau, division, service, office, officer, authority, administration, or other establishment in the executive branch of Government.

[(c) The term "Agency" means the United States Arms Control and Disarmament Agency.]

(c) The term "Department" means the Department of State.

(d) The term "Secretary" means the Secretary of State.

TITLE II—ORGANIZATION

[UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

[SEC. 21. There is hereby established an agency to be known as the "United States Arms Control and Disarmament Agency".]

[DIRECTOR

[SEC. 22. (a) APPOINTMENT.—The Agency shall be headed by a Director appointed by the President, by and with the advice and consent of the Senate. No person serving on active duty as a commissioned officer of the Armed Forces of the United States may be appointed Director.

[(b) DUTIES.—(1) The Director shall serve as the principal adviser to the Secretary of State, the National Security Council, and the President and other executive branch Government officials on matters relating to arms control, nonproliferation, and disarmament. In carrying out his duties under this Act, the Director, under the direction of the President and the Secretary of State, shall have primary responsibility within the Government for matters relating to arms control and disarmament, and, whenever directed by the President, primary responsibility within the Government for matters relating to nonproliferation.

[(2) The Director shall attend all meetings of the National Security Council involving weapons procurement, arms sales, consideration of the defense budget, and all arms control, nonproliferation, and disarmament matters.

[DEPUTY DIRECTOR

[SEC. 23. A Deputy Director of the Agency shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director shall have direct responsibility, under the supervision of the Director, for the administrative management of the Agency, intelligence-related activities, security, and the Special Compartmental Intelligence Facility, and shall perform such other duties and exercise such other powers as the Director may prescribe. He shall act for, and exercise the powers of, the Director during his absence or disability or during a vacancy in said office. No person serving on active duty as a commissioned officer of the Armed Forces of the United States may be appointed Deputy Director.

[ASSISTANT DIRECTORS

[SEC. 24. Not to exceed four Assistant Directors may be appointed by the President, by and with the advice and consent of the Senate. They shall perform such duties and exercise such powers as the Director may prescribe.

[BUREAUS, OFFICES, AND DIVISIONS

[SEC. 25. The Director may establish within the Agency such bureaus, offices, and divisions as he may determine to be necessary to discharge his responsibilities pursuant to this Act, including a bureau of intelligence and information support and an office to perform legal services for the Agency.]

SCIENTIFIC AND POLICY ADVISORY COMMITTEE

SEC. 26. (a) ESTABLISHMENT.—(1) The President may appoint a Scientific and Policy Advisory Committee (in this section referred to as the "Committee") of not to exceed 15 members, not less than eight of whom shall be scientists.

(2) The members of the Committee shall be appointed as follows:

(A) One member, who shall be a person of renown and distinction, shall be appointed by the President, by and with the advice and consent of the Senate, as Chairman of the Committee.

(B) Fourteen other members shall be appointed by the President.

(3) The Committee shall meet at least twice each year.

(b) FUNCTION.—It shall be the responsibility of the Committee to advise the President[, the Secretary of State, and the Director] *and the Secretary of State* respecting scientific, technical, and policy matters affecting arms control, nonproliferation, and disarmament.

(c) REIMBURSEMENT OF EXPENSES.—The members of the Committee may receive reimbursement of expenses only in accordance with the provisions applicable to the reimbursement of experts and consultants under section 41(d) of this Act.

(d) TERMINATION.—The Committee shall terminate two years after the date of enactment of the Arms Control and Nonproliferation Act of 1994.

(e) DEFINITION.—As used in this section, the term "scientist" means an individual who has a demonstrated knowledge and technical expertise with respect to arms control, nonproliferation, and disarmament matters and who has distinguished himself or herself in any of the fields of physics, chemistry, mathematics, biology, or engineering, including weapons engineering.

PRESIDENTIAL SPECIAL REPRESENTATIVES

SEC. 27. The President may appoint, by and with the advice and consent of the Senate, Special Representatives of the President for arms control, nonproliferation, and disarmament matters. Each Presidential Special Representative shall hold the rank of ambassador. One such Representative may serve in the [Agency] *Department* as Chief Science Advisor. Presidential Special Representatives appointed under this section shall perform their duties and exercise their powers under the direction of the President and the Secretary of State[, acting through the Director]. The [Agency] *Department* shall be the Government agency responsible for providing administrative support, including funding, staff, and office space, to all Presidential Special Representatives.

PROGRAM FOR VISITING SCHOLARS

SEC. 28. A program for visiting scholars in the fields of arms control, nonproliferation, and disarmament shall be established by the [Director] *Secretary* in order to obtain the services of scholars from the faculties of recognized institutes of higher learning. The purpose of the program will be to give specialists in the physical sciences and other disciplines relevant to the [Agency's activities] *Department's arms control, nonproliferation, and disarmament activities* an opportunity for active participation in the arms control, nonproliferation, and disarmament activities of the [Agency] *Department* and to gain for the [Agency] *Department* the perspective and expertise such persons can offer. Each fellow in the program shall be appointed for a term of one year, except that such term may be extended for a 1–year period. Fellows shall be chosen by a board consisting of the [Director] *Secretary*, who shall be the chairperson[, and all former Directors of the Agency].

TITLE III—FUNCTIONS

RESEARCH

SEC. 31. The [Director] *Secretary* is authorized and directed to exercise his powers in such manner as to insure the acquisition of a fund of theoretical and practical knowledge concerning disarmament and nonproliferation. To this end, the [Director] *Secretary* is authorized and directed, under the direction of the President, (1) to insure the conduct of research, development, and other studies in the fields of arms control, nonproliferation, and disarmament; (2) to make arrangements (including contracts, agreements, and grants) for the conduct of research, development, and other studies in the fields of arms control, nonproliferation, and disarmament by private or public institutions or persons; and (3) to coordinate the research, development, and other studies conducted in the fields of

arms control, nonproliferation, and disarmament by or for other Government agencies in accordance with procedures established under section 35 of this Act. In carrying out his responsibilities under this Act, the [Director] *Secretary* shall, to the maximum extent feasible, make full use of available facilities, Government and private. The authority of the [Director] *Secretary* with respect to research, development, and other studies shall be limited to participation in the following insofar as they relate to arms control, nonproliferation, and disarmament:

(a) the detection, identification, inspection, monitoring, limitation, reduction, control, and elimination of armed forces and armaments, including thermonuclear, nuclear, missile, conventional, bacteriological, chemical, and radiological weapons;

(b) the techniques and systems of detecting, identifying, inspecting, and monitoring of tests of nuclear, thermonuclear, and other weapons;

(c) the analysis of national budgets, levels of industrial production, and economic indicators to determine the amounts spent by various countries for armaments and of all aspects of antisatellite activities;

(d) the control, reduction, and elimination of armed forces and armaments in space, in areas on and beneath the earth's surface, and in underwater regions;

(e) the structure and operation of international control and other organizations useful for arms control, nonproliferation, and disarmament;

(f) the training of scientists, technicians, and other personnel for manning the control systems which may be created by international arms control, nonproliferation, and disarmament agreements;

(g) the reduction and elimination of the danger of war resulting from accident, miscalculation, or possible surprise attack, including (but not limited to) improvements in the methods of communications between nations;

(h) the economic and political consequences of arms control, nonproliferation, and disarmament, including the problems of readjustment arising in industry and the reallocation of national resources;

(i) the arms control, nonproliferation, and disarmament implications of foreign and national security policies of the United States with a view to a better understanding of the significance of such policies for the achievement of arms control, nonproliferation, and disarmament;

(j) the national security and foreign policy implications of arms control, nonproliferation, and disarmament proposals with a view to a better understanding of the effect of such proposals upon national security and foreign policy;

(k) methods for the maintenance of peace and security during different stages of arms control, nonproliferation, and disarmament;

(l) the scientific, economic, political, legal, social, psychological, military, and technological factors related to the prevention of war with a view to a better understanding of how the basic structure of a lasting peace may be established;

(m) such related problems as the [Director] *Secretary* may determine to be in need of research, development, or study in order to carry out the provisions of this Act.

PATENTS

SEC. 32. All research within the United States contracted for, sponsored, cosponsored, or authorized under authority of this Act, shall be provided for in such manner that all information as to uses, products, processes, patents, and other developments resulting from such research developed by Government expenditure will (with such exceptions and limitations, if any, as the [Director] *Secretary* may find to be necessary in the public interest) be available to the general public. This subsection shall not be so construed as to deprive the owner of any background patent relating thereto of such rights as he may have thereunder.

POLICY FORMULATION

SEC. 33. (a) FORMULATION.—The [Director] *Secretary* [shall prepare for the President, the Secretary of State,] *shall prepare for the President* and the heads of such other Government agencies as the President may determine, recommendations and advice concerning United States arms control, nonproliferation, and disarmament policy.

(b) PROHIBITION.—No action shall be taken pursuant to this or any other Act that would obligate the United States to reduce or limit the Armed Forces or armaments of the United States in a militarily significant manner, except pursuant to the treaty-making power of the President set forth in Article II, Section 2, Clause 2 of the Constitution or unless authorized by the enactment of further affirmative legislation by the Congress of the United States.

NEGOTIATION MANAGEMENT

SEC. 34. (a) RESPONSIBILITIES.—The [Director] *Secretary*, under the direction of the President [and the Secretary of State], shall have primary responsibility for the preparation, conduct, and management of United States participation in all international negotiations and implementation fora in the field of arms control and disarmament and shall have primary responsibility, whenever directed by the President, for the preparation, conduct, and management of United States participation in international negotiations and implementation fora in the field of nonproliferation. In furtherance of these responsibilities, Special Representatives of the President appointed pursuant to section 27, shall, as directed by the President, serve as the United States Government representatives to international organizations, conferences, and activities relating to the field of nonproliferation, such as the preparations for and conduct of the review relating to the Treaty on the Non-Proliferation of Nuclear Weapons.

[(b) FUNCTIONS WITH RESPECT TO THE UNITED STATES INFORMATION AGENCY.—The Director shall perform functions pursuant to section 2(c) of the Reorganization Plan 8 of 1953 with respect to providing to the United States Information Agency official United

States positions and policy on arms control, nonproliferation, and disarmament matters for dissemination abroad.]

(c) AUTHORITY.—The [Director] *Secretary* is authorized—

(1) for the purpose of conducting negotiations concerning arms control, nonproliferation, or disarmament or for the purpose of exercising any other authority given him by this Act—

(A) to consult and communicate with, or to direct the consultation and communication with, representatives of other nations or of international organizations, and

(B) to communicate in the name of the Secretary of State with diplomatic representatives of the United States in the United States or abroad;

(2) to formulate plans and make preparations for the establishment, operation, and funding of inspections and control systems which may become part of the United States arms control, nonproliferation, and disarmament activities; and

(3) as authorized by law, to put into effect, direct, or otherwise assume United States responsibility for such systems.

COORDINATION

SEC. 35. The President is authorized to establish procedures to (1) assure cooperation, consultation, and a continuing exchange of information between the [Agency] *Department* and the Department of Defense, the Atomic Energy Commission, the National Aeronautics and Space Administration, and other affected Government agencies, in all significant aspects of United States arms control, nonproliferation, and disarmament policy and related matters, including current and prospective policies, plans, and programs, (2) resolve differences of opinion between the [Director] *Secretary* and such other agencies which cannot be resolved through consultation, and (3) provide for presentation to the President of recommendations of the [Director] *Secretary* with respect to such differences, when such differences involve major matters of policy and cannot be resolved through consultation.

ARMS CONTROL INFORMATION

SEC. 36. In order to assist the [Director] *Secretary* in the performance of his duties with respect to arms control, nonproliferation, and disarmament policy and negotiations, any Government agency preparing any legislative or budgetary proposal for—

(1) any program of research, development, testing, engineering, construction, deployment, or modernization with respect to nuclear armaments, nuclear implements of war, military facilities or military vehicles designed or intended primarily for the delivery of nuclear weapons,

(2) any program of research, development, testing, engineering, construction, deployment, or modernization with respect to armaments, ammunition, implements of war, or military facilities, having—

(A) an estimated total program cost in excess of $250,000,000, or

(B) an estimated annual program cost in excess of $50,000,000, or

(3) any other program involving technology with potential military application or weapons systems which such Government agency or the [Director] *Secretary* believes may have a significant impact on arms control, nonproliferation, and disarmament policy or negotiations,

shall, on a continuing basis, provide the [Director] *Secretary* with full and timely access to detailed information, in accordance with the procedures established pursuant to section 35 of this Act, with respect to the nature, scope, and purpose of such proposal.

VERIFICATION OF COMPLIANCE

SEC. 37. (a) IN GENERAL.—In order to ensure that arms control, nonproliferation, and disarmament agreements can be adequately verified, the [Director] *Secretary* shall report to Congress, on a timely basis, or upon request by an appropriate committee of the Congress—

(1) in the case of any arms control, nonproliferation, or disarmament agreement that has been concluded by the United States, the determination of the [Director] *Secretary* as to the degree to which the components of such agreement can be verified;

(2) in the case of any arms control, nonproliferation, or disarmament agreement that has entered into force, any significant degradation or alteration in the capacity of the United States to verify compliance of the components of such agreement;

(3) the amount and percentage of research funds expended by the [Agency] *Department* for the purpose of analyzing issues relating to arms control, nonproliferation, and disarmament verification; and

(4) the number of professional personnel assigned to arms control verification on a full-time basis by each Government agency.

(b) STANDARD FOR VERIFICATION OF COMPLIANCE.—In making determinations under paragraphs (1) and (2) of subsection (a), the [Director] *Secretary* shall assume that all measures of concealment not expressly prohibited could be employed and that standard practices could be altered so as to impede verification.

(c) RULE OF CONSTRUCTION.—Except as otherwise provided for by law, nothing in this section may be construed as requiring the disclosure of sensitive information relating to intelligence sources or methods or persons employed in the verification of compliance with arms control, nonproliferation, and disarmament agreements.

(d) PARTICIPATION OF THE [AGENCY] *DEPARTMENT*.—In order to ensure adherence of the United States to obligations or commitments undertaken in arms control, nonproliferation, and disarmament agreements, and in order for the [Director] *Secretary* to make the assessment required by section 51(a)(5), the [Director] *Secretary*, or the [Director's] *Secretary's* designee, shall participate in all interagency groups or organizations within the executive branch of Government that assess, analyze, or review United States planned or ongoing policies, programs, or actions that have a direct bearing on United States adherence to obligations undertaken in arms control, nonproliferation, or disarmament agreements.

NEGOTIATING RECORDS

SEC. 38. (a) PREPARATION OF RECORDS.—The [Director] *Secretary* shall establish and maintain records for each arms control, nonproliferation, and disarmament agreement to which the United States is a party and which was under negotiation or in force on or after January 1, 1990, which shall include classified and unclassified materials such as instructions and guidance, position papers, reporting cables and memoranda of conversation, working papers, draft texts of the agreement, diplomatic notes, notes verbal, and other internal and external correspondence.

(b) NEGOTIATING AND IMPLEMENTATION RECORDS.—In particular, the [Director] *Secretary* shall establish and maintain a negotiating and implementation record for each such agreement, which shall be comprehensive and detailed, and shall document all communications between the parties with respect to such agreement. Such records shall be maintained both in hard copy and magnetic media.

(c) PARTICIPATION OF [AGENCY] *DEPARTMENT PERSONNEL*.—In order to implement effectively this section, the [Director] *Secretary* shall ensure that [Agency] *Department* personnel participate throughout the negotiation and implementation phases of all arms control, nonproliferation, and disarmament agreements.

COMPREHENSIVE COMPILATION OF ARMS CONTROL AND DISARMAMENT STUDIES

SEC. 39. Pursuant to his responsibilities under section 31 of this Act, and in order to enhance Congressional and public understanding of arms control, nonproliferation, and disarmament issues, the [Director] *Secretary* shall provide to the Congress not later than June 30 of each year a report setting forth—

(1) a comprehensive list of studies relating to arms control, nonproliferation, and disarmament issues concluded during the previous calendar year by government agencies or for government agencies by private or public institutions or persons; and

(2) a brief description of each such study.

This report shall be unclassified, with a classified addendum if necessary.

TITLE IV—GENERAL PROVISIONS

[GENERAL AUTHORITY

[SEC. 41. In the performance of his functions, the Director is authorized to—

[(a) utilize or employ the services, personnel, equipment, or facilities of any other Government agency, with the consent of the agency concerned, to perform such functions on behalf of the Agency as may appear desirable. It is the intent of this section that the Director rely upon the Department of State for general administrative services in the United States and abroad to the extent agreed upon between the Secretary of State and the Director. Any Government agency is authorized, notwithstanding any other provision of law, to transfer to or to receive from the Director, without reimbursement, supplies and equipment other than administrative supplies or equipment. Transfer or receipt of excess property shall be

in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended;

[(b) appoint officers and employees, including attorneys, for the Agency in accordance with the provisions of title 5, United States Code, governing appointment in the competitive service, and fix their compensation in accordance with chapter 51 and with subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, except that the Director may, to the extent the Director determines necessary to the discharge of his responsibilities, appoint and fix the compensation of employees possessing specialized technical expertise without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, if the Director ensures that—

[(1) any employee who is appointed under this exception is not paid at a rate—

[(A) in excess of the rate payable for positions of equivalent difficulty or responsibility, or

[(B) exceeding the maximum rate payable for grade 15 of the General Schedule; and

[(2) the number of employees appointed under this exception shall not exceed 10 percent of the Agency's full-time-equivalent ceiling.

[(c) enter into agreements with other Government agencies, including the military departments through the Secretary of Defense, under which officers or employees of such agencies may be detailed to the Agency for the performance of service pursuant to this Act without prejudice to the status or advancement of such officers or employees within their own agencies;

[(d) procure services of experts and consultants or organizations thereof, including stenographic reporting services, as authorized by section 3109 of title 5 of the United States Code, and to pay in connection therewith travel expenses of individuals, including transportation and per diem in lieu of subsistence while away from their homes or regular places of business, as authorized by section 5703 of such title: *Provided,* That no such individual shall be employed for more than 130 days in any fiscal year unless the President certifies that employment of such individual in excess of such number of days is necessary in the national interest: *And provided further,* That such contracts may be renewed annually;

[(e) employ individuals of outstanding ability without compensation in accordance with the provisions of section 710(b) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2160), and regulations issued thereunder;

[(f) establish advisory boards to advise with and make recommendations to the Director on United States arms control and disarmament policy and activities. The members of such boards may receive the compensation and reimbursement for expenses specified for consultants by section 41(d) of this Act;

[(g) permit, under such terms and conditions as he may prescribe, any officer or employee of the Agency, in connection with the attendance by such officer or employee at meetings or in performing advisory services concerned with the functions or activities

of the Agency, to accept payment, in cash or in kind, from any private agency or organization, or from any individual affiliated with such agency or organization, for travel and subsistence expenses, such payment to be retained by such officer or employee to cover the cost thereof or to be deposited to the credit of the appropriation from which the cost thereof is paid;

[(i) delegate, as appropriate, to the Deputy Director or other officers of the Agency, any authority conferred upon the Director by the provisions of this Act; and

[(j) make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary or desirable to the exercise of any authority conferred upon the Director by the provisions of this Act.]

FOREIGN SERVICE PERSONNEL

SEC. 42. (a) The Secretary of State may authorize the [Director] *Secretary* to exercise, with respect to members of the Foreign Service appointed or employed for the [Agency] *Department*—

(1) the authority available to the Secretary under the Foreign Service Act of 1980, and

(2) the authority available to the Secretary under any other provisions of law pertaining specifically or applicable generally to members of the Foreign Service.

(b) Limited appointments of members of the Foreign Service for the [Agency] *Department* may be extended or renewed, notwithstanding section 309 of the Foreign Service Act of 1980, so long as the service of the individual under such appointment does not exceed ten consecutive years without a break in service of at least one year.

CONTRACTS OR EXPENDITURES

SEC. 43. The President may, in advance, exempt actions of the [Director] *Secretary* from the provisions of law relating to contracts or expenditures of Government funds whenever he determines that such action is essential in the interest of United States arms control and disarmament and security policy.

CONFLICT-OF-INTEREST AND DUAL COMPENSATION LAWS

SEC. 44. The members of the General Advisory Committee created by section 26 of this Act, and the members of the advisory boards, the consultants, and the individuals of outstanding ability employed without compensation, all of which are provided in section 41 of this Act, may serve as such without regard to the provisions of section 281, 283, 284, or 1914 of title 18 of the United States Code, or of section 190 of the Revised Statutes (5 U.S.C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of individuals, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States Government, except insofar as such provisions of law may prohibit any such individual from receiving compensation from a source other than a nonprofit educational institution in respect of any particular matter in which the [Agency] *Department* is di-

rectly interested. Nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 13 of the Civil Service Retirement Act (5 U.S.C. 2263), or any other Federal law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities, subject to section 201 of the Dual Compensation Act.

SECURITY REQUIREMENTS

SEC. 45. [(a) The Director shall establish such security and loyalty requirements, restrictions, and safeguards as he deems necessary in the interest of the national security and to carry out the provisions of this Act. Except as provided in subsection (d), the Director shall arrange with the Civil Service Commission for the conduct of full-field background security and loyalty investigations of all the Agency's officers, employees, consultants, persons detailed from other Government agencies, members of its General Advisory Committee, advisory boards, contractors and subcontractors, and their officers and employees, actual or prospective. In the case of persons detailed from other Government agencies or employed directly from other Government agencies, the Director may accept the results of full-field background security and loyalty investigations conducted by such agencies as the basis for the determination required by this subsection that the person is not a security risk or of doubtful loyalty. In the event the investigation discloses information indicating that the person investigated may be or may become a security risk, or may be of doubtful loyalty, the report of the investigation shall be turned over to the Federal Bureau of Investigation for a full-field investigation. The final results of all such investigations shall be turned over to the Director for final determination. Except as provided in subsection (d), no person shall be permitted to enter on duty as such an officer, employee, consultant, or member of advisory committee or board, or pursuant to any such detail, and no contractor or subcontractor, or officer or employee thereof shall be permitted to have access to any classified information, until he shall have been investigated in accordance with this subsection and the report of such investigations made to the Director, and the Director shall have determined that such person is not a security risk or of doubtful loyalty. Standards applicable with respect to the security clearance of persons within any category referred to in this subsection shall not be less stringent, and the investigation of such persons for such purposes shall not be less intensive or complete, than in the case of such clearance of persons in a corresponding category under the security procedures of the Government agency or agencies having the highest security restrictions with respect to persons in such category.

[(b) In the case of contractors or subcontractors and their officers or employees, actual or prospective, the Director may accept, in lieu of the investigation prescribed in subsection (a) hereof, a report of investigation conducted by a Government agency, other than the Civil Service Commission or the Federal Bureau of Investigation, when it is determined by the Director that the completed investigation meets the standards established in subsection (a) hereof: *Provided,* That security clearance had been granted to the individual

concerned by another Government agency based upon such investigation and report. The Director may also grant access for information classified no higher than "confidential" to contractors or subcontractors and their officers and employees, actual or prospective, on the basis of reports on less than full-field investigations: *Provided*, That such investigations shall each include a current national agency check. Notwithstanding the foregoing and the provisions of subsection (a), the Director may also grant access to classified information to contractors or subcontractors and their officers and employees, actual or prospective, on the basis of a security clearance granted by the Department of Defense, or any agency thereof, to the individual concerned; except that any access to Restricted Data shall be subject to the provisions of subsection (c).]

(c) The Atomic Energy Commission may authorize any of its employees, or employees of any contractor, prospective contractor, licensee, or prospective licensee of the Atomic Energy Commission, or any other person authorized to have access to Restricted Data by the Atomic Energy Commission under section 2165 of title 42, to permit the [Director] *Secretary* or any officer, employee, consultant, person detailed from other Government agencies, member of the General Advisory Committee or of an advisory board established pursuant to section 41(f), contractor, subcontractor, prospective contractor, or prospective subcontractor, or officer or employee of such contractor, subcontractor, prospective contractor, or prospective subcontractor, to have access to Restricted Data which is required in the performance of his duties and so certified by the [Director] *Secretary*, but only if (1) the Atomic Energy Commission has determined, in accordance with the established personnel security procedures and standards of the Commission, that permitting such individual to have access to such Restricted Data will not endanger the common defense and security, and (2) the Atomic Energy Commission finds that the established personnel and other security procedures and standards of the [Agency] *Department* are adequate and in reasonable conformity to the standards established by the Atomic Energy Commission under section 2165 of title 42, including those for interim clearance in subsection (b) thereof. Any individual granted access to such Restricted Data pursuant to this subsection may exchange such data with any individual who (A) is an officer or employee of the Department of Defense, or any department or agency thereof, or a member of the Armed Forces, or an officer or employee of the National Aeronautics and Space Administration, or a contractor or subcontractor of any such department, agency, or armed force, or an officer or employee of any such contractor or subcontractor, and (B) has been authorized to have access to Restricted Data under the provisions of sections 2163 or 2455 of title 42.

[(d) The investigations and determination required under subsection (a) may be waived by the Director in the case of any consultant who will not be permitted to have access to classified information if the Director determines and certifies in writing that such waiver is in the best interests of the United States.]

COMPTROLLER GENERAL AUDIT

SEC. 46. No moneys appropriated for the purposes of this Act shall be available for payment under any contract with the [Director] *Secretary*, negotiated without advertising, except contracts with any foreign government, international organization or any agency thereof, unless such contract includes a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment, have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of, and involving transactions related to such contracts or subcontracts: *Provided, however,* That no moneys so appropriated shall be available for payment under such contract which includes any provisions precluding an audit by the General Accounting Office of any transactions under such contract: *And provided further,* That nothing in this section shall preclude the earlier disposal of contractor and subcontractor records in accordance with records disposal schedules agreed upon between the [Director] *Secretary* and the General Accounting Office.

TRANSFER OF ACTIVITIES AND FACILITIES TO [AGENCY] *DEPARTMENT*

SEC. 47. (a) The United States Disarmament Administration, together with its records, property, personnel, and funds, is hereby transferred to the [Agency] *Department*. The appropriations and unexpended balances of appropriations transferred pursuant to this subsection shall be available for expenditure for any and all objects of expenditure authorized by this Act, without regard to the requirements of apportionment under section 665 of title 31.

(b) The President, by Executive order, may transfer to the [Director] *Secretary* any activities or facilities of any Government agency which relate primarily to arms control and disarmament. In connection with any such transfer, the President may under this section or other applicable authority, provide for appropriate transfers of records, property, civilian personnel, and funds. No transfer shall be made under this subsection until (1) a full and complete report concerning the nature and effect of such proposed transfer has been transmitted by the President to the Congress, and (2) the first period of sixty calendar days of regular session of the Congress following the date of receipt of such report by the Congress has expired without adoption by either House of the Congress of a resolution stating that such House does not favor such transfer. The procedures prescribed in title II of the Reorganization Act of 1949 shall apply to any such resolution.

[USE OF FUNDS

[SEC. 48. Appropriations made to the Director for the purposes of this Act, and transfers of funds to him by other Government agencies for such purposes, shall be available to him to exercise any authority granted him by this Act, including, without limitation, expenses of printing and binding without regard to the provisions of section 11 of the Act of March 1, 1919 (44 U.S.C. 111); purchase or hire of one passenger motor vehicle for the official use of

the Director; entertainment and official courtesies to the extent authorized by appropriation; expenditures for training and study; expenditures in connection with participation in international conferences for the purposes of this Act; and expenses in connection with travel of personnel outside the United States, including transportation expenses of dependents, household goods, and personal effects (including any such travel or transportation any part of which begins in one fiscal year pursuant to travel orders issued in that fiscal year, but which is completed after the end of that fiscal year), and expenses authorized by the Foreign Service Act of 1980, not otherwise provided for.]

SPECIALISTS FLUENT IN RUSSIAN OR OTHER LANGUAGES OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 49. The [Director] *Secretary* is authorized to create up to eight additional permanent personnel positions at both junior and more senior levels for specialists in the foreign and military policies of the independent states of the former Union, arms control, or strategic affairs of the former Soviet Union, who also demonstrate fluency in the Russian language or another language of the independent states of the former Soviet Union.

[ACDA INSPECTOR GENERAL

[SEC. 50. (a) ESTABLISHMENT AND DUTIES.—There shall be an Office of the Inspector General at the Agency headed by the Inspector General of the Agency who shall have the duties, responsibilities, and authorities specified in the Inspector General Act of 1978.

[(b) DUALITY OF APPOINTMENT.—An individual appointed to the position of Inspector General of the Department of State shall, by virtue of such appointment, also hold the position of Inspector General of the Agency.

[(c) UTILIZATION OF STAFF.—The Inspector General of the Agency shall utilize personnel of the Office of the Inspector General of the Department of State in performing the duties of the Inspector General of the Agency, and shall not appoint any individuals to positions within the Agency.

[(d) REFERENCES.—For purposes of this section, references in the Inspector General Act of 1978 to the establishment involved, to the head of the establishment, and to an Inspector General shall be deemed to be references to the Agency, the Director of the Agency, and Inspector General of the Agency, respectively, except to the extent inconsistent with this section.]

ANNUAL REPORT TO CONGRESS

SEC. 51. (a) IN GENERAL.—Not later than January 31 of each year, the President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a report prepared by the [Director] *Secretary*, in consultation with [the Secretary of State,] the Secretary of Defense, the Secretary of Energy, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence, on the status of United States policy and actions with respect to arms con-

trol, nonproliferation, and disarmament. Such report shall include—

(1) * * *

* * * * * * *

PUBLIC ANNUAL REPORT ON WORLD MILITARY EXPENDITURES AND ARMS TRANSFERS

SEC. 52. Not later than December 31 of each year, the [Director] *Secretary* shall publish an unclassified report on world military expenditures and arms transfers. Such report shall provide detailed, comprehensive, and statistical information regarding military expenditures, arms transfers, armed forces, and related economic data for each country of the world. In addition, such report shall include pertinent in-depth analyses as well as highlights with respect to arms transfers and proliferation trends and initiatives affecting such developments.

[REQUIREMENT FOR AUTHORIZATION OF APPROPRIATIONS

[SEC. 53. (a) LIMITATION ON OBLIGATION AND EXPENDITURE OF FUNDS.—Notwithstanding any other provision of law, for the fiscal year 1994 and for each subsequent year, any funds appropriated for the Agency shall not be available for obligation or expenditure—

[(1) unless such funds are appropriated pursuant to an authorization of appropriations; or

[(2) in excess of the authorized level of appropriations.

[(b) SUBSEQUENT AUTHORIZATION.—The limitation under subsection (a) shall not apply to the extent that an authorization of appropriations is enacted after such funds are appropriated.

[(c) APPLICATION.—The provisions of this section—

[(1) may not be superseded, except by a provision of law which specifically repeals, modifies, or supersedes the provisions of this section; and

[(2) shall not apply to, or affect in any manner, permanent appropriations, trust funds, and other similar accounts which are authorized by law and administered by the Agency.]

* * * * * * *

TITLE V—ON-SITE INSPECTION ACTIVITIES

FINDINGS

SEC. 61. The Congress finds that—

(1) under this Act, the [United States Arms Control and Disarmament Agency] *Department of State* is charged with the "formulation and implementation of United States arms control and disarmament policy in a manner which will promote the national security";

(2) as defined in this Act, the terms "arms control" and "disarmament" means "the identification, verification, inspection, limitation, control, reduction, or elimination, of armed forces and armaments of all kinds under international agreement to establish an effective system of international control";

(3) the On-Site Inspection Agency was established in 1988 pursuant to the INF Treaty to implement, on behalf of the United States, the inspection provisions of the INF Treaty;

(4) on-site inspection activities under the INF Treaty include—

(A) inspections in Russia, Ukraine, Kazakhstan, Belarus, Turkmenistan, Uzbekistan, the Czech Republic, and Germany,

(B) escort duties for teams visiting the United States and the Basing Countries,

(C) establishment and operation of the Portal Monitoring Facility in Russia, and

(D) support for the inspectors at the Portal Monitoring Facility in Utah;

(5) the On-Site Inspection Agency has additional responsibilities to those specified in paragraph (4), including the monitoring of nuclear tests pursuant to the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty and the monitoring of the inspection provisions of such additional arms control agreements as the President may direct;

(6) the personnel of the On-Site Inspection Agency include civilian technical experts, civilian support personnel, and members of the Armed Forces; and

(7) the senior officials of the On-Site Inspection Agency include representatives from [the United States Arms Control and Disarmament Agency and] the Department of State.

POLICY COORDINATION CONCERNING IMPLEMENTATION OF ON-SITE INSPECTION PROVISIONS

SEC. 62. (a) INTERAGENCY COORDINATION.—OSIA should receive policy guidance which is formulated through an interagency mechanism established by the President.

(b) ROLE OF THE SECRETARY OF DEFENSE.—The Secretary of Defense should provide to OSIA appropriate policy guidance formulated through the interagency mechanism described in subsection (a) and operational direction, consistent with section 113(b) of title 10, United States Code.

(c) ROLE OF THE [DIRECTOR] *SECRETARY*.—The [Director] *Secretary* should provide to the interagency mechanism described in subsection (a) appropriate recommendations for policy guidance to OSIA consistent with sections 2(d), 22, and 34(c) of this Act.

AUTHORIZATIONS OF APPROPRIATIONS FOR ON-SITE INSPECTION

SEC. 63. There are authorized to be appropriated $49,830,000 for fiscal year 1990 and $48,831,000 for fiscal year 1991 for the expenses of the On-Site Inspection Agency in carrying out on-site inspection activities pursuant to the INF Treaty.

SEC. 64. IMPROVING CONGRESSIONAL OVERSIGHT OF ON-SITE INSPECTION ACTIVITIES.

(a) REPORT FROM THE PRESIDENT.—Concurrent with the submission to the Congress of the request for authorization of appropriations for OSIA for fiscal year 1993, the President shall submit a report on OSIA to the Committee on Foreign Affairs of the House of

Representatives, the Committee on Foreign Relations of the Senate, and the Committees on Armed Services of the House of Representatives and Senate. The report shall include a review of—

(1) the history of OSIA, including how, when, and under what auspices it was established, including the applicable texts of the relevant executive orders;

(2) the missions and tasks assigned to OSIA to date;

(3) any additional missions and tasks likely to be assigned to OSIA during fiscal year 1993;

(4) the budgetary history of OSIA; and

(5) the extent to which OSIA plays a role in arms control policy formulation and operational implementation.

(b) REVIEW OF CERTAIN REPROGRAMMING NOTIFICATIONS.—Any notification submitted to the Congress with respect to a proposed transfer, reprogramming, or reallocation of funds from or within the budget of OSIA shall also be submitted to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, and shall be subject to review by those committees.

DEFINITIONS

SEC. 65. As used in this title—

(1) the term "INF Treaty" means the Treaty Between the United States and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles (signed at Washington, December 8, 1987);

(2) the term "OSIA" means the On-Site Inspection Agency established by the President, or such other agency as may be designated by the President to carry out the on-site inspection provisions of the INF Treaty;

(3) the term "Peaceful Nuclear Explosions Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on Underground Nuclear Explosions for Peaceful Purposes (signed at Washington and Moscow, May 28, 1976); and

(4) the term "Threshold Test Ban Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Underground Nuclear Weapons Tests (signed at Moscow, July 3, 1974).

ARMS EXPORT CONTROL ACT

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CHAPTER 1—FOREIGN AND NATIONAL SECURITY POLICY OBJECTIVES AND RESTRAINTS

* * * * * * *

SEC. 3. ELIGIBILITY.—(a) * * *

(b) The consent of the President under paragraph (2) of subsection (a) or under paragraph (1) of section 505(a) of the Foreign Assistance Act of 1961 (as it relates to subparagraph (B) of such paragraph) shall not be required for the transfer by a foreign country or

international organization of defense articles sold by the United States under this Act if—

(1) such articles constitute components incorporated into foreign defense articles;

(2) the recipient is the government of a member country of the North Atlantic Treaty Organization, the Government of Australia, the Government of Japan, or the Government of New Zealand;

(3) the United States-origin components are not—

(A) significant military equipment (as defined in section 47(9));

(B) defense articles for which notification to Congress is required under section 36(b); and

(C) identified by regulation as Missile Technology Control Regime items; and

(4) the foreign country or international organization provides notification of the transfer of the defense articles to the United States Government not later than 30 days after the date of such transfer.

* * * * * * *

(d)(1) The President may not give his consent under paragraph (2) of subsection (a) or under the third sentence of such subsection, or under section 505(a)(1) or 505(a)(4) of the Foreign Assistance Act of 1961, to a transfer of any major defense equipment valued (in terms of its original acquisition cost) at [$14,000,000] *$25,000,000* or more, or any defense article or related training or other defense service valued (in terms of its original acquisition cost) at [$50,000,000] *$75,000,000* or more, unless the President submits to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a written certification with respect to such proposed transfer containing—

(A) the name of the country or international organization proposing to make such transfer,

(B) a description of the article or service proposed to be transferred, including its acquisition cost,

(C) the name of the proposed recipient of such article or service,

(D) the reasons for such proposed transfer, and

(E) the date on which such transfer is proposed to be made.

Any certification submitted to Congress pursuant to this paragraph shall be unclassified, except that information regarding the dollar value and number of articles or services proposed to be transferred may be classified if public disclosure thereof would be clearly detrimental to the security of the United States.

(2)(A) Except as provided in subparagraph (B), unless the President states in the certification submitted pursuant to paragraph (1) of this subsection that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, such consent shall not become effective until 30 calendar days after the date of such submission and such consent shall become effective then only if the Congress does not enact, within such 30-day period, a joint resolution[, as provided for in sections 36(b)(2) and 36(b)(3) of this Act] prohibiting the proposed transfer.

(B) In the case of a proposed transfer to the North Atlantic Treaty Organization, or any member country of such Organization, Japan, Australia, or New Zealand, unless the President states in the certification submitted pursuant to paragraph (1) of this subsection that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, such consent shall not become effective until fifteen calendar days after the date of such submission and such consent shall become effective then only if the Congress does not enact, within such fifteen-day period, a [law] *joint resolution* prohibiting the proposed transfer.

(C) If the President states in his certification under subparagraph (A) or (B) that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, thus waiving the requirements of that subparagraph, the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate immediate consent to the transfer and a discussion of the national security interests involved.

(D)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

(3)*(A)* The President may not give his consent to the transfer of any major defense equipment valued (in terms of its original acquisition cost) at [$14,000,000] *$25,000,000* or more, or of any defense article or defense service valued (in terms of its original acquisition cost) at [$50,000,000] *$75,000,000* or more, the export of which has been licensed or approved under section 38 of this Act, unless [at least 30 calendar days] before giving such consent the President submits to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a [report] *certification* containing the information specified in subparagraphs (A) through (E) of paragraph (1). [Such consent shall become effective then only if the Congress does not enact, within a 30-day period, a joint resolution, as provided for in sections 36(c)(2) and 36(c)(3) of this Act prohibiting the proposed transfer.] *Such certification shall be submitted—*

(i) at least 15 calendar days before such consent is given in the case of a transfer to a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand; and

(ii) at least 30 calendar days before such consent is given in the case of a transfer to any other country,

unless the President states in his certification that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States. If the President states in his certification that such an emer-

gency exists (thus waiving the requirements of clause (i) or (ii), as the case may be, and of subparagraph (B)) the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that consent to the proposed transfer become effective immediately and a discussion of the national security interests involved.

(B) Consent to a transfer subject to subparagraph (A) shall become effective after the end of the 15-day or 30-day period specified in subparagraph (A)(i) or (ii), as the case may be, only if the Congress does not enact, within that period, a joint resolution prohibiting the proposed transfer.

(C)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

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CHAPTER 2—FOREIGN MILITARY SALES AUTHORIZATIONS

SEC. 21. SALES FROM STOCKS.—(a) * * *

* * * * * * *

(g) The President may enter into North Atlantic Treaty Organization standardization agreements in carrying out section 814 of the Act of October 7, 1975 (Public Law 94–106), and may enter into [similar agreements with Japan, Australia, and New Zealand, and with other countries] *similar agreements with countries* which are major non-NATO allies, for the cooperative furnishing of training on a bilateral or multilateral basis, if the financial principles of such agreements are based on reciprocity. Such agreements shall include reimbursement for all direct costs but may exclude reimbursement for indirect costs, administrative surcharges, and costs of billeting of trainees (except to the extent that members of the United States Armed Forces occupying comparable accommodations are charged for such accommodations by the United States). Each such agreement shall be transmitted promptly to the Speaker of the House of Representatives and the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate. [As used in this subsection, the term "major non-NATO allies" means those countries designated as major non-NATO allies for purposes of section 2350a(i)(3) of title 10, United States Code.]

(h)(1) The President is authorized to provide (without charge) quality assurance, inspection, contract administration services, and contract audit defense services under this section—

(A) in connection with the placement or administration of any contract or subcontract for defense articles, defense services, or design and construction services entered into after the date of enactment of this subsection by, or under this Act on

behalf of, a foreign government which is a member of the North Atlantic Treaty Organization *or the Government of Israel*, if such government provides such services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government; or

* * * * * * *

(2) In carrying out the objectives of this section, the President is authorized to provide cataloging data and cataloging services, without charge, to the North Atlantic Treaty Organization [or to any member government of that Organization if that Organization or member government], *any member government of that Organization, or the Government of Israel, if the Organization, member government, or Government of Israel, as the case may be,* provides such data and services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government.

* * * * * * *

(k) Before entering into the sale under this Act of defense articles that are excess to the stocks of the Department of Defense, [the President shall first consider the effects of the sale of the articles on the national technology and industrial base, particularly the extent, if any, to which the sale reduces the opportunities of entities in the national technology and industrial base to sell new equipment to the country or countries to which the excess defense articles are sold.] *the President shall determine that the sale of such articles will not have an adverse impact on the national technology and industrial base, and particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred.*

SEC. 22. PROCUREMENT FOR CASH SALES.—(a) * * *

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(d) COMPETITIVE PRICING.—Procurement contracts made in implementation of sales under this section for defense articles and defense services wholly paid from funds made available on a nonrepayable basis shall be priced on the same costing basis with regard to profit, overhead, independent research and development, bid and proposal, and other costing elements, as is applicable to procurements of like items purchased by the Department of Defense for its own use.

SEC. 23. CREDIT SALES.—(a) * * *

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(f) Notwithstanding any other provision of this section, the President shall not require repayment of any assistance provided on a grant basis under this section to a foreign country or international organization.

(g) Funds made available to carry out this section for a fiscal year may be made available to a foreign country or international organization for the purpose of financing the procurement of defense articles, defense services, and design and construction services that are not sold by the United States Government under this Act only—

(1) with respect to a country that is a member country of the North Atlantic Organization, a major non-NATO ally, or Jordan for which assistance was justified under this section in the

annual congressional presentation documents under section 634 of the Foreign Assistance Act of 1961 for that fiscal year; and

(2) if such country or international organization enters into an agreement with the United States Government that specifies the terms and conditions under which such procurements shall be financed with such funds.

(h) For each fiscal year, the Secretary of Defense, as requested by the Director of the Defense Security Assistance Agency, shall conduct audits on a nonreimbursable basis of private firms that have entered into contracts with foreign governments under which defense articles, defense services, or design and construction services are to be procured by such firms for such governments from financing under this section for such fiscal year.

(i) Funds made available to carry out this section may not be used to facilitate the transport of aircraft to commercial arms sales shows.

(j)(1) For each country and international organization that has been approved for cash flow financing under this section, any letter of offer and acceptance or other purchase agreement, or any amendment thereto, for a procurement of defense articles, defense services, or design and construction services in excess of $100,000,000 that is to be financed in whole or in part with funds made available under this Act or the Foreign Assistance Act of 1961 shall be submitted to the congressional committees specified in section 634A(a) of the Foreign Assistance Act of 1961 in accordance with the procedures applicable to reprogramming notifications under that section.

(2) For purposes of this subsection, the term "cash flow financing" has the meaning given such term in the second subsection (d) of section 25.

(k) Of the amounts made available for a fiscal year to carry out this section, not more than $100,000,000 for such fiscal year may be made available for countries other than Israel and Egypt for the purpose of financing the procurement of defense articles, defense services, and design and construction services that are not sold by the United States Government under this Act.

(l) Notwithstanding any other provision of law, funds made available to carry out this section may be used for demining activities, and may include activities implemented through nongovernmental and international organizations.

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[SEC. 28. REPORTS ON PRICE AND AVAILABILITY ESTIMATES.—(a) The President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, within fifteen days after the end of each calendar quarter, a report listing each price and availability estimate provided by the United States Government during such quarter to a foreign country with respect to a possible sale under this Act of major defense equipment for $7,000,000 or more, of any other defense articles or defense services for $25,000,000 or more, or of any Air-to-Ground or Ground-to-Air missiles, or associated launchers (without regard to the amount of the possible sale). Each such listing shall specify the name of the country to which the estimate was provided, the defense articles or services involved, the quantity involved, and the price estimate provided.

[(b) Such reports shall also list each request received by the United States Government from a foreign country, during the quarter in question, for the issuance of a letter of offer to sell defense articles or defense services if (1) the proposed sale has not been the subject of a listing pursuant to subsection (a) of this section, and (2) the request involves a proposed sale of major defense equipment for $7,000,000 or more, of any other defense articles or defense services for $25,000,000 or more, or of any Air-to-Ground or Ground-to-Air missiles, or associated launchers (without regard to the amount of the possible sale). Each such listing shall include the name of the country making the request, the date of the request, the defense articles or services involved, the quantity involved, and the price and availability terms requested.]

CHAPTER 3—MILITARY EXPORT CONTROLS

SEC. 31. AUTHORIZATION AND AGGREGATE CEILING ON FOREIGN MILITARY SALES CREDITS.—(a) * * *

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[(c) For fiscal year 1986 and fiscal year 1987, the principal amount of credits provided under section 23 at market rates of interest with respect to Greece, the Republic of Korea, the Philippines, Portugal, Spain, Thailand, and Turkey shall (if and to the extent each country so desires) be repaid in not more than twenty years, following a grace period of ten years on repayment of principal.

[(d) The aggregate acquisition cost to the United States of excess defense articles ordered by the President in any fiscal year after fiscal year 1976 for delivery to foreign countries or international organizations under the authority of chapter 2 of part II of the Foreign Assistance Act of 1961 or pursuant to sales under this Act may not exceed $250,000,000 (exclusive of ships and their onboard stores and supplies transferred in accordance with law, and of any defense articles with respect to which the President submits a certification under section 36(b) of this Act).]

(c) Loans available under section 23 shall be provided at rates of interest that are not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities.

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SEC. 36. REPORTS ON COMMERCIAL AND GOVERNMENTAL MILITARY EXPORTS; CONGRESSIONAL ACTION.—(a) * * *

(b)(1) In the case of any letter of offer to sell any defense articles or services under this Act for [$50,000,000] *$75,000,000* or more, any design and construction services for [$200,000,000] *$300,000,000* or more, or any major defense equipment for [$14,000,000] *$25,000,000* or more, before such letter of offer is issued, the President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a numbered certification with respect to such offer to sell containing the information specified in clauses (i) through (iv) of subsection (a), or (in the case of a sale of design and construction services) the information specified in clauses (A) through (D) of paragraph (9) of subsection (a), and a description,

containing the information specified in paragraph (8) of subsection (a), of any contribution, gift, commission, or fee paid or offered or agreed to be paid in order to solicit, promote, or otherwise to secure such letter of offer. Such numbered certifications shall also contain an item, classified if necessary, identifying the sensitivity of technology contained in the defense articles, defense services, or design and construction services proposed to be sold, and a detailed justification of the reasons necessitating the sale of such articles or services in view of the sensitivity of such technology. In a case in which such articles or services listed on the Missile Technology Control Regime Annex are intended to support the design, development, or production of a Category I space launch vehicle system (as defined in section 74), such report shall include a description of the proposed export and rationale for approving such export, including the consistency of such export with United States missile nonproliferation policy. Each such numbered certification shall contain an item indicating whether any offset agreement is proposed to be entered into in connection with such letter of offer to sell (if known on the date of transmittal of such certification). In addition, the President shall, upon the request of such committee or the Committee on Foreign Affairs of the House of Representatives, transmit promptly to both such committees a statement setting forth, to the extent specified in such request—

(A) * * *

* * * * * * *

(D) an evaluation, prepared by the [Director of the Arms Control and Disarmament Agency in consultation with the Secretary of State and] *Secretary of State in consultation with* the Secretary of Defense, of the manner, if any, in which the proposed sale would—

(i) * * *

* * * * * * *

[(4) In addition to the other information required to be contained in a certification submitted to the Congress under this subsection, each such certification shall cite any quarterly report submitted pursuant to section 28 of this Act which listed a price and availability estimate, or a request for the issuance of a letter of offer, which was a basis for the proposed sale which is the subject of such certification.]

(5)(A) * * *

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(C) If the enhancement or upgrade in the sensitivity of technology or the capability of major defense equipment, defense articles, defense services, or design and construction services described in a numbered certification submitted under this subsection costs [$14,000,000] *$25,000,000* or more in the case of any major defense equipment, [$50,000,000] *$75,000,000* or more in the case of defense articles or defense services, or [$200,000,000] *$300,000,000* or more in the case of design or construction services, then the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a new numbered certification which relates to

such enhancement or upgrade and which shall be considered for purposes of this subsection as if it were a separate letter of offer to sell defense equipment, articles, or services, subject to all of the requirements, restrictions, and conditions set forth in this subsection. For purposes of this subparagraph, references in this subsection to sales shall be deemed to be references to enhancements or upgrades in the sensitivity of technology or the capability of major defense equipment, articles, or services, as the case may be.

* * * * * * *

(c)(1) In the case of an application by a person (other than with regard to a sale under section 21 or section 22 of this Act) for a license for the export of any major defense equipment sold under a contract in the amount of [$14,000,000] *$25,000,000* or more or of defense articles or defense services sold under a contract in the amount of [$50,000,000] *$75,000,000* or more, before issuing such license the President shall transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate an unclassified numbered certification with respect to such application specifying (A) the foreign country or international organization to which such export will be made, (B) the dollar amount of the items to be exported, and (C) a description of the items to be exported. Each such numbered certification shall also contain an item indicating whether any offset agreement is proposed to be entered into in connection with such export (if known on the date of transmittal of such certification). In addition, the President shall, upon the request of such committee or the Committee on Foreign Affairs of the House of Representatives, transmit promptly to both such committees a statement setting forth, to the extent specified in such request a description of the capabilities of the items to be exported, an estimate of the total number of United States personnel expected to be needed in the foreign country concerned in connection with the items to be exported and an analysis of the arms control impact pertinent to such application, prepared in consultation with the Secretary of Defense. In a case in which such articles or services listed on the Missile Technology Control Regime Annex are intended to support the design, development, or production of a Category I space launch vehicle system (as defined in section 74), such report shall include a description of the proposed export and rationale for approving such export, including the consistency of such export with United States missile nonproliferation policy. A certification transmitted pursuant to this subsection shall be unclassified, except that the information specified in clause (B) and the details of the description specified in clause (C) may be classified if the public disclosure thereof would be clearly detrimental to the security of the United States.

(2) Unless the President states in his certification that an emergency exists which requires the proposed export in the national security interests of the United States, a license for export described in paragraph (1)—

[(A) shall not be issued until at least 30 calendar days after the Congress receives such certification; and

[(B) shall not be issued then if the Congress, within such 30-day period, enacts a joint resolution prohibiting the proposed export, except that this subparagraph does not apply with re-

spect to a license issued for an export to the North Atlantic Treaty Organization, any member country of that Organization, Japan, Australia, or New Zealand.]

(A) in the case of a license for an export to the North Atlantic Treaty Organization, any member country of that Organization or Australia, Japan, or New Zealand, shall not be issued until at least 15 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 15-day period, enacts a joint resolution prohibiting the proposed export; and

(B) in the case of any other license, shall not be issued until at least 30 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 30-day period, enacts a joint resolution prohibiting the proposed export.

If the President states in his certification that an emergency exists which requires the proposed export in the national security interests of the United States, thus waiving the requirements of subparagraphs (A) and (B) of this paragraph, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate issuance of the export license and a discussion of the national security interests involved.

* * * * * * *

(d)*(1)* In the case of an approval under section 38 of this Act of a United States commercial technical assistance or manufacturing licensing agreement [for or in a country not a member of the North Atlantic Treaty Organization] which involves the manufacture abroad of any item of significant combat equipment on the United States Munitions List, before such approval is given, the President shall submit a certification with respect to such proposed commercial agreement in a manner similar to the certification required under subsection (c)(1) containing comparable information, except that the last sentence of such subsection shall not apply to certifications submitted pursuant to this subsection.

(2) A certification under this subsection shall be submitted—

(A) at least 15 days before approval is given in the case of an agreement for or in a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand; and

(B) at least 30 days before approval is given in the case of an agreement for or in any other country;

unless the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States.

(3) If the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States, thus waiving the requirements of paragraph (4), he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate approval of the agreement and a discussion of the national security interests involved.

(4) Approval for an agreement subject to paragraph (1) may not be given under section 38 if the Congress, within the 15-day or 30-day period specified in paragraph (2) (A) or (B), as the case may be, enacts a joint resolution prohibiting such approval.

(5)(A) Any joint resolution under paragraph (4) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(B) For the purpose of expediting the consideration and enactment of joint resolutions under paragraph (4), a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

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SEC. 38. CONTROL OF ARMS EXPORTS AND IMPORTS.—(a)(1) * * *

(2) Decisions on issuing export licenses under this section shall be made in coordination with the [Director of the United States Arms Control and Disarmament Agency, taking into account the Director's] *Secretary of State, taking into account the Secretary's* assessment as to whether the export of an article would contribute to an arms race, aid in the development of weapons of mass destruction, support international terrorism, increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control or nonproliferation agreements or other arrangements. [The Director of the Arms Control and Disarmament Agency is authorized, whenever the Director] *The Secretary of State is authorized, whenever the Secretary* determines that the issuance of an export license under this section would be detrimental to the national security of the United States, to recommend to the President that such export license be disapproved.

* * * * * * *

(b)(1)(A) [As prescribed in regulations] *(i) As prescribed in regulations* issued under this section, every person (other than an officer or employee of the United States Government acting in an official capacity) who engages in the business of manufacturing, exporting, or importing any defense articles or defense services designated by the President under subsection (a)(1) shall register with the United States Government agency charged with the administration of this section, and shall pay a registration fee which shall be prescribed by such regulations. Such regulations shall prohibit the return to the United States for sale in the United States (other than for the Armed Forces of the United States and its allies or for any State for local law enforcement agency) of any military firearms or ammunition of United States manufacture furnished to foreign governments by the United States under this Act or any other foreign assistance or sales program of the United States, whether or not enhanced in value or improved in condition in a foreign country. This prohibition shall not extend to similar firearms that have been so substantially transformed as to become, in effect, articles of foreign manufacture.

(ii)(I) As prescribed in regulations issued under this section, every person (other than an officer or employee of the United States Government acting in official capacity) who engages in the business of brokering activities with respect to the manufacture, export, import, or transfer of any defense article or defense service designated by the President under subsection (a)(1), or in the business of brokering activities with respect to the manufacture, export, import, or transfer of any foreign defense article or defense service (as defined in subclause (IV)), shall register with the United States Government agency charged with the administration of this section, and shall pay a registration fee which shall be prescribed by such regulations.

(II) Such brokering activities shall include the financing, transportation, freight forwarding, or the taking of any other action that facilitates the manufacture, export, or import of a defense article or defense service.

(III) No person may engage in the business of brokering activities without a license, issued in accordance with this Act, except that no license shall be required for such activities undertaken by or for an agency of the United States Government—

(aa) for official use by an agency of the United States Government; or

(bb) for carrying out any foreign assistance or sales program authorized by law and subject to the control of the President by other means.

(IV) For purposes of this clause, the term "foreign defense article or defense service" includes any non-United States defense article or defense service of a nature described on the United States Munitions List regardless of whether such article or service is of United States origin or whether such article or service contains United States origin components.

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CHAPTER 3A—END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES

SEC. 40A. END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES.

(a) ESTABLISHMENT OF MONITORING PROGRAM.—

(1) IN GENERAL.—In order to improve accountability with respect to defense articles and defense services sold, leased, or exported under this Act or the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), the Secretary of State shall establish a program which provides for the end-use monitoring of such articles and services.

(2) REQUIREMENTS OF PROGRAM.—To the extent practicable, such program—

(A) shall provide for the end-use monitoring of defense articles and defense services in accordance with the standards that apply for identifying high-risk exports for regular end-use verification developed under section 38(g)(7) of this Act (commonly referred to as the "Blue Lantern" program); and

(B) shall be designed to provide reasonable assurance that—

(i) the recipient is complying with the requirements imposed by the United States Government with respect to use, transfers, and security of defense articles and defense services; and

(ii) such articles and services are being used for the purposes for which they are provided.

(b) CONDUCT OF PROGRAM.—In carrying out the program established under subsection (a), the Secretary shall ensure that the program—

(1) provides for the end-use verification of defense articles and defense services that incorporate sensitive technology, defense articles and defense services that are particularly vulnerable to diversion or other misuse, or defense articles or defense services whose diversion or other misuse could have significant consequences; and

(2) prevents the diversion (through reverse engineering or other means) of technology incorporated in defense articles.

(c) MONITORING RESPONSIBILITIES.—

(1) IN GENERAL.—Pursuant to subsection (a), sections 3 and 38 of this Act, and sections 505, 622, and 623 of the Foreign Assistance Act of 1961, the Secretary of State, in consultation with the Secretary of Defense and officials of appropriate other Federal agencies, shall provide for the monitoring of defense articles and defense services described in subsection (a).

(2) ADDITIONAL PERSONNEL.—Upon the request of the Secretary of State, the Secretary of Defense or the Secretary of the Treasury, as the case may be, shall provide to the agency primarily responsible for the licensing of exports under this section, on a nonreimbursable basis, personnel with appropriate expertise to assist in the end-use monitoring and enforcement functions under this section and section 38 of this Act.

(d) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of the Foreign Aid Reduction Act of 1995, and annually thereafter as a part of the annual congressional presentation documents submitted under section 634 of the Foreign Assistance Act of 1961, the President shall transmit to the Congress a report describing the actions taken to implement this section.

(e) THIRD COUNTRY TRANSFERS.—For purposes of this section, defense articles and defense services sold, leased, or exported under this Act or the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) includes defense articles and defense services that are transferred to a third country or other third party.

* * * * * * *

SEC. 42. GENERAL PROVISIONS.—(a)(1) In carrying out this Act, special emphasis shall be placed on procurement in the United States, but, subject to the provisions of subsection (b) of this section, consideration shall also be given to coproduction or licensed production outside the United States of defense articles of United States origin when such production best serves the foreign policy, national security, and economy of the United States. In evaluating any sale proposed to be made pursuant to this Act, there shall be taken into consideration (A) the extent to which the proposed sale damages or infringes upon licensing arrangements whereby United States entities have granted licenses for the manufacture of the de-

fense articles selected by the purchasing country to entities located in friendly foreign countries, which licenses result in financial returns to the United States, (B) the portion of the defense articles so manufactured which is of United States origin, and (C) the assessment of the [Director of the United States Arms Control and Disarmament Agency] *Secretary of State* as to whether, and the extent to which, such sale might contribute to an arms race, aid in the development of weapons of mass destruction, support international terrorism, increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control or nonproliferation agreements or other arrangements.

(2) Any proposed sale made pursuant to this Act shall be approved only after consultation with the [Director of the United States Arms Control and Disarmament Agency] *Secretary of State.* The [Director of the Arms Control and Disarmament Agency is authorized, whenever the Director] *Secretary of State, whenever the Secretary* determines that a sale under this section would be detrimental to the national security of the United States, to recommend to the President that such sale be disapproved.

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CHAPTER 4—GENERAL, ADMINISTRATIVE, AND MISCELLANEOUS PROVISIONS

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SEC. 47. DEFINITIONS.—For purposes of this Act, the term—

(1) * * *

* * * * * * *

(7) "defense articles and defense services" means, with respect to commercial exports subject to the provisions of section 38 of this Act, those items designated by the President pursuant to subsection (a)(1) of such section; [and]

(8) "design and construction services" means, with respect to sales under section 29 of this Act, the design and construction of real property facilities, including necessary construction equipment and materials, engineering services, construction contract management services relating thereto, and technical advisory assistance in the operation and maintenance of real property facilities provided or performed by any department or agency of the Department of Defense or by a contractor pursuant to a contract with such department or agency[.]*; and*

(9) "significant military equipment" means articles—

(A) for which special export controls are warranted because of the capacity of such articles for substantial military utility or capability; and

(B) identified on the United States Munitions List.

CHAPTER 5—SPECIAL DEFENSE ACQUISITION FUND

SEC. 51. SPECIAL DEFENSE ACQUISITION FUND.—(a)(1) * * *

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(4)[(a)] The Fund shall also be used to acquire defense articles that are particularly suited for use for narcotics control purposes

and are appropriate to the needs of recipient countries, such as small boats, planes (including helicopters), and communications equipment.

[(B) Each report pursuant to section 53(a) shall designate the defense articles that have been acquired or are to be acquired pursuant to this paragraph and the defense articles acquired under this chapter that were transferred for use in narcotics control purposes.]

* * * * * * *

[SEC. 53. ANNUAL REPORTS TO CONGRESS.—(a) Not later than December 31 of each year, the President shall submit to the Congress a comprehensive report on acquisitions of defense articles and defense services under this chapter. Each such report shall include—

[(1) a description of each contract for the acquisition of defense articles or defense services under this chapter which was entered into during the preceding fiscal year;

[(2) a description of each contract for the acquisition of defense articles or defense services under this chapter which the President anticipates will be entered into during the current fiscal year;

[(3) a description of each defense article or defense service acquired under this chapter which was transferred to a foreign country or international organization during the preceding fiscal year; and

[(4) an evaluation of the impact of the utilization of the authority of this chapter on United States defense production and the readiness of the United States Armed Forces.

[(b) As part of the annual written report to the Congress required by section 2431(a) of title 10, United States Code, regarding procurement schedules for each weapon system for which funding authorization is required, the President shall provide a report estimating the likely procurements to be made through the Fund.]

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CHAPTER 6—LEASES OF DEFENSE ARTICLES AND LOAN AUTHORITY FOR COOPERATIVE RESEARCH AND DEVELOPMENT PURPOSES

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

(1) * * *

* * * * * * *

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

(A) in the event the United States intends to replace the articles lost or destroyed, the replacement cost (less any depreciation in the value) of the articles; or

(B) in the event the United States does not intend to replace the articles lost or destroyed, an amount not less than the actual value (less any depreciation in the value) specified in the lease agreement.

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

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

(A) may be exercised only if the President submits to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate, in accordance with the regular notification procedures of those Committees, a detailed notification for each lease with respect to which the authority is exercised; and

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

The preceding sentence does not constitute authorization of appropriations for payments by the United States for leased articles.

* * * * * * *

SEC. 62. REPORTS TO THE CONGRESS.—(a) [Not less than 30 days before] *Before* entering into or renewing any agreement with a foreign country or international organization to lease any defense article under this chapter, or to loan any defense article under chapter 2 of part II of the Foreign Assistance Act of 1961, for a period of one year or longer, the President shall transmit to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Armed Services of the Senate, a written certification which specifies—

(1) the country or international organization to which the defense article is to be leased or loaned;

(2) the type, quantity, and value (in terms of replacement cost) of the defense article to be leased or loaned;

(3) the terms and duration of the lease or loan; and

(4) a justification for the lease or loan, including an explanation of why the defense article is being leased or loaned rather than sold under this Act.

(b) The President may waive the requirements of this section (and in the case of an agreement described in section 63, may waive the provisions of that section) if he [determines, and immediately reports to the Congress] *states in his certification*, that an emergency exists which requires that the lease or loan be entered into immediately in the national security interests of the United States. *If the President states in his certification that such an emer-*

gency exists, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that the lease be entered into immediately and a discussion of the national security interests involved.

(c) The certification required by subsection (a) shall be transmitted—

(1) not less than 15 calendar days before the agreement is entered into or renewed in the case of an agreement with the North Atlantic Treaty Organization, any member country of that Organization or Australia, Japan, or New Zealand; and

(2) not less than 30 calendar days before the agreement is entered into or renewed in the case of an agreement with any other organization or country.

SEC. 63. LEGISLATIVE REVIEW.—(a)[(1)] In the case of any agreement involving the lease under this chapter, or the loan under chapter 2 of part II of the Foreign Assistance Act of 1961, to any foreign country or international organization for a period of one year or longer of any defense articles which are either (i) major defense equipment valued (in terms of its replacement cost less any depreciation in its value) at [$14,000,000] *$25,000,000* or more, or (ii) defense articles valued (in terms of their replacement cost less any depreciation in their value) at [$50,000,000] *$75,000,000* or more, the agreement may not be entered into or renewed if the Congress, within [30 calendar days after receiving the certification with respect to that proposed agreement pursuant to section 62(a),] *the 15-day or 30-day period specified in section 62(c) (1) or (2), as the case may be,* enacts a joint resolution prohibiting the proposed lease or loan.

[(2) This section shall not apply with respect to a loan or lease to the North Atlantic Treaty Organization, any member country of that Organization, Japan, Australia, or New Zealand.]

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SEC. 65. LOAN OF MATERIALS, SUPPLIES, AND EQUIPMENT FOR RESEARCH AND DEVELOPMENT PURPOSES.—(a) * * *

* * * * * * *

(d) For purposes of this section, the term "NATO [or major non-NATO] ally" means a member country of the North Atlantic Treaty Organization (other than the United States) [or a foreign country other than a member nation of NATO designated as a major non-NATO ally under section 2350a(i)(3) of title 10, United States Code].

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CHAPTER 7—CONTROL OF MISSILES AND MISSILE EQUIPMENT OR TECHNOLOGY

SEC. 71. LICENSING.—

(a) ESTABLISHMENT OF LIST OF CONTROLLED ITEMS.—The Secretary of State, in consultation with the Secretary of Defense[, the Director of the Arms Control and Disarmament Agency,], *Secretary of State,* and the heads of other appropriate departments and agencies, shall establish and maintain, as part of the United States Mu-

nitions List, a list of all items on the MTCR Annex the export of which is not controlled under section 6(l) of the Export Administration Act of 1979.

(b) REFERRAL OF LICENSE APPLICATIONS.—(1) A determination of the Secretary of State to approve a license for the export of an item on the list established under subsection (a) may be made only after the license application is referred to the Secretary of Defense and the [Director of the United States Arms Control and Disarmament Agency] *Secretary of State*.

(2) Within 10 days after a license is issued for the export of an item on the list established under subsection (a), the Secretary of State shall provide to the Secretary of Defense, the Secretary of Commerce, and the [Director of the United States Arms Control and Disarmament Agency] *Secretary of State* the license application and accompanying documents issued to the applicant, to the extent that the relevant Secretary [or the Director] indicates the need to receive such application and documents.

(c) INFORMATION SHARING.—The Secretary of State shall establish a procedure for sharing information with appropriate officials of the intelligence community, as determined by the Director of Central Intelligence, with the [Director of the United States Arms Control and Disarmament Agency,] *Secretary of State* and with other appropriate Government agencies, that will ensure effective monitoring of transfers of MTCR equipment or technology and other missile technology.

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SEC. 73. TRANSFERS OF MISSILE EQUIPMENT OR TECHNOLOGY BY FOREIGN PERSONS.

(a) * * *

* * * * * * *

(d) ADVISORY OPINIONS.—The Secretary of State, in consultation with the Secretary of Defense, the Secretary of Commerce, and the [Director of the United States Arms Control and Disarmament Agency] *Secretary of State*, may, upon the request of any person, issue an advisory opinion to that person as to whether a proposed activity by that person would subject that person to sanctions under this section. Any person who relies in good faith on such an advisory opinion which states that the proposed activity would not subject a person to such sanctions, and any person who thereafter engages in such activity, may not be made subject to such sanctions on account of such activity.

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SECTION 1706 OF THE UNITED STATES INSTITUTE OF PEACE ACT

BOARD OF DIRECTORS

SEC. 1706. (a) The powers of the Institute shall be vested in a Board of Directors unless otherwise specified in this title.

(b) The Board shall consist of fifteen voting members as follows:

(1) * * *

* * * * * * *

[(3) The Director of the Arms Control and Disarmament Agency (or if the Director so designates, another officer of that Agency who was appointed with the advice and consent of the Senate).]

[(4)] *(3)* The president of the National Defense University (or if the president so designates, the vice president of the National Defense University).

[(5) Eleven] *(4) Twelve* individuals appointed by the President, by and with the advice and consent of the Senate.

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ATOMIC ENERGY ACT OF 1954

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TITLE I—ATOMIC ENERGY

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CHAPTER 6. SPECIAL NUCLEAR MATERIAL

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SEC. 57. PROHIBITION.—

a. * * *

b. It shall be unlawful for any person to directly or indirectly engage in the production of any special nuclear material outside of the United States except (1) as specifically authorized under an agreement for cooperation made pursuant to section 123, including a specific authorization in a subsequent arrangement under section 131 of this Act, or (2) upon authorization by the Secretary of Energy after a determination that such activity will not be inimical to the interest of the United States: *Provided*, That any such determination by the Secretary of Energy shall be made only with the concurrence of the Department of State and after consultation with [the Arms Control and Disarmament Agency,] the Nuclear Regulatory Commission, the Department of Commerce, and the Department of Defense. The Secretary of Energy shall, within ninety days after the enactment of the Nuclear Non-Proliferation Act of 1978, establish orderly and expeditious procedures, including provision for necessary administrative actions and inter-agency memoranda of understanding, which are mutually agreeable to the Secretaries of State, Defense, and Commerce, [the Director of the Arms Control and Disarmament Agency,] and the Nuclear Regulatory Commission for the consideration of requests for authorization under this subsection. Such procedures shall include, at a minimum, explicit direction on the handling of such requests, express deadlines for the solicitation and collection of the views of the consulted agencies (with identified officials responsible for meeting such deadlines), an interagency coordinating authority to monitor the processing of such requests, predetermined procedures for the expeditious handling of intra-agency and inter-agency disagreements and

appeals to higher authorities, frequent meetings of inter-agency administrative coordinators to review the status of all pending requests, and similar administrative mechanisms. To the extent practicable, an applicant should be advised of all the information required of the applicant for the entire process for every agency's needs at the beginning of the process. Potentially controversial requests should be identified as quickly as possible so that any required policy decisions or diplomatic consultations can be initiated in a timely manner. An immediate effort should be undertaken to establish quickly any necessary standards and criteria, including the nature of any required assurances or evidentiary showings, for the decision required under this subsection. The processing of any request proposed and filed as of the date of enactment of the Nuclear Non-Proliferation Act of 1978 shall not be delayed pending the development and establishment of procedures to implement the requirements of this subsection. Any trade secrets or proprietary information submitted by any person seeking an authorization under this subsection shall be afforded the maximum degree of protection allowable by law: *Provided further,* That the export of component parts as defined in subsection 11 v. (2) or 11 cc. (2) shall be governed by sections 109 and 126 of this Act: *Provided further,* That notwithstanding subsection 402(d) of the Department of Energy Organization Act (Public Law 95–91), the Secretary of Energy and not the Federal Energy Regulatory Commission, shall have sole jurisdiction within the Department of Energy over any matter arising from any function of the Secretary of Energy in this section, section 54 d., section 64, or section 111 b.

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CHAPTER 11. INTERNATIONAL ACTIVITIES

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SEC. 123. COOPERATION WITH OTHER NATIONS.—

No cooperation with any nation, group of nations or regional defense organization pursuant to section 53, 54 a., 57, 64, 82, 91, 103, 104, or 144 shall be undertaken until—

a. the proposed agreement for cooperation has been submitted to the President, which proposed arrangement shall include the terms, conditions, duration, nature, and scope of the cooperation; and shall include the following requirements:

(1) * * *

* * * * * * *

(9) except in the case of agreements for cooperation arranged pursuant to subsection 91 c., 144 b., 144 c., or 144 d., a guaranty by the cooperating party that any special nuclear material, production facility, or utilization facility produced or constructed under the jurisdiction of the cooperating party by or through the use of any sensitive nuclear technology transferred pursuant to such agreement for cooperation will be subject to all the requirements specified in this subsection.

The President may exempt a proposed agreement for cooperation (except an agreement arranged pursuant to subsection 91 c., 144 b., 144 c., or 144 d.) from any of the requirements of the foregoing sentence if he determines that inclusion of any such requirement would be seriously prejudicial to the achievement of United States non-proliferation objectives or otherwise jeopardize the common defense and security. Except in the case of those agreements for cooperation arranged pursuant to subsection 91 c., 144 b., 144 c., or 144 d., any proposed agreement for cooperation shall be negotiated by the Secretary of State, with the technical assistance and concurrence of the Secretary of Energy **[**and in consultation with the Director of the Arms Control and Disarmament Agency ("the Director")**]**; and after consultation with the Commission shall be submitted to the President jointly by the Secretary of State and the Secretary of Energy accompanied by the views and recommendations of the Secretary of State, the Secretary of Energy, the Nuclear Regulatory Commission, **[**and the Director**]** *and the Secretary of Defense*, who shall also provide to the President an unclassified Nuclear Proliferation Assessment Statement (A) which shall analyze the consistency of the text of the proposed agreement for cooperation with all the requirements of this Act, with specific attention to whether the proposed agreement is consistent with each of the criteria set forth in this subsection, and (B) regarding the adequacy of the safeguards and other control mechanisms and the peaceful use assurances contained in the agreement for cooperation to ensure that any assistance furnished thereunder will not be used to further any military or nuclear explosive purpose. In the case of those agreements for cooperation arranged pursuant to subsection 91 c., 144 b., 144 c., or 144 d., any proposed agreement for cooperation shall be submitted to the President by the Secretary of Energy or, in the case of those agreements for cooperation arranged pursuant to subsection 91 c. 144 b., or 144 d. which are to be implemented by the Department of Defense, by the Secretary of Defense;

* * * * * * *

d. the proposed agreement for cooperation (if arranged pursuant to subsection 91 c., 144 b., 144 c., or 144 d., or if entailing implementation of section 53, 54 a., 103, or 104 in relation to a reactor that may be capable of producing more than five thermal megawatts or special nuclear material for use in connection therewith) has been submitted to the Congress, together with the approval and determination of the President, for a period of sixty days of continuous session (as defined in subsection 130 g. of this Act) and referred to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, and in addition, in the case of a proposed agreement for cooperation arranged pursuant to subsection 91 c., 144 b., 144 c., or 144 d., the Committee on Armed Services of the House of Representatives and

the Committee on Armed Services of the Senate, but such proposed agreement for cooperation shall not become effective if during such sixty-day period the Congress adopts, and there is enacted, a joint resolution stating in substance that the Congress does not favor the proposed agreement for cooperation: *Provided,* That the sixty-day period shall not begin until a Nuclear Proliferation Assessment Statement prepared by the [Director of the Arms Control and Disarmament Agency] *Secretary of Defense,* when required by subsection 123 a., has been submitted to the Congress: *Provided further,* That an agreement for cooperation exempted by the President pursuant to subsection a. from any requirement contained in that subsection shall not become effective unless the Congress adopts, and there is enacted, a joint resolution stating that the Congress does favor such agreement. During the sixty-day period the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate shall each hold hearings on the proposed agreement for cooperation and submit a report to their respective bodies recommending whether it should be approved or disapproved. Any such proposed agreement for cooperation shall be considered pursuant to the procedures set forth in section 130 i. of this Act.

Following submission of a proposed agreement for cooperation (except an agreement for cooperation arranged pursuant to subsection 91 c., 144 b., 144 c., or 144 d.) to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, the Nuclear Regulatory Commission, the Department of State, the Department of Energy, [the Arms Control and Disarmament Agency,] and the Department of Defense shall, upon the request of either of those committees, promptly furnish to those committees their views as to whether the safeguards and other controls contained therein provide an adequate framework to ensure that any exports as contemplated by such agreement will not be inimical to or constitute an unreasonable risk to the common defense and security.

If, after the date of enactment of the Nuclear Non-Proliferation Act of 1978, the Congress fails to disapprove a proposed agreement for cooperation which exempts the recipient nation from the requirement set forth in subsection 123 a. (2), such failure to act shall constitute a failure to adopt a resolution of disapproval pursuant to subsection 128 b. (3) for purposes of the Commission's consideration of applications and requests under section 126 a. (2) and there shall be no congressional review pursuant to section 128 of any subsequent license or authorization with respect to that state until the first such license or authorization which is issued after twelve months from the elapse of the sixty-day period in which the agreement for cooperation in question is reviewed by the Congress.

NUCLEAR NON-PROLIFERATION ACT OF 1978

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DEFINITIONS

SEC. 4. (a) As used in this Act, the term—

(1) "Commission" means the Nuclear Regulatory Commission;

[(2) "Director" means the Director of the Armed Control and Disarmament Agency;]

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TITLE I—UNITED STATES INITIATIVES TO PROVIDE ADEQUATE NUCLEAR FUEL SUPPLY

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URANIUM ENRICHMENT CAPACITY

SEC. 102. The Secretary of Energy is directed to initiate construction planning and design, construction, and operation activities for expansion of uranium enrichment capacity, as elsewhere provided by law. Further the Secretary as well as the Nuclear Regulatory Commission, [The Secretary of State, and the Director of the Arms Control and Disarmament Agency] *and the Secretary of State* are directed to establish and implement procedures which will ensure to the maximum extent feasible, consistent with this Act, orderly processing of subsequent arrangements and export licenses with minimum time delay.

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TITLE VI—EXECUTIVE REPORTING

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ADDITIONAL REPORTS

SEC. 602. (a) * * *

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(c) The Department of State, the Department of Defense, [the Arms Control and Disarmament Agency,] the Department of Commerce, the Department of Energy, and the Commission shall keep the Committees on Foreign Relations and Governmental Affairs of the Senate and the Committee on Foreign Affairs of the House of Representatives fully and currently informed with respect to their activities to carry out the purposes and policies of this Act and to otherwise prevent proliferation, and with respect to the current activities of foreign nations which are of significance from the proliferation standpoint.

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TITLE 5, UNITED STATES CODE

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PART III—EMPLOYEES

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Subpart D—Pay and Allowances

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CHAPTER 53—PAY RATES AND SYSTEMS

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SUBCHAPTER II—EXECUTIVE SCHEDULE PAY RATES

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§ 5313. Positions at level II

Level II of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Deputy Secretary of Defense.

Deputy Secretary of State.

[Administrator, Agency for International Development.]

Administrator of the National Aeronautics and Space Administration.

Deputy Secretary of Veterans Affairs.

Deputy Secretary of the Treasury.

Deputy Secretary of Transportation.

Chairman, Nuclear Regulatory Commission.

Chairman, Council of Economic Advisers.

Chairman, Board of Governors of the Federal Reserve System.

Director of the Office of Science and Technology.

[Director of the United States Arms Control and Disarmament Agency.

[Director of the United States Information Agency.]

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§ 5314. Positions at level III

Level III of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Solicitor General of the United States.

Under Secretary of Commerce, Under Secretary of Commerce for Economic Affairs, Under Secretary of Commerce for Export Administration and Under Secretary of Commerce for Travel and Tourism.

Under Secretaries of State (5).

Under Secretaries of the Treasury (3).

Administrator of General Services.

Administrator of the Small Business Administration.

[Deputy Administrator, Agency for International Development.]

Chairman of the Merit Systems Protection Board.

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[Deputy Director of the United States Arms Control and Disarmament Agency.]

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§ 5315. Positions at level IV

Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Deputy Administrator of General Services.

Associate Administrator of the National Aeronautics and Space Administration.

[Assistant Administrators, Agency for International Development (6).

[Regional Assistant Administrators, Agency for International Development (4).]

Under Secretary of the Air Force.

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[Deputy Director of the United States Information Agency.]

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[Assistant Directors, United States Arms Control and Disarmament Agency (4).

[Inspector General, United States Information Agency.]

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[Inspector General, Agency for International Development.]

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[Director of the International Broadcasting Bureau, the United States Information Agency] *Director of the International Broadcasting Office, the Department of State.*

Inspector General, Social Security Administration.

The Commissioner of Labor Statistics, Department of Labor.

Administrator, Rural Utilities Service, Department of Agriculture.

§ 5316. Positions at level V

Level V of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Administrator, Bonneville Power Administration, Department of the Interior.

Administrator of the National Capital Transportation Agency.

Associate Administrators of the Small Business Administration (4).

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[Deputy Director, Policy and Plans, United States Information Agency.]

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[General Counsel of the Agency for International Development.]

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[Associate Director (Policy and Plans), United States Information Agency.]

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INSPECTOR GENERAL ACT OF 1978

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[SPECIAL PROVISIONS RELATING TO THE AGENCY FOR INTERNATIONAL DEVELOPMENT

[SEC. 8A. (a) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Agency for International Development—

[(1) shall supervise, direct, and control all security activities relating to the programs and operations of that Agency, subject to the supervision of the Administrator of that Agency; and

[(2) to the extent requested by the Director of the United States International Development Cooperation Agency (after consultation with the Administrator of the Agency for International Development), shall supervise, direct, and control all audit, investigative, and security activities relating to programs and operations within the United States International Development Cooperation Agency.

[(b) In addition to the Assistant Inspector Generals provided for in section 3(d) of this Act, the Inspector General of the Agency for International Development shall, in accordance with applicable laws and regulations governing the civil service, appoint an Assistant Inspector General for Security who shall have the responsibility for supervising the performance of security activities relating to programs and operations of the Agency for International Development.

[(c) The semiannual reports required to be submitted to the Administrator of the Agency for International Development pursuant to section 5(b) of this Act shall also be submitted to the Director of the United States International Development Cooperation Agency.

[(d) In addition to the officers and employees provided for in section 6(a)(6) of this Act, members of the Foreign Service may, at the request of the Inspector General of the Agency for International Development, be assigned as employees of the Inspector General. Members of the Foreign Service so assigned shall be responsible solely to the Inspector General, and the Inspector General (or his or her designee) shall prepare the performance evaluation reports for such members.

[(e) In establishing and staffing field offices pursuant to section 6(c) of this Act, the Administrator of the Agency for International

Development shall not be bound by overseas personnel ceilings established under the Monitoring Overseas Direct Employment policy.

[(f) The reference in section 7(a) of this Act to an employee of the establishment shall, with respect to the Inspector General of the Agency for International Development, be construed to include an employee of or under the United States International Development Cooperation Agency.

[(g) The Inspector General of the Agency for International Development shall be in addition to the officers provided for in section 624(a) of the Foreign Assistance Act of 1961.

[(h) As used in this Act, the term "Agency for International Development" includes any successor agency primarily responsible for administering part I of the Foreign Assistance Act of 1961.]

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DEFINITIONS

SEC. 11. As used in this Act—

(1) the term "head of the establishment" means the Secretary of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, the Interior, Labor, State, Transportation, or the Treasury; the Attorney General; [the Administrator of the Agency for International Development,] Environmental Protection, General Services, National Aeronautics and Space, or Small Business, or Veterans' Affairs; the Director of the Federal Emergency Management Agency[, the Office of Personnel Management or the United States Information Agency] *or the Office of Personnel Management*; the Chairman of the Nuclear Regulatory Commission or the Railroad Retirement Board; the Chairperson of the Thrift Depositor Protection Oversight Board; the Chief Executive Officer of the Corporation for National and Community Service; the Administrator of the Community Development Financial Institutions Fund; and the chief officer of the Resolution Trust Corporation; or the Commissioner of Social Security, Social Security Administration; as the case may be;

(2) the term "establishment" means the Department of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, or the Treasury; [the Agency for International Development,] the Community Development Financial Institutions Fund, the Environmental Protection Agency, the Federal Emergency Management Agency, the General Services Administration, the National Aeronautics and Space Administration, the Nuclear Regulatory Commission, the Office of Personnel Management, the Railroad Retirement Board, the Resolution Trust Corporation, the Federal Deposit Insurance Corporation, the Small Business Administration, [the United States Information Agency,] the Corporation for National and Community Service,, or the Veter-

ans' Administration, or the Social Security Administration; as the case may be;

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UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948

AN ACT To promote the better understanding of the United States among the peoples of the world and to strengthen cooperative international relations.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE, OBJECTIVES, AND DEFINITIONS

SHORT TITLE

SECTION 1. This Act may be cited as the "United States Information and Educational Exchange Act of 1948".

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TITLE III—ASSIGNMENT OF SPECIALISTS

PERSONS TO BE ASSIGNED

SEC. 301. The [Director of the United States Information Agency] *Secretary of State* is authorized, when the government of another country is desirous of obtaining the services of a person having special scientific or other technical or professional qualifications, from time to time to assign or authorize the assignment for service, to or in cooperation with such government, any person in the employ or service of the Government of the United States who has such qualifications, with the approval of the Government agency in which such person is employed or serving. No person shall be assigned for service to or in cooperation with the government of any country unless (1) the [Director] *Secretary of State* finds that such assignment is necessary in the national interest of the United States, or (2) such government agrees to reimburse the United States in an amount equal to the compensation, travel expenses, and allowances payable to such person during the period of such assignment in accordance with the provisions of section 302, or (3) such government shall have made an advance of funds, property, or services as provided in section 902. Nothing in this Act, however, shall authorize the assignment of such personnel for service relating to the organization, training, operation, development, or combat equipment of the armed forces of a foreign government.

STATUS AND ALLOWANCES

SEC. 302. Any person in the employ or service of the Government of the United States, while assigned for service to or in cooperation with another government under the authority of this Act, shall be considered, for the purpose of preserving his rights, allowances, and privileges as such, an officer or employee of the Government of the United States and of the Government agency from which assigned and he shall continue to receive compensation from that

agency. He may also receive, under such regulations as the President may prescribe, representation allowances similar to those allowed under section 905 of the Foreign Service Act of 1980. The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 5536 of title 5, United States Code.

ACCEPTANCE OF OFFICE UNDER ANOTHER GOVERNMENT

SEC. 303. Any person in the employ or service of the Government of the United States, while assigned for service to or in cooperation with another government under authority of this Act may, at the discretion of his Government agency, with the concurrence of the [Director of the United States Information Agency] *Secretary of State*, and without additional compensation therefor, accept an office under the government to which he is assigned, if the acceptance of such an office in the opinion of such agency is necessary to permit the effective performance of duties for which he is assigned, including the making or approving on behalf of such foreign government the disbursement of funds provided by such government or of receiving from such foreign government funds for deposit and disbursement on behalf of such government, in carrying out programs undertaken pursuant to this Act: *Provided, however,* That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government.

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TITLE V—DISSEMINATING INFORMATION ABOUT THE UNITED STATES ABROAD

GENERAL AUTHORIZATION

SEC. 501. (a) The Secretary is authorized, when he finds it appropriate, to provide for the preparation, and dissemination abroad, of information about the United States, its people, and its policies, through press, publications, radio, motion pictures, and other information media, and through information centers and instructors abroad. Subject to subsection (b), any such information (other than "Problems of Communism" and the "English Teaching Forum" which may be sold by the Government Printing Office) shall not be disseminated within the United States, its territories, or possessions, but, on request, shall be available in the English language at the Department of State, at all reasonable times following its release as information abroad, for examination only by representatives of United States press associations, newspapers, magazines, radio systems, and stations, and by research students and scholars, and, on request, shall be made available for examination only to Members of Congress.

(b)(1) The [Director of the United States Information Agency] *Secretary of State* shall make available to the Archivist of the United States, for domestic distribution, motion pictures, films, videotapes, and other material prepared for dissemination abroad 12 years after the initial dissemination of the material abroad or, in

the case of such material not disseminated abroad, 12 years after the preparation of the material.

(2) The [Director of the United States Information Agency] *Secretary of State* shall be reimbursed for any attendant expenses. Any reimbursement to the [Director] *Secretary of State* pursuant to this subsection shall be credited to the applicable appropriation of the [United States Information Agency] *Department of State.*

(3) The Archivist shall be the official custodian of the material and shall issue necessary regulations to ensure that persons seeking its release in the United States have secured and paid for necessary United States rights and licenses and that all costs associated with the provision of the material by the Archivist shall be paid by the persons seeking its release. The Archivist may charge fees to recover such costs, in accordance with section 2116(c) of title 44, United States Code. Such fees shall be paid into, administered, and expended as part of the National Archives Trust Fund.

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[USIA] *DEPARTMENT OF STATE* SATELLITE AND TELEVISION

SEC. 505. (a) IN GENERAL.—The [Director of the United States Information Agency] *Secretary of State* is authorized to lease or otherwise acquire time on commercial or United States Government satellites for the purpose of transmitting materials and programs to posts and other users abroad.

(1) [USIA–TV] *DEPARTMENT OF STATE–TV* will serve as a consistently reliable and authoritative source of news. [USIA–TV] *DEPARTMENT OF STATE–TV* news will be accurate and objective.

(b) BROADCAST PRINCIPLES.—The Congress finds that the long-term interests of the United States are served by communicating directly with the peoples of the world by television. [To be effective, the United States Information Agency] *To be effective in carrying out this subsection, the Department of State* must win the attention and respect of viewers. These principles will therefore govern the [Agency's] *Department of State's* television broadcasts (hereinafter in this section referred to as "[USIA–TV] *DEPARTMENT OF STATE–TV*"):

(2) [USIA–TV] *DEPARTMENT OF STATE–TV* will represent the United States, not any single segment of American society and will, therefore, present a balanced and comprehensive projection of significant American thought and institutions.

(3) [USIA–TV] *DEPARTMENT OF STATE–TV* will present the policies of the United States clearly and effectively and will also present responsible discussions and opinion on these policies.

(c) PROGRAMS.—The [Director of the United States Information Agency] *Secretary of State* is authorized to produce, acquire, or broadcast television programs, via satellite, only if such programs—

(1) are interactive, consisting of interviews among participants in different locales;

(2) cover news, public affairs, or other current events;

(3) cover official activities of government, Federal or State, including congressional proceedings and news briefings of any agency of the Executive branch; or

(4) are of an artistic or scientific character or are otherwise representative of American culture.

(d) COSTS.—When a comparable program produced by United States public or commercial broadcasters and producers is available at a cost which is equal to or less than the cost of production by [USIA–TV] *DEPARTMENT OF STATE–TV*, the [Director of the United States Information Agency] *Secretary of State* shall use such materials in preference to [USIA–TV] *DEPARTMENT OF STATE–TV* produced materials.

[(e) ALLOCATION OF FUNDS.—(1) Of the funds authorized to be appropriated to the United States Information Agency not more than $12,000,000 for the fiscal year 1990 and not more than $12,480,000 for the fiscal year 1991 may be obligated or expended for USIA–TV.

[(2) The United States Information Agency shall prepare and submit to the Congress quarterly reports which contain a detailed explanation of expenditures for USIA–TV during the fiscal years 1990 and 1991. Such reports shall contain specific justification and supporting information pertaining to all programs, particularly those described in subsection (c)(4), that were produced in-house by USIA–TV. Each such report shall include a statement by the Director of the United States Information Agency that, according to the best information available to the United States Information Agency, no comparable United States commercially-produced or public television program is available at a cost which is equal to or less than the cost of production by USIA–TV.

[(3) Of the funds authorized to be appropriated to the United States Information Agency, $1,500,000 for the fiscal year 1990 and $1,500,000 for the fiscal year 1991 shall be available only for the purchase or use of programs produced with grants from the Corporation for Public Broadcasting or produced by United States public broadcasters.]

VOICE OF AMERICA HIRING PRACTICES

SEC. 506. (a) PROHIBITION.—After the date of enactment of this section, the Voice of America shall not select candidates for employment who must be or are preapproved for employment at the Voice of America by a foreign government or an entity controlled by a foreign government.

(b) EXCEPTION.—The prohibition referred to in this section shall not apply to—

(1) participants in the Voice of America's exchange programs; or

(2) clerical, technical, or maintenance staff at Voice of America offices in foreign countries.

(c) REPORT.—If the [Director of the United States Information Agency] *Secretary of State* determines that the prohibition under subsection (a) would require the termination of a specific Voice of America foreign language service, then, not less than 90 days before the [Agency] *Department of State* begins to recruit such candidates, the [Director] *Secretary of State* shall submit to the Com-

mittee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report concerning—

(1) the number and location of speakers of the applicable foreign language who could be recruited by the Voice of America without violating this section; and

(2) the efforts made by the Voice of America to recruit such individuals for employment.

TITLE VI—ADVISORY COMMISSIONS TO FORMULATE POLICIES

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UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY

SEC. 604. (a) ESTABLISHMENT.—(1) There is established an advisory commission to be known as the United States Advisory Commission on Public Diplomacy.

(2) The Commission shall consist of seven members appointed by the President, by and with the advice and consent of the Senate. The members of the Commission shall represent the public interest and shall be selected from a cross section of educational, communications, cultural, scientific, technical, public service, labor, business, and professional backgrounds. Not more than four members shall be from any one political party.

(3) The term of each member shall be 3 years, except that of the original seven appointments, two shall be for a term of 1 year and two shall be for a term of 2 years.

(4) Any member appointed to fill a vacancy occurring before the expiration of the term for which a predecessor was appointed shall be appointed for the remainder of such term. Upon the expiration of a member's term of office, such member may continue to serve until a successor is appointed and qualified.

(5) The President shall designate a member to chair the Commission.

(b) STAFF.—The Commission shall have a staff director who shall be appointed by the chairperson of the Commission. Subject to such rules and regulations as may be adopted by the Commission, the chairperson of the Commission may—

(1) appoint such additional personnel for the staff of the Commission as the chairperson considers necessary; and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay payable for grade GS–18 of the General Schedule under section 5332 of title 5, United States Code.

(c) DUTIES AND RESPONSIBILITIES.—(1) The Commission shall formulate and recommend to [the Director of the United States Information Agency,] the Secretary of State, and the President policies and programs to carry out the functions vested in the [Director or the Agency, and shall appraise the effectiveness of policies and programs of the Agency] *Secretary of State or the Department of State,*

and shall appraise the effectiveness of the information, educational, and cultural policies and programs of the Department.

(2) The Commission shall submit to the Congress, the President, [the Secretary of State, and the Director of the United States Information Agency] *and the Secretary of State* annual reports on programs and activities carried out [by the Agency] *by the Department of State*, including appraisals, where feasible, as to the effectiveness of the several programs. The Commission shall also include in such reports such recommendations as shall have been made by the Commission to the [Director for effectuating the purposes of the Agency] *Secretary for effectuating the information, educational, and cultural functions of the Department*, and the action taken to carry out such recommendations.

(3) The Commission may also submit such other reports to the Congress as it considers appropriate, and shall make reports to the public in the United States and abroad to develop a better understanding of and support for the [programs conducted by the Agency] *information, educational, and cultural programs conducted by the Department of State.*

(4) The Commission's reports to the Congress shall include assessments of the degree to which the scholarly integrity and nonpolitical character of the educational and cultural exchange activities vested in the [Director of the United States Information Agency] *Secretary of State* have been maintained, and assessments of the attitudes of foreign scholars and governments regarding such activities.

(d) LIMITATION ON AUTHORITY.—The Commission shall have no authority with respect to the J. William Fulbright Foreign Scholarship Board or the United States National Commission for UNESCO.

TITLE VII—APPROPRIATIONS

PRIOR AUTHORIZATION BY CONGRESS

SEC. 701. (a) Notwithstanding any provision of law enacted before the date of enactment of the United States Information Agency Appropriation Authorization Act of 1973, no money appropriated to carry out this Act shall be available for obligation or expenditure—

(1) unless the appropriation thereof has been previously authorized by law; or

(2) in excess of an amount previously prescribed by law.

(b) To the extent that legislation enacted after the making of an appropriation to carry out this Act authorizes the obligation or expenditure thereof, the limitation contained in subsection (a) shall have no effect.

(c) The provisions of this section shall not be superseded except by a provision of law enacted after the date of enactment of the United States Information Agency Appropriation Authorization Act of 1973, which specifically repeals, modifies, or supersedes the provisions of this section.

(d) The provisions of this section shall not apply with respect to appropriations made available under the joint resolution entitled "Joint resolution making continuing appropriations for the fiscal year 1974, and for other purposes", approved July 1, 1973, and any

provision of law specifically amending such joint resolution enacted through October 16, 1973.

(e) The provisions of this section shall not apply to, or affect in any manner, permanent appropriations, trust funds, and other similar accounts administered by the [United States Information Agency] *Department of State* as authorized by law.

(f)(1) Subject to paragraphs (2) and (3), funds authorized to be appropriated for any account of the [United States Information Agency] *Department of State* in the Department of State and Related Agencies Appropriations Act, for the second fiscal year of any 2–year authorization cycle may be appropriated for such second fiscal year for any other account of the [United States Information Agency] *Department of State.*

(2) Amounts appropriated for the "Salaries and Expenses" and "Educational and Cultural Exchange Programs" accounts may not exceed by more than 5 percent the amount specifically authorized to be appropriated for each such account for a fiscal year. No other appropriations account may exceed by more than 10 percent the amount specifically authorized to be appropriated for such account for a fiscal year.

(3) The requirements and limitations of subsection (a) shall not apply to the appropriation of funds pursuant to this subsection.

(4) This subsection shall cease to have effect after September 30, 1993.

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NONDISCRETIONARY PERSONNEL COSTS AND CURRENCY FLUCTUATIONS

SEC. 704. (a) Amounts appropriated for a fiscal year to carry out this Act are authorized to be made available until expended.

(b) There are authorized to be appropriated for the [United States Information Agency] *Department of State,* in addition to amounts otherwise authorized to be appropriated for the [Agency] *Department of State,* such sums as may be necessary for any fiscal year for increases in salary, pay, retirement, and other employee benefits authorized by law.

(c)(1) In order to maintain the levels of program activity provided for by the annual authorizing legislation for the [United States Information Agency] *Department of State,* there are authorized to be appropriated for the [Agency] *Department of State* such sums as may be necessary for any fiscal year to offset adverse fluctuations in foreign currency exchange rates, or overseas wage and price changes, occurring after November 30 of the earlier of (A) the calendar year which ended during the fiscal year preceding such fiscal year, or (B) the calendar year which preceded the calendar year during which the authorization of appropriations for such fiscal year was enacted.

(2) In carrying out this subsection, there may be established a Buying Power Maintenance account.

(3) In order to eliminate substantial gains to the approved levels of overseas operations for the [United States Information Agency] *Department of State,* the [Director] *Secretary of State* shall transfer to the Buying Power Maintenance account such amounts appro-

priated for "Salaries and Expenses" as the [Director] *Secretary of State* determines are excessive to the needs of the approved level of operations under that appropriation account because of fluctuations in foreign currency exchange rates or changes in overseas wages and prices.

(4) In order to offset adverse fluctuations in foreign currency exchange rates or foreign wages and prices, the [Director] *Secretary of State* may transfer from the Buying Power Maintenance account to the "Salaries and Expenses" appropriations account such amounts as the [Director] *Secretary of State* determines are necessary to maintain the approved level of operations under that appropriation account.

(5) Funds transferred by the [Director] *Secretary of State* from the Buying Power Maintenance account to another account shall be merged with and be available for the same purpose, and for the same time period, as the funds in that other account. Funds transferred by the [Director] *Secretary of State* from another account to the Buying Power Maintenance account shall be merged with the funds in the Buying Power Maintenance account and shall be available for the purposes of that account until expended.

(6) Any restriction contained in an appropriation Act or other provision of law limiting the amounts that may be obligated or expended by the [United States Information Agency] *Department of State* shall be deemed to be adjusted to the extent necessary to offset the net effect of fluctuations in foreign currency exchange rates or overseas wage and price changes in order to maintain approved levels.

(7)(A) Subject to the limitations contained in this paragraph, not later than the end of the 5th fiscal year after the fiscal year for which funds are appropriated or otherwise made available for the "Salaries and Expenses" account, the [Director] *Secretary of State* may transfer any unobligated balance of such funds to the Buying Power Maintenance account.

(B) The balance of the Buying Power Maintenance account may not exceed $50,000,000 as a result of any transfer under this paragraph.

(C) Any transfer pursuant to this paragraph shall be treated as a reprogramming of funds under section 705 and shall be available for obligation or expenditure only in accordance with the procedures under such section.

(D) The authorities contained in this section may only be exercised to such an extent and in such amounts as specifically provided in advance in appropriation Acts.

SEC. 705. (a) Unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified fifteen days in advance of a proposed reprogramming, funds appropriated for the [United States Information Agency] *Department of State* shall not be available for obligation or expenditure through any such reprogramming of funds—

(1) which creates new programs;

(2) which eliminates a program, project, or activity;

(3) which increases funds or personnel by any means for any project or activity for which funds have been denied or restricted by the Congress;

(4) which relocates an office or employees;

(5) which reorganizes offices, programs, or activities;

(6) which involves contracting out functions which had been performed by Federal employees; or

(7) which involves a reprogramming in excess of $500,000 or 10 percent, whichever is less, and which (A) augments existing programs, projects, or activities, (B) reduces by 10 percent or more the funding for any existing program, project, or activity, or personnel approved by the Congress, or (C) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects approved by the Congress.

(b) In addition, the [United States Information Agency] *Department of State* may award program grants only if the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified fifteen days in advance of the proposed grant.

(c) Funds appropriated for the [United States Information Agency] *Department of State* may not be available for obligation or expenditure through any reprogramming described in subsection (a) during the period which is the last 15 days in which such funds are available unless notice of such reprogramming is made before such period.

TITLE VIII—ADMINISTRATIVE PROCEDURES

THE SECRETARY

SEC. 801. In carrying out the purposes of this Act, the Secretary is authorized, in addition to and not in limitation of the authority otherwise vested in him—

(1) In carrying out title II of this Act, to make grants of money, services, or materials to State and local governmental institutions in the United States, to governmental institutions in other countries, and to individuals and public or private nonprofit organizations both in the United States and in other countries;

(2) to furnish, sell, or rent, by contract or otherwise, educational and information materials and equipment for dissemination to, or use by, peoples of foreign countries;

(3) whenever necessary in carrying out title V of this Act, to purchase, rent, construct, improve, maintain, and operate facilities for radio and television transmission and reception, including the leasing of associated real property (either within or outside the United States) for periods not to exceed forty years, or for longer periods if provided for by an appropriation Act, and the alteration, improvement, and repair of such property, without regard to section 322 of the Act of June 30, 1932 (40 U.S.C. 278a), and any such real property or interests therein which are outside the United States may be acquired without regard to section 355 of the Revised Statutes of the United States (40 U.S.C. 255) if the sufficiency of the title to such real property or interests therein is approved by the [Director of the United States Information Agency] *Secretary of State*;

(4) to provide for printing and binding outside the continental limits of the United States, without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111);

(5) to employ persons on a temporary basis without regard to the civil service and classification laws, when such employment is provided for by the pertinent appropriation Act;

(6) to create with the approval of the Commission on Information and the Commission on Educational Exchange, such advisory committees as the Secretary may decide to be of assistance in formulating his policies for carrying out the purposes of this Act. No Committee member shall be allowed any salary or other compensation for services; but he may be paid his transportation and other expenses, as authorized by section 5 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73 b–2); and

(7) notwithstanding any other provision of law, to carry out projects involving security construction and related improvements for [Agency] *Department of State* facilities not physically located together with Department of State facilities abroad.

GOVERNMENT AGENCIES

SEC. 802. (a) In carrying on activities which further the purposes of this Act, subject to approval of such activities by the Secretary, the Department and the other Government agencies are authorized—

(1) to place orders and make purchases and rentals of materials and equipment;

(2) to make contracts, including contracts with governmental agencies, foreign or domestic, including subdivisions thereof, and intergovernmental organizations of which the United States is a member, and, with respect to contracts entered into in foreign countries, without regard to section 3741 of the Revised Statutes (41 U.S.C. 22);

(3) under such regulations as the Secretary may prescribe, to pay the transportation expenses, and not to exceed $10 per diem in lieu of subsistence and other expenses, of citizens or subjects of other countries, without regard to the Standardized Government Travel Regulations and the Subsistence Act of 1926, as amended; and

(4) to make grants for, and to pay expenses incident to, training and study.

(b)(1) Any contract authorized by subsection (a) and described in paragraph (3) of this subsection which is funded on the basis of annual appropriations may nevertheless be made for periods not in excess of 5 years when—

(A) appropriations are available and adequate for payment for the first fiscal year and for all potential cancellation costs; and

(B) the [Director of the United States Information Agency] *Secretary of State* determines that—

(i) the need of the Government for the property or service being acquired over the period of the contract is reasonably firm and continuing;

(ii) such a contract will serve the best interests of the United States by encouraging effective competition or promoting economies in performance and operation; and

(iii) such method of contracting will not inhibit small business participation.

(2) In the event that funds are not made available for the continuation of such a contract into a subsequent fiscal year, the contract shall be canceled and any cancellation costs incurred shall be paid from appropriations originally available for the performance of the contract, appropriations currently available for the acquisition of similar property or services and not otherwise obligated, or appropriations made for such cancellation payments.

(3) This subsection applies to contracts for the procurement of property or services, or both, for the operation, maintenance, and support of programs, facilities, and installations for or related to telecommunication activities, newswire services, and the distribution of books and other publications in foreign countries.

(4)(A) Notwithstanding the other provisions of this subsection, the [United States Information Agency] *Department of State* is authorized to enter into contracts for periods not to exceed 7 years for circuit capacity to distribute radio and television programs.

(B) The authority of this paragraph may be exercised for a fiscal year only to such extent or in such amounts as are provided in advance in appropriations Acts.

MAXIMUM USE OF EXISTING GOVERNMENT PROPERTY AND FACILITIES

SEC. 803. In carrying on activities under this Act which require the utilization of Government property and facilities, maximum use shall be made of existing Government property and facilities.

BASIC AUTHORITY

SEC. 804. In carrying out the provisions of this Act, the Secretary, or any Government agency authorized to administer such provisions, may—

(1) employ, without regard to the civil service and classification laws, aliens within the United States and abroad for service in the United States relating to the translation or narration of colloquial speech in foreign languages or the preparation and production of foreign language programs when suitably qualified United States citizens are not available when job vacancies occur, and aliens so employed abroad may be admitted to the United States, if otherwise qualified, as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)) for such time and under such conditions and procedures as may be established by the [Director of the United States Information Agency] *Secretary of State* and the Attorney General;

* * * * * * *

SEAL OF THE [UNITED STATES INFORMATION AGENCY] *DEPARTMENT OF STATE*

SEC. 807. The seal of the [United States Information Agency] *Department of State* shall be the arms and crest of the United States, encircled by the words "[United States Information Agency] *Department of State*". Judicial notice shall be taken of the seal.

ACTING ASSOCIATE DIRECTORS

SEC. 808. If an Associate Director of the [United States Information Agency] *Department of State* dies, resigns, or is sick or absent, the Associate Director's principal assistant shall perform the duties of the office until a successor is appointed or the absence or sickness stops.

* * * * * * *

USE OF ENGLISH-TEACHING PROGRAM FEES

SEC. 810. (a) Notwithstanding section 3302 of title 31, United States Code, or any other law or limitation of authority, fees received by or for the use of the [United States Information Agency] *Department of State* from or in connection with English-teaching and library services, and [Agency] *Department of State*-produced publications, and not to exceed $100,000 of payments from motion picture and television programs, produced or conducted by or on behalf of the [Agency] *Department of State* under the authority of this Act or the Mutual Educational and Cultural Exchange Act of 1961 is authorized to be credited each fiscal year to the appropriate appropriation of the [United States Information Agency] *Department of State* to such extent as may be provided in advance in an appropriation Act.

DEBT COLLECTION

SEC. 811. (a) CONTRACT AUTHORITY.—(1) Subject to the availability of appropriations, the [Director of the United States Information Agency] *Secretary of State* shall enter into contracts for collection services to recover indebtedness owed by a person, other than a foreign country, to the United States which arises out of activities of the [United States Information Agency] *Department of State* and is delinquent by more than 90 days.

(2) Each contract entered into under this section shall provide that the person with whom the [Director of the United States Information Agency] *Secretary of State* enters into such contract shall submit to the [Director] *Secretary of State* at least once every 180 days a status report on the success of the person in collecting debts. Section 3718 of title 31, United States Code, shall apply to any such contract to the extent that such section is not inconsistent with this subsection.

(b) DISCLOSURE OF DELINQUENT DEBT TO CREDIT REPORTING AGENCIES.—The [Director of the United States Information Agency] *Secretary of State* shall, to the extent otherwise allowed by law, disclose to those credit reporting agencies to which the [Director] *Secretary of State* reports loan activity information concerning any debt of more than $100 owed by a person, other than a foreign

country, to the United States which arises out of activities of the [United States Information Agency] *Department of State* and is delinquent by more than 31 days.

[USIA] *DEPARTMENT OF STATE* POSTS AND PERSONNEL OVERSEAS

SEC. 812. (a) LIMITATION.—Except as provided under this section no funds authorized to be appropriated to the [United States Information Agency] *Department of State* may be used to pay any expense associated with the closing of any [United States Information Agency] *Department of State* post abroad.

(b) NOTIFICATION.—Not less than 45 days before the closing of any [United States Information Agency] *Department of State* post abroad the [Director of the United States Information Agency] *Secretary of State* shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

(c) EXCEPTIONS.—This section shall not apply to any [United States Information Agency] *Department of State* post closed—

(1) because of a break or downgrading of diplomatic relations between the United States and the country in which the post is located; or

(2) where there is a real and present threat to United States diplomats in the city where the post is located and where a travel advisory warning against travel by United States citizens to the city has been issued by the Department of State.

* * * * * * *

TITLE X—MISCELLANEOUS

* * * * * * *

INFORMATIONAL MEDIA GUARANTIES

SEC. 1011. (a) The [Director of the United States Information Agency] *Secretary of State* may make guaranties, in accordance with the provisions of subsection (b) of section 413 of the Mutual Security Act of 1954, of investments in enterprises producing or distributing informational media consistent with the national interests of the United States: *Provided*, That the purpose of making informational media guaranties shall be the achievement of the foreign policy objectives of the United States, including the objective mentioned in sections 413(b)(4)(A) and 413(b)(4)(G) of the Mutual Security Act of 1954, as amended.

(b) The [Director] *Secretary of State* is authorized to assume the obligation of not to exceed $28,000,000 of the notes authorized to be issued pursuant to subsection 111(c)(2) of the Economic Cooperation Act of 1948, as amended (22 U.S.C. 1509(c)(2)), together with the interest accrued and unpaid thereon, and to obtain advances from time to time from the Secretary of the Treasury up to such amount, less amounts previously advanced on such notes, as provided for in said notes. Such advances shall be deposited in a special account in the Treasury available for payments under informational media guaranties.

(c) The [Director] *Secretary of State* is authorized to make informational media guaranties without regard to the limitations of time contained in subsection 413(b)(4) of the Mutual Security Act of 1954, as amended (22 U.S.C. 1933(b)(4)), but the total of such guaranties outstanding at any one time shall not exceed the sum of the face amount of the notes assumed by the [Director] *Secretary of State* less the amounts previously advanced on such notes by the Secretary of the Treasury plus the amount of the funds in the special account referred to in subsection (b).

(d) Foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational media guaranties may be sold, in accordance with Treasury Department regulations, for dollars which shall be deposited in the special account and shall be available for payments under new guaranties. Such currencies shall be available, as may be provided for by the Congress in appropriation Acts, for use of educational, scientific, and cultural purposes which are in the national interest of the United States, and for such other purposes of mutual interest as may be agreed to by the governments of the United States and the country from which the currencies derive.

(e) Notwithstanding the provisions of subparagraph 413(b)(4)(E) of the Mutual Security Act of 1954, as amended (22 U.S.C. 1933(b)(4)(E), (1) fees collected for the issuance of informational media guaranties shall be deposited in the special account and shall be available for payments under informational media guaranties; and (2) the [Director] *Secretary of State* may require the payment of a minimum charge of up to fifty dollars for issuance of guaranty contracts, or amendments thereto.

(f) The [Director] *Secretary of State* is further authorized, under such terms as he may prescribe, to make advance payments under informational media guaranties: *Provided*, That currencies receivable from holders of such guaranties on account of such advance payments shall be paid to the United States within nine months from the date of the advance payment and that appropriate security to assure such payments is required before any advance payment is made.

(g) As soon as feasible after the enactment of this subsection, all assets, liabilities, income, expenses, and charges of whatever kind pertaining to informational media guaranties, including any charges against the authority to issue notes provided in section 111(c)(2) of the Economic Cooperation Act of 1948, as amended, cumulative from the enactment of that Act, shall be accounted for separately from other guaranties issued pursuant to subsection 413(b) of the Mutual Security Act of 1954, as amended (22 U.S.C. 1933(b)): *Provided*, That there shall be transferred from the special account established pursuant to subsection (b), into the account available for payments under guaranties other than informational media guaranties, an amount equal to the total of the fees received for the issuance of guaranties other than informational media guaranties, and used to make payments under informational media guaranties.

(h)(1) There is authorized to be appropriated annually an amount to restore in whole or in part any realized impairment to the capital used in carrying on the authority to make informational media

guaranties, as provided in subsection (c), through the end of the last completed fiscal year.

(2) Such impairment shall consist of the amount by which the losses incurred and interest accrued on notes exceed the revenue earned and any previous appropriations made for the restoration of impairment. Losses shall include the dollar losses on foreign currencies sold, and the dollar cost of foreign currencies which (a) the Secretary of the Treasury, after consultation with the [Director] *Secretary of State*, has determined to be unavailable for, in excess of, requirements of the United States, or (b) have been transferred to other accounts without reimbursement to the special account.

(3) Dollars appropriated pursuant to this section shall be applied to the payment of interest and in satisfaction of notes issued or assumed hereunder, and to the extent of such application to the principal of the notes, the [Director] *Secretary of State* is authorized to issue notes to the Secretary of the Treasury which will bear interest at a rate to be determined by the Secretary of the Treasury, taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the guaranties. The currencies determined to be unavailable for, or in excess of requirements of the United States as provided above shall be transferred to the Secretary of the Treasury to be held until disposed of, and any dollar proceeds realized from such disposition shall be deposited in miscellaneous receipts.

(4) Section 701(a) of this Act shall not apply with respect to any amounts appropriated under this section for the purpose of liquidating the notes (and any accrued interest thereon) which were assumed in the operation of the informational media guaranty program under this section and which were outstanding on the date of enactment of this paragraph.

MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961

(FULBRIGHT-HAYS ACT)

AN ACT To provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Educational and Cultural Exchange Act of 1961."

* * * * * * *

SEC. 104. (a) The President may delegate, to such officers of the Government as he determines to be appropriate, any of the powers conferred upon him by this Act to the extent that he finds such delegation to be in the interest of the purposes expressed in this Act and the efficient administration of the programs undertaken pursuant to this Act: *Provided,* That where the President has delegated any of such powers to any officer, before the President implements any proposal for the delegation of any of such powers to another

officer, that proposal shall be submitted to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate, and thereafter a period of not less than sixty days shall have elapsed while Congress is in session. In computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days.

(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, but not in excess of the highest rate of grade 18 of the general schedule established by such Act. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(d) For the purpose of performing functions under this Act outside the United States, the President is authorized to provide that any person employed or assigned by a United States Government agency shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of employment or assignment exceeds thirty months, to the same benefits as are provided by section 310 of the Foreign Service Act of 1980, for individuals appointed to the Foreign Service.

(e)(1) In providing for the activities and interchanges authorized by section 102 of this Act, grants may be made to or for individuals, either directly or through foundations or educational or other institutions, which foundations or institutions are public or private nonprofit, and may include funds for tuition and other necessary incidental expenses, for travel expenses from their places of residence and return for themselves, and, whenever it would further the purposes of this Act, for the dependent members of their immediate families, for health and accident insurance premiums, emergency medical expenses, costs of preparing and transporting to their former homes the remains of any of such persons who may die while away from their homes as participants or dependents of participants in any program under this Act, and for per diem in lieu of subsistence at rates prescribed by the [Director of the International Communication Agency] *Secretary of State*, for all such persons, and for such other expenses as are necessary for the successful accomplishment of the purposes of this Act.

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SEC. 106. (a) * * *

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[(c)(1) There is hereby continued the Advisory Committee on the Arts (hereinafter referred to as the "Committee") created under section 10 of the International Cultural Exchange and Trade Fair Participation Act of 1956, consisting of a Chairman and nine other members of whom at least one shall be a member of the Commission. Appointment of all members and selection of the Chairman of this Committee shall hereafter be made by the Secretary of State. In making such appointments due consideration shall be given to the recommendations for nomination submitted by leading national organizations in the major art fields.

[(2) The members of the Committee shall be individuals whose knowledge of or experience in, or whose profound interest in, one or more of the arts will enable them to assist the Commission, the President, and other officers of the Government in performing the functions described in paragraph (3) of this subsection.

[(3) The Committee shall, in connection with activities authorized under subsection 102(a)(2) of this Act—

[(A) advise and assist the Commission in the discharge of its responsibilities in the field of international educational exchange and cultural presentations with special reference to the role of the arts in such fields;

[(B) advise other interested officers of the Government in the discharge of their responsibilities in connection with such activities and in connection with other international activities concerned with the arts;

[(C) provide such other advice and assistance as may be necessary or appropriate.

[(4) The term of office of each of the members of the Committee shall be three years.]

(d) The President is authorized to create such interagency and other advisory committees as in his judgment may be of assistance in carrying out the purposes of this Act, and from time to time to convene conferences of persons interested in educational and cultural affairs to consider matters relating to the purposes of this Act.

(e) The provisions of section 214 of the Act of May 3, 1945 (59 Stat. 134; 31 U.S.C. 691), shall be applicable to any interagency committee created pursuant to the provisions of this Act. Members of the Commission, the Committee, and other committees provided for in this section shall be entitled (i) to transportation expenses and per diem in lieu of subsistence at the rate prescribed by or established pursuant to section 5 of the Administrative Expense Act of 1946, as amended (5 U.S.C. 73b–2), while away from home in connection with attendance at meetings or in consultation with officials of the Government or otherwise carrying out duties as authorized, and (ii) if not otherwise in the employ of the United States Government, to compensation at rates not in excess of $50 per diem while performing services for Commission, Committee, or other committee. Members of the Board shall be entitled to such expenses and per diem in lieu of subsistence as provided for under clause (i) of the preceding sentence and, while performing services for the Board, to compensation at a rate, prescribed by the [Director of the International Communication Agency] *Secretary of State*, not in excess of the daily rate for the first step of GS–15 of the General Schedule under section 5332 of title 5, United States Code.

(f) The President is authorized to provide for necessary secretarial and staff assistance for the Board, the Commission, the Committee, and such other committees as may be created under this section.

SEC. 107. The Board, the Commission, and the Committee shall submit annual reports to the Congress and such other reports to the Congress as they deem appropriate, and shall make reports to the public in the United States and abroad to develop a better un-

derstanding of and support for the programs authorized by this Act.

SEC. 108. (a)(1) Whenever the President determines it to be in furtherance of this Act, the functions authorized in section 102(a)(2) and (3) may be performed without regard to such provisions of law or limitations of authority regulating or relating to the making, performance, amendment, or modification of contracts, the acquisition and disposition of property, and the expenditure of Government funds, as he may specify.

(2) Notwithstanding any other provision of law, the [Director of the International Communication Agency] *Secretary of State* may provide, on a reimbursable basis, services within the United States in connection with exchange activities otherwise authorized by this Act when such services are requested by a department or executive agency. Reimbursements under this paragraph shall be credited to the applicable appropriation of the Agency.

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SEC. 112. (a) [In order to carry out the purposes of this Act, there is established in the United States Information Agency, or in such appropriate agency of the United States as the President shall determine, a [Bureau] *Department of State* of Educational and Cultural Affairs (hereinafter in this section referred to as the "[Bureau] *Department of State*").] The [Bureau] *Department of State* shall be responsible for managing, coordinating, and overseeing programs established pursuant to this Act, including but not limited to—

(1) * * *

* * * * * * *

(c) The President shall insure that all programs under the authority of the [Bureau] *Department of State* shall maintain their nonpolitical character and shall be balanced and representative of the diversity of American political, social, and cultural life. The President shall insure that academic and cultural programs under the authority of the [Bureau] *Department of State* shall maintain their scholarly integrity and shall meet the highest standards of academic excellence or artistic achievement.

(d) The [Bureau] *Department of State* shall administer no programs except those operating under the authority of this Act and consistent with its purposes.

[(e) There is established in the Bureau of Educational and Cultural Affairs an Office of Citizen Exchanges. The Office shall support private not-for-profit organizations engaged in the exchange of persons between the United States and other countries.]

(f)(1) The President shall ensure that all exchange programs conducted by the United States Government, its departments and agencies, directly or through agreements with other parties, are reported at a time and in a format prescribed by the [Director] *Secretary of State*. The President shall ensure that such exchanges are consistent with United States foreign policy and avoid duplication of effort.

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FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1994 AND 1995

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TITLE I—DEPARTMENT OF STATE AND RELATED AGENCIES

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PART B—AUTHORITIES AND ACTIVITIES

* * * * * * *

SEC. 135. CAPITAL INVESTMENT FUND.

(a) ESTABLISHMENT.—There is established within the Department of State a Capital Investment Fund to provide for the procurement *and enhancement* of information technology and other related capital investments for the Department of State and to ensure the efficient management, coordination, operation, and utilization of such resources.

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(c) AVAILABILITY.—Amounts deposited into the Fund [are authorized to] *shall* remain available until expended.

(d) EXPENDITURES FROM THE FUND.—Amounts deposited in the Fund shall be available [for expenditure to procure capital equipment and information technology] *for purposes of subsection (a).*

[(e) REPROGRAMMING PROCEDURES.—Funds credited to the Capital Investment Fund shall be treated as a reprogramming of funds under section 34 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710) and shall not be available for obligation or expenditure except in compliance with the procedures applicable to such reprogrammings.]

(e) REPROGRAMMING PROCEDURES.—Funds credited to the Capital Investment Fund shall not be available for obligation or expenditure except in compliance with the procedures applicable to reprogrammings under section 34 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710).

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SEC. 140. VISAS.

(a) SURCHARGE FOR PROCESSING CERTAIN VISAS.—

(1) * * *

[(2) Fees collected under the authority of paragraph (1) shall be deposited as an offsetting collection to any Department of State appropriation, to recover the costs of providing consular services. Such fees shall remain available for obligation until expended.

[(3) For fiscal years 1994 and 1995, fees deposited under the authority of paragraph (2) may not exceed a total of $107,500,000. For subsequent fiscal years, fees may be collected under the authority of paragraph (1) only in such amounts as shall be prescribed in subsequent authorization Acts.]

(2) For fiscal years 1996 and 1997, not more than $250,000,000 in fees collected under the authority of paragraph (1) shall be deposited as an offsetting collection to any Department of State appropriation to recover the costs of the Department of State's border security program, including the costs of—

(A) installation and operation of the machine readable visa and automated name-check process;

(B) improving the quality and security of the United States passport;

(C) passport and visa fraud investigations; and

(D) the technological infrastructure to support and operate the programs referred to in paragraphs (A) through (C).

Such fees shall remain available for obligation until expended.

(3) For any fiscal year, fees collected under the authority of paragraph (1) in excess of the amount specified for such fiscal year under paragraph (2) shall be deposited in the general fund of the Treasury as miscellaneous receipts.

* * * * * * *

[(5) No fee or surcharge authorized under paragraph (1) may be charged to a citizen of a country that is a signatory as of the date of enactment of this Act to the North American Free Trade Agreement, except that the Secretary of State may charge such fee or surcharge to a citizen of such a country if the Secretary determines that such country charges a visa application or issuance fee to citizens of the United States.]

* * * * * * *

(h) FINGERPRINT CHECK REQUIREMENT.—If a visa applicant is determined to have a criminal history record under subsection (d)(1), has been physically present in the United States, and is more than 16 years of age, the applicant shall provide a fingerprint record for submission with the application, at no cost to the Department of State. The Department of State shall submit such fingerprint record to the Federal Bureau of Investigation for analysis to determine whether the applicant has been convicted of a felony under State or Federal law in the United States.

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PART C—DEPARTMENT OF STATE ORGANIZATION

SEC. 161. ORGANIZATION OF THE DEPARTMENT OF STATE.

(a) * * *

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[(e) OFFICE OF THE COORDINATOR FOR COUNTERTERRORISM.—Notwithstanding any other provision of this section, for not less than one year after the date of the enactment of this Act there shall be in the Department of State an Office of the Coordinator for Counterterrorism which shall be headed by a Coordinator for Counterterrorism. The office shall have the same responsibilities and functions as the Office of the Coordinator for Counterterrorism at the Department of State had as of January 20, 1993.

[(f) DEPUTY ASSISTANT SECRETARY FOR BURDENSHARING.—

[(1) ESTABLISHMENT.—None of the funds authorized to be appropriated by this Act shall be available for obligation or expenditure during fiscal year 1995 unless, not later than 90 days after the date of enactment of this Act, the Secretary of State has established within the Department of State the position of Deputy Assistant Secretary for Burdensharing, the incumbent of which shall be an official of ambassadorial rank, appointed by the President by and with the advice and consent of the Senate.

[(2) RESPONSIBILITIES.—The Deputy Assistant Secretary for Burdensharing shall perform such duties and exercise such authorities as the Secretary of State shall prescribe, including the following:

[(A) The principal duty of negotiating increased in-kind and financial support (including increased payment of basing costs) by countries allied to the United States for Department of Defense military units and personnel assigned to permanent duty ashore outside the United States in support of the security of such countries.

[(B) In consultation with the Department of Defense, assist in negotiations with the host governments for the recoupment of funds associated with financial commitments from such countries for paying the United States the residual value of United States facilities in such countries that the United States relinquishes to such countries upon the termination of the use of such facilities by the United States.]

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TITLE II—UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

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PART C—MIKE MANSFIELD FELLOWSHIPS

SEC. 251. SHORT TITLE.

This part may be cited as the "Mike Mansfield Fellowship Act".

SEC. 252. ESTABLISHMENT OF FELLOWSHIP PROGRAM.

(a) ESTABLISHMENT.—(1) There is hereby established the "Mike Mansfield Fellowship Program" pursuant to which the [Director of the United States Information Agency] *Secretary of State* will make grants, subject to the availability of appropriations, to the Mansfield Center for Pacific Affairs to award fellowships to eligible United States citizens for periods of 2 years each (or, pursuant to section 253(5)(C), for such shorter period of time as the Center may determine based on a Fellow's level of proficiency in the Japanese language or knowledge of the political economy of Japan) as follows:

(A) * * *

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TITLE III—UNITED STATES INTERNATIONAL BROADCASTING ACT

SEC. 301. SHORT TITLE.

This title may be cited as the "United States International Broadcasting Act of 1994".

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SEC. 304. ESTABLISHMENT OF BROADCASTING BOARD OF GOVERNORS.

(a) ESTABLISHMENT.—There is hereby established within the [United States Information Agency] *Department of State* a Broadcasting Board of Governors (hereafter in this title referred to as the "Board").

(b) COMPOSITION OF THE BOARD.—

(1) The Board shall consist of 9 members, as follows:

(A) 8 voting members who shall be appointed by the President, by and with the advice and consent of the Senate.

(B) The [Director of the United States Information Agency] *Secretary of State* who shall also be a voting member.

(2) The President shall designate one member (other than the [Director of the United States Information Agency] *Secretary of State*) as Chairman of the Board.

(3) Exclusive of the [Director of the United States Information Agency] *Secretary of State*, not more than 4 of the members of the Board appointed by the President shall be of the same political party.

(c) TERM OF OFFICE.—The term of office of each member of the Board shall be three years, except that the [Director of the United States Information Agency] *Secretary of State* shall remain a member of the Board during the Director's term of service. Of the other 8 voting members, the initial terms of office of two members shall be one year, and the initial terms of office of 3 other members shall be two years, as determined by the President. The President shall appoint, by and with the advice and consent of the Senate, Board members to fill vacancies occurring prior to the expiration of a term, in which case the members so appointed shall serve for the remainder of such term. Any member whose term has expired may serve until a successor has been appointed and qualified. When there is no [Director of the United States Information Agency] *Secretary of State*, the acting Director of the agency shall serve as a member of the Board until a Director is appointed.

(d) SELECTION OF BOARD.—Members of the Board appointed by the President shall be citizens of the United States who are not regular full-time employees of the United States Government. Such members shall be selected by the President from among Americans distinguished in the fields of mass communications, print, broadcast media, or foreign affairs.

(e) COMPENSATION.—Members of the Board, while attending meetings of the Board or while engaged in duties relating to such meetings or in other activities of the Board pursuant to this section (including travel time) shall be entitled to receive compensation equal to the daily equivalent of the compensation prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code. While away from their homes or regular places of business, members of the Board may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently. The [Director of the United States Information Agency] *Secretary of State* shall not be entitled to any compensation under this title, but may be allowed travel expenses as provided under this subsection.

(f) DECISIONS.—Decisions of the Board shall be made by majority vote, a quorum being present. A quorum shall consist of 5 members.

SEC. 305. AUTHORITIES OF THE BOARD.

(a) AUTHORITIES.—The Board shall have the following authorities:

(1) To direct and supervise all broadcasting activities conducted pursuant to this [title,] *title (including activities of the Voice of America previously carried out by the United States Information Agency),* the Radio Broadcasting to Cuba Act, and the Television Broadcasting to Cuba Act.

(2) To review and evaluate the mission and operation of, and to assess the quality, effectiveness, and professional integrity of, all such activities within the context of the broad foreign policy objectives of the United States.

(3) To ensure that United States international broadcasting is conducted in accordance with the standards and principles contained in section 303.

(4) To review, evaluate, and determine, at least annually, the addition or deletion of language services.

(5) To make and supervise grants for broadcasting and related activities in accordance with sections 308 and 309.

(6) To allocate funds appropriated for international broadcasting activities among the various elements of the International Broadcasting [Bureau] *Office* and grantees, subject to the limitations in sections 308 and 309 and subject to reprogramming notification requirements in law for the reallocation of funds.

(7) To review engineering activities to ensure that all broadcasting elements receive the highest quality and cost-effective delivery services.

(8) To undertake such studies as may be necessary to identify areas in which broadcasting activities under its authority could be made more efficient and economical.

(9) To submit to the President and the Congress, through the [Director of the United States Information Agency] *Secretary of State,* an annual report which summarizes and evaluates activities under this title, the Radio Broadcasting to Cuba Act, and the Television Broadcasting to Cuba Act.

(10) To the extent considered necessary to carry out the functions of the Board, procure supplies, services, and other personal property.

(11) To appoint such staff personnel for the Board as the Board may determine to be necessary, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and to fix their compensation in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(12) To obligate and expend, for official reception and representation expenses, such amount as may be made available through appropriations (which for each of the fiscal years 1994 and 1995 may not exceed the amount made available to the Board for International Broadcasting for such purposes for fiscal year 1993).

(13) To make available in the annual report required by paragraph (9) information on funds expended on administrative and managerial services by the [Bureau] *Office* and by grantees and the steps the Board has taken to reduce unnecessary overhead costs for each of the broadcasting services.

(14) The Board may provide for the use of United States Government transmitter capacity for relay of Radio Free Asia.

(b) BROADCASTING BUDGETS.—

(1) The Director of the [Bureau] *Office* and the grantees identified in sections 308 and 309 shall submit proposed budgets to the Board. The Board shall forward its recommendations concerning the proposed budget for the Board and broadcasting activities under this title, the Radio Broadcasting to Cuba Act, and the Television Broadcasting to Cuba Act to the [Director of the United States Information Agency] *Secretary of State* for the consideration of the Director as a part of the [Agency's] *Department's* budget submission to the Office of Management and Budget.

(2) The [Director of the United States Information Agency] *Secretary of State* shall include in the Agency's submission to the Office of Management and Budget the comments and recommendations of the Board concerning the proposed broadcasting budget.

(c) IMPLEMENTATION.—The [Director of the United States Information Agency] *Secretary of State* and the Board, in carrying out their functions, shall respect the professional independence and integrity of the International Broadcasting [Bureau] *Office*, its broadcasting services, and grantees.

(d) TECHNICAL AMENDMENT.—

(1) Section 4 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465b) is amended by striking "and the Associate Director for Broadcasting of the [United States Information Agency] *Department of State*" and inserting "of the Voice of America".

(2) Section 5(b) of the Radio Broadcasting to Cuba Act (22 U.S.C.1465c(b)) is amended by striking "Director and Associate Director for Broadcasting of the [United States Information

Agency] *Department of State*" and inserting "Broadcasting Board of Governors".

SEC. 306. FOREIGN POLICY GUIDANCE.

To assist the Board in carrying out its functions, the Secretary of State[, acting through the Director of the United States Information Agency,], *acting through the Under Secretary of State for Public Diplomacy*, shall provide information and guidance on foreign policy issues to the Board.

SEC. 307. INTERNATIONAL BROADCASTING [BUREAU] *OFFICE*.

(a) ESTABLISHMENT.—There is hereby established an International Broadcasting [Bureau] *Office* within the [United States Information Agency] *Department of State* (hereafter in this title referred to as the "[Bureau] *Office*"), to carry out all nonmilitary international broadcasting activities supported by the United States Government other than those described in sections 308 and 309.

(b) SELECTION OF THE DIRECTOR OF THE [BUREAU] *OFFICE*.—

(1) The Director of the [Bureau] *Office* shall be appointed by the Chairman of the Board, in consultation with the [Director of the United States Information Agency] *Secretary of State* and with the concurrence of a majority of the Board. The Director of the [Bureau] *Office* shall be entitled to receive compensation at the rate prescribed by law for level IV of the Executive Schedule.

(2) Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Director of the International Broadcasting [Bureau] *Office*, the [United States Information Agency] *Department of State*.".

SEC. 308. LIMITS ON GRANTS FOR RADIO FREE EUROPE AND RADIO LIBERTY.

(a) BOARD OF RFE/RL, INCORPORATED.—The Board may not make any grant to RFE/RL, Incorporated, unless the certificate of incorporation of RFE/RL, Incorporated, has been amended to provide that—

(1) the Board of Directors of RFE/RL, Incorporated, shall consist of the members of the Broadcasting Board of Governors established under section 304 and of no other members; and

(2) such Board of Directors shall make all major policy determinations governing the operation of RFE/RL, Incorporated, and shall appoint and fix the compensation of such managerial officers and employees of RFE/RL, Incorporated, as it considers necessary to carry out the purposes of the grant provided under this title.

(b) LOCATION OF PRINCIPAL PLACE OF BUSINESS.—

(1) The Board may not make any grant to RFE/RL, Incorporated unless the headquarters of RFE/RL, Incorporated and its senior administrative and managerial staff are in a location which ensures economy, operational effectiveness, and accountability to the Board.

(2) Not later than 90 days after confirmation of all members of the Board, the Board shall provide a report to Congress on the number of administrative, managerial, and technical staff of RFE/RL, Incorporated who will be located within the metro-

politan area of Washington, D.C., and the number of employees whose principal place of business will be located outside the metropolitan area of Washington, D.C.

(c) LIMITATION ON GRANT AMOUNTS.—The total amount of grants made by the Board for the operating costs of Radio Free Europe and Radio Liberty may not exceed $75,000,000 for any fiscal year after fiscal year 1995.

(d) ALTERNATIVE GRANTEE.—If the Board determines at any time that RFE/RL, Incorporated, is not carrying out the functions described in section 309 in an effective and economical manner, the Board may award the grant to carry out such functions to another entity after soliciting and considering applications from eligible entities in such manner and accompanied by such information as the Board may reasonably require.

(e) NOT A FEDERAL AGENCY OR INSTRUMENTALITY.—Nothing in this title may be construed to make RFE/RL, Incorporated a Federal agency or instrumentality.

(f) AUTHORITY.—Grants authorized under section 305 for RFE/RL, Incorporated, shall be available to make annual grants for the purpose of carrying out similar functions as were carried out by RFE/RL, Incorporated, on the day before the date of enactment of this Act with respect to Radio Free Europe and Radio Liberty, consistent with section 2 of the Board for International Broadcasting Act of 1973, as in effect on such date.

(g) GRANT AGREEMENT.—Grants to RFE/RL, Incorporated, by the Board shall only be made in compliance with a grant agreement. The grant agreement shall establish guidelines for such grants. The grant agreement shall include the following provisions—

(1) that a grant be used only for activities which the Board determines are consistent with the purposes of subsection (f);

(2) that RFE/RL, Incorporated, shall otherwise comply with the requirements of this section;

(3) that failure to comply with the requirements of this section may result in suspension or termination of a grant without further obligation by the Board or the United States;

(4) that duplication of language services and technical operations between RFE/RL, Incorporated and the International Broadcasting [Bureau] *Office* be reduced to the extent appropriate, as determined by the Board; and

(5) that RFE/RL, Incorporated, justify in detail each proposed expenditure of grant funds, and that such funds may not be used for any other purpose unless the Board gives its prior written approval.

(h) PROHIBITED USES OF GRANT FUNDS.—No grant funds provided under this section may be used for the following purposes:

(1)(A) Except as provided in subparagraph (B), to pay any salary or other compensation, or enter into any contract providing for the payment of salary or compensation in excess of the rates established for comparable positions under title 5 of the United States Code or the foreign relations laws of the United States, except that no employee may be paid a salary or other compensation in excess of the rate of pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(B) Salary and other compensation limitations under subparagraph (A) shall not apply prior to October 1, 1995, with respect to any employee covered by a union agreement requiring a salary or other compensation in excess of such limitations.

(2) For any activity for the purpose of influencing the passage or defeat of legislation being considered by Congress.

(3) To enter into a contract or obligation to pay severance payments for voluntary separation for employees hired after December 1, 1990, except as may be required by United States law or the laws of the country where the employee is stationed.

(4) For first class travel for any employee of RFE/RL, Incorporated, or the relative of any employee.

(5) To compensate freelance contractors without the approval of the Board.

(i) REPORT ON MANAGEMENT PRACTICES.—(1) Effective not later than March 31 and September 30 of each calendar year, the Inspector General of the [United States Information Agency] *Department of State* shall submit to the Board, the [Director of the United States Information Agency] *Secretary of State*, and the Congress a report on management practices of RFE/RL, Incorporated, under this section. The Inspector General of the [United States Information Agency] *Department of State* shall establish a special unit within the Inspector General's office to monitor and audit the activities of RFE/RL, Incorporated, and shall provide for on-site monitoring of such activities.

(j) AUDIT AUTHORITY.—

(1) Such financial transactions of RFE/RL, Incorporated, as relate to functions carried out under this section may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of RFE/RL, Incorporated, are normally kept.

(2) Representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, papers, and property belonging to or in use by RFE/RL, Incorporated pertaining to such financial transactions and necessary to facilitate an audit. Such representatives shall be afforded full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of RFE/RL, Incorporated, shall remain in the possession and custody of RFE/RL, Incorporated.

(3) Notwithstanding any other provision of law and upon repeal of the Board for International Broadcasting Act, the Inspector General of the [United States Information Agency] *Department of State* is authorized to exercise the authorities of the Inspector General Act of 1978 with respect to RFE/RL, Incorporated.

(k) PLAN FOR RELOCATION.—None of the funds authorized to be appropriated for the fiscal years 1994 or 1995 may be used to relocate the offices or operations of RFE/RL, Incorporated from Munich, Germany, unless—

(1) such relocation is specifically provided for in an appropriation Act or pursuant to a reprogramming notification; and

(2)(A) such relocation is authorized by the Board and the Board submits to the Comptroller General of the United States and the appropriate Congressional committees a detailed plan for such relocation, including cost estimates and any and all fiscal data, audits, business plans, and other documents which justify such relocation; or

(B) prior to the confirmation of all members of the Board, such relocation is authorized by the President, the President certifies that a significant national interest requires that such relocation determination be made before the confirmation of all members of the Board, and the President submits to the Comptroller General of the United States and the appropriate congressional committees a detailed plan for such relocation, including cost estimates and any and all fiscal data, audits, business plans, and other documents which justify such relocation.

(l) REPORTS ON PERSONNEL CLASSIFICATION.—Not later than 90 days after the date of confirmation of all members of the Board, the Board shall submit a report to the Congress containing a justification, in terms of the types of duties performed at specific rates of salary and other compensation, of the classification of personnel employed by RFE/RL, Incorporated. The report shall include a comparison of the rates of salary or other compensation and classifications provided to employees of RFE/RL, Incorporated, with the rates of salary or other compensation and classifications of employees of the Voice of America stationed overseas in comparable positions and shall identify any disparities and steps which should be taken to eliminate such disparities.

SEC. 309. RADIO FREE ASIA.

(a) AUTHORITY.—

(1) Grants authorized under section 305 shall be available to make annual grants for the purpose of carrying out radio broadcasting to the following countries: The People's Republic of China, Burma, Cambodia, Laos, North Korea, Tibet, and Vietnam.

(2) Such broadcasting service shall be referred to as "Radio Free Asia".

(b) FUNCTIONS.—Radio Free Asia shall—

(1) provide accurate and timely information, news, and commentary about events in the respective countries of Asia and elsewhere; and

(2) be a forum for a variety of opinions and voices from within Asian nations whose people do not fully enjoy freedom of expression.

(c) SUBMISSION OF DETAILED PLAN FOR RADIO FREE ASIA.—

(1) No grant may be awarded to carry out this section unless the Board, through the [Director of the United States Information Agency] *Secretary of State*, has submitted to Congress a detailed plan for the establishment and operation of Radio Free Asia, including—

(A) a description of the manner in which Radio Free Asia would meet the funding limitations provided in subsection (d)(4);

(B) a description of the numbers and qualifications of employees it proposes to hire; and

(C) how it proposes to meet the technical requirements for carrying out its responsibilities under this section.

(2) The plan required by paragraph (1) shall be submitted not later than 90 days after the date on which all members of the Board are confirmed.

(3) No grant may be awarded to carry out the provisions of this section unless the plan submitted by the Board includes a certification by the Board that Radio Free Asia can be established and operated within the funding limitations provided for in subsection (d)(4) and subsection (d)(5).

(4) If the Board determines that a Radio Free Asia cannot be established or operated effectively within the funding limitations provided for in this section, the Board may submit, through the [Director of the United States Information Agency] *Secretary of State*, an alternative plan and such proposed changes in legislation as may be necessary to the appropriate congressional committees.

(d) GRANT AGREEMENT.—Any grant agreement or grants under this section shall be subject to the following limitations and restrictions:

(1)(A) The Board may not make any grant to Radio Free Asia unless the headquarters of Radio Free Asia and its senior administrative and managerial staff are in a location which ensures economy, operational effectiveness, and accountability to the Board.

(B) Not later than 90 days after confirmation of all members of the Board, the Board shall provide a report to Congress on the number of administrative, managerial, and technical staff of Radio Free Asia who will be located within the metropolitan area of Washington, D.C., and the number of employees whose principal place of business will be located outside the metropolitan area of Washington, D.C.

(2) Any grant agreement under this section shall require that any contract entered into by Radio Free Asia shall specify that all obligations are assumed by Radio Free Asia and not by the United States Government, and shall further specify that funds to carry out the activities of Radio Free Asia may not be available after September 30, 1999.

(3) Any grant agreement shall require that any lease agreements entered into by Radio Free Asia shall be, to the maximum extent possible, assignable to the United States Government.

(4) Grants made for the operating costs of Radio Free Asia may not exceed $22,000,000 in any fiscal year.

(5) The total amount of grant funds made available for one-time capital costs of Radio Free Asia may not exceed $8,000,000.

(6) Grants awarded under this section shall be made pursuant to a grant agreement which requires that grant funds be used only for activities consistent with this section, and that failure to comply with such requirements shall permit the

grant to be terminated without fiscal obligation to the United States.

(e) LIMITATIONS ON ADMINISTRATIVE AND MANAGERIAL COSTS.—It is the sense of the Congress that administrative and managerial costs for operation of Radio Free Asia should be kept to a minimum and, to the maximum extent feasible, should not exceed the costs that would have been incurred if Radio Free Asia had been operated as a Federal entity rather than as a grantee.

(f) ASSESSMENT OF THE EFFECTIVENESS OF RADIO FREE ASIA.—Not later than 3 years after the date on which initial funding is provided for the purpose of operating Radio Free Asia, the Board shall submit to the appropriate congressional committees a report on—

(1) whether Radio Free Asia is technically sound and cost-effective,

(2) whether Radio Free Asia consistently meets the standards for quality and objectivity established by this title,

(3) whether Radio Free Asia is received by a sufficient audience to warrant its continuation,

(4) the extent to which such broadcasting is already being received by the target audience from other credible sources; and

(5) the extent to which the interests of the United States are being served by maintaining broadcasting of Radio Free Asia.

(g) SUNSET PROVISION.—The Board may not make any grant for the purpose of operating Radio Free Asia after September 30, 1998, unless the President of the United States determines in the President's fiscal year 1999 budget submission that continuation of funding for Radio Free Asia for 1 additional year is in the interest of the United States.

(h) NOTIFICATION AND CONSULTATION REGARDING DISPLACEMENT OF VOICE OF AMERICA BROADCASTING.—The Board shall notify the appropriate congressional committees before entering into any agreements for the utilization of Voice of America transmitters, equipment, or other resources that will significantly reduce the broadcasting activities of the Voice of America in Asia or any other region in order to accommodate the broadcasting activities of Radio Free Asia. The Chairman of the Board shall consult with such committees on the impact of any such reduction in Voice of America broadcasting activities.

(i) NOT A FEDERAL AGENCY OR INSTRUMENTALITY.—Nothing in this title may be construed to make Radio Free Asia a Federal agency or instrumentality.

SEC. 310. TRANSITION.

(a) AUTHORIZATION.—

(1) The President is authorized consistent with the purposes of this Act to direct the transfer of all functions and authorities from the Board for International Broadcasting to the [United States Information Agency] *Department of State*, the Board, or the [Bureau] *Office* as may be necessary to implement this title.

(2)(A) Not later than 120 days after the date of enactment of this Act, the [Director of the United States Information Agency] *Secretary of State* and the Chairman of the Board for International Broadcasting shall jointly prepare and submit to

the President for approval and implementation a plan to implement the provisions of this title. Such plan shall include at a minimum a detailed cost analysis to implement fully the recommendations of such plan. The plan shall identify all costs in excess of those authorized for such purposes and shall provide that any excess cost to implement the plan shall be derived only from funds authorized in section 201 of this Act.

(B) The President shall transmit copies of the approved plan, together with any recommendations for legislative changes that may be necessary, to the appropriate congressional committees.

(b) NEW APPOINTEES.—The [Director of the United States Information Agency] *Secretary of State* may assign employees of the Agency for service with RFE/RL, Incorporated, with the concurrence of the president of RFE/RL, Incorporated. Such assignment shall not affect the rights and benefits of such personnel as employees of the [United States Information Agency] *Department of State*.

(c) BOARD FOR INTERNATIONAL BROADCASTING PERSONNEL.—All Board for International Broadcasting full-time United States Government personnel (except special Government employees) and part-time United States Government personnel holding permanent positions shall be transferred to the [United States Information Agency] *Department of State*, the Board, or the [Bureau] *Office*. Such transfer shall not cause any such employee to be separated or reduced in grade or compensation.

(d) OTHER AUTHORITIES.—The [Director of the United States Information Agency] *Secretary of State* is authorized to utilize the provisions of titles VIII and IX of the United States Information and Educational Exchange Act of 1948, and any other authority available to the Director on the date of enactment of this Act, to the extent that the Director considers necessary in carrying out the provisions and purposes of this title.

(e) REPEAL.—The Board for International Broadcasting Act of 1973 (22 U.S.C. 2871, et seq.) is repealed effective September 30, 1995, or the date on which all members of the Board are confirmed, whichever is earlier.

(f) SAVINGS PROVISIONS.—

(1) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) which have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this title; and

(B) which are in effect at the time this title takes effect, or were final before the effective date of this title and are to become effective on or after the effective date of this title,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the [Director of the United States

Information Agency] *Secretary of State* or other authorized official, a court of competent jurisdiction, or by operation of law.

(2) PROCEEDINGS NOT AFFECTED.—The provisions of this title shall not affect any proceedings pending before the Board for International Broadcasting at the time this title takes effect, with respect to functions transferred by this title, but such proceedings shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this title had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the termination or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been terminated or modified if this title had not been enacted.

(3) SUITS NOT AFFECTED.—The provisions of this title shall not affect suits commenced before the effective date of this title, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this title had not been enacted.

(4) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Board for International Broadcasting or by or against any individual in the official capacity of such individual as an officer of the Board for International Broadcasting shall abate by reason of the enactment of this title.

(5) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the Board for International Broadcasting relating to a function transferred under this title may be continued by the [United States Information Agency] *Department of State* with the same effect as if this title had not been enacted.

(6) REFERENCES.—A reference in any provision of law, reorganization plan, or other authority to the Associate Director for Broadcasting of the [United States Information Agency] *Department of State* shall be considered to be a reference to the Director of the International Broadcasting [Bureau] *Office* of the [United States Information Agency] *Department of State*.

(7) EFFECT ON OTHER LAWS.—The provisions of, and authorities contained in or transferred pursuant to, this title are not intended to repeal, limit, or otherwise derogate from the authorities or functions of or available to the [Director of the United States Information Agency] *Secretary of State* or the Secretary of State under law, reorganization plan, or otherwise, unless such provision hereof—

(A) specifically refers to the provision of law or authority existing on the effective date of this title, so affected; or

(B) is in direct conflict with such law or authority existing on the effective date of this title.

SEC. 311. PRESERVATION OF AMERICAN JOBS.

It is the sense of the Congress that the [Director of the United States Information Agency] *Secretary of State* and the Chairman of the Board for International Broadcasting should, in developing the plan for consolidation and reorganization of overseas international broadcasting services, limit, to the maximum extent feasible, consistent with the purposes of the consolidation, elimination of any United States-based positions and should affirmatively seek to transfer as many positions as possible to the United States.

SEC. 312. PRIVATIZATION OF RADIO FREE EUROPE AND RADIO LIBERTY.

(a) DECLARATION OF POLICY.—It is the sense of the Congress that, in furtherance of the objectives of section 302 of this Act, the funding of Radio Free Europe and Radio Liberty should be assumed by the private sector not later than December 31, 1999, and that the funding of Radio Free Europe and Radio Liberty Research Institute should be assumed by the private sector at the earliest possible time.

(b) PRESIDENTIAL SUBMISSION.—The President shall submit with his annual budget submission as provided for in section 307 an analysis and recommendations for achieving the objectives of subsection (a).

(c) REPORTS ON TRANSFER OF RFE/RL RESEARCH INSTITUTE.—Not later than 120 days after the date of enactment of this Act, the Board for International Broadcasting, or the Board, if established, shall submit to the appropriate congressional committees a report on the steps being taken to transfer RFE/RL Research Institute pursuant to subsection (a) and shall provide periodic progress reports on such efforts until such transfer has been achieved.

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TELEVISION BROADCASTING TO CUBA ACT

SEC. 243. TELEVISION BROADCASTING TO CUBA.

(a) TELEVISION BROADCASTING TO CUBA.—In order to carry out the purposes set forth in section 242 and notwithstanding the limitation of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) with respect to the dissemination in the United States of information prepared for dissemination abroad to the extent such dissemination is inadvertent, the [United States Information Agency (hereafter in this part referred to as the "Agency")] *Department of State (hereafter in this part referred to as the "Department")* shall provide for the open communication of information and ideas through the use of television broadcasting to Cuba. Television broadcasting to Cuba shall serve as a consistently reliable and authoritative source of accurate, objective, and comprehensive news.

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SEC. 244. TELEVISION MARTI SERVICE OF THE UNITED STATES INFORMATION AGENCY.

(a) TELEVISION MARTI SERVICE.—[The Director of the United States Information Agency shall establish within the Voice of

America a Television Marti Service.] *The Secretary of State shall administer within the Voice of America the Television Marti Service.* The Service shall be responsible for all television broadcasts to Cuba authorized by this part. The [Director of the United States Information Agency] *Secretary of State* shall appoint a head of the Service who shall report directly to the Director of the Voice of America. The head of the Service shall employ such staff as the head of the Service may need to carry out the duties of the Service.

(b) USE OF EXISTING FACILITIES OF THE [USIA] *DEPARTMENT OF STATE*.—To assure consistency of presentation and efficiency of operations in conducting the activities authorized under this part, the Television Marti Service shall make maximum feasible utilization of [Agency facilities] *Department facilities* and management support, including Voice of America: Cuba Service, Voice of America, and the [United States Information Agency Television Service] *Department of State Television Service.*

(c) [USIA AUTHORITY.—The Agency] *SECRETARY OF STATE AUTHORITY.—The Secretary of State* may carry out the purposes of this part by means of grants, leases, or contracts (subject to the availability of appropriations), or such other means as the [Agency] *Secretary of State* determines will be most effective.

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SEC. 246. ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.

In order to assist the [United States Information Agency] *Department of State* in carrying out the provisions of this part, any agency or instrumentality of the United States may sell, loan, lease, or grant property (including interests therein) and may perform administrative and technical support and services at the request of [the Agency] *the Department.*

SEC. 247. AUTHORIZATION OF APPROPRIATIONS.

[(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise made available under section 201 for such purposes, there are authorized to be appropriated to the United States Information Agency, $16,000,000 for the fiscal year 1990 and $16,000,000 for the fiscal year 1991 for television broadcasting to Cuba in accordance with the provisions of this part.]

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RADIO BROADCASTING TO CUBA ACT

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ADDITIONAL FUNCTIONS OF THE [UNITED STATES INFORMATION AGENCY] *DEPARTMENT OF STATE*

SEC. 3. (a) In order to carry out the objectives set forth in section 2, the [United States Information Agency (hereafter in this Act referred to as the "Agency")] *Department of State (hereafter in this Act referred to as the "Department")* shall provide for the open communication of information and ideas through the use of radio broadcasting to Cuba. Radio broadcasting to Cuba shall serve as a

consistently reliable and authoritative source of accurate, objective, and comprehensive news.

* * * * * * *

(f) In the event broadcasting facilities located at Marathon, Florida, are rendered inoperable by natural disaster or by unlawful destruction, the [Director of the United States Information Agency] *Secretary of State* may, for the period in which the facilities are inoperable but not to exceed one hundred and fifty days, use other United States Government-owned transmission facilities for Voice of America broadcasts to Cuba authorized by this Act.

CUBA SERVICE OF THE VOICE OF AMERICA

SEC. 4. [The Director of the United States Information Agency shall establish within the Voice of America a Cuba Service (hereafter in this section referred to as the "Service").] *The Secretary of State shall administer within the Voice of America the Cuba Service (hereafter in this section referred to as the "Service").* The Service shall be responsible for all radio broadcasts to Cuba authorized by section 3. The [Director of the United States Information Agency] *Secretary of State* shall appoint a head of the Service and shall employ such staff as the head of the Service may need to carry out his duties. The Cuba Service shall be administered separately from other Voice of America functions and the head of the Cuba Service shall report directly to the Director of the Voice of America.

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ASSISTANCE FROM OTHER GOVERNMENT AGENCIES

SEC. 6. (a) In order to assist the [United States Information Agency] *Department of State in carrying out the purposes set forth in section 2, any agency or instrumentality of the United States may sell, loan, lease, or grant property (including interests therein) and may perform administrative and technical support and services at the request of [the Agency] the Department.* Support and services shall be provided on a reimbursable basis. Any reimbursement shall be credited to the appropriation from which the property, support, or services was derived.

(b) [The Agency] *The Department* may carry out the purposes of section 3 by means of grants, leases, or contracts (subject to the availability of appropriations), or such other means as [the Agency] *the Secretary of State* determines will be most effective.

FACILITY COMPENSATION

SEC. 7. (a)* * *

(b) Accordingly, the [Agency] *Department* may make payments to the United States radio broadcasting station licensees upon their application for expenses which they have incurred before, on or after the date of this Act in mitigating, pursuant to special temporary authority from the Federal Communications Commission, the effects of activities by the Government of Cuba which directly interfere with the transmission or reception of broadcasts by these licensees. Such expenses shall be limited to the casts of equipment

replaced (less depreciation) and associated technical and engineering costs.

* * * * * * *

(d) There are authorized to be appropriated to the [Agency] *Department* $5,000,000 for use in compensating United States radio broadcasting licensees pursuant to this section. Amounts appropriated under this section are authorized to be available until expended.

* * * * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 8[(a) There are authorized to be appropriated for the United States Information Agency $14,000,000 for fiscal year 1984, and $11,000,000 for fiscal year 1985 to carry out sections 3 and 4 of this Act. The amount obligated by the United States Information Agency in ensuing fiscal years shall be sufficient to maintain broadcasts to Cuba under this Act at rates no less than the fiscal year 1985 level.

[(b) In addition to amounts otherwise authorized to be appropriated to the Agency for the fiscal years 1984 and 1985, there are authorized to be appropriated to the Agency $54,800,000 for the fiscal year 1984 and $54,800,000 for the fiscal year 1985, which amounts shall be available only for expenses incurred by essential modernization of the facilities and operations of the Voice of America.]

(a) The amount obligated by the Department of State each fiscal year to carry out this Act shall be sufficient to maintain broadcasts to Cuba under this Act at rates no less than the fiscal year 1985 level of obligations by the former United States Information Agency for such broadcasts.

[(c)]*(b)* Amounts appropriated under this section are authorized to be made available until expended.

NATIONAL ENDOWMENT FOR DEMOCRACY ACT (TITLE V OF PUBLIC LAW 98–164)

TITLE V—NATIONAL ENDOWMENT FOR DEMOCRACY

SHORT TITLE

SEC. 501. This title may be cited as the "National Endowment for Democracy Act".

* * * * * * *

GRANTS TO THE ENDOWMENT

SEC. 503. (a) The [Director of the United States Information Agency] shall make an annual grant to the Endowment to enable the Endowment to carry out its purposes as specified in section 502(b). Such grants shall be made with funds specifically appropriated for grants to the Endowment or with funds appropriated to

[the Agency] *the Department of State* for the "Salaries and Expenses" account. Such grants shall be made pursuant to a grant agreement between the [Director] *Secretary of State* and the Endowment which requires that grant funds will only be used for activities which the Board of Directors of the Endowment determines are consistent with the purposes described in section 502(b), that the Endowment will allocate funds in accordance with subsection (e) of this section, and that the Endowment will otherwise comply with the requirements of this title. The grant agreement may not require the Endowment to comply with requirements other than those specified in this title.

(b) Funds so granted may be used by the Endowment to carry out the purposes described in section 502(b), and otherwise applicable limitations on the purposes for which funds appropriated to the [United States Information Agency] *Department of State* may be used shall not apply to funds granted to the Endowment.

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ELIGIBILITY OF THE ENDOWMENT FOR GRANTS

SEC. 504. (a) * * *

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(g) The financial transactions of the Endowment for each fiscal year shall be audited by the [United States Information Agency] *Department of State* under the conditions set forth in subsection (f)(1).

* * * * * * *

FREEDOM OF INFORMATION

SEC. 506. (a) * * *

(b) PUBLICATION IN FEDERAL REGISTER.—For purposes of complying pursuant to subsection (a) with section 552(a)(1) of such title, the Endowment shall make available to the [Director of the United States Information Agency] *Secretary of State* such records and other information as the [Director] *Secretary* determines may be necessary for such purposes. The [Director] *Secretary* shall cause such records and other information to be published in the Federal Register.

(c) REVIEW BY [USIA] *DEPARTMENT OF STATE*.—(1) In the event that the Endowment determines not to comply with a request for records under section 552, the Endowment shall submit a report to the [Director of the United States Information Agency] *Secretary of State* explaining the reasons for not complying with such request.

(2) If the [Director] *Secretary* approves the determination not to comply with such request, the [United States Information Agency] *Department of State* shall assume full responsibility, including financial responsibility, for defending the Endowment in any litigation relating to such request.

(3) If the [Director] *Secretary* disapproves the determination not to comply with such request, the Endowment shall comply with such request.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1986 AND 1987

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TITLE II—UNITED STATES INFORMATION AGENCY

* * * * * * *

SEC. 208. BAN ON DOMESTIC ACTIVITIES BY THE USIA.

Except as provided in section 501 of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1461) and this section, no funds authorized to be appropriated to the [United States Information Agency] *Department of State* shall be used to influence public opinion in the United States, and no program material prepared by the [United States Information Agency] *Department of State in carrying out its international information, educational, and cultural activies* shall be distributed within the United States. This section shall not apply to programs carried out pursuant to the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.). The provisions of this section shall not prohibit the United States Information Agency from responding to inquiries from members of the public about its operations, policies, or programs.

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TITLE VI—UNITED STATES SCHOLARSHIP PROGRAM FOR DEVELOPING COUNTRIES

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SEC. 603. SCHOLARSHIP PROGRAM AUTHORITY.

(a) IN GENERAL.—The President acting through the [United States Information Agency], *Department of State* shall provide scholarships (including partial assistance) for undergraduate study at United States institutions of higher education by citizens and nationals of developing countries who have completed their secondary education and who would not otherwise have an opportunity to study in the United States due to financial limitations.

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SEC. 604. GUIDELINES.

The scholarship program under this title shall be carried out in accordance with the following guidelines:

(1) * * *

* * * * * * *

(11) The [United States Information Agency] *Department of State* shall recommend to each student, who receives a scholarship under this title for study at a college or university, that the student enroll in a course on the classics of American political thought or which otherwise emphasizes the ideas, prin-

ciples, and documents upon which the United States was founded.

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SEC. 606. POLICY REGARDING OTHER INTERNATIONAL EDUCATIONAL PROGRAMS.

(a) * * *

(b) [USIA] *STATE DEPARTMENT* FUNDED POSTGRADUATE STUDY IN THE UNITED STATES.—The Congress urges the [Director of the United States Information Agency] *Secretary of State* to expand opportunities for students of limited postgraduate study at United States institutions of higher education.

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SEC. 609. GENERAL AUTHORITIES.

(a) * * *

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(e) OTHER ACTIVITIES TO PROMOTE IMPROVED UNDERSTANDING.—Funds allocated by the [United States Information Agency] *Department of State*, or the agency primarily responsible for carrying out part I of the Foreign Assistance Act of 1961, for scholarships in accordance with this title shall be available to enhance the educational training and capabilities of the people of Latin America and the Caribbean and to promote better understanding between the United States and Latin America and the Caribbean through programs of cooperation, study, training, and research. Such funds may be used for program and administrative costs for institutions carrying out such programs.

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SECTION 1003 OF THE FASCELL FELLOWSHIP ACT

SEC. 1003. FELLOWSHIP BOARD.

(a) ESTABLISHMENT AND FUNCTION.—There is hereby established a Fellowship Board (hereafter in this title referred to as the "Board"), which shall select the individuals who will be eligible to serve as Fellows.

(b) MEMBERSHIP.—The Board shall consist of [9] *8* members as follows:

(1) A senior official of the Department of State (who shall be the chair of the Board), designated by the Secretary of State.

(2) An officer or employee of the Department of Commerce, designated by the Secretary of Commerce.

[(3) An officer or employee of the United States Information Agency, designated by the Director of that Agency.

[(4)] *(3)* Six academic specialists in international affairs or foreign languages, appointed by the Secretary of State (in consultation with the chairman and ranking minority member of the Committee on Foreign Affairs of the House of Representa-

tives and the chairman and ranking minority of the Committee on Foreign Relations of the Senate).

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SECTION 803 OF THE INTELLIGENCE AUTHORIZATION ACT, FISCAL YEAR 1992

SEC. 803. NATIONAL SECURITY EDUCATION BOARD.

(a) ESTABLISHMENT.—The Secretary of Defense shall establish a National Security Education Board.

(b) COMPOSITION.—The Board shall be composed of the following individuals or the representatives of such individuals:

(1) The Secretary of Defense, who shall serve as the chairman of the Board.

(2) The Secretary of Education.

(3) The Secretary of State.

(4) The Secretary of Commerce.

(5) The Director of Central Intelligence.

[(6) The Director of the United States Information Agency.**]**

[(7)**]** *(6)* The Chairperson of the National Endowment for the Humanities.

[(8)**]** *(7)* Six individuals appointed by the President, by and with the advice and consent of the Senate, who shall be experts in the fields of international, language, and area studies education and who may not be officers or employees of the Federal Government.

(c) TERM OF APPOINTEES.—Each individual appointed to the Board pursuant to **[**subsection (b)(7)**]** *subsection (b)(6)* shall be appointed for a period specified by the President at the time of the appointment, but not to exceed four years. Such individuals shall receive no compensation for service on the Board but may receive reimbursement for travel and other necessary expenses.

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FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1992 AND 1993

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TITLE I—DEPARTMENT OF STATE

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PART B—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES

* * * * * * *

[SEC. 122. ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS.

[(a) ESTABLISHMENT OF POSITION.—There is established in the Department of State the position of Assistant Secretary of State for

South Asian Affairs, which is in addition to the positions provided under the first section of the Act of May 26, 1949 (22 U.S.C. 2652).

[(b) APPOINTMENT.—The Assistant Secretary shall be appointed by the President, by and with the advice and consent of the Senate.

[(c) RESPONSIBILITIES.—The Assistant Secretary shall have responsibility within the Department of State with respect to India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, Afghanistan, and the Maldives.

[(d) CONFORMING AMENDMENT.—

[(1) POSITIONS AT EXECUTIVE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new item:

["Assistant Secretary for South Asian Affairs, Department of State.".

[(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1991.

[(e) IMPLEMENTATION.—In order to carry out this section, the Secretary of State shall reprogram the position of Deputy Assistant Secretary for South Asian Affairs.]

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TITLE II—UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

PART A—UNITED STATES INFORMATION AGENCY

* * * * * * *

SEC. 208. CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN NORTH AND SOUTH.

(a) SHORT TITLE.—This section may be cited as the "North/South Center Act of 1991".

(b) PURPOSE.—The purpose of this section is to promote better relations between the United States and the nations of Latin America and the Caribbean and Canada through cooperative study, training, and research, by supporting in Florida a Center for Cultural and Technical Interchange Between North and South where scholars and students in various fields from the nations of the hemisphere may study, give and receive training, exchange ideas and views, and conduct other activities consistent with the objectives of the Mutual Educational and Cultural Exchange Act of 1961 and other Acts promoting international, educational, cultural, scientific, and related activities of the United States.

(c) NORTH/SOUTH CENTER.—In order to carry out the purpose of this section, the [Director of the United States Information Agency] *Secretary of State* shall provide for the operation in Florida of an educational institution known as the North/South Center, through arrangements with public, educational, or other nonprofit institutions.

(d) AUTHORITIES.—The [Director of the United States Information Agency] *Secretary of State*, in carrying out this section, may

utilize the authorities of the Mutual Educational and Cultural Exchange Act of 1961. Section 704(b) of the Mutual Security Act of 1960 (22 U.S.C. 2056(b)) shall apply in the administration of this section. In order to carry out the purposes of this section, the North/South Center is authorized to use funds made available under this section to acquire property and facilities, by construction, lease, or purchase.

[(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal year 1992 and $10,000,000 for each subsequent fiscal year to carry out this section. Amounts appropriated under this section are authorized to be available until expended.]

(f) REPEAL.—Effective October 1, 1991, the section enacted by the third proviso under the heading "EDUCATION AND HUMAN RESOURCES DEVELOPMENT, DEVELOPMENT ASSISTANCE" in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, is repealed.

* * * * * * *

SEC. 212. USIA GRANTS.

(a) COMPETITIVE GRANT PROCEDURES.—Except as provided in subsection (b), the [United States Information Agency] *Department of State, in carrying out its international information, educational, and cultural functions,* shall work to achieve full and open competition in the award of grants.

(b) EXCEPTIONS.—The [United States Information Agency] *Department of State* may award a grant under procedures other than competitive procedures when—

(1) * * *

* * * * * * *

(c) COMPLIANCE WITH GRANT GUIDELINES.—

(1) After October 1, 1991, grants awarded by the [United States Information Agency shall substantially comply with United States Information Agency] *Department of State, in carrying out its international information, educational, and cultural functions, shall substantially comply with Department of State* grant guidelines and applicable circulars of the Office of Management and Budget.

(2) If the [Agency] *Department* determines that a grantee has not satisfied the requirement of paragraph (1), the [United States Information Agency] *Department of State* shall notify the grantee of the suspension of payments under a grant unless compliance is achieved within 90 days of such notice.

(3) The [Agency] *Department* shall suspend payments under any grant which remains in noncompliance 90 days after notification under paragraph (2).

[(d) REPORT TO CONGRESS.—Not later than 90 days after the date of the enactment of this Act, the Director of the United States Information Agency shall submit a detailed report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives on United States Information Agency action to comply with subsection (a).]

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PART B—BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS

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SEC. 227. LAW AND BUSINESS TRAINING PROGRAM FOR GRADUATE STUDENTS FROM THE SOVIET UNION, LITHUANIA, LATVIA, AND ESTONIA.

(a) STATEMENT OF PURPOSE.—The purpose of this section is to establish a scholarship program designed to bring students from the Soviet Union, Lithuania, Latvia, and Estonia to the United States for study in the United States.

(b) SCHOLARSHIP PROGRAM AUTHORITY.—Subject to the availability of appropriations under subsection (d), the President, acting through the [United States Information Agency] *Department of State*, shall provide scholarships (including partial assistance) for study at United States institutions of higher education together with private and public sector internships by nationals of the Soviet Union, Lithuania, Latvia, and Estonia who have completed their undergraduate education and would not otherwise have the opportunity to study in the United States due to financial limitations.

(c) GUIDELINES.—The scholarship program under this section shall be carried out in accordance with the following guidelines:

(1) Consistent with section 112(b) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2460(b)), all programs created pursuant to this Act shall be nonpolitical and balanced, and shall be administered in keeping with the highest standards of academic integrity and cost-effectiveness.

(2) The [United States Information Agency] *Department of State* shall design ways to identify promising students for study in the United States.

(3) The [United States Information Agency] *Department of State* should develop and strictly implement specific financial need criteria. Scholarships under this Act may only be provided to students who meet the financial need criteria.

(4) The program may utilize educational institutions in the United States, if necessary, to help participants acquire necessary skills to fully participate in professional training.

(5) Each participant shall be selected on the basis of academic and leadership potential in the fields of business administration, economics, law, or public administration. Scholarship opportunities shall be limited to fields that are critical to economic reform and political development in the Soviet Union, Lithuania, Latvia, and Estonia, particularly business administration, economics, law, or public administration.

(6) The program shall be flexible to include not only training and educational opportunities offered by universities in the United States, but to also support internships, education, and training in a professional setting.

(7) The program shall be flexible with respect to the number of years of education financed, but in no case shall students be brought to the United States for less than one year.

(8) Further allowance shall be made in the scholarship for the purchase of books and related educational material relevant to the program of study.

(9) Further allowance shall be made to provide opportunities for professional, academic, and cultural enrichment for scholarship recipients.

(10) The program shall, to the maximum extent practicable, offer equal opportunities for both male and female students to study in the United States.

(11) The program shall, to the maximum extent practicable, offer equal opportunities for students from each of the Soviet republics, Lithuania, Latvia, and Estonia.

(12) The [United States Information Agency] *Department of State* shall recommend to each student who receives a scholarship under this section that the student include in their course of study programs which emphasize the ideas, principles, and documents upon which the United States was founded.

[(d) FUNDING OF SCHOLARSHIPS FOR FISCAL YEAR 1992 AND FISCAL YEAR 1993.—There are authorized to be appropriated to the United States Information Agency $7,000,000 for fiscal year 1992, and $7,000,000 for fiscal year 1993, to carry out this section.]

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MUTUAL SECURITY ACT OF 1960

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CHAPTER VII—CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

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SEC. 703. In order to carry out the purpose of this chapter the Secretary of State (hereinafter referred to as the "Secretary") shall provide for—

(1) the [establishment and] operation in Hawaii of an educational institution to be known as the Center for Cultural and Technical Interchange Between East and West, through arrangements with public, educational, or other nonprofit institutions;

* * * * * * *

SEC. 704. (a) In carrying out the provisions of this chapter, the Secretary may utilize his authority under the provisions of the United States Information and Educational Exchange Act of 1948, as amended.

(b) The Secretary may, in administering the provisions of this chapter, accept from public and private sources money and property to be utilized in carrying out the purposes and functions of the Center. In utilizing any gifts, bequests, or devises accepted there shall be available to the Secretary the same authorities as are available to him in accepting and utilizing gifts, bequests, and devises to the Foreign Service Institute under the provisions of the section 25 of the State Department Basic Authorities Act of 1956. For the purposes of Federal income, estate, and gift taxes, any gift,

devise, or bequest accepted by the Secretary under the authority of this chapter shall be deemed to be a gift, devise, or bequest to or for the use of the United States.

(c) The [Director] *Secretary* of the International Communication Agency shall make periodic reports, as he deems necessary, to the Congress with respect to his activities under the provisions of this chapter, and such reports shall include any recommendations for needed revisions in this chapter.

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SECTION 202 OF THE FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEAR 1979

MISSION OF THE INTERNATIONAL COMMUNICATION AGENCY

SEC. 202. The [mission of the International Communication Agency] *mission of the Department of State in carrying out its information, educational, and cultural functions* shall be to further the national interest by improving United States relations with other countries and peoples through the broadest possible sharing of ideas, information, and educational and cultural activities. In carrying out this mission, the [International Communication Agency] *Department of State* shall, among other activities—

(1) conduct Government-sponsored information, educational, and cultural activities designed—

(A) to provide other peoples with a better understanding of the policies, values, institutions, and culture of the United States; and

(B) within the statutory limits governing domestic activities of the [Agency] *Department*, to enhance understanding on the part of the Government and people of the United States of the history, culture, attitudes, perceptions, and aspirations of others;

(2) encourage private institutions in the United States to develop their own exchange activities, and provide assistance for those exchange activities which are in the broadest national interest;

(3) coordinate international informational, educational, or cultural activities conducted or planned by departments and agencies of the United States Government;

(4) assist in the development of a comprehensive national policy on international communications; and

(5) promote United States participation in international events relevant to the [mission of the Agency] *mission described in this section*.

SECTION 2 OF THE SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) ACT OF 1989

SEC. 2. SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) PROGRAM.

(a) * * *

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(c) SEED ACTIONS.—Assistance and other activities under the SEED Program (which may be referred to as "SEED Actions") shall include activities such as the following:

(1) * * *

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(17) EXCHANGE ACTIVITIES.—Expanded exchange activities under the Fulbright, International Visitors, and other programs conducted by the [United States Information Agency] *Department of State.*

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SECTION 7 OF THE FEDERAL TRIANGLE DEVELOPMENT ACT

SEC. 7. INTERNATIONAL CULTURAL AND TRADE CENTER COMMISSION.

(a) * * *

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(c) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Commission shall be composed of [15] *14* members as follows:

(A) The Secretary of State or his delegate.

(B) The Secretary of Commerce or his delegate.

(C) The Secretary of Agriculture or his delegate.

(D) The United States Trade Representative or his delegate.

(E) The Administrator or his delegate.

[(F) The Director of the United States Information Agency or his delegate.]

[(G)] *(F)* The Chairman of the Corporation or his delegate.

[(H)] *(G)* The Mayor of the District of Columbia or his delegate.

[(I)] *(H)* The Chairman of the National Endowment for the Arts or his delegate.

[(J)] *(I)* 6 individuals appointed by the President one of whom shall be a resident and registered voter of the District of Columbia and all of whom shall be specially qualified to serve on the Commission by virtue of their education, training, or experience in international trade, commerce, cultural exchange, finance, business, or management of facilities similar to the international cultural and trade center described in section 8.

A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

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FOREIGN SERVICE ACT OF 1980

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SEC. 2. TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TABLE OF CONTENTS

Sec. 1. Short title.

TITLE I—THE FOREIGN SERVICE OF THE UNITED STATES

CHAPTER 1—GENERAL PROVISIONS

* * * * * * *

CHAPTER 4—COMPENSATION

Sec. 401. Salaries of chiefs of mission.

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[Sec. 405. Performance pay.]

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TITLE I—THE FOREIGN SERVICE OF THE UNITED STATES

CHAPTER 1—GENERAL PROVISIONS

* * * * * * *

CHAPTER 2—MANAGEMENT OF THE SERVICE

* * * * * * *

SEC. 202. OTHER AGENCIES UTILIZING THE FOREIGN SERVICE PERSONNEL SYSTEM.—(a)[(1) The Director of the United States Information Agency and the Director of the United States International Development Cooperation Agency may utilize the Foreign Service personnel system with respect to their respective agencies in accordance with this Act.]

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SEC. 210. BOARD OF THE FOREIGN SERVICE.—The President shall establish a Board of the Foreign Service to advise the Secretary of State on matters relating to the Service, including furtherance of the objectives of maximum compatibility among agencies authorized by law to utilize the Foreign Service personnel system and compatibility between the Foreign Service personnel system and the other personnel systems of the Government. The Board of the Foreign Service shall be chaired by an individual appointed by the President and shall include one or more representatives of the Department of State, [the United States Information Agency, the United States International Development Cooperation Agency,] the Department of Agriculture, the Department of Commerce, the Department of Labor, the Office of Personnel Management, the Office of Management and Budget, the Equal Employment Opportunity Commission, and such other agencies as the President may designate.

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CHAPTER 4—COMPENSATION

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[SEC. 405. PERFORMANCE PAY.—(a) Members of the Senior Foreign Service who are serving—

[(1) under career or career candidate appointments, or

[(2) under limited appointments with reemployment rights under section 310 as career appointees in the Senior Executive Service,

shall be eligible to compete for performance pay in accordance with this section. Performance pay shall be paid in a lump sum and shall be in addition to the basic salary prescribed under section 402 and any other award. The fact that a member of the Senior Foreign Service competing for performance pay would, as a result of the payment of such performance pay, receive compensation exceeding the compensation of any other member of the Service shall not preclude the award or its payment.

[(b) Awards of performance pay shall take into account the criteria established by the Office of Personnel Management for performance awards under section 5384 of title 5, United States Code, and rank awards under section 4507 of title 5, United States Code. Awards of performance pay under this section shall be subject to the following limitations:

[(1) Not more than 50 percent of the members of the Senior Foreign Service may receive performance pay in any fiscal year.

[(2) Except as provided in paragraph (3), performance pay for a member of the Senior Foreign Service may not exceed 20 percent of the annual rate of basic salary for that member.

[(3) Not more than 6 percent of the members of the Senior Foreign Service may receive performance pay in any fiscal year in an amount which exceeds the percentage limitation specified in paragraph (2). Payments under this paragraph to a member of the Senior Foreign Service may not exceed $10,000 in any fiscal year, except that payments of up to $20,000 in any fiscal year may be made under this paragraph to up to 1 percent of the members of the Senior Foreign Service.

[(4) Any award under this section shall be subject to the limitation on certain payments under section 5307 of title 5, United States Code.

[(5) The Secretary of State shall prescribe regulations, consistent with section 5582 of title 5, United States Code, under which payment under this section shall be made in the case of any individual whose death precludes payment under paragraph (4) of this subsection.

[(c) The Secretary shall determine the amount of performance pay available under subsection (b)(2) each year for distribution among the members of the Senior Foreign Service and shall distribute performance pay to particular individuals on the basis of recommendations by selection boards established under section 602.

[(d) The President may grant awards of performance pay under subsection (b)(3) on the basis of annual recommendations by the Secretary of State of members of the Senior Foreign Service who are nominated by their agencies as having performed especially meritorious or distinguished service. Recommendations by the Secretary of State under this subsection shall be made on the basis of recommendations by special interagency selection boards established by the Secretary of State for the purpose of reviewing and evaluating the nominations of agencies.]

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CHAPTER 7—CAREER DEVELOPMENT, TRAINING, AND ORIENTATION

SEC. 701. INSTITUTION FOR TRAINING.—(a) * * *

* * * * * * *

(d)(1) * * *

* * * * * * *

[(4) The authorities of section 704 shall apply to training and instruction provided under this section.]

(e)(1) The Secretary of State is authorized to provide appropriate training through the institution to employees of any United States company engaged in business abroad, and to the families of such employees, when such training is in the national interest of the United States.

(2) In the case of any company under contract to provide services to the Department of State, the Secretary of State is authorized to provide job-related training to any company employee who is performing such services.

(3) Training under this subsection shall be on a reimbursable or advance-of-funds basis. Such reimbursements or advances shall be credited to the currently applicable appropriation account.

(4) Training under this subsection is authorized only to the extent that it will not interfere with the institution's primary mission of training employees of the Department and of other agencies in the field of foreign relations.

(f)(1) The Secretary of State is authorized to provide on a reimbursable basis foreign language training programs to Members of Congress and officers and employees of Congress.

(2) Reimbursements under this subsection, to the extent practicable, should be equivalent to the rate of reimbursement charged other agencies of the United States Government for comparable training.

(3) Reimbursements collected under this subsection shall be credited to the currently available applicable appropriation account.

(4) Training under this subsection is authorized only to the extent that it will not interfere with the institution's primary mission of training employees of the Department and of other agencies in the field of foreign relations.

(g) The authorities of section 704 shall apply to training and instruction provided under this section.

* * * * * * *

SEC. 904. HEALTH CARE.—(a) The Secretary of State shall establish a health care program to promote and maintain the physical and mental health of members of the Service, and (when incident to service abroad) other designated eligible Government employees, [and] members of the families of such members and employees, *and for care provided abroad) such other persons as are designated by the Secretary of State, except that such persons shall be considered persons other than covered beneficiaries for purposes of subsections (g) and (h).*

* * * * * * *

(d) If an individual eligible for health care under this section incurs an illness, injury, or medical condition which requires treat-

ment, *subject to the provisions of subsections (g) and (h)* while assigned to a post abroad located overseas pursuant to Government authorization, the Secretary may pay the cost of such treatment.

* * * * * * *

(g)(1) In the case of a person who is a covered beneficiary, the Secretary of State is authorized to collect from a third-party payer the reasonable costs incurred by the Department of State on behalf of such person for health care services to the same extent that the covered beneficiary would be eligible to receive reimbursement or indemnification from the third-party payer for such costs.

(2) If the insurance policy, plan, contract, or similar agreement of that third-party payer includes a requirement for a deductible or copayment by the beneficiary of the plan, then the Secretary of State may collect from the third-party payer only the reasonable costs of the care provided less the deductible or copayment amount.

(3) A covered beneficiary shall not be required to pay any deductible or copayment for health care services under this subsection.

(4) No provision of any insurance, medical service, or health plan contract or agreement having the effect of excluding from coverage or limiting payment of charges for care in the following circumstances shall operate to prevent collection by the Secretary of State under paragraph (1)—

(A) care provided directly or indirectly by a governmental entity;

(B) care provided to an individual who has not paid a required deductible or copayment; or

(C) care provided by a provider with which the third-party payer has no participation agreement.

(5) No law of any State, or of any political subdivision of a State, and no provision of any contract or agreement shall operate to prevent or hinder recovery or collection by the United States under this section.

(6) As to the authority provided in paragraph (1) of this subsection—

(A) the United States shall be subrogated to any right or claim that the covered beneficiary may have against a third-party payer;

(B) the United States may institute and prosecute legal proceedings against a third-party payer to enforce a right of the United States under this subsection; and

(C) the Secretary may compromise, settle, or waive a claim of the United States under this subsection.

(7) The Secretary shall prescribe regulations for the administration of this subsection and subsection (h). Such regulations shall provide for computation of the reasonable cost of health care services.

(8) Regulations prescribed under this subsection shall provide that medical records of a covered beneficiary receiving health care under this subsection shall be made available for inspection and review by representatives of the payer from which collection by the United States is sought for the sole purpose of permitting the third party to verify—

(A) that the care or services for which recovery or collection is sought were furnished to the covered beneficiary; and

(B) that the provisions of such care or services to the covered beneficiary meets criteria generally applicable under the health plan contract involved, except that this paragraph shall be subject to the provisions of paragraphs (2) and (4).

(9) Amounts collected under this subsection or under subsection (h) from a third-party payer or from any other payer shall be deposited as an offsetting collection to any Department of State appropriation and shall remain available until expended.

(10) For purposes of this section—

(A) the term "covered beneficiary" means an individual eligible to receive health care under this section whose health care costs are to be paid by a third-party payer under a contractual agreement with such payer;

(B) the term "services", as used in "health care services" includes products; and

(C) the term "third-party payer" means an entity that provides a fee-for-service insurance policy, contract, or similar agreement through the Federal Employees Health Benefit program, under which the expenses of health care services for individuals are paid.

(h) In the case of a person, other than a covered beneficiary, who receives health care services pursuant to this section, the Secretary of State is authorized to collect from such person the reasonable costs of health care services incurred by the Department of State on behalf of such person. The United States shall have the same rights against persons subject to the provisions of this subsection as against third-party payers covered by subsection (g).

* * * * * * *

SECTION 8 OF THE EISENHOWER EXCHANGE FELLOWSHIP ACT OF 1990

SEC. 8. EXTENSION OF AU PAIR PROGRAMS.

The United States Information Agency shall continue to implement the au pair programs designated by the [Director of United States Information Agency] *Secretary of State* as of July 10, 1990, until such au pair programs are authorized and implemented by another agency of the United States Government. Notwithstanding section 555 of Public Law 100–461 and title III of S. 2757 as reported by the Senate Committee on Foreign Relations on September 7, 1988 (pursuant to the enactment under section 555 of Public Law 100–461), the Director of the United States Information Agency is authorized to administer such au pair programs through fiscal year [1995] *1997* in a manner consistent with the requirements of the Mutual Educational and Cultural Exchange Act of 1961 and shall promulgate regulations regarding such au pair programs.

SECTION 602 OF THE NATIONAL AND COMMUNITY SERVICE ACT OF 1990

SEC. 602. EXCHANGE PROGRAM WITH COUNTRIES IN TRANSITION FROM TOTALITARIANISM TO DEMOCRACY.

(a) AUTHORIZATION OF ACTIVITIES; GRANTS OR CONTRACTS FOR EXCHANGES WITH FOREIGN COUNTRIES.—Pursuant to the Mutual Educational and Cultural Exchange Act of 1961 and using the authorities contained therein, the President is authorized, when the President considers that it would strengthen international cooperative relations, to provide, by grant, contract, or otherwise, for exchanges with countries that are in transition from totalitarianism to democracy, which include, but are not limited to Poland, Hungary, Czechoslovakia, Bulgaria, and Romania—

(1) by financing studies, research, instruction, and related activities—

(A) of or for American citizens and nationals in foreign countries; and

(B) of or for citizens and nationals of foreign countries in American private businesses, trade associations, unions, chambers of commerce, and local, State, and Federal Government agencies, located in or outside the United States; and

(2) by financing visits and interchanges between the United States and countries in transition from totalitarianism to democracy.

The program under this section shall be coordinated by the [United States Information Agency] *Department of State.*

(b) TRANSFER OF FUNDS.—The President is authorized to transfer to the [appropriations account of the United States Information Agency] *appropriate appropriations account of the Department of State* such sums as the President shall determine to be necessary out of the travel accounts of the departments and agencies of the United States, except for the Department of State [and the United States Information Agency], as the President shall designate. Such transfers shall be subject to the approval of the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate. In addition, the President is authorized to accept such gifts or cost-sharing arrangements as may be proffered to sustain the program under this section.

CONVENTION ON CULTURAL PROPERTY IMPLEMENTATION ACT

* * * * * * *

TITLE III—IMPLEMENTATION OF CONVENTION ON CULTURAL PROPERTY

SEC. 301. SHORT TITLE.

This title may be cited as the "Convention on Cultural Property Implementation Act".

* * * * * * *

SEC. 305. DESIGNATION OF MATERIALS COVERED BY AGREEMENTS OR EMERGENCY ACTIONS.

After any agreement enters into force under section 303, or emergency action is taken under section 304, the Secretary, after consultation with the [Director of the United States Information Agency] *Secretary of State*, shall by regulation promulgate (and when appropriate shall revise) a list of the archaeological or ethnological material of the State Party covered by the agreement or by such action. The Secretary may list such material by type or other appropriate classification, but each listing made under this section shall be sufficiently specific and precise to insure that (1) the import restrictions under section 307 are applied only to the archaeological and ethnological material covered by the agreement or emergency action; and (2) fair notice is given to importers and other persons as to what material is subject to such restrictions.

SEC. 306. CULTURAL PROPERTY ADVISORY COMMITTEE.

(A) * * *

* * * * * * *

(E) STAFF AND ADMINISTRATION.—

(1) The [Director of the United States Information Agency] *Secretary of State* shall make available to the Committee such administrative and technical support services and assistance as it may reasonably require to carry out its activities. Upon the request of the Committee, the head of any other Federal agency may detail to the Committee, on a reimbursable basis, any of the personnel of such agency to assist the Committee in carrying out its functions, and provide such information and assistance as the Committee may reasonably require to carry out its activities.

(2) The Committee shall meet at the call of the [Director of the United States Information Agency] *Secretary of State*, or when a majority of its members request a meeting in writing.

* * * * * * *

(i) CONFIDENTIAL INFORMATION.—

(1) IN GENERAL.—Any information (including trade secrets and commercial or financial information which is privileged or confidential) submitted in confidence by the private sector to officers or employees of the United States or to the Committee in connection with the responsibilities of the Committee shall not be disclosed to any person other than to—

(A) officers and employees of the United States designated by the [Director of the United States Information Agency] *Secretary of State*;

* * * * * * *

(2) GOVERNMENTAL INFORMATION.—Information submitted in confidence by officers or employees of the United States to the Committee shall not be disclosed other than in accordance with rules issued by the [Director of the United States Information Agency] *Secretary of State*, after consultation with the Committee. Such rules shall define the categories of information which require restricted or confidential handling by such Committee considering the extent to which public disclosure of such

information can reasonably be expected to prejudice the interests of the United States. Such rules shall, to the maximum extent feasible, permit meaningful consultations by Committee members with persons affected by proposed agreements authorized by this title.

* * * * * * *

SECTION 901 OF TITLE 31, UNITED STATES CODE

§ 901. Establishment of agency Chief Financial Officers

(a) * * *

(b)(1) The agencies referred to in subsection (a)(1) are the following:

(A) * * *

* * * * * * *

(2) The agencies referred to in subsection (a)(2) are the following:

[(A) The Agency for International Development.]

* * * * * * *

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

SECTION 1. SHORT TITLE.

This Act may be cited as the "Agricultural Trade Development and Assistance Act of 1954".

* * * * * * *

TITLE II—EMERGENCY AND PRIVATE ASSISTANCE PROGRAMS

SEC. 201. GENERAL AUTHORITY.

The President shall establish a program under this title to provide agricultural commodities to foreign countries on behalf of the people of the United States to—

(1) * * *

* * * * * * *

Such program shall be implemented by the [Administrator] *Under Secretary for Development and Economic Affairs.*

SEC. 202. PROVISION OF AGRICULTURAL COMMODITIES.

(a) EMERGENCY ASSISTANCE.—Notwithstanding any other provision of law, the [Administrator] *Under Secretary for Development and Economic Affairs* may provide agricultural commodities to meet emergency food needs under this title through governments and public or private agencies, including intergovernmental organizations such as the World Food Program and other multilateral organizations, in such manner and on such terms and conditions as the [Administrator] *Under Secretary for Development and Economic Affairs* determines appropriate to respond to the emergency.

(b) NON-EMERGENCY ASSISTANCE.—The [Administrator] *Under Secretary for Development and Economic Affairs* may provide agricultural commodities for non-emergency assistance under this title through eligible organizations (as described in subsection (d)) that have entered into an agreement with the [Administrator] *Under Secretary for Development and Economic Affairs* to use such commodities in accordance with this title.

* * * * * * *

(d) ELIGIBLE ORGANIZATIONS.—To be eligible to receive assistance under subsection (b) an organization shall be—

(1) a private voluntary organization or cooperative that is, to the extent practicable, registered with the [Administrator] *Under Secretary for Development and Economic Affairs*; or

(2) an intergovernmental organization, such as the World Food Program.

(e) SUPPORT FOR PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.—

(1) IN GENERAL.—Of the funds made available in each fiscal year under this title to the [Administrator] *Under Secretary for Development and Economic Affairs*, not less than $10,000,000, and not more than $13,500,000, shall be made available in each fiscal year to private voluntary organizations and cooperatives to assist such organizations and cooperatives in—

(A) * * *

* * * * * * *

(2) REQUEST FOR FUNDS.—In order to receive funds made available under paragraph (1), a private voluntary organization or cooperative must submit a request for such funds (which must be approved by the [Administrator] *Under Secretary for Development and Economic Affairs*) when submitting a proposal to the [Administrator] *Under Secretary for Development and Economic Affairs* for an agreement under this title. Such request for funds shall include a specific explanation of—

(A) * * *

* * * * * * *

(3) ASSISTANCE WITH RESPECT TO SALE.—Upon the request of a private voluntary organization or cooperative, the [Administrator] *Under Secretary for Development and Economic Affairs* may provide assistance to that organization or cooperative with respect to the sale of agricultural commodities made available to it under this title.

(f) EFFECTIVE USE OF COMMODITIES.—To ensure that agricultural commodities made available under this title are used effectively and in the areas of greatest need, organizations or cooperatives through which such commodities are distributed shall—

(1) * * *

* * * * * * *

(4) recommend to the [Administrator] *Under Secretary for Development and Economic Affairs* methods of making assist-

ance available that are the most appropriate for each local setting;

* * * * * * *

SEC. 203. GENERATION AND USE OF FOREIGN CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

(a) LOCAL SALE AND BARTER OF COMMODITIES.—An agreement entered into between the [Administrator] *Under Secretary for Development and Economic Affairs* and a private voluntary organization or cooperative to provide food assistance through such organization or cooperative under this title may provide for the sale or barter in the recipient country of the commodities to be provided under such agreement.

(b) MINIMUM LEVEL OF LOCAL SALES.—In carrying out agreements of the type referred to in subsection (a), the [Administrator] *Under Secretary for Development and Economic Affairs* shall permit private voluntary organizations and cooperatives to sell, in recipient countries, an amount of commodities equal to not less than 10 percent of the aggregate amounts of all commodities distributed under non-emergency programs under this title for each fiscal year, to generate foreign currency proceeds to be used as provided in this section.

(c) DESCRIPTION OF INTENDED USES.—A private voluntary organization or cooperative submitting a proposal to enter into a non-emergency food assistance agreement under this title shall include in such proposal a description of the intended uses of any foreign currency proceeds that may be generated through the sale, in the recipient country, of any commodities provided under an agreement entered into between the [Administrator] *Under Secretary for Development and Economic Affairs* and the organization or cooperative.

SEC. 204. LEVELS OF ASSISTANCE.

(a) MINIMUM LEVELS.—

(1) MINIMUM ASSISTANCE.—Except as provided in paragraph (3), the [Administrator] *Under Secretary for Development and Economic Affairs* shall make agricultural commodities available for food distribution under this title in an amount that—

(A) * * *

* * * * * * *

(E) [for fiscal year 1995] *for each of the fiscal years 1995 through 1997*, is not less than 2,025,000 metric tons.

(2) MINIMUM NON-EMERGENCY ASSISTANCE.—Of the amounts specified in paragraph (1), and except as provided in paragraph (3), the [Administrator] *Under Secretary for Development and Economic Affairs* shall make agricultural commodities available for non-emergency food distribution through eligible organizations under section 202 in an amount that—

(A) * * *

* * * * * * *

(E) [for fiscal year 1995] *for each of the fiscal years 1995 through 1997*, is not less than 1,550,000 metric tons.

(3) EXCEPTION.—The [Administrator] *Under Secretary for Development and Economic Affairs* may waive the require-

ments of paragraphs (1) and (2) for any fiscal year if the [Administrator] *Under Secretary for Development and Economic Affairs* determines that such quantities of commodities cannot be used effectively to carry out this title or in order to meet an emergency. In making a waiver under this paragraph, the [Administrator] *Under Secretary for Development and Economic Affairs* shall prepare and submit to the Committee on Foreign Affairs and Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the reasons for the waiver.

(b) USE OF VALUE-ADDED COMMODITIES.—

(1) MINIMUM LEVELS.—Except as provided in paragraph (2), in making agricultural commodities available under this title, the [Administrator] *Under Secretary for Development and Economic Affairs* shall ensure that not less than 75 percent of the quantity of such commodities required to be distributed during each fiscal year under subsection (a)(2) be in the form of processed, fortified, or bagged commodities.

(2) WAIVER OF MINIMUM.—The [Administrator] *Under Secretary for Development and Economic Affairs* may waive the requirement of paragraph (1) for any fiscal year in which the [Administrator] *Under Secretary for Development and Economic Affairs* determines that the requirements of the programs established under this title will not be best served by the enforcement of such requirement under such paragraph.

SEC. 205. FOOD AID CONSULTATIVE GROUP.

(a) * * *

(b) MEMBERSHIP.—The Group shall be composed of—

(1) the [Administrator] *Under Secretary for Development and Economic Affairs*;

* * * * * * *

(5) representatives from African, Asian and Latin American indigenous non-governmental organizations determined appropriate by the [Administrator] *Under Secretary for Development and Economic Affairs*.

(c) CHAIRPERSON.—The [Administrator] *Under Secretary for Development and Economic Affairs* shall be the chairperson of the Group.

(d) CONSULTATIONS.—In preparing regulations, handbooks, or guidelines implementing this title, or significant revisions thereto, the [Administrator] *Under Secretary for Development and Economic Affairs* shall provide such proposals to the Group for review and comment. The [Administrator] *Under Secretary for Development and Economic Affairs* shall consult and, when appropriate, meet with the Group regarding such proposed regulations, handbooks, guidelines, or revisions thereto prior to the issuance of such.

SEC. 207. ADMINISTRATION.

(a) PROPOSALS.—

(1) TIME FOR DECISION.—Not later than 45 days after the receipt by the [Administrator] *Under Secretary for Development and Economic Affairs* of a proposal submitted—

(A) by a private voluntary organization or cooperative, with the concurrence of the appropriate United States field mission, for commodities; or

(B) by a United States field mission to make commodities available to a private voluntary organization or cooperative;

under this title, the [Administrator] *Under Secretary for Development and Economic Affairs* shall make a decision concerning such proposal.

(2) DENIAL.—If a proposal under paragraph (1) is denied, the response shall specify the reasons for denial and the conditions that must be met for the approval of such proposal.

(b) NOTICE AND COMMENT.—Not later than 30 days prior to the issuance of a final guideline to carry out this title, the [Administrator] *Under Secretary for Development and Economic Affairs* shall—

(1) * * *

* * * * * * *

(c) REGULATIONS.—

(1) IN GENERAL.—The [Administrator] *Under Secretary for Development and Economic Affairs* shall promptly issue all necessary regulations and make revisions to agency guidelines with respect to changes in the operation or implementation of the program established under this title.

(2) REQUIREMENTS.—The [Administrator] *Under Secretary for Development and Economic Affairs* shall develop regulations with the intent of—

(A) * * *

* * * * * * *

(3) HANDBOOKS.—Handbooks developed by the [Administrator] *Under Secretary for Development and Economic Affairs* to assist in carrying out the program under this title shall be designed to foster the development of programs under this title by eligible organizations.

* * * * * * *

TITLE III—FOOD FOR DEVELOPMENT

SEC. 301. BILATERAL GRANT PROGRAM.

(a) IN GENERAL.—The President shall establish a program under which agricultural commodities are donated in accordance with this title to least developed countries. The revenue generated by the sale of such commodities in the recipient country may be utilized for economic development activities. Such program shall be implemented by the [Administrator] *Under Secretary for Development and Economic Affairs*.

(b) GENERAL AUTHORITY.—To carry out the policies and accomplish the objectives described in section 2, the [Administrator] *Under Secretary for Development and Economic Affairs* may negotiate and execute agreements with least developed countries to provide commodities to such countries on a grant basis.

SEC. 302. ELIGIBLE COUNTRIES.

(a) LEAST DEVELOPED COUNTRIES.—A country shall be considered to be a least developed country and eligible for the donation of agricultural commodities under this title if—

(1) such country meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference for providing financial assistance; or

(2) such country is a food deficit country and is characterized by high levels of malnutrition among significant numbers of its population, as determined by the [Administrator] *Under Secretary for Development and Economic Affairs* under subsection (b).

(b) INDICATORS OF FOOD DEFICIT COUNTRIES.—To make a finding under subsection (a)(2) that a country is a food deficit country and is characterized by high levels of malnutrition, the [Administrator] *Under Secretary for Development and Economic Affairs* must determine that the country meets all of the following indicators of national food deficit and malnutrition:

(1) * * *

* * * * * * *

(c) PRIORITY.—In determining whether and to what extent agricultural commodities shall be made available to least developed countries under this title, the [Administrator] *Under Secretary for Development and Economic Affairs* shall give priority to countries that—

(1) * * *

* * * * * * *

SEC. 303. GRANT PROGRAMS.

To carry out the policies and accomplish the objectives described in section 2, the [Administrator] *Under Secretary for Development and Economic Affairs* may negotiate and execute agreements with least developed countries to provide commodities to such countries on a grant basis either through the Commodity Credit Corporation or through private trade channels.

SEC. 304. DIRECT USES OR SALES OF COMMODITIES.

Agricultural commodities provided to a least developed country under this section—

(1) * * *

(2) may be sold in such country by the government of the country or the [Administrator] *Under Secretary for Development and Economic Affairs* (or their designees) as provided in the agreement, and the proceeds of such sale used in accordance with this title.

SEC. 305. LOCAL CURRENCY ACCOUNTS.

(a) RETENTION OF PROCEEDS.—To the extent determined to be appropriate by the [Administrator] *Under Secretary for Development and Economic Affairs*, revenues generated from the sale, under section 304(2), of agricultural commodities provided under this title shall be deposited into a separate account (that may be interest bearing) in the recipient country to be disbursed for the benefit of such country in accordance with local currency agreements entered into between the recipient country and the [Admin-

istrator] *Under Secretary for Development and Economic Affairs*. The [Administrator] *Under Secretary for Development and Economic Affairs* may determine not to deposit such revenues in a separate account if—

(1) local currencies are to be programmed for specific economic development purposes listed in section 306(a); and

(2) the recipient country programs an equivalent amount of money for such purposes as specified in an agreement entered into by the [Administrator] *Under Secretary for Development and Economic Affairs* and the recipient country.

(b) OWNERSHIP AND PROGRAMMING OF ACCOUNTS.—The proceeds of sales pursuant to section 304(2) shall be the property of the recipient country or the United States, as specified in the applicable agreement. Such proceeds shall be utilized for the benefit of the recipient country, shall be jointly programmed by the [Administrator] *Under Secretary for Development and Economic Affairs* and the government of the recipient country, and shall be disbursed for the benefit of such country in accordance with local currency agreements between the [Administrator] *Under Secretary for Development and Economic Affairs* and that government.

(c) OVERALL DEVELOPMENT STRATEGY.—The [Administrator] *Under Secretary for Development and Economic Affairs* shall consider the local currency proceeds as an integral part of the overall development strategy of the Agency for International Development and the recipient country.

SEC. 306. USE OF LOCAL CURRENCY PROCEEDS.

(a) * * *

* * * * * * *

(d) SUPPORT FOR CERTAIN EDUCATIONAL INSTITUTIONS.—If the [Administrator] *Under Secretary for Development and Economic Affairs* determines that local currencies deposited in a special account pursuant to this title are not needed for any of the activities prescribed in paragraphs (1) through (13) of subsection (a) or for any other specific economic development purpose in the recipient country, the [Administrator] *Under Secretary for Development and Economic Affairs* may use those currencies to provide support for any institution (other than an institution whose primary purpose is to provide religious education) located in the recipient country that provides education in agricultural sciences or other disciplines for a significant number of United States nationals (who may include members of the United States Armed Forces or the Foreign Service or dependents of such members).

TITLE IV—GENERAL AUTHORITIES AND REQUIREMENTS

* * * * * * *

SEC. 402. DEFINITIONS.

As used in this Act:

(1) [ADMINISTRATOR] *UNDER SECRETARY FOR DEVELOPMENT AND ECONOMIC AFFAIRS*.—The term "[Administrator] *Under Secretary for Development and Economic Affairs*" means the

[Administrator] *Under Secretary for Development and Economic Affairs* of the Agency for International Development, unless otherwise specified in this Act.

* * * * * * *

SEC. 403. GENERAL PROVISIONS.

(a) * * *

(b) CONSULTATIONS.—The Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, shall consult with representatives from the International Monetary Fund, the International Bank for Reconstruction and Development, the World Bank, and other donor organizations to ensure that the importation of United States agricultural commodities and the use of local currencies for development purposes will not have a disruptive impact on the farmers or the local economy of the recipient country.

(c) TRANSSHIPMENT.—The Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, shall, under such terms and conditions as are determined to be appropriate, require commitments from countries designed to prevent or restrict the resale or transshipment to other countries, for use for other than domestic purposes, of agricultural commodities donated or purchased under this Act.

* * * * * * *

(g) PARTICIPATION OF PRIVATE SECTOR.—The Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, shall encourage the private sector of the United States and private importers in developing countries to participate in the programs established under this Act.

(h) SAFEGUARD USUAL MARKETINGS.—In carrying out this Act, reasonable precautions shall be taken to safeguard the usual marketings of the United States and to avoid displacing any sales of the United States agricultural commodities that the Secretary or [Administrator] *Under Secretary for Development and Economic Affairs* determines would otherwise be made.

(i) MILITARY DISTRIBUTION OF FOOD AID.—

(1) IN GENERAL.—The Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, shall attempt to ensure that agricultural commodities made available under this Act will be provided without regard to the political affiliation, geographic location, ethnic, tribal, or religious identity of the recipient or without regard to other extraneous factors.

(2) PROHIBITION ON HANDLING OF COMMODITIES BY THE MILITARY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, shall not enter into an agreement under this Act to provide agricultural commodities if such agreement requires or permits the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

(B) EXCEPTION.—Notwithstanding subparagraph (A), the Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, may authorize the handling or distribution of commodities by the military forces of a country in exceptional circumstances in which—

(i) nonmilitary channels are not available for such handling or distribution;

(ii) such action is consistent with the requirements of paragraph (1); and

(iii) the Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

(C) REPORT.—Not later than 30 days after an authorization is provided under subparagraph (B), the Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, shall prepare and submit to the appropriate committees of Congress a report concerning such authorization and include in any such report the reason for the authorization, including an explanation of why no alternatives to such handling or distribution were available.

(3) ENCOURAGEMENT OF SAFE PASSAGE.—When entering into agreements under this Act that involve areas within recipient countries that are experiencing protracted warfare or civil strife, the Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, shall, to the extent practicable, encourage all parties to the conflict to permit safe passage of the commodities and other relief supplies and to establish safe zones for medical and humanitarian treatment and evacuation of injured persons.

(j) VIOLATIONS OF HUMAN RIGHTS.—

(1) INELIGIBLE COUNTRIES.—The Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, shall not enter into any agreement under this Act to provide agricultural commodities, or to finance the sale of agricultural commodities, to the government of any country determined by the President to engage in a consistent pattern of gross violations of internationally recognized human rights, including—

(A) * * *

* * * * * * *

SEC. 404. AGREEMENTS.

(a) IN GENERAL.—Before entering into agreements under titles I and III for the provision of commodities, the Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, shall consider the extent to which the recipient country is undertaking measures for economic development purposes in order to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development.

(b) TERMS OF AGREEMENT.—An agreement entered into under this Act shall—

(1) * * *

* * * * * * *

(5) contain such other terms and conditions as the Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, determines to be necessary.

(c) MULTI-YEAR AGREEMENTS.—

(1) IN GENERAL.—Agreements to provide assistance on a multi-year basis under this Act shall be made available to recipient countries or to eligible organizations.

(2) EXCEPTION.—The Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, may determine not to make assistance available on a multi-year basis with respect to a recipient country or an eligible organization if it is determined that assistance should be provided to such country or through such organization only on an annual basis because—

(A) * * *

* * * * * * *

(C) other circumstances, as determined by the Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, indicate there is only a need for a 1 year agreement.

(d) REVIEW OF AGREEMENTS.—The Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, may make a determination to terminate, or refuse to enter into, a multi-year agreement with respect to a recipient country if the Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs* determines that such country is not fulfilling the objectives or requirements of this Act. In making such a determination, the Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, may consider the extent to which the country is—

(1) * * *

* * * * * * *

SEC. 405. CONSULTATION.

The Secretary and the [Administrator] *Under Secretary for Development and Economic Affairs* shall cooperate and consult in the implementation of this Act.

* * * * * * *

SEC. 407. ADMINISTRATIVE PROVISIONS.

(a) * * *

* * * * * * *

(d) TITLE II AND III PROGRAM.—

(1) ACQUISITION.—The [Administrator] *Under Secretary for Development and Economic Affairs* shall transfer, arrange for the transportation, and take other steps necessary to make available agricultural commodities to be provided under title II and title III.

(2) FULL AND OPEN COMPETITION.—No purchase of agricultural commodities from private stocks or purchase of ocean transportation services by the United States Government shall be financed under titles II and III unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the [Administrator] *Under Secretary for Development and Economic Affairs*.

(4) OCEAN TRANSPORTATION SERVICES.—Notwithstanding any provision of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or other similar provisions relating to the making or performance of Federal Government contracts, the [Administrator] *Under Secretary for Development and Economic Affairs* may procure ocean transportation services under this Act under such full and open competitive procedures as the [Administrator] *Under Secretary for Development and Economic Affairs* determines are necessary and appropriate.

(e) TIMING OF SHIPMENTS.—In determining the timing of the shipment of agricultural commodities to be provided under this Act, the Secretary or the [Administrator] *Under Secretary for Development and Economic Affairs*, as appropriate, shall consider—

(1) * * *

* * * * * * *

(h) WORLD FOOD DAY REPORT.—On World Food Day, October 16 of each year, the President shall submit to the appropriate committees of Congress a report, prepared with the assistance of the Secretary and the [Administrator] *Under Secretary for Development and Economic Affairs*, assessing progress towards food security in each country receiving United States Government food assistance. Special emphasis should be given in such report to the nutritional status of the poorest populations in such countries.

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DEPARTMENT OF STATE APPROPRIATION ACT, 1937

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TITLE I—DEPARTMENT OF STATE

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INTERNATIONAL FISHERIES COMMISSION

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The Secretary of State is authorized to accept reimbursement from corporations, firms, and individuals for the expenses of travel, translation, printing, special experts, and other [extraordinary] expenses incurred in pursuing a claim on their behalf against a foreign government or other foreign entity. Such reimbursements shall be credited to the appropriation account against which the expense was initially charged.

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SECTION 1689 OF THE REVISED STATUTES OF THE UNITED STATES

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TITLE XVIII—DIPLOMATIC AND CONSULAR OFFICERS

CHAPTER ONE

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CHAPTER TWO—CONSULAR OFFICERS

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SEC. 1689. The various provisions of this Title which are expressed in terms of general application to any particular classes of consular officers, shall be deemed to apply as well to all other classes of such officers *and to such other United States citizen employees of the Department of State as may be designated by the Secretary of State pursuant to such regulations as the Secretary may prescribe,* so far as may be consistent with the subject-matter of the same, and with the treaties of the United States.

SECTION 2 OF THE MIGRATION AND REFUGEE ASSISTANCE ACT OF 1962

SEC. 2. (a) * * *

* * * * * * *

(c)(1) * * *

* * * * * * *

(4) Notwithstanding any other provision of this Act, the President shall notify the appropriate congressional committees not less than 15 days before transferring or otherwise making available amounts from the United States Emergency Refugee and Migration Assistance Fund under paragraph (1).

[(d) The President shall keep the appropriate committees of Congress currently informed of the use of funds and the exercise of functions authorized in this Act.**]**

(d)(1) Except as provided in paragraph (2), and notwithstanding any other provision of this Act, the President shall notify the appropriate congressional committees at least 15 days in advance of the obligation or expenditure of sums from the United States Emergency Refugee and Migration Assistance Fund under subsection (c).

(2) Notwithstanding the notification requirement of paragraph (1), the President may obligate and expend sums from the United States Emergency Refugee and Migration Assistance Fund if the President determines, and promptly certifies to the appropriate congressional committees, that unforseen emergency circumstances require the immediate obligation of sums from such fund. Any such certification shall fully inform such committees of the amount and use of such sums from the Fund.

(3) For purposes of this section, the term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representa-

tives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

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SECTION 101 OF THE IMMIGRATION AND NATIONALITY ACT

* * * * * * *

TITLE I—GENERAL

DEFINITIONS

SECTION 101. (a) As used in this Act—

(1) * * *

* * * * * * *

(42) The term "refugee" means (A) any person who is outside any country of such person's nationality or, in the case of a person having no nationality, is outside any country in which such person last habitually resided, and who is unable or unwilling to return to, and is unable or unwilling to avail himself or herself of the protection of, that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion, or (B) in such circumstances as the President after appropriate consultation (as defined in section 207(e) of this Act) may specify, any person who is within the country of such person's nationality or, in the case of a person having no nationality, within the country in which such person is habitually residing, and who is persecuted or who has a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion. The term "refugee" does not include any person who ordered, incited, assisted, or otherwise participated in the persecution of any person on account of race, religion, nationality, membership in a particular social group, or political opinion. *For purposes of determinations under this Act, a person who has been forced to abort a pregnancy or to undergo involuntary sterilization, or who has been persecuted for failure or refusal to undergo such a procedure or for other resistance to a coercive population control program, shall be deemed to have been persecuted on account of political opinion, and a person who has a well founded fear that he or she will be forced to undergo such a procedure or subjected to persecution for such failure, refusal, or resistance shall be deemed to have a well founded fear of persecution on account of political opinion.*

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FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1990

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TITLE V—GENERAL PROVISIONS

* * * * * * *

ESTABLISHING CATEGORIES OF ALIENS FOR PURPOSES OF REFUGEE DETERMINATIONS

SEC. 599D. (a) * * *

(b) ESTABLISHMENT OF CATEGORIES.—

(1) * * *

* * * * * * *

(3) Within the number of admissions of refugees allocated for fiscal years 1990, 1991, and 1992 for refugees who are nationals of the Soviet Union under section 207(a)(3) of the Immigration and Nationality Act and within the number of such admissions allocated for each of fiscal years 1993, 1994, 1995, [and 1996] *1996, and 1997* for refugees who are nationals of the independent states of the former Soviet Union, Estonia, Latvia, and Lithuania under such section, notwithstanding any other provision of law, the President shall allocate one thousand of such admissions for such fiscal year to refugees who are within the category of aliens described in paragraph (2)(B).

* * * * * * *

(e) PERIOD OF APPLICATION.—

(1) Subsections (a) and (b) shall take effect on the date of the enactment of this Act and shall only apply to applications for refugee status submitted before October 1, [1996] *1997*.

(2) Subsection (c) shall apply to decisions made after the date of the enactment of this Act and before October 1, [1996] *1997*.

(3) Subsection (d) shall take effect on the date of the enactment of this Act and shall only apply to reapplications for refugee status submitted before October 1, [1996] *1997*.

ADJUSTMENT OF STATUS FOR CERTAIN SOVIET AND INDOCHINESE PAROLEES

SEC. 599E. (a) * * *

(b) ALIENS ELIGIBLE FOR ADJUSTMENT OF STATUS.—The benefits provided in subsection (a) shall only apply to an alien who—

(1) was a national of the Soviet Union, Vietnam, Laos, or Cambodia, and

(2) was inspected and granted parole into the United States during the period beginning on August 15, 1988, and ending on September 30, [1996] *1997*, after being denied refugee status.

(A) * * *

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FOREIGN ASSISTANCE ACT OF 1961

PART I

* * * * * * *

SEC. 104. POPULATION AND HEALTH.—(a) * * *

(b) ASSISTANCE FOR POPULATION PLANNING.—[In order to] *(1) In order to* increase the opportunities and motivation for family planning and to reduce the rate of population growth, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for voluntary population planning. *Such assistance shall be available only for voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services.* In addition to the provision of family planning information and services, including also information and services which relate to and support natural family planning methods, and the conduct of directly relevant demographic research, population planning programs shall emphasize motivation for small families.

(2) None of the funds made available to carry out this subsection may be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization.

(3) In providing grants for natural family planning under this subsection, the administrator of the agency primarily responsible for administering this part shall not discriminate against applicants because of any religious or conscientious commitment by such applicants to offer only natural family planning services.

* * * * * * *

(f) PROHIBITION ON USE OF FUNDS FOR ABORTIONS AND INVOLUNTARY STERILIZATIONS.—(1) [None of the funds] *(A) None of the funds* made available to carry out this part may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

(B) For purposes of this paragraph, the term "motivate" shall not be construed to prohibit the provision, consistent with local law, of information and counseling concerning all pregnancy options, including abortion.

* * * * * * *

[SEC. 108. PRIVATE SECTOR REVOLVING FUND.—(a) The Congress finds that the development of private enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system. It is therefore in the best interests of the United States to assist the development of the private sector in developing countries and to engage the United States private sector in that process. In order to promote such private sector development, the President is authorized to establish a revolving fund account in the United States Treasury. All funds deposited in such account shall, notwithstanding any provision in an appropriation Act to the contrary, be free from fiscal year limitations.

[(b) Of the funds made available under this chapter in each of the fiscal years 1986 and 1987, up to $18,000,000 may be deposited in this account. Such funds used in accordance with the policies and authorities of this section shall be in addition to other funds available for private sector activities under other authorities in this Act. Any reflows and income arising from activities carried out pursuant to this section, including loan repayments and fee income (as

provided in subsection (e) of this section), shall be deposited into the revolving fund and remain available to carry out the purposes of this section. All funds in such account may be invested in obligations of the United States.

[(c)(1) The agency primarily responsible for administering this part is authorized to use the funds maintained in this revolving fund account to furnish assistance in furtherance of the policy of subsection (a) on such terms and conditions as it may determine. Amounts in the revolving fund account shall be available for obligation for assistance under this section only to such extent as may be provided in advance in appropriation Acts. Assistance may be provided under this section without regard to sections 604(a) and 620(r) of this Act.

[(2) Assistance under this section may be provided only to support private sector activities which—

[(A) are consistent with the United States development assistance policies set forth in section 102 of this Act and with the development priorities of the host country;

[(B) are the types of activities for which assistance may be provided under sections 103 through 106 of this Act;

[(C) will have a demonstration effect;

[(D) will be innovative;

[(E) are financially viable;

[(F) will maximize the development impact appropriate to the host country, particularly in employment and the use of appropriate technology; and

[(G) are primarily directed to making available to small business enterprises and cooperatives necessary support and services which are not otherwise generally available.

In determining whether an enterprise is a small business enterprise, the agency primarily responsible for administering this part shall take into consideration the enterprise's total net fixed assets and number of employees, together with the relevant definition utilized by the host country government and the International Bank for Reconstruction and Development and other international organizations.

[(3)(A) Not more than $3,000,000 may be made available under this section to support any one project.

[(B) Not more than 50 per centum of the financial support for any project may be provided under this section, and a substantial portion of the financial support for a project assisted under this section must be provided by sources within the host country.

[(C) Not more than 20 per centum of the assets of the revolving fund account under this section may be used to support projects in any one country.

[(D) In order to maximize the impact on institution building, loans under this section shall be made primarily to intermediary entities which provide necessary support and services for private sector activities.

[(E) Loans under this section shall be at or near the interest rate otherwise available to the recipient.

[(d)(1) If at any time the assets of the revolving fund account exceeds $100,000,000, the President shall remit the amount in excess of $100,000,000 to the United States Treasury.

[(2) As used in this section, "assets" includes amounts in the revolving fund account plus the value of investments made with amounts from the fund plus the current value of outstanding obligations under loans under this section.

[(3) In addition to the requirement of paragraph (1), at the end of any fiscal year, the agency primarily responsible for administering this part may determine that amounts in the revolving fund are sufficient to permit the remittance to the United States Treasury of an amount equal to a portion or the total amount of appropriated funds deposited in the revolving fund. Any such remittance shall be deemed to be a decrease in the appropriated funds in the revolving fund. After remittance has been made of an amount equal to the total amount of appropriated funds, the revolving fund shall consist and be deemed to consist entirely of nonappropriated funds.

[(e) A fee may be charged, where appropriate, in carrying out activities with funds from the revolving fund authorized in this section. The amount of any such fee shall be determined by the agency primarily responsible for administering this part.

[(f) In the event the revolving fund is terminated, all unobligated money in the fund at the time of such termination shall be transferred to and become part of the miscellaneous receipts account of the Treasury.

[(g) As part of its annual congressional presentation documents submitted to the Congress, the agency primarily responsible for administering this part shall include a description of projects proposed to be funded from the revolving fund account for that fiscal year. To the extent that projects are proposed for funding which are not contained in the annual congressional presentation documents, at least fifteen days' advance notification shall be provided to the Congress in accordance with section 634A of this Act.

[(h) Not later than December 31 of each year, the President shall submit a comprehensive report which details all projects funded under this section during the previous fiscal year, all reflows to the revolving fund account, a status report on all projects currently contained in the fund's portfolio. Such reports shall include, but not be limited to, information regarding numbers and kinds of beneficiaries reached, amounts and kinds of benefits provided by the funded projects to targeted populations, and a justification for projects within the context of the goals and objectives of the United States development assistance program.

[(i)(1) To carry out the purposes of subsection (a), in addition to the other authorities set forth in this section, the agency primarily responsible for administering this part is authorized to issue guarantees on such terms and conditions as it shall determine assuring against losses incurred in connection with loans made to projects that meet the criteria set forth in subsection (c). The full faith and credit of the United States is hereby pledged for the full payment and performance of such guarantees.

[(2) Loans guaranteed under this subsection shall be on such terms and conditions as the agency may prescribe, except for the following:

[(A) The agency shall issue guarantees only when it is necessary to alleviate a credit market imperfection.

[(B) Loans guaranteed shall provide for complete amortization within a period not to exceed ten years or, if the principal purpose of the guaranteed loan is to finance the construction or purchase of a physical asset with a useful life of less than ten years, within a period not to exceed such useful life.

[(C) No loan guaranteed to any one borrower may exceed 50 percent of the cost of the activity to be financed, or $3,000,000, whichever is less, as determined by the agency.

[(D) No loan may be guaranteed unless the agency determines that the lender is responsible and that adequate provision is made for servicing the loan on reasonable terms and protecting the financial interest of the United States.

[(E) The fees earned from the loan guarantees issued under this subsection shall be deposited in the revolving fund account as part of the guarantee reserve established under paragraph (5) of this subsection. Fees shall be assessed at a level such that the fees received, plus the funds from the revolving fund account placed in the guarantee reserve satisfy the requirements of paragraph (5). Fees shall be reviewed every twelve months to ensure that the fees assessed on new loan guarantees are at the required level.

[(F) Any guarantee shall be conclusive evidence that such guarantee has been properly obtained, and that the underlying loan as contracted qualifies for such guarantee. Except for fraud or material misrepresentation for which the parties seeking payment under such guarantee are responsible, such guarantee shall be presumed to be valid, legal, and enforceable.

[(G) The agency shall determine that the standards used by the lender for assessing the credit risk of new and existing guaranteed loans are reasonable. The agency shall require that there be a reasonable assurance of repayment before credit assistance is extended.

[(H) Commitments to guarantee loans may be made by the agency only to the extent that the total loan principal, any part of which is guaranteed, will not exceed the amount specified in annual appropriations Acts.

[(3) To the extent that fees are not sufficient as specified under paragraph (2)(E) to cover expected future liabilities, appropriations are authorized to maintain an appropriate reserve.

[(4) The losses guaranteed under this subsection may be in dollars or in other currencies. In the case of loans in currencies other than dollars, the guarantees issued shall be subject to an overall payment limitation expressed in dollars.

[(5) The agency shall segregate in the revolving fund account and hold as a reserve an amount estimated to be sufficient to cover the agency's expected net liabilities on the loan guarantees outstanding under this subsection; except that the amount held in reserve shall not be less than 25 percent of the principal amount of the agency's outstanding contingent liabilities on such guarantees. Any payments made to discharge liabilities arising from the loan guarantees shall be paid first out of the assets in the revolving fund account and next out of other funds made available for this purpose.]

SEC. 108. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

(a) FINDINGS AND POLICY.—The Congress finds and declares that—

(1) the development of micro- and small enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system;

(2) it is, therefore, in the best interests of the United States to assist the development of the private sector in developing countries and to engage the United States private sector in that process;

(3) the support of private enterprise can be served by programs providing credit, training, and technical assistance for the benefit of micro- and small enterprises; and

(4) programs that provide credit, training, and technical assistance to private institutions can serve as a valuable complement to grant assistance provided for the purpose of benefiting micro- and small private enterprise.

(b) PROGRAM.—To carry out the policy set forth in subsection (a), the President is authorized to provide assistance to increase the availability of credit to micro- and small enterprises lacking full access to credit, including through—

(1) loans and guarantees to credit institutions for the purpose of expanding the availability of credit to micro- and small enterprises;

(2) training programs for lenders in order to enable them to better meet the credit needs of micro- and small entrepreneurs; and

(3) training programs for micro- and small entrepreneurs in order to enable them to make better use of credit and to better manage their enterprises.

* * * * * * *

SEC. 116. HUMAN RIGHTS.—(a) * * *

* * * * * * *

(c) In determining whether or not a government falls within the provisions of subsection (a) and in formulating development assistance programs under this part, the Administrator shall consider, in consultation with the [Assistant Secretary of State for Democracy, Human Rights, and Labor] *Secretary*—

(1) * * *

* * * * * * *

(d) The Secretary of State shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, by January 31 of each year, a full and complete report regarding—

(1) * * *

(2) wherever applicable, practices regarding coercion in population control, including coerced abortion and involuntary sterilization; [and]

(3) the votes of each member of the United Nations Commission on Human Rights on all country-specific and thematic resolutions voted on at the Commission's annual session during the period covered during the preceding year;

(4) the extent to which each country has extended protection to refugees, including the provision of first asylum and resettlement; and

[(3)] *(5)* the steps the Administrator has taken to alter United States programs under this part in any country because of human rights considerations.

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SEC. 123. PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES IN OVERSEAS DEVELOPMENT.—(a) * * *

* * * * * * *

[(e) Prohibitions on assistance to countries contained in this or any other Act shall not be construed to prohibit assistance by the agency primarily responsible for administering this part in support of programs of private and voluntary organizations and cooperatives already being supported prior to the date such prohibition becomes applicable. The President shall take into consideration, in any case in which statutory prohibitions on assistance would be applicable but for this subsection, whether continuation of support for such programs is in the national interest of the United States. If the President continues such support after such date, he shall prepare and transmit, not later than one year after such date, to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a report setting forth the reasons for such continuation.]

(e)(1) Subject to paragraph (3), restrictions contained in this Act or any other provision of law with respect to assistance for a country shall not be construed to restrict assistance under this chapter, chapter 10, or chapter 11 of this part in support of programs of nongovernmental organizations.

(2) The President shall take into consideration, in any case in which a restriction on assistance for a country would be applicable but for this subsection, whether assistance for programs of nongovernmental organizations is in the national interest of the United States.

(3) Whenever the authority of this subsection is used to furnish assistance for a program of a nongovernmental organization, the President shall notify the congressional committees specified in section 634A(a) of this Act in accordance with procedures applicable to reprogramming notifications under that section. Such notification shall describe the program assisted, the assistance provided, and the reasons for furnishing such assistance.

* * * * * * *

[(g) After December 31, 1984, funds made available to carry out section 103(a), 104(b), 104(c), 105, 106, 491, or 496 of this Act may not be made available for programs of any United States private and voluntary organization which does not obtain at least 20 percent of its total annual financial support for its international activities from sources other than the United States Government, except that this restriction does not apply with respect to programs which, as of that date, are receiving financial support from the agency primarily responsible for administering this part. The Administrator of the agency primarily responsible for administering this part

may, on a case-by-case basis, waive the restriction established by this subsection, after taking into account the effectiveness of the overseas development activities of the organization, its level of volunteer support, its financial viability and stability, and the degree of its dependence for its financial support on the agency primarily responsible for administering this part.]

(g) Funds made available to carry out this chapter or chapter 10 of this part may not be made available to any United States private and voluntary organization, except any cooperative development organization, that obtains less than 20 percent of its total annual financial support for its international activities from sources other than the United States Government.

* * * * * * *

SEC. 129. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

(a) AUTHORIZATION.—(1) In carrying out this part, the administrator of the agency primarily responsible for administering this part is authorized to provide grant assistance for programs of credit and other assistance for microenterprises in developing countries.

(2) Assistance authorized under paragraph (1) shall be provided through the following organizations that have a capacity to develop and implement microenterprise programs:

(A) United States and indigenous private and voluntary organizations.

(B) United States and indigenous credit unions and cooperative organizations.

(C) Other indigenous governmental and nongovernmental organizations.

(3) Approximately 50 percent of assistance authorized under paragraph (1) shall be used for poverty lending programs which—

(A) meet the needs of the very poor members of society, particularly poor women; and

(B) provide loans of $300 or less in 1995 United States dollars to such poor members of society.

(4) The administrator of the agency primarily responsible for administering this part shall strengthen appropriate mechanisms, including mechanisms for central microenterprise programs, for the purpose of—

(A) providing technical support for field missions;

(B) strengthening the institutional development of the intermediary organizations described in paragraph (2); and

(C) sharing information relating to the provision of assistance authorized under paragraph (1) between such field missions and intermediary organizations.

(b) MONITORING SYSTEM.—In order to maximize the sustainable development impact of the assistance authorized under subsection (a)(1), the administrator of the agency primarily responsible for administering this part shall establish a monitoring system that—

(1) establishes performance goals for such assistance and expresses such goals in an objective and quantifiable form, to the extent feasible;

(2) establishes performance indicators to be used in measuring or assessing the achievement of the goals and objectives of such assistance; and

(3) provides a basis for recommendations for adjustments to such assistance to enhance the sustainable development impact of such assistance, particularly the impact of such assistance on the very poor, particularly poor women.

SEC. 130. EFFECTIVENESS OF UNITED STATES DEVELOPMENT ASSISTANCE.

(a) REPORTS.—Not later than December 31, 1996, and December 31 of each third year thereafter, the President shall transmit to the Congress a report which analyzes, on a country-by-country basis, the impact and effectiveness of the United States development assistance provided during the preceding three fiscal years. Each report shall include the following for each recipient country:

(1) An analysis of the impact of United States development assistance during the preceding three fiscal years on development in that country, with a discussion of the United States interests that were served by the assistance. Such analysis shall be done on a sector-by-sector basis to the extent possible and shall identify any economic policy reforms which were promoted by the assistance. Such analysis shall—

(A) include a description, quantified to the extent practicable, of the specific objectives the United States sought to achieve in providing development assistance for that country; and

(B) specify the extent to which those objectives were not achieved, with an explanation of why they were not achieved.

(2) A description of the amount and nature of development assistance provided by other donors during the preceding three fiscal years, set forth by development sector to the extent possible.

(3) A discussion of the commitment of the host government to addressing the country's needs in each development sector, including a description of the resources devoted by that government to each development sector during the preceding three fiscal years.

(4) A description of the trends, both favorable and unfavorable, in each development sector.

(5) Statistical and other information necessary to evaluate the impact and effectiveness of United States development assistance on development in the country.

(b) LISTING OF MOST AND LEAST SUCCESSFUL ASSISTANCE PROGRAMS.—Each report required by this section shall identify—

(1) those five countries in which United States development assistance has been most successful; and

(2) those five countries in which United States development assistance has been least successful.

For each country listed pursuant to paragraph (2), the report shall explain why the assistance was not more successful and shall specify what the United States has done as a result.

(c) REPORT TO BE A SEPARATE DOCUMENT.—Each report required by this section shall be submitted to the Congress as a separate document.

(d) DEFINITION.—As used in this section, the terms "United States development assistance" and "development assistance" means assistance under this chapter.

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CHAPTER 2—OTHER PROGRAMS

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TITLE I—MULTILATERAL AND REGIONAL DEVELOPMENT PROGRAMS

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SEC. 222. AUTHORIZATION.—(a) To carry out the policy of section 221, the President is authorized to issue guaranties to eligible investors (as defined in section 238(c)) assuring against losses incurred in connection with loans made for projects meeting the criteria set forth in section 221. The total principal amount of guaranties issued under this title or heretofore issued under prior housing guaranty authorities, which are outstanding at any one time, shall not exceed $2,558,000,000. **[**The authority of this section shall continue through September 30, 1992.**]** *No guaranties may be issued under this section on or after the date of the enactment of the Foreign Aid Reduction Act of 1995.* The President may issue regulations from time to time with regard to the terms and conditions upon which such guaranties shall be issued and the eligibility of lenders.

* * * * * * *

[(k)**]** *(d)* The total principal amount of guaranties issued under this section for each of the fiscal years 1986 and 1987 shall be comparable to the total principal amount of such guaranties issued for fiscal year 1984, subject to the dollar limitations on the issuance of guaranties under this section which are contained in subsection (a) and in appropriation Acts.

(e) The President shall cancel all guaranties issued under this section with respect to which eligible investors have not (before the date of the enactment of the Foreign Aid Reduction Act of 1995) applied such guaranties to loans for projects under this title.

* * * * * * *

[CHAPTER 5—CONTINGENCIES

[SEC. 451. CONTINGENCIES.—(a)(1) Notwithstanding any other provision of law, the President is authorized to use funds made available to carry out any provision of this Act (other than the provisions of chapter 1 of this part) in order to provide, for any unanticipated contingencies, assistance authorized by this part in accordance with the provisions applicable to the furnishing of such assistance, except that the authority of this subsection may not be used to authorize the use of more than $25,000,000 during any fiscal year.

[(2) The President shall report promptly to the Speaker of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate each time he exercises the authority contained in this subsection.

[(c) No part of this fund shall be used to pay for any gifts to any officials of any foreign government made heretofore or hereafter.**]**

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CHAPTER 8—INTERNATIONAL NARCOTICS CONTROL

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SEC. 481. POLICY, GENERAL AUTHORITIES, COORDINATION, FOREIGN POLICE ACTIONS, DEFINITIONS, AND OTHER PROVISIONS.

(a) POLICY AND GENERAL AUTHORITIES.—

(1) STATEMENTS OF POLICY.—(A) * * *

* * * * * * *

(D) International criminal activities, particularly international narcotics trafficking, money laundering, and corruption, endanger political and economic stability and democratic development, and assistance for the prevention and suppression of international criminal activities should be a priority for the United States.

[(D)] *(E)* The international community should provide assistance, where appropriate, to those producer and transit countries which require assistance in discharging these primary obligations.

[(E)] *(F)* The objective of the United States in dealing with the problem of international money laundering is to ensure that countries adopt comprehensive domestic measures against money laundering and cooperate with each other in narcotics money laundering investigations, prosecutions, and related forfeiture actions.

[(F)] *(G)* Effective international cooperation is necessary to control the illicit cultivation, production, and smuggling of, trafficking in, and abuse of narcotic and psychotropic drugs.

* * * * * * *

(4) Notwithstanding any other provision of law, the President is authorized to furnish assistance to any country or international organization, or such terms and conditions as he may determine, for the control of narcotic and psychotropic drugs and other controlled substances, *or for other related anticrime purposes.*

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SEC. 482. AUTHORIZATION.—(a) * * *

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(c) [CONTRIBUTION BY RECIPIENT COUNTRY.—To] *CONTRIBUTIONS AND REIMBURSEMENT.—(1) To* ensure local commitment to the activities assisted under this chapter, a country receiving assistance under this chapter should bear an appropriate share of the costs of any narcotics control program, project, or activity for which such assistance is to be provided. A country may bear such costs on an "in kind" basis.

(2)(A) The President is authorized to accept contributions from other foreign governments to carry out the purposes of this chapter. Such contributions shall be deposited as an offsetting collection to the applicable appropriation account and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.

(B) At the time of submission of the annual congressional presentation documents required by section 634(a), the President shall provide a detailed report on any contributions received in the preceding

fiscal year, the amount of such contributions, and the purposes for which such contributions were used.

(3) The President is authorized to provide assistance under this chapter on a reimbursable basis. Such reimbursements shall be deposited as an offsetting collection to the applicable appropriation and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.

* * * * * * *

(f) TREATMENT OF FUNDS.—Funds transferred to and consolidated with funds appropriated pursuant to this chapter may be made available on such terms and conditions as are applicable to funds appropriated pursuant to this chapter. Funds so transferred or consolidated shall be apportioned directly to the bureau within the Department of State responsible for administering this chapter.

(g) EXCESS PROPERTY.—For purposes of this chapter, the Secretary of State may use the authority of section 608, without regard to the restrictions of such section, to receive nonlethal excess property from any agency of the United States Government for the purpose of providing such property to a foreign government under the same terms and conditions as funds authorized to be appropriated for the purposes of this chapter.

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SEC. 489. REPORTING REQUIREMENTS [FOR FISCAL YEAR 1995].

[(a) INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT.—] Not later than March 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report containing the following:

(1) * * *

* * * * * * *

[(b) ANNUAL REPORTS ON ASSISTANCE.—

[(1) IN GENERAL.—At the time that the report required by subsection (a) is submitted each year, the Secretary of State, in consultation with appropriate United States Government agencies, shall report to the appropriate committees of the Congress on the assistance provided or proposed to be provided by the United States Government during the preceding fiscal year, the current fiscal year, and the next fiscal year to support international efforts to combat illicit narcotics production or trafficking.

[(2) INFORMATION TO BE INCLUDED.—Each report pursuant to this subsection shall—

[(A) specify the amount and nature of the assistance provided or to be provided;

[(B) include, for each country identified in subsection (a)(3)(A), information from the Drug Enforcement Administration, the Customs Service, and the Coast Guard describing in detail—

[(i) the assistance provided or to be provided to such country by that agency, and

[(ii) the assistance provided or to be provided to that agency by such country,

with respect to narcotic control efforts during the preceding fiscal year, the current fiscal year, and the next fiscal year; and

[(C) list all transfers, which were made by the United States Government during the preceding fiscal year, to a foreign country for narcotics control purposes of any property seized by or otherwise forfeited to the United States Government in connection with narcotics-related activity, including an estimate of the fair market value and physical condition of each item of property transferred.

[(c) EFFECTIVE DATE OF SECTIONS.—This section applies only during fiscal year 1995. Section 489A does not apply during that fiscal year.

[SEC. 489A. REPORTING REQUIREMENTS APPLICABLE AFTER SEPTEMBER 30, 1995.

[(a) INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT.—

[(1) REQUIREMENT FOR REPORT.—Not later than March 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on United States policy to establish and encourage an international strategy to prevent the illicit cultivation and manufacture of and traffic in narcotic and psychotropic drugs and other controlled substances.

[(2) CONTENTS.—Each report pursuant to this subsection shall include the following:

[(A) A description of the policies adopted, agreements concluded, and programs implemented by the Department of State in pursuit of its delegated responsibilities for international narcotics control, including policy development, bilateral and multilateral funding and other support for international narcotics control projects, representations of the United States Government to international organizations and agencies concerned with narcotics control, training of foreign enforcement personnel, coordination of the international narcotics control activities of United States Government agencies, and technical assistance to international demand reduction programs.

[(B) A description of the activities of the United States in international financial institutions to combat the entry of narcotic and psychotropic drugs and other controlled substances into the United States for the fiscal year just ended, for the current fiscal year, and for the next fiscal year.

[(C) The identity of those countries which are the significant direct or indirect sources of narcotic and psychotropic drugs and other controlled substances significantly affecting the United States. For each such country, each report shall include the following:

[(i) A detailed status report, with such information as can be reliably obtained, on the narcotic or psychotropic drugs or other controlled substances which are being cultivated, produced, or processed in or transported through such country, noting significant changes in conditions, such as increases or decreases

in the illicit cultivation and manufacture of and traffic in such drugs and substances.

[(ii) A description of the assistance under this chapter and the other kinds of United States assistance which such country received in the preceding fiscal year, which are planned for such country for the current fiscal year, and which are proposed for such country for the next fiscal year, with an analysis of the impact that the furnishing of each such kind of assistance has had or is expected to have on the illicit cultivation and manufacture of and traffic in narcotic and psychotropic drugs and other controlled substances in such country.

[(iii) A description of the plans, programs, and timetables adopted by such country for the progressive elimination of the illicit cultivation of narcotic and psychotropic drugs and other controlled substances, and a discussion of the adequacy of the legal and law enforcement measures taken and the accomplishments achieved in accord with these plans.

[(iv) A discussion of the extent to which such country has cooperated with United States narcotics control efforts through the extradition or prosecution of drug traffickers, and, where appropriate, a description of the status of negotiations with such country to negotiate a new or updated extradition treaty relating to narcotics offenses.

[(D) For each major illicit drug producing country for which the President is proposing to furnish United States assistance for the next fiscal year, a determination by the President of the maximum reductions in illicit drug production which are achievable during the next fiscal year. Each such determination shall be expressed in numerical terms, such as the number of acres of illicitly cultivated controlled substances which can be eradicated.

[(E) For each major illicit drug producing country which received United States assistance for the preceding fiscal year, the actual reductions in illicit drug production achieved by that country during such fiscal year.

[(F) Specific comments and recommendations by appropriate Federal agencies involved in drug enforcement, including the United States Customs Service and the Drug Enforcement Administration, with respect to the degree to which countries listed in the report have, during the preceding year, cooperated fully with such agencies (as described in section 490A(b)).

[(G) A description of the United States assistance for the preceding fiscal year which was denied, pursuant to section 490 or 490A, to each major illicit drug producing country and each major drug-transit country.

[(b) MIDYEAR REPORT.—Not later than September 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed midyear report on the activities

and operations carried out under this chapter prior to such date. Such midyear report shall include the status of each agreement concluded prior to such date with other countries to carry out this chapter.

[(c) ANNUAL REPORTS ON ASSISTANCE.—

[(1) IN GENERAL.—At the time that the report required by subsection (a) is submitted each year, the Secretary of State, in consultation with appropriate United States Government agencies, shall report to the appropriate committees of the Congress on the assistance provided by the United States Government during the preceding fiscal year to support international efforts to combat illicit narcotics production or trafficking.

[(2) INFORMATION TO BE INCLUDED.—Each report pursuant to this subsection shall—

[(A) specify the amount and nature of the assistance provided;

[(B) include, for each country which is a significant direct or indirect source of narcotic and psychotropic drugs and other controlled substances significantly affecting the United States, a section prepared by the Drug Enforcement Administration, a section prepared by the Customs Service, and a section prepared by the Coast Guard, which describes in detail—

[(i) the assistance provided or to be provided (as the case may be) to such country by that agency, and

[(ii) the assistance provided or to be provided (as the case may be) to that agency by such country,

with respect to narcotic control efforts during the preceding fiscal year, the current fiscal year, and the next fiscal year; and

[(C) list all transfers, which were made by the United States Government during the preceding fiscal year, to a foreign country for narcotics control purposes of any property seized by or otherwise forfeited to the United States Government in connection with narcotics-related activity, including an estimate of the fair market value and physical condition of each item of property transferred.]

SEC. 490. ANNUAL CERTIFICATION PROCEDURES [FOR FISCAL YEAR 1995].

(a) * * *

* * * * * * *

[(i) EFFECTIVE DATE OF SECTIONS.—This section applies only during fiscal year 1995. Section 490A does not apply during that fiscal year.

[SEC. 490A. ANNUAL CERTIFICATION PROCEDURES AFTER SEPTEMBER 30, 1995.

[(a) WITHHOLDING OF BILATERAL ASSISTANCE AND OPPOSITION TO MULTILATERAL DEVELOPMENT ASSISTANCE.—

[(1) BILATERAL ASSISTANCE.—Fifty percent of the United States assistance allocated each fiscal year in the report required by section 653 for each major illicit drug producing country or major drug-transit country shall be withheld from

obligation and expenditure, except as provided in subsection (b).

[(2) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to vote, on and after March 1 of each year, against any loan or other utilization of the funds of their respective institution to or for any major illicit drug producing country or major drug-transit country, except as provided in subsection (b). For purposes of this paragraph, the term "multilateral development bank" means the International Bank for Reconstruction and Development, the International Development Association, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, and the European Bank for Reconstruction and Development.

[(b) CERTIFICATION PROCEDURE.—

[(1) WHAT MUST BE CERTIFIED.—Subject to subsection (d), the assistance withheld from a country pursuant to subsection (a)(1) may be obligated and expended, and the requirement of subsection (a)(2) to vote against multilateral development bank assistance to a country shall not apply, if the President determines and certifies to the Congress, at the time of the submission of the report required by section 489A(a), that—

[(A) during the previous year the country has cooperated fully with the United States, or has taken adequate steps on its own—

[(i) in satisfying the goals agreed to in an applicable bilateral narcotics agreement with the United States (as described in paragraph (2)) or a multilateral agreement which achieves the objectives of paragraph (2),

[(ii) in preventing narcotic and psychotropic drugs and other controlled substances produced or processed, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from being transported, directly or indirectly, into the United States,

[(iii) in preventing and punishing the laundering in that country of drug-related profits or drug-related moneys, and

[(iv) in preventing and punishing bribery and other forms of public corruption which facilitate the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or which discourage the investigation and prosecution of such acts; or

[(B) for a country that would not otherwise qualify for certification under subparagraph (A), the vital national interests of the United States require that the assistance withheld pursuant to subsection (a)(1) be provided and that the United States not vote against multilateral development bank assistance for that country pursuant to subsection (a)(2).

[(2) BILATERAL NARCOTICS AGREEMENT.—A bilateral narcotics agreement referred to in paragraph (1)(A)(i) is an agreement between the United States and a foreign country in which the foreign country agrees to take specific activities, including, where applicable, efforts to—

[(A) reduce drug production, drug consumption, and drug trafficking within its territory, including activities to address illicit crop eradication and crop substitution;

[(B) increase drug interdiction and enforcement;

[(C) increase drug treatment;

[(D) increase the identification of and elimination of illicit drug laboratories;

[(E) increase the identification of, and elimination of trafficking in, essential precursor chemicals for use in the illicit production of narcotic and psychotropic drugs and other controlled substances;

[(F) increase cooperation with United States drug enforcement officials; and

[(G) where applicable, increase participation in extradition treaties, mutual legal assistance provisions directed at money laundering, sharing of evidence, and other initiatives for cooperative drug enforcement.

[(3) REQUIREMENT FOR NARCOTICS AGREEMENT FOR CERTAIN COUNTRIES.—A country which in the previous year was designated as a major illicit drug producing country or a major drug-transit country may not be determined to be cooperating fully under paragraph (1)(A) unless it has in place a bilateral narcotics agreement with the United States or a multilateral agreement which achieves the objectives of paragraph (2).

[(4) INFORMATION TO BE INCLUDED IN CERTIFICATION.—If the President makes a certification with respect to a country pursuant to paragraph (1)(B), the President shall include in such certification—

[(A) a full and complete description of the vital national interests placed at risk if United States bilateral assistance to that country is terminated pursuant to this section and multilateral development bank assistance is not provided to such country; and

[(B) a statement weighing the risk described in subparagraph (A) against the risks posed to the vital national interests of the United States by the failure of such country to cooperate fully with the United States in combating narcotics or to take adequate steps to combat narcotics on its own.

[(5) LICIT OPIUM PRODUCING COUNTRIES.—The President may make a certification under paragraph (1)(A) with respect to a major illicit drug producing country, or major drug-transit country, that is a producer of licit opium only if the President determines that such country has taken adequate steps to prevent significant diversion of its licit cultivation and production into the illicit market, maintains production and stockpiles at levels no higher than those consistent with licit market demand, and prevents illicit cultivation and production.

[(c) MATTERS TO BE CONSIDERED.—In determining whether to make the certification required by subsection (b) with respect to a country, the President shall consider the following:

[(1) Have the actions of the government of that country resulted in the maximum reductions in illicit drug production which were determined to be achievable pursuant to section 489A(a)(2)(D)? In the case of a major illicit drug producing country, the President shall give foremost consideration, in determining whether to make the determination required by subsection (b)(1)(A), to whether the government of that country has taken actions which have resulted in such reductions.

[(2) Has that government taken the legal and law enforcement measures to enforce in its territory, to the maximum extent possible, the elimination of illicit cultivation and the suppression of illicit manufacturing of and trafficking in narcotic and psychotropic drugs and other controlled substances, as evidenced by seizures of such drugs and substances and of illicit laboratories and the arrest and prosecution of violators involved in the traffic in such drugs and substances significantly affecting the United States?

[(3) Has that government taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, the laundering in that country of drug-related profits or drug-related moneys, as evidenced by—

[(A) the enactment and enforcement by that government of laws prohibiting such conduct;

[(B) that government entering into, and cooperating under the terms of, mutual legal assistance agreements with the United States governing (but not limited to) money laundering; and

[(C) the degree to which that government otherwise cooperates with United States law enforcement authorities on anti-money laundering efforts?

[(4) Has that government taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, bribery and other forms of public corruption which facilitate the illicit production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or which discourage the investigation and prosecution of such acts, as evidenced by the enactment and enforcement of laws prohibiting such conduct?

[(5) Has that government, as a matter of government policy or practice, encouraged or facilitated the illicit production or distribution of narcotic and psychotropic drugs and other controlled substances?

[(6) Does any senior official of that government engage in, encourage, or facilitate the illicit production or distribution of narcotic and psychotropic drugs and other controlled substances?

[(7) Has that government investigated aggressively all cases in which any member of an agency of the United States Government engaged in drug enforcement activities has been the victim, since January 1, 1985, of acts or threats of violence, inflicted by or with the complicity of any law enforcement or

other officer of such country or any political subdivision thereof, and energetically sought to bring the perpetrators of such offense or offenses to justice?

[(8) Having been requested to do so by the United States Government, does that government fail to provide reasonable cooperation to lawful activities of United States drug enforcement agents, including the refusal of permission to such agents engaged in interdiction of aerial smuggling into the United States to pursue suspected aerial smugglers a reasonable distance into the airspace of the requested country?

[(9) Has that government made necessary changes in legal codes in order to enable law enforcement officials to move more effectively against narcotics traffickers, such as new conspiracy laws and new asset seizure laws?

[(10) Has that government expeditiously processed United States extradition requests relating to narcotics trafficking?

[(11) Has that government refused to protect or give haven to any known drug traffickers, and has it expeditiously processed extradition requests relating to narcotics trafficking made by other countries?

[(d) CONGRESSIONAL REVIEW.—Subsection (e) shall apply if, within 45 days of continuous session (within the meaning of section 601(b)(1) of the International Security Assistance and Arms Export Control Act of 1976) after receipt of a certification under subsection (b), the Congress enacts a joint resolution disapproving the determination of the President contained in such certification.

[(e) DENIAL OF ASSISTANCE FOR COUNTRIES DECERTIFIED.—If the President does not make a certification under subsection (b) with respect to a country or the Congress enacts a joint resolution disapproving such certification, then until such time as the conditions specified in subsection (f)(1) are satisfied—

[(1) funds may not be obligated for United States assistance for that country, and funds previously obligated for United States assistance for that country may not be expended for the purpose of providing assistance for that country; and

[(2) the requirement to vote against multilateral development bank assistance pursuant to subsection (a)(2) shall apply with respect to that country, without regard to the date specified in that subsection.

[(f) RECERTIFICATION.—

[(1) TIME OF RECERTIFICATION; CONGRESSIONAL ACTION.—Subsection (e) shall apply to a country described in that subsection until—

[(A) the President makes a certification under subsection (b) with respect to that country, and the Congress does not enact a joint resolution under subsection (d) disapproving the determination of the President contained in that certification; or

[(B) the President submits, at any other time, a certification described in subparagraph (A) or (B) of subsection (b)(1) with respect to such country, and the Congress enacts a joint resolution approving the determination of the President contained in that certification.

[(2) CONGRESSIONAL REVIEW PROCEDURES.—(A) Any joint resolution under this section shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[(B) For the purpose of expediting the consideration and enactment of joint resolutions under this section, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

[(g) DETERMINING MAJOR DRUG-TRANSIT AND MAJOR ILLICIT DRUG PRODUCING COUNTRIES AFTER SEPTEMBER 30, 1995.—

[(1) ESTABLISHMENT OF GUIDELINES.—For each calendar year, the Secretary of State, after consultation with the appropriate committees of the Congress, shall establish numerical standards and other guidelines for determining which countries will be considered to be major drug-transit countries under subparagraphs (A) and (B) of section 481(e)(5).

[(2) NOTICE TO CONGRESS OF PRELIMINARY STANDARDS.—Not later than September 1 of each year, the Secretary of State shall make a preliminary determination of the numerical standards and other guidelines to be used pursuant to paragraph (1) with respect to that year and shall notify the appropriate committees of the Congress of those standards and guidelines.

[(3) NOTICE TO CONGRESS OF PRELIMINARY DETERMINATIONS.—Not later than October 1 of each year, the Secretary of State shall notify the appropriate committees of the Congress of—

[(A) which countries have been determined to be major drug-transit countries for that year under the numerical standards and other guidelines developed pursuant to this subsection; and

[(B) which countries have been determined to be major illicit drug producing countries for that year.]

CHAPTER 9—INTERNATIONAL DISASTER ASSISTANCE

SEC. 491. POLICY AND GENERAL AUTHORITY.—(a) * * *

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

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

SEC. 492. AUTHORIZATION.—[(a) There are authorized to be appropriated to the President to carry out section 491, $25,000,000 for the fiscal year 1986 and $25,000,000 for the fiscal year 1987.

Amounts appropriated under this section are authorized to remain available until expended.] *(a) There are authorized to be appropriated to the President to carry out section 491, in addition to funds otherwise available for such purposes, $200,000,000 for each of the fiscal years 1996 and 1997.*

* * * * * * *

CHAPTER 11—SUPPORT FOR THE ECONOMIC AND DEMOCRATIC DEVELOPMENT OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

* * * * * * *

SEC. 498A. CRITERIA FOR ASSISTANCE TO GOVERNMENTS OF THE INDEPENDENT STATES.

(a) * * *

(b) INELIGIBILITY FOR ASSISTANCE.—The President shall not provide assistance under this chapter—

(1) * * *

* * * * * * *

(4) for the government of any independent state that is prohibited from receiving such assistance by section 669 or 670 of this Act or sections 306(a)(1) and 307 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991; [or]

(5) for the Government of Russia, unless the President certifies to the Congress that such Government—

(A) is pursuing, without preconditions, an immediate and permanent ceasefire, and is pursuing a negotiated settlement to the conflict in the Russian Federation Republic of Chechnya;

(B) is taking steps to provide unhindered access to the region of Chechnya and surrounding areas of the Russian Federation by elected officials of the Russian Federation and by independent Russian media;

(C) is cooperating with the Organization for Security and Cooperation in Europe and other appropriate international organizations in undertaking steps to investigate and prosecute any and all individuals, including members of the Russian armed forces and internal security agencies, who may be responsible for atrocities, war crimes, or crimes against humanity in the region of Chechnya;

(D) is cooperating with the Assistance Group of the Organization on Security and Cooperation in Europe established in Chechnya in fulfilling that mission's mandate;

(E) is cooperating in assuring the unhindered delivery of humanitarian assistance to the civilian population in Chechnya;

(F) has made the fullest possible accounting of all persons currently detained by Russian military or security forces as a result of the conflict in Chechnya and has allowed access to those individuals by the International Committee of the Red Cross;

(G) is taking steps to repatriate refugees and displaced persons wishing to return to Chechnya; and

(H) is taking steps to hold free and fair elections in Chechnya, based on the principles of the Organization on Security and Cooperation in Europe and conducted in the presence of foreign and domestic observers;

except that this paragraph shall not apply to the provision of such assistance for purposes of humanitarian, disaster, and refugee relief or assisting democratic political reform and rule of law activities, provision of technical assistance for safety upgrade of civilian nuclear power plants, and assisting in the creation of private sector and nongovernmental organizations that are independent of government ownership and control;

(6) for the government of any independent state that has agreed to provide nuclear reactor components to Iran, unless the President determines that the sale of such components to Iran includes safeguards that are consistent with the national security objectives of the United States and the concerns of the United States with respect to nonproliferation of nuclear weapons technology, except that this paragraph shall not apply to the provision of such of assistance for purposes of—

(A) humanitarian, disaster, and refugee relief; or

(B) assisting democratic political reform, rule of law activities, and the creation of private sector and nongovernmental organizations that are independent of government ownership and control;

(7) for the government of any independent state that the President determines directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, except that this paragraph shall not apply to the provision of such assistance for purposes of—

(A) humanitarian, disaster, and refugee relief; or

(B) assisting democratic political reform, rule of law activities, and the creation of private sector and nongovernmental organizations that are independent of government ownership and control;

(8) for the purpose of enhancing the military capability of any independent state, except that this paragraph shall not apply to demilitarization, defense conversion or nonproliferation programs, or programs to support troop withdrawal including through the support of an officer resettlement program, and technical assistance for the housing sector;

(9) for the Government of Russia if the President determines that Government—

(A) is not making progress in implementing comprehensive economic reforms based on market principles, including fostering private ownership, the repayment of commercial debt, the respect of commercial contracts, the equitable treatment of foreign private investment; or

(B) applies or transfers assistance provided under this chapter to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures; or

[(5)**]** *(10)* for the Government of Russia if it has failed to make significant progress on the removal of Russian or Commonwealth of Independent States troops from Estonia, Latvia,

and Lithuania or if it has failed to undertake good faith efforts, such as negotiations, to end other military practices that violate the sovereignty of the Baltic states.

* * * * * * *

SEC. 498B. AUTHORITIES RELATING TO ASSISTANCE AND OTHER PROVISIONS.

[(a) ASSISTANCE THROUGH GOVERNMENTS AND NONGOVERNMENTAL ORGANIZATIONS.—Assistance under this chapter may be provided to governments or through nongovernmental organizations.]

(a) ASSISTANCE THROUGH THE PRIVATE SECTOR.—Assistance under this chapter shall be provided, to the maximum extent feasible, through the private sector, including private and voluntary organizations and other nongovernmental organizations functioning in the independent states of the former Soviet Union.

* * * * * * *

(j) WAIVER OF CERTAIN PROVISIONS.—

(1) IN GENERAL.—Funds authorized to be appropriated [for fiscal year 1993 by this chapter] *to carry out this chapter*, and any other funds [appropriated for fiscal year 1993] that are used under the authority of subsection (f) or (g), may be used to provide assistance under this chapter notwithstanding any other provision of law, except for—

(A) this chapter;

* * * * * * *

CHAPTER 12—DEVELOPMENT FUND FOR LATIN AMERICA AND THE CARIBBEAN

SEC. 499. STATEMENT OF POLICY.

The Congress declares the following:

(1) The historic, economic, political, and geographic relationships among the countries of the Western Hemisphere are unique and of continuing special significance.

(2) Following the historic Summit of the Americas and the passage of the North American Free Trade Agreement, the countries of the Western Hemisphere have moved steadfastly toward economic and political integration.

(3) The interests of the countries of the Western Hemisphere are more interrelated than ever, and sound economic, social, and democratic progress in each of the countries continues to be of importance to all countries, and lack of it in any country may have serious repercussions in others.

(4) For the peoples of Latin America and the Caribbean to progress within the framework of social justice, respect for human rights, political democracy, and market-oriented economies, there is a compelling need for the achievement of social and economic advancement and the consolidation of political democracy and the rule of law adequate to meet the legitimate aspirations of the individual citizens of the countries of Latin America and the Caribbean for a better way of life.

(5) The prosperity, security, and well-being of the United States is linked directly to peace, prosperity, and democracy in Latin America and the Caribbean.

(6) Democratic values are dominant throughout Latin America and the Caribbean region and nearly all governments in such region have come to power through democratic elections.

(7) Nonetheless, existing democratic governments and their supporting institutions remain fragile and face critical challenges, including, in particular, the consolidation of civilian control of such governments and institutions, including control of the military, the consolidation or establishment of independent judicial institutions and of the rule of law, and where appropriate, the decentralization of government.

(8) In adherence to free market principles, it is essential to promote economic growth with equity—enlarging employment and decisionmaking opportunities and the provision of basic social services for traditionally marginalized groups, such as indigenous minorities, women, and the poor—and to protect and promote workers rights.

(9) By supporting the purposes and objectives of sustainable development and applying such purposes and objectives to Latin America and the Caribbean, the Development Fund for Latin America and the Caribbean can advance the national interests of the United States and can directly improve the lives of the poor, encourage broad-based economic growth while protecting the environment, build human capital and knowledge, support participation in democracy, and promote peace and justice in Latin America and the Caribbean.

SEC. 499A. AUTHORIZATION OF ASSISTANCE.

(a) IN GENERAL.—The President is authorized to provide assistance for Latin America and the Caribbean to promote democracy, sustainable development, and economic growth in Latin America and the Caribbean.

(b) TERMS AND CONDITIONS.—Assistance under this chapter shall be provided on such terms and conditions as the President may determine.

SEC. 499B. AVAILABILITY OF AMOUNTS.

(a) IN GENERAL.—Of the amounts made available to carry out the provisions of law described in subsection (b) for fiscal year 1996 and for each succeeding fiscal year, not less than an amount requested by the President and approved by the Congress in appropriations Acts shall be made available to carry out this chapter.

(b) PROVISIONS OF LAW.—The provisions of law described in this subsection are the following:

(1) Sections 103 through 106 of this Act (relating to the development assistance fund).

(2) Chapter 8 of this part (relating to international narcotics control).

(3) Chapter 4 of part II of this Act (relating to the economic support fund).

(4) Chapter 5 of part II of this Act (relating to international military education and training).

(5) Titles II and III of the Agricultural Trade Development and Assistance Act of 1954.

(6) The "Foreign Military Financing Program" under section 23 of the Arms Export Control Act (22 U.S.C. 2763).

(c) AVAILABILITY.—Amounts made available under this section are authorized to remain available until expended.

PART II

CHAPTER 1—POLICY

* * * * * * *

[SEC. 502A. EXCESS DEFENSE ARTICLES.—Excess defense articles shall be provided whenever possible rather than providing such articles by the procurement of new items.]

SEC. 502B. HUMAN RIGHTS.—(a) * * *

(b) The Secretary of State shall transmit to the Congress, as part of the presentation materials for security assistance programs proposed for each fiscal year, a full and complete report[, prepared with the assistance of the Assistant Secretary of State for Democracy, Human Rights, and Labor,] with respect to practices regarding the observance of and respect for internationally recognized human rights in each country proposed as a recipient of security assistance. Wherever applicable, such report shall include information on practices regarding coercion in population control, including coerced abortion and involuntary sterilization. *Each report under this section shall list the votes of each member of the United Nations Commission on Human Rights on all country-specific and thematic resolutions voted on at the Commission's annual session during the period covered during the preceding year.* In determining whether a government falls within the provisions of subsection (a)(3) and in the preparation of any report or statement required under this section, consideration shall be given to—

(1) the relevant findings of appropriate international organizations, including nongovernmental organizations, such as the International Committee of the Red Cross; and

(2) the extent of cooperation by such government in permitting an unimpeded investigation by any such organization of alleged violations of internationally recognized human rights.

(c)(1) Upon the request of the Senate or the House of Representatives by resolution of either such House, or upon the request of the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives, the Secretary of State shall, within thirty days after receipt of such request, transmit to both such committees a statement[, prepared with the assistance of the Assistant Secretary of State for Democracy, Human Rights, and Labor,] with respect to the country designated in such request, setting forth—

(A) * * *

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SEC. 505. CONDITIONS OF ELIGIBILITY.—(a) * * *

* * * * * * *

(g)(1) * * *

* * * * * * *

(4)(A) Upon the request of the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives, the President shall, within 60 days after receipt of such request, transmit to both such committees a statement[, prepared with the assistance of the Assistant Secretary of State for Democracy, Human Rights, and Labor,] with respect to the country designated in such request, setting forth—

(ii) * * *

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CHAPTER 2—MILITARY ASSISTANCE

* * * * * * *

SEC. 506. SPECIAL AUTHORITY.—(a)(1) If the President determines and reports to the Congress in accordance with section 652 of this Act that—

(A) an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization; and

(B) the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except this section;

he may direct, for the purposes of this part, the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not to exceed [$75,000,000] *$100,000,000* in any fiscal year.

(2) (A) If the President determines and reports to the Congress in accordance with section 652 of this Act that it is in the national interest of the United States to draw down [defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, he may direct—

[(i) the drawdown of such articles, services, and the provision of such training for the purposes and under the authorities of chapters 8 and 9 of part I, as the case may be; and

[(ii) the drawdown of defense services for the purposes and under the authorities of the Migration and Refugee Assistance Act of 1962.] *articles and services from the inventory and resources of any agency of the United States Government and military education and training from the Department of Defense, the President may direct the drawdown of such articles, services, and military education and training—*

(i) for the purposes and under the authorities of—

(I) chapter 8 of part I (relating to international narcotics control assistance);

(II) chapter 9 of part I (relating to international disaster assistance); or

(III) the Migration and Refugee Assistance Act of 1962; or

(ii) for the purpose of providing such articles, services, and military education and training to Vietnam, Cambodia, and Laos as the President determines are necessary—

(I) to support efforts to locate and repatriate members of the United States Armed Forces and civilians employed directly or indirectly by the United States Government who remain unaccounted for from the Vietnam War; and

(II) to ensure the safety of United States Government personnel engaged in such cooperative efforts and to support Department of Defense-sponsored humanitarian projects associated with such efforts.

(B) An aggregate value of not to exceed [$75,000,000 in any fiscal year of defense articles, defense services, and military education and training may be provided pursuant to subparagraph (A) of this paragraph.] *$150,000,000 in any fiscal year of such articles, services, and military education and training may be provided pursuant to subparagraph (A) of this paragraph—*

(i) not more than $75,000,000 of which may be provided from the drawdown from the inventory and resources of the Department of Defense;

(ii) not more than $75,000,000 of which may be provided pursuant to clause (i)(I) of such subparagraph; and

(iii) not more than $15,000,000 of which may be provided to Vietnam, Cambodia, and Laos pursuant to clause (ii) of such subparagraph.

(b)(1) The authority contained in this section shall be effective for any such emergency only upon prior notification to the Committee on Foreign Affairs of the House of Representatives, the Committee on Foreign Relations of the Senate, and the Committee on Appropriations of each House of Congress. *In the case of drawdowns authorized by subclauses (I) and (III) of subsection (a)(2)(A)(i), notifications shall be provided to those committees at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A.*

* * * * * * *

SEC. 514. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.—(a) * * *

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

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

[(c) Except for stockpiles in existence on the date of enactment of the International Security Assistance and Arms Export Control Act of 1976 and for stockpiles located in the Republic of Korea, Thailand, or countries which are members of the North Atlantic Treaty Organization, or major non-NATO allies, no stockpile may be located outside the boundaries of a United States military base or a military base used primarily by the United States.]

(2)(A) The value of such additions to stockpiles of defense articles in foreign countries shall not exceed $50,000,000 for each of the fiscal years 1996 and 1997.

(B) Of the amount specified in subparagraph (A) for each of the fiscal years 1996 and 1997, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $10,000,000 may be made available for stockpiles in Thailand.

(c) LOCATION OF STOCKPILES OF DEFENSE ARTICLES.—

(1) LIMITATION.—Except as provided in paragraph (2), no stockpile of defense articles may be located outside the boundaries of a United States military base or a military base used primarily by the United States.

(2) EXCEPTIONS.—Paragraph (1) shall not apply with respect to stockpiles of defense articles located in the Republic of Korea, Thailand, any country that is a member of the North Atlantic Treaty Organization, any country that is a major non-NATO ally, or any other country the President may designate. At least 15 days before designating a country pursuant to the last clause of the preceding sentence, the President shall notify the congressional committees specified in section 634A(a) in accordance with the procedures applicable to reprogramming notifications under that section.

* * * * * * *

SEC. 515. OVERSEAS MANAGEMENT OF ASSISTANCE AND SALES PROGRAMS.—(a) In order to carry out his responsibilities for the management of international security assistance programs conducted under this chapter, chapter 5 of this part, and the Arms Export Control Act, the President may assign members of the Armed Forces of the United States to a foreign country to perform one or more of the following functions:

(1) * * *

* * * * * * *

(6) promoting rationalization, standardization, interoperability, and other defense cooperation measures [among members of the North Atlantic Treaty Organization and with the Armed Forces of Japan, Australia, and New Zealand]; and

[SEC. 516. MODERNIZATION OF DEFENSE CAPABILITIES OF COUNTRIES OF NATO'S SOUTHERN FLANK.—(a) AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.—Notwithstanding any other provision of law and subject to subsection (b), the President may transfer (1) to those member countries of the North Atlantic Treaty Organization (NATO) on the southern flank of NATO which are eligible for United States security assistance and which are integrated into NATO's military structure, (2) to major non-NATO allies on the southern and southeastern flank of NATO which are eligible for United States security assistance, and (3) to those countries which,

as of October 1, 1990, contributed armed forces to deter Iraqi aggression in the Arabian Gulf, and which either received Foreign Military Financing (FMF) assistance in fiscal year 1990 or are in the Near East Region and received Foreign Military Financing (FMF) assistance in fiscal year 1991 or fiscal year 1992, such excess defense articles as the President determines necessary to help modernize the defense capabilities of such countries. Such excess defense articles may be transferred without cost to the recipient countries. Transfers to recipient countries under this subsection shall be consistent with the policy framework for the Eastern Mediterranean region established in section 620C of this Act.

[(b) LIMITATIONS ON TRANSFERS.—The President may transfer excess defense articles under this section only if—

[(1) the equipment is drawn from existing stocks of the Department of Defense;

[(2) no funds available to the Department of Defense for the procurement of defense equipment are expended in connection with the transfer;

[(3) the President determines that the transfer of the excess defense articles will not have an adverse impact on the military readiness of the United States; and

[(4) the President first considers the effects of the transfer of the excess defense articles on the national technology and industrial base, particularly the extent, if any, to which the transfer reduces the opportunities of entities in the national technology and industrial base to sell new equipment to the country or countries to which the excess defense articles are transferred.

[(c) NOTIFICATION TO COMMITTEES OF CONGRESS.—The President may not transfer excess defense articles under this section until 30 days after he has notified the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and Foreign Affairs of the House of Representatives of the proposed transfer. This notification shall include a certification of the need for the transfer and an assessment of the impact of the transfer on the military readiness of the United States.

[(d) WAIVER OR REQUIREMENT FOR REIMBURSEMENT OF DOD EXPENSES.—Section 632(d) shall not apply with respect to transfers of excess defense articles under this section.

[(e) DEFINITION.—As used in subsection (a), the term "member countries of the North Atlantic Treaty Organization (NATO) on the southern flank of NATO" means Greece, Italy, Portugal, Spain, and Turkey.

[(f) DURATION OF AUTHORITY.—The authority of this section shall be effective during fiscal years 1992 through 1996.

[SEC. 517. MODERNIZATION OF COUNTERNARCOTICS CAPABILITIES OF CERTAIN COUNTRIES.—(a) AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.—Subject to the limitations in this section, the President may transfer to a country—

[(1) which is a major illicit drug producing country or a major drug-transit country in Latin America and the Caribbean,

[(2) which has a democratic government,

[(3) whose armed forces do not engage in a consistent pattern of gross violations of internationally recognized human rights (as defined in section 502B(d)(1)); and

[(4) the President first considers the effects of the transfer of the excess defense articles on the national technology and industrial base, particularly the extent, if any, to which the transfer reduces the opportunities of entities in the national technology and industrial base to sell new equipment to the country or countries to which the excess defense articles are transferred.

such excess defense articles as may be necessary to carry out subsection (b).

[(b) PURPOSE.—Excess defense articles may be transferred under subsection (a) only for the purpose of encouraging the military forces and local law enforcement agencies of an eligible country in Latin America and the Caribbean to participate cooperatively in a comprehensive national antinarcotics program, conceived and developed by the government of that country, by conducting activities within that country and on the high seas to prevent the production, processing, trafficking, transportation, and consumption of illicit narcotic or psychotropic drugs or other controlled substances.

[(c) USES OF EXCESS DEFENSE ARTICLES.—Excess defense articles may be furnished to a country under subsection (a) only if that country ensures that those excess defense articles will be used primarily in support of antinarcotics activities.

[(d) ROLE OF THE SECRETARY OF STATE.—The Secretary of State shall determine the eligibility of countries to receive excess defense articles under subsection (a). In accordance with section 481(b) of this Act, the Secretary shall ensure that the transfer of excess defense articles under subsection (a) is coordinated with other antinarcotics enforcement programs assisted by the United States Government.

[(e) DOLLAR LIMITATION.—The aggregate value of excess defense articles transferred to a country under subsection (a) in any fiscal year may not exceed $10,000,000.

[(f) CONDITIONS ON TRANSFERS.—The President may transfer excess defense articles under this section only if—

[(1) they are drawn from existing stocks of the Department of Defense;

[(2) funds available to the Department of Defense for the procurement of defense equipment are not expended in connection with the transfer; and

[(3) the President determines that the transfer of the excess defense articles will not have an adverse impact on the military readiness of the United States.

[(4) the President first considers the effects of the transfer of the excess defense articles on the national technology and industrial base, particularly the extent, if any, to which the transfer reduces the opportunities of entities in the national technology and industrial base to sell new equipment to the country or countries to which the excess defense articles are transferred.

[(g) TERMS OF TRANSFERS.—Excess defense articles may be transferred under this section without cost to the recipient country.

[(h) WAIVER OF REQUIREMENT FOR REIMBURSEMENT OF DOD EXPENSES.—Section 632(d) does not apply with respect to transfers of excess defense articles under this section.

[(i) NOTIFICATION TO CONGRESS.—

[(1) ADVANCE NOTICE.—The President may not transfer excess defense articles under this section until 15 days after the President has provided notice of the proposed transfer to the committees specified in paragraph (2). This notification shall include—

[(A) a certification of the need for the transfer;

[(B) an assessment of the impact of the transfer on the military readiness of the United States; and

[(C) a statement of the value of the excess defense articles to be transferred.

[(2) COMMITTEES TO BE NOTIFIED.—Notice shall be provided pursuant to paragraph (1) to the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives and the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

[(j) LIMITATION ON USE OF OTHER AUTHORITIES TO TRANSFER EXCESS DEFENSE ARTICLES.—The transfer authority provided in sections 518 and 519 may not be exercised with respect to any major illicit drug producing country or major drug-transit country in Latin America or the Caribbean.

[(k) EXCESS COAST GUARD PROPERTY.—As used in this section, the term ''excess defense articles'' shall be deemed to include excess property of the Coast Guard, and the term ''Department of Defense'' shall be deemed, with respect to such excess property, to include the Coast Guard.

[SEC. 518. NATURAL RESOURCES AND WILDLIFE MANAGEMENT.—

[(a) AUTHORITY TO TRANSFER NONLETHAL EXCESS DEFENSE ARTICLES AND SMALL ARMS.—Subject to the limitations in this section, the President may transfer nonlethal excess defense articles and small arms to friendly countries and to international organizations and private and voluntary organizations for the purposes contained in section 119 of this Act.

[(b) LIMITATION ON TRANSFERS.—Transfers under this section shall be subject to the limitations contained in section 516(b).

[(c) TRANSPORTATION.—The Department is authorized to transport nonlethal excess defense articles and small arms made available pursuant to this section without charge on a space available basis.

[(d) WAIVER OF REQUIREMENTS FOR REIMBURSEMENT OF DOD EXPENSES.—Section 632(d) shall not apply with respect to transfers of nonlethal excess defense articles and small arms under this section or the transportation of such articles as authorized by subsection (c).

[(e) NOTIFICATION TO COMMITTEES OF CONGRESS.—The President may not transfer nonlethal excess defense articles and small arms under this section until 30 days after he has notified the Committees on Appropriations of the proposed transfer. This notification shall include a certification of the need for the transfer and an assessment of the impact of the transfer on the military readiness of

the United States. Transfers under this section shall also be subject to the notification requirements of section 516(c) of this Act.

[SEC. 519. ADDITIONAL AUTHORITIES RELATING TO MODERNIZATION OF MILITARY CAPABILITIES.—(a) AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.—Notwithstanding any other provision of law (except title V of the National Security Act of 1947) and subject to subsection (b), the President may transfer to countries for whom a foreign military financing program was justified for the fiscal year in which the transfer is authorized, such nonlethal excess defense articles as the President determines necessary to help modernize the defense capabilities of such countries, in accordance with the provisions of this section.

[(b) LIMITATIONS ON TRANSFERS.—The President may transfer nonlethal excess defense articles under this section only if—

[(1) the equipment is drawn from existing stocks of the Department of Defense;

[(2) no funds available to the Department of Defense for the procurement of defense equipment are expended in connection with the transfer;

[(3) the President determines that the transfer of the nonlethal excess defense articles will not have an adverse impact on the military readiness of the United States; and

[(4) the President determines that transferring the articles under the authority of this section is preferable to selling them, after taking into account the potential proceeds from, and likelihood of, such sales, and the comparative foreign policy benefits that may accrue to the United States as the result of either a transfer or sale; and

[(5) the President first considers the effects of the transfer of the excess defense articles on the national technology and industrial base, particularly the extent, if any, to which the transfer reduces the opportunities of entities in the national technology and industrial base to sell new equipment to the country or countries to which the excess defense articles are transferred.

[(c) NOTIFICATION TO CONGRESS.—The President shall notify the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate, and the Committees on Appropriations, Armed Services, and Foreign Affairs of the House of Representatives fifteen days before transferring nonlethal excess defense articles under subsection (a), in accordance with the regular notification procedures of those committees.

[(d) WAIVER OF REQUIREMENT FOR REIMBURSEMENT OF DOD EXPENSES.—Section 632(d) shall not apply with respect to transfers of nonlethal excess defense articles under this section.

[(e) ANNUAL REPORT.—Commencing in 1991, not later than December 15 of each year, the President shall transmit to the committees described in subsection (c) a report with respect to the previous fiscal year which contains—

[(1) a list of the countries to which the President has furnished nonlethal excess defense articles under the authority of this section; and

[(2) the value of the excess nonlethal defense articles that were furnished to each such country.

[(f) TRANSPORTATION AND RELATED COSTS.—(1) Except as provided in paragraph (2), funds available to the Department of Defense shall not be expended for crating, packing, handling and transportation of nonlethal excess defense articles transferred under the authority of this section.

[(2) Notwithstanding section 632(d) or any other provision of law, the President may direct the crating, packing, handling and transport of nonlethal excess defense articles without charge to a country if—

[(A) that country has an agreement providing the United States with base rights in that country;

[(B) that country is eligible for assistance from the International Development Association; and

[(C) the nonlethal excess defense articles are being provided to that country under the authority of this section.

[SEC. 520. TRANSFERS OF EXCESS DEFENSE ARTICLES FOR INTERNATIONAL PEACEKEEPING OPERATIONS.

[(a) GENERAL AUTHORITY.—The President may transfer to international and regional organizations of which the United States is a member such excess defense articles as the President determines necessary to support international peacekeeping operations and other activities and operations to maintain and restore international peace and security. Such transfers shall be on such terms and conditions as the President may determine, consistent with this section.

[(b) CONDITIONALITY OF AUTHORITY.—

[(1) IN GENERAL.—The authority of subsection (a) may not be exercised with respect to an international or regional organization until the United States has entered into a written agreement with that organization providing that the value of any excess defense articles transferred under this section shall be credited against United States assessed contributions to that organization. For purposes of this paragraph, the term "value" means such amount as may be agreed upon by the United States and the recipient organization, except that such amount may not be less than the value (as defined in section 644(m)(1) of this Act) of the articles transferred.

[(2) CREDITING OF TRANSFERS.—(A) The credit provided for pursuant to paragraph (1) shall be counted against United States assessed contributions to the recipient organization that are payable from the "Contribution to International Peacekeeping Activities" account of the Department of State, except to the extent such credit is counted, in accordance with subparagraph (B), against an assessed contribution payable from an account established within the Department of Defense.

[(B) If—

[(i) an account is established within the Department of Defense for payment of a portion of United States assessed contributions for United Nations operations,

[(ii) excess defense articles are transferred under this section for a United Nations operation, and

[(iii) the United States assessed contribution for that operation is payable from that account,

[the credit for those excess defense articles shall be counted against the assessed contribution payable from that account, but only to the extent that the value of the excess defense articles so transferred for that operation during a fiscal year does not exceed the total United States assessed contribution payable for that operation from that account during that fiscal year.

[(c) LIMITATIONS ON TRANSFERS.—The President may transfer excess defense articles under this section only if—

[(1) they are drawn from existing stocks of the Department of Defense (or the Coast Guard);

[(2) funds available to the Department of Defense (or the Coast Guard) for the procurement of defense equipment are not expended in connection with the transfer;

[(3) the transfer of the excess defense articles will not have an adverse impact on the military readiness of the United States; and

[(4) the President has established procedures and requirements, comparable to those applicable under section 505 of this Act, to ensure that such excess defense articles will be used only for purposes that have been agreed to by the United States.

[(d) NOTIFICATION TO CONGRESS.—

[(1) IN GENERAL.—The President shall notify the designated congressional committees regarding any transfer of excess defense articles under this section in accordance with paragraph (2). This notification shall include—

[(A) a discussion of the need for the transfer;

[(B) an assessment of the impact of the transfer on the military readiness of the United States; and

[(C) a statement of—

[(i) the acquisition cost and the value (as defined in section 644(m)(1) of this Act) of the excess defense articles to be transferred, and

[(ii) the aggregate acquisition cost and the aggregate value (as so defined) of all excess defense articles for which notification has been provided under this subsection during that fiscal year with respect to transfers to the same organization under this section.

[(2) TIMING OF NOTICE.—(A) The President shall notify the designated congressional committees pursuant to paragraph (1) at least 15 days before the excess defense articles are transferred under this section, except as provided in subparagraph (B).

[(B) If the President determines that an unforeseen emergency requires the immediate transfer of excess defense articles under this section, the President—

[(i) may waive the requirement of subparagraph (A) that notice be provided at least 15 days in advance of the transfer; and

[(ii) shall promptly notify the designated congressional committees of such waiver and transfer.

[(3) DESIGNATED COMMITTEES.—As used in this subsection, the term "designated congressional committees" means the

Committee on Foreign Affairs, the Committee on Armed Services, and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations, the Committee on Armed Services, and the Committee on Appropriations of the Senate.

[(e) TRANSPORTATION AND RELATED COSTS.—

[(1) IN GENERAL.—Except as provided in paragraph (2), funds available to the Department of Defense shall not be expended for crating, packing, handling, and transporting excess defense articles transferred under the authority of this section.

[(2) EXCEPTION.—Notwithstanding any other provision of law, the President may direct the crating, packing, handling, and transporting of excess defense articles without charge to an international or regional organization if the President determines that waiving such costs advances the foreign policy interests of the United States.

[(f) WAIVER OF REQUIREMENT FOR REIMBURSEMENT OF DOD EXPENSES.—Section 632(d) shall not apply with respect to transfers of excess defense articles under this section and to any costs of crating, packing, handling, and transporting incurred under subsection (e)(2).]

SEC. 516. AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.

(a) AUTHORIZATION.—The President is authorized to transfer excess defense articles under this section to countries for which receipt of such articles was justified pursuant to the annual congressional presentation documents for military assistance programs, or for programs under chapter 8 of part I of this Act, submitted under section 634 of this Act, or for which receipt of such articles was separately justified, for the fiscal year in which the transfer is authorized.

(b) LIMITATIONS ON TRANSFERS.—The President may transfer excess defense articles under this section only if—

(1) such articles are drawn from existing stocks of the Department of Defense;

(2) funds available to the Department of Defense for the procurement of defense equipment are not expended in connection with the transfer;

(3) the transfer of such articles will not have an adverse impact on the military readiness of the United States;

(4) with respect to a proposed transfer of such articles on a grant basis, such a transfer is preferable to a transfer on a sales basis, after taking into account the potential proceeds from, and likelihood of, such sales, and the comparative foreign policy benefits that may accrue to the United States as the result of a transfer on either a grant or sales basis;

(5) the President determines that the transfer of such articles will not have an adverse impact on the national technology and industrial base, and particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred; and

(6) the transfer of such articles is consistent with the policy framework for the Eastern Mediterranean established under section 620C of this Act.

(c) TERMS OF TRANSFERS.—

(1) NO COST TO RECIPIENT COUNTRY.—Excess defense articles may be transferred under this section without cost to the recipient country.

(2) PRIORITY.—Notwithstanding any other provision of law, the delivery of excess defense articles under this section to member countries of the North Atlantic Treaty Organization (NATO) on the southern and southeastern flank of NATO and to major non-NATO allies on such southern and southeastern flank shall be given priority to the maximum extent feasible over the delivery of such excess defense articles to other countries.

(d) WAIVER OF REQUIREMENT FOR REIMBURSEMENT OF DEPARTMENT OF DEFENSE EXPENSES.—Section 632(d) shall not apply with respect to transfers of excess defense articles (including transportation and related costs) under this section.

(e) TRANSPORTATION AND RELATED COSTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), funds available to the Department of Defense may not be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of this section.

(2) EXCEPTION.—The President may provide for the transportation of excess defense articles without charge to a country for the costs of such transportation if—

(A) it is determined that it is in the national interest of the United States to do so;

(B) the recipient is a developing country receiving less than $10,000,000 of assistance under chapter 5 of part II of this Act (relating to international military education and training) or section 23 of the Arms Export Control Act (22 U.S.C. 2763; relating to the Foreign Military Financing program) in the fiscal year in which the transportation is provided;

(C) the total weight of the transfer does not exceed 25,000 pounds; and

(D) such transportation is accomplished on a space available basis.

(f) ADVANCE NOTIFICATION TO CONGRESS FOR TRANSFER OF CERTAIN EXCESS DEFENSE ARTICLES.—

(1) IN GENERAL.—The President may not transfer excess defense articles that are significant military equipment (as defined in section 47(9) of the Arms Export Control Act) or excess defense articles valued (in terms of original acquisition cost) at $7,000,000 or more, under this section or under the Arms Export Control Act (22 U.S.C. 2751 et seq.) until 15 days after the date on which the President has provided notice of the proposed transfer to the congressional committees specified in section 634A(a) in accordance with procedures applicable to reprogramming notifications under that section.

(2) CONTENTS.—Such notification shall include—

(A) a statement outlining the purposes for which the article is being provided to the country, including whether such article has been previously provided to such country;

(B) an assessment of the impact of the transfer on the military readiness of the United States;

(C) an assessment of the impact of the transfer on the national technology and industrial base, and particularly, the impact on opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are to be transferred; and

(D) a statement describing the current value of such article and the value of such article at acquisition.

(g) AGGREGATE ANNUAL LIMITATION.—The aggregate value of excess defense articles transferred to countries under this section in any fiscal year may not exceed $350,000,000.

(h) CONGRESSIONAL PRESENTATION DOCUMENTS.—Documents described in subsection (a) justifying the transfer of excess defense articles shall include an explanation of the general purposes of providing excess defense articles as well as a table which provides an aggregate annual total of transfers of excess defense articles in the preceding year by country in terms of offers and actual deliveries and in terms of acquisition cost and current value. Such table shall indicate whether such excess defense articles were provided on a grant or sale basis.

(i) EXCESS COAST GUARD PROPERTY.—For purposes of this section, the term "excess defense articles" shall be deemed to include excess property of the Coast Guard, and the term "Department of Defense" shall be deemed, with respect to such excess property, to include the Coast Guard.

SEC. 517. DESIGNATION OF MAJOR NON-NATO ALLIES.

(a) NOTICE TO CONGRESS.—The President shall notify the Congress in writing at least 30 days before—

(1) designating a country as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.); or

(2) terminating such a designation.

(b) INITIAL DESIGNATIONS.—Australia, Egypt, Israel, Japan, the Republic of Korea, and New Zealand shall be deemed to have been so designated by the President as of the effective date of this section, and the President is not required to notify the Congress of such designation of those countries.

CHAPTER 3—FOREIGN MILITARY SALES

* * * * * * *

SEC. 532. AUTHORIZATIONS OF APPROPRIATIONS.—**[**(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter—

[(1) $2,015,000,000 for the fiscal year 1986 and $2,015,000,000 for the fiscal year 1987 for the following countries signing the Camp David agreement: Israel and Egypt; and

[(2) $1,785,000,000 for the fiscal year 1986 and $1,785,000,000 for the fiscal year 1987 for assistance under this chapter for recipients or purposes other than the countries referred to in paragraph (1).**]** *(a) There are authorized to be appropriated to the President to carry out the purposes of this*

chapter $2,356,378,000 for fiscal year 1996 and $2,283,478,000 for fiscal year 1997.

* * * * * * *

CHAPTER 5—INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 541. GENERAL AUTHORITY.—The President is authorized to furnish, on such terms and conditions consistent with this Act as the President may determine (but whenever feasible on a reimbursable basis), military education and training to military and related civilian personnel of foreign countries. Such civilian personnel shall include foreign governmental personnel of ministries other than ministries of defense, and may also include legislators *and individuals who are not members of the government*, if the military education and training would (i) contribute to responsible defense resource management, (ii) foster greater respect for and understanding of the principle of civilian control of the military, (iii) contribute to cooperation between military and law enforcement personnel with respect to counternarcotics law enforcement efforts, or (iv) improve military justice systems and procedures in accordance with internationally recognized human rights. Such training and education may be provided through—

(1) * * *

* * * * * * *

SEC. 544. EXCHANGE TRAINING.—**[**In carrying out this chapter**]** *(a) In carrying out this chapter*, the President is authorized to provide for attendance of foreign military personnel at professional military education institutions in the United States (other than service academies) without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one, reciprocal basis each fiscal year between those United States professional military education institutions and comparable institutions of foreign countries and international organizations.

(b) The President may provide for the attendance of foreign military and civilian defense personnel at test pilot flight schools in the United States without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one basis each fiscal year between those United States test pilot flight schools and comparable flight test pilot schools of foreign countries.

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SEC. 546. ASSISTANCE FOR CERTAIN FOREIGN COUNTRIES.

Of the amounts made available for a fiscal year for assistance under this chapter, not more than $300,000 for such fiscal year may be made available for assistance on a grant basis for any high-income foreign country for military education and training of military and related civilian personnel of such country if such country agrees

to provide for the transportation and living allowances of such military and related civilian personnel.

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CHAPTER 8—ANTITERRORISM ASSISTANCE

SEC. 571. GENERAL AUTHORITY.—[Subject to the provisions of this chapter] *Notwithstanding any other provision of law that restricts assistance to foreign countries (other than sections 502B and 620A of this Act),* the President is authorized to furnish, on such terms and conditions as the President may determine, assistance to foreign countries in order to enhance the ability of their law enforcement personnel to deter terrorists and terrorist groups from engaging in international terrorist acts such as bombing, kidnaping, assassination, hostage taking, and hijacking. Such assistance may include training services and the provision of equipment and other commodities related to bomb detection and disposal, management of hostage situations, physical security, and other matters relating to the detection, deterrence, and prevention of acts of terrorism, the resolution of terrorist incidents, and the apprehension of those involved in such acts.

* * * * * * *

SEC. 573. [SPECIFIC AUTHORITIES AND] LIMITATIONS.—[(a) Notwithstanding section 660 of this Act, services and commodities may be granted for the purposes of this chapter to eligible foreign countries, subject to reimbursement of the value thereof (within the meaning of section 644(m)) pursuant to section 632 of this Act from funds available to carry out this chapter.

[(b)] *(a)* Whenever the President determines it to be consistent with and in furtherance of the purposes of this chapter, and on such terms and conditions consistent with this Act as he may determine, any agency of the United States Government is authorized to furnish services and commodities, without charge to funds available to carry out this chapter, to an eligible foreign country, subject to payment in advance of the value thereof (within the meaning of section 644(m)) in United States dollars by the foreign country. Credits and the proceeds of guaranteed loans made available to such countries pursuant to the Arms Export Control Act shall not be used for such payments. Collections under this chapter shall be credited to the currently applicable appropriation, account, or fund of the agency providing such services and commodities and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used.

[(c)] *(b)* The [Assistant Secretary of State for Democracy, Human Rights, and Labor] *Secretary of State* shall be consulted in the development and implementation of the antiterrorism assistance program under this chapter, including determinations of the foreign countries that will be furnished assistance under this chapter and determinations of the nature of assistance to be furnished to each such country.

[(d)] *(c)*[(1) TRAINING SERVICES (INCLUDING SHORT TERM REFRESHER TRAINING) PROVIDED PURSUANT TO THIS CHAPTER MAY BE CONDUCTED OUTSIDE THE UNITED STATES ONLY IF—

[(A) the training to be conducted outside the United States will be provided during a period of not more than 30 days;

[(B) such training relates to—

[(i) aviation security;

[(ii) crisis management;

[(iii) document screening techniques;

[(iv) facility security;

[(v) maritime security;

[(vi) VIP protection; or

[(vii) the handling of detector dogs, except that only short term refresher training may be provided under this clause; and

[(C) at least 15 days before such training is to begin, the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified in accordance with the procedures applicable to reprogramming notifications.

[(2) Personnel of the United States Government authorized to advise eligible foreign countries on antiterrorism matters shall carry out their responsibilities, to the maximum extent possible, within the United States. Such personnel may provide advice outside the United States on antiterrorism matters to eligible foreign countries for periods not to exceed 30 consecutive calendar days.

[(3)] *(1)* (A) Except as provided in subparagraph (B), employees of the Department of State shall not engage in the training of law enforcement personnel or the provision of services under this chapter.

(B) Subparagraph (A) does not apply to training (including short term refresher training) or services provided to law enforcement personnel by employees of the Bureau of Diplomatic Security with regard to crisis management, facility security, or VIP protection.

[(4) (A) Articles on the United States Munitions List may be made available under this chapter only if—

[(i) they are small arms in category I (relating to firearms), ammunition in category III (relating to ammunition) for small arms in category I, articles in category IV(c) or VI(c) (relating to detection and handling of explosive devices), articles in category X (relating to protective personnel equipment), or articles in paragraph (b), (c), or (d) of category XIII (relating to speech privacy devices, underwater breathing apparatus and armor plating), and they are directly related to antiterrorism training under this chapter;

[(ii) the recipient country is not prohibited by law from receiving assistance under one or more of the following provisions: chapter 2 of this part (relating to grant military assistance), chapter 5 of this part (relating to international military education and training), or the Arms Export Control Act (relating to foreign military sales financing); and

[(iii) at least 15 days before the articles are made available to the foreign country, the President notifies the Committee on Foreign Affairs of the House of Representatives and Committee on Foreign Relations of the Senate of the proposed transfer, in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

[(B) The value (in terms of original acquisition cost) of all equipment and commodities provided under subsection (a) in any fiscal year may not exceed 25 percent of the funds made available to carry out this chapter for that fiscal year.

[(C) No shock batons or similar devices may be provided under this chapter.]

(2)(A) Except as provided in subparagraph (B), funds made available to carry out this chapter shall not be made available for the procurement of weapons and ammunition.

(B) Subparagraph (A) shall not apply to small arms and ammunition in categories I and III of the United States Munitions List that are integrally and directly related to antiterrorism training provided under this chapter if, at least 15 days before obligating those funds, the President notifies the appropriate congressional committees specified in section 634A of this Act in accordance with the procedures applicable to reprogramming notifications under such section.

(C) The value (in terms of original acquisition cost) of all equipment and commodities provided under this chapter in any fiscal year may not exceed 25 percent of the funds made available to carry out this chapter for that fiscal year.

[(5)] *(3)* Assistance under this chapter shall not include provision of services, equipment, personnel, or facilities involved in the collection of intelligence as defined in Executive Order 12333 of December 4, 1981, other than limited training in the organization of intelligence for antiterrorism purposes.

[(e)] *(d)* This chapter does not apply to information exchange activities conducted by agencies of the United States Government under other authority for such purposes.

[(f)] *(e)* Funds made available to carry out this chapter may not be used for personnel compensation or benefits.

[SEC. 574. REPORTS TO CONGRESS.—(a)(1) Not less than thirty days before providing assistance to a foreign country under this chapter, the President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a written notification which specifies—

[(A) the country to which such assistance is to be provided;

[(B) the type and value of the assistance to be provided;

[(C) the terms and duration of assistance; and

[(D) an explanation of how the proposed assistance will further the objectives of this chapter to assist eligible foreign countries in deterring terrorism.

[(2) The chairman of either the Committee on Foreign Affairs of the House of Representatives or the Committee on Foreign Relations of the Senate may request, as deemed necessary, a current report on the state of observance of and respect for internationally recognized human rights in the country to which assistance is to be provided. In the event that a report is requested, no assistance under subsection (a) shall be provided to the country specified prior to transmittal of the report to the requesting committee.

[(b) The annual congressional presentation materials shall include—

[(1) a list of the countries which received assistance under this chapter for the preceding fiscal year, a list of the countries

which are programmed to receive assistance under this chapter for the current fiscal year, and a list of the countries which are proposed as recipients of assistance under this chapter for the next fiscal year; and

[(2) with respect to each country listed pursuant to paragraph (1) and for each such fiscal year, a description of the assistance under this chapter furnished, programed, or proposed, including—

[(A) the place where training or other services under this chapter were or will be furnished, the duration of such training or other services, and the number of personnel from that country which were or will receive training under this chapter;

[(B) the types of equipment or other commodities which were or will be furnished under this chapter; and

[(C) whether the assistance was furnished on a grant basis, on an advance payment basis, or on some other basis.

Each report shall also describe the ways in which the provision of such assistance has furthered the objective of enhancing the ability of foreign law enforcement authorities to deter acts of terrorism.]

SEC. [575] *574.* AUTHORIZATIONS OF APPROPRIATIONS.—(a) There are authorized to be appropriated to the President to carry out this chapter $9,840,000 for the fiscal year 1986 and $14,680,000 for the fiscal year 1987.

(b) Amounts appropriated under this section are authorized to remain available until expended.

SEC. [576] *575.* ADMINISTRATIVE AUTHORITIES.—Except where expressly provided to the contrary, any reference in any law to part I of this Act shall be deemed to include reference to this chapter and any reference in any law to part II of this Act shall be deemed to exclude reference to this chapter.

PART III

CHAPTER 1—GENERAL PROVISIONS

* * * * * * *

SEC. 601A. PRIVATE SECTOR ENTERPRISE FUNDS.

(a) AUTHORITY.—(1) The President may provide funds and support to Enterprise Funds designated in accordance with subsection (b) that are or have been established for the purposes of promoting—

(A) development of the private sectors of eligible countries, including small businesses, the agricultural sector, and joint ventures with United States and host country participants; and

(B) policies and practices conducive to private sector development in eligible countries;

on the same basis as funds and support may be provided with respect to Enterprise Funds for Poland and Hungary under the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).

(2) Funds may be made available under this section notwithstanding any other provision of law.

(b) COUNTRIES ELIGIBLE FOR ENTERPRISE FUNDS.—(1) Except as provided in paragraph (2), the President is authorized to designate a private, nonprofit organization as eligible to receive funds and support pursuant to this section with respect to any country eligible to receive assistance under part I of this Act in the same manner and with the same limitations as set forth in section 201(d) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421(d)).

(2) The authority of paragraph (1) shall not apply to any country with respect to which the President is authorized to designate an enterprise fund under section 498B(c) or section 498C of this Act or section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421).

(c) TREATMENT EQUIVALENT TO ENTERPRISE FUNDS FOR POLAND AND HUNGARY.—Except as otherwise specifically provided in this section, the provisions contained in section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421) (excluding the authorizations of appropriations provided in subsection (b) of that section) shall apply to any Enterprise Fund that receives funds and support under this section. The officers, members, or employees of an Enterprise Fund that receive funds and support under this section shall enjoy the same status under law that is applicable to officers, members, or employees of the Enterprise Funds for Poland and Hungary under section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421).

(d) REPORTING REQUIREMENT.—Notwithstanding any other provision of this section, the requirement of section 201(p) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421(p)), that an Enterprise Fund shall be required to publish an annual report not later than January 31 each year, shall not apply with respect to an Enterprise Fund that receives funds and support under this section for the first twelve months after it is designated as eligible to receive such funds and support.

(e) FUNDING.—

(1) IN GENERAL.—Amounts made available for a fiscal year to carry out chapter 1 of part I of this Act (relating to development assistance) and to carry out chapter 4 of part II of this Act (relating to the economic support fund) shall be available for such fiscal year to carry out this section, in addition to amounts otherwise available for such purposes.

(2) AFRICAN DEVELOPMENT.—In addition to amounts available under paragraph (1) for a fiscal year, amounts made available for such fiscal year to carry out chapter 10 of part I of this Act (relating to the Development Fund for Africa) shall be available for such fiscal year to carry out this section with respect to countries in Africa.

* * * * * * *

[SEC. 610. TRANSFER BETWEEN ACCOUNTS.—(a) Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available for any provision of this Act (except funds made available pursuant to title IV of chapter 2 of part I or for section 23 of the Arms Export Control Act) may be transferred to, and consolidated with, the funds made available for any provision of this Act, (except funds made

available under chapter 2 of part II of this Act) and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount of funds made available for such provision.

[(b) The authority contained in this section and in sections 451, 506, and 614 shall not be used to augment appropriations made available pursuant to sections 636(g)(1) and 637 or used otherwise to finance activities which normally would be financed from appropriations for administrative expenses.

[(c) Any funds which the President has notified Congress pursuant to section 653 that he intends to provide in military assistance to any country may be transferred to, and consolidated with, any other funds he has notified Congress pursuant to such section that he intends to provide to that country for development assistance purposes.]

SEC. 610. TRANSFER BETWEEN ACCOUNTS.

(a) GENERAL AUTHORITY.—Whenever the President determines it to be necessary for the purposes of this Act or the Arms Export Control Act (22 U.S.C. 2751 et seq.), not to exceed 20 percent of the funds made available to carry out any provision of this Act (except funds made available pursuant to title IV of chapter 2 of part I) or section 23 of the Arms Export Control Act (22 U.S.C. 2763)—

(1) may be transferred to, and consolidated with, the funds in any other account or fund available to carry out any provision of this Act; and

(2) may be used for any purpose for which funds in that account or fund may be used.

(b) LIMITATION ON AMOUNT OF INCREASE.—The total amount in the account or fund for the benefit of which transfer is made under subsection (a) during any fiscal year may not be increased by more than 20 percent of the amount of funds otherwise made available.

(c) NOTIFICATION.—The President shall notify in writing the congressional committees specified in section 634A at least fifteen days in advance of each such transfer between accounts in accordance with procedures applicable to reprogramming notifications under such section.

SEC. 610A. AUTHORITY TO MEET UNANTICIPATED CONTINGENCIES.

(a) AUTHORITY.—

(1) IN GENERAL.—In order to provide for any unanticipated contingency in the programs, projects, or activities for which assistance is provided under this Act, the President is authorized to use funds made available to carry out any provision of this Act (other than chapter 1 or chapter 10 of part I of this Act) for the purpose of providing assistance authorized by any other provision of this Act in accordance with the provisions applicable to the furnishing of such assistance.

(2) LIMITATION.—The authority of paragraph (1) may not be used to authorize the use of more than $40,000,000 in any fiscal year.

(b) SUPERSEDES OTHER LAWS.—Funds made available under the authority of this section may be used notwithstanding any other provision of law.

(c) NOTIFICATION OF CONGRESS.—

(1) NOTIFICATION.—Except as provided in paragraph (2), the President shall notify the congressional committees specified in section 634A(a) at least 15 days before obligating any funds under this section in accordance with the procedures applicable to reprogramming notifications under section 634A(a).

(2) EXCEPTION.—The President may waive the requirement contained in paragraph (1) if the President determines that complying with such requirement would pose a substantial risk to human health or welfare. If the President exercises the waiver under the preceding sentence, the President shall notify the congressional committees specified in section 634A(a) as early as practicable, but in no event later than 3 days after the date on which the President took the action to which such notification requirement was applicable.

* * * * * * *

[SEC. 614. SPECIAL AUTHORITIES.—(a)(1) The President may authorize the furnishing of assistance under this Act without regard to any provision of this Act, the Arms Export Control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under this Act, in furtherance of any of the purposes of this Act, when the President determines, and so notifies in writing the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that to do so is important to the security interests of the United States.

[(2) The President may make sales, extend credit, and issue guarantees under the Arms Export Control Act, without regard to any provision of this Act, the Arms Export Control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under the Arms Export Control Act, in furtherance of any of the purposes of such Act, when the President determines, and so notifies in writing the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that to do so is vital to the national security interests of the United States.

[(3) Before exercising the authority granted in this subsection, the President shall consult with, and shall provide a written policy justification to, the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

[(4) (A) The authority of this subsection may not be used in any fiscal year to authorize—

[(i) more than $750,000,000 in sales to be made under the Arms Export Control Act;

[(ii) the use of more than $250,000,000 of funds made available for use under this Act or the Arms Export Control Act; and

[(iii) the use of more than $100,000,000 of foreign currencies accruing under this Act or any other law.

[(B) If the authority of this subsection is used both to authorize a sale under the Arms Export Control Act and to authorize funds to be used under the Arms Export Control Act or under this Act

with respect to the financing of that sale, then the use of the funds shall be counted against the limitation in subparagraph (A)(ii) and the portion, if any, of the sale which is not so financed shall be counted against the limitation in subparagraph (A)(i).

[(C) Not more than $50,000,000 of the $250,000,000 limitation provided in subparagraph (A)(ii) may be allocated to any one country in any fiscal year unless that country is a victim of active aggression, and not more than $500,000,000 of the aggregate limitation of $1,000,000,000 provided in subparagraphs (A)(i) and (A)(ii) may be allocated to any one country in any fiscal year.

[(5) The authority of this section may not be used to waive the limitations on transfers contained in section 610(a) of this Act.

[(b) Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin, and without regard to such provisions of law as he determines should be disregarded to achieve this purpose.

[(c) The President is authorized to use amounts not to exceed $50,000,000 of the funds made available under this Act pursuant to his certification that it is inadvisable to specify the nature of the use of such funds, which certification shall be deemed to be a sufficient voucher for such amounts. The President shall fully inform the chairman and ranking minority member of the Committee on Foreign Affairs of the House of Representatives and the chairman and ranking minority member of the Committee on Foreign Relations of the Senate of each use of funds under this subsection prior to the use of such funds.]

SEC. 614. SPECIAL WAIVER AUTHORITY.

(a) AUTHORITY.—The President may provide assistance and make loans under the provisions of law described in subsection (b), notwithstanding any other provision of law, if the President determines that to do so is vital to the national interests of the United States.

(b) LAWS WHICH MAY BE WAIVED.—The provisions of law described in this subsection are—

(1) this Act;

(2) the Arms Export Control Act (22 U.S.C. 2751 et seq.);

(3) any provision of law authorizing the provision of assistance to foreign countries or making appropriations for such assistance; and

(4) any other provision of law that restricts the authority to provide assistance or make loans under a provision of law described in paragraph (1), (2), or (3).

(c) CONSULTATION WITH CONGRESS.—Before exercising the authority under subsection (a), the President shall consult with, and shall provide a written policy justification to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(d) NOTIFICATION TO CONGRESS.—A determination under subsection (a) shall be effective only if the President notifies the congressional committees specified in subsection (c) in writing of that determination.

(e) ANNUAL CEILINGS.—

(1) IN GENERAL.—The authority of this section may not be used in any fiscal year to authorize—

(A) more than $750,000,000 in sales or leases to be made under the Arms Export Control Act (22 U.S.C. 2751 et seq.);

(B) the use of more than $250,000,000 of funds made available under this Act or the Arms Export Control Act; or

(C) the use of more than $100,000,000 of foreign currencies accruing under this Act or any other provision of law.

(2) SALES UNDER THE ARMS EXPORT CONTROL ACT.—If the authority of this section is used both to authorize a sale or lease under the Arms Export Control Act and to authorize funds to be used under this Act with respect to the financing of that sale or lease, then the use of the funds shall be counted against the limitation in paragraph (1)(B) and the portion, if any, of the sale or lease which is not so financed shall be counted against the limitation in paragraph (1)(A).

(3) LEASES.—For purposes of paragraph (1)(A) the replacement cost, less any depreciation in the value, of the defense articles authorized to be leased shall be counted against the limitation in that paragraph.

(4) COUNTRY LIMITS.—(A) Not more than $75,000,000 of the $250,000,000 limitation provided in paragraph (1)(B) may be allocated to any one country in any fiscal year unless that country is a victim of active aggression.

(B) Not more than $500,000,000 of the aggregate limitation of $1,000,000,000 provided in paragraph (1)(A) and (1)(B) may be allocated to any one country in any fiscal year.

* * * * * * *

[SEC. 617. TERMINATION OF ASSISTANCE.—Assistance under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for a period not to exceed eight months from the date of termination of assistance under this Act for the necessary expenses of winding up programs related thereto. In order to ensure the effectiveness of assistance under this Act, such expenses for orderly termination of programs may include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.]

SEC. 617. TERMINATION OF ASSISTANCE.

(a) IN GENERAL.—(1) In order to ensure the effectiveness of assistance provided under this Act, funds made available under this Act to carry out any program, project, or activity of assistance shall remain available for obligation for a period not to exceed 8 months after the date of termination of such assistance for the necessary expenses of winding up such programs, projects, or activities and, notwithstanding any other provision of law, funds so obligated may remain available until expended.

(2) Funds obligated to carry out any program, project, or activity of assistance before the effective date of the termination of such as-

sistance are authorized to be available for expenditure for the necessary expenses of winding up such programs, projects, and activities, notwithstanding any provision of law restricting the expenditure of funds, and may be reobligated to meet any other necessary expenses arising from the termination of such assistance.

(3) The necessary expenses of winding up programs, projects, and activities of assistance include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.

(b) LIABILITY TO CONTRACTORS.—For the purpose of making an equitable settlement of termination claims under extraordinary contractual relief standards, the President is authorized to adopt as a contract or other obligation of the United States Government, and assume (in whole or in part) any liabilities arising thereunder, any contract with a United States or third-country contractor to carry out any program, project, or activity of assistance under this Act that was subsequently terminated pursuant to law.

(c) GUARANTEE PROGRAMS.—Provisions of this or any other Act requiring the termination of assistance under this Act shall not be construed to require the termination of guarantee commitments that were entered into before the effective date of the termination of assistance.

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SEC. 620. PROHIBITIONS AGAINST FURNISHING ASSISTANCE.—(a) * * *

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(v)(1) Subject to paragraph (2), no assistance shall be furnished under this Act to any entity that—

(A) fails to make timely payments on loans with respect to which guaranties have been issued under title III of chapter 2 of part I of this Act (relating to housing and other credit guaranty programs); or

(B) causes amounts (including amounts for administrative expenses) to be paid by the United States in the discharge of liabilities under guaranties issued under such title, unless such entity has reimbursed the United States for such amounts.

(2) The President may waive the prohibition in paragraph (1) with respect to an entity if the President determines that it is in the national interest of the United States to furnish assistance under this Act to such entity.

(w) None of the funds made available to carry out this Act shall be available to any private and voluntary organization which—

(1) fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the agency primarily responsible for administering part I of this Act; or

(2) is not registered with the agency primarily responsible for administering part I of this Act.

* * * * * * *

(y)(1) No assistance may be provided under this Act (other than humanitarian assistance and assistance for refugees) for a fiscal year to any foreign government that the President determines has

provided economic assistance to or engaged in nonmarket-based trade with the Government of Cuba or any entity controlled by such Government in the preceding fiscal year.

(2) The President may waive the requirements of paragraph (1) if—

(A) the President certifies to the congressional committees specified in section 634A of this Act (in accordance with procedures applicable to reprogramming of funds under that section) that the provision of such assistance is vital to the national security of the United States; or

(B) the President determines and reports to the Congress that the Government of Cuba has met the requirements contained in section 1708 of the Cuban Democracy Act of 1992 (22 U.S.C. 6001 et seq.).

(3) Not later than February 1st each year, the President shall prepare and transmit to the appropriate congressional committees a report containing a list of all foreign governments that the President has determined have provided economic assistance to or engaged in nonmarket-based trade with the Government of Cuba in the preceding fiscal year.

(4) For purposes of this subsection—

(A) the term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate;

(B) the term "humanitarian assistance" means food (including the monetization of food), clothing, medicine, and medical supplies; and

(C) the term "nonmarket-based trade" includes exports, imports, exchanges, or other trade arrangements under which goods or services are provided on terms more favorable than those generally available in applicable markets or for comparable commodities, including—

(i) exports to the Government of Cuba on terms that involve a grant, concessional price, guaranty, insurance, or subsidy;

(ii) imports from the Government of Cuba at preferential tariff rates; and

(iii) exchange arrangements that include advance delivery of commodities, arrangements in which the Government of Cuba is not held accountable for unfulfilled exchange contracts, and arrangements under which such Government does not pay appropriate transportation, insurance, or finance costs.

(z)(1) No assistance may be provided under this Act or the Arms Export Control Act to any foreign government that provides lethal military equipment to a country, the government of which the Secretary of State has determined pursuant to section 40(d) of the Arms Export Control Act is a government that has repeatedly provided support for acts of international terrorism.

(2) The prohibition under paragraph (1) with respect to a foreign government shall terminate 12 months after the date on which that government ceases to provide such lethal military equipment.

(3) The President may waive the requirements of paragraph (1) if the President determines that the provision of such assistance is important to the national security interests of the United States.

(4) Whenever the waiver of paragraph (3) is exercised, the President shall prepare and transmit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers the national interests of the United States.

(5) For purposes of this subsection, the term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(aa)(1) Notwithstanding any other provision of law, United States assistance may not be made available for any country whose government prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance.

(2) The prohibition on United States assistance contained in paragraph (1) shall not apply if the President determines and notifies the Congress in writing that providing such assistance to a country is in the national security interest of the United States.

(3) A suspension or termination of United States assistance for any country under paragraph (1) shall cease to be effective when the President certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that such country is no longer prohibiting or otherwise restricting, either directly or indirectly, the transport or delivery of United States humanitarian assistance.

(4)(A) At the time of the annual budget submission to Congress, the President shall submit a report to the Congress describing any information available to the President concerning prohibitions or restrictions, direct or indirect, on the transport or delivery of United States humanitarian assistance by the government of any country receiving or eligible to receive United States foreign assistance during the current or preceding fiscal year.

(B) The President shall include in the report required by subparagraph (A) a statement as to whether the prohibition in paragraph (1) is being applied to each country for which the President has information available to him concerning prohibitions or restrictions, direct or indirect, on the transport or delivery of United States humanitarian assistance.

(5) As used in this subsection, the term "United States assistance" has the same meaning given that term in section 481(e)(4) of this Act.

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SEC. 620E. ASSISTANCE TO PAKISTAN.—(a) * * *

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(e) [No assistance shall] *(1) Except as provided in paragraph (2), no assistance shall* be furnished to Pakistan and no military equipment or technology shall be sold or transferred to Pakistan, pursuant to the authorities contained in this Act or any other Act, unless

the President shall have certified in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, during the fiscal year in which assistance is to be furnished or military equipment or technology is to be sold or transferred, that Pakistan does not possess a nuclear explosive device and that the proposed United States assistance program will reduce significantly the risk that Pakistan will possess a nuclear explosive device.

(2)(A) Assistance in support of nongovernmental organizations or microenterprises under chapter 1 of part I of this Act (relating to development assistance) and assistance under the provisions of law described in subparagraph (B) may be made available for Pakistan.

(B) The provisions of law described in this subparagraph are the following:

(i) Title IV of chapter 2 of part I of this Act (relating to the Overseas Private Investment Corporation).

(ii) Chapter 8 of part I of this Act (relating to international narcotics control).

(iii) Chapter 5 of part II of this Act (relating to international military education and training).

(iv) Chapter 8 of part II of this Act (relating to antiterrorism assistance).

(v) Any provision of law under which assistance is available to carry out the following activities:

(I) Aviation safety.

(II) Immigration and customs procedures.

(III) Peacekeeping.

(IV) Promotion of trade and investment interests of the United States.

(C) Assistance described in subparagraph (B)(iii) may be made available for Pakistan under this paragraph for fiscal year 1997 and each subsequent fiscal year only if the President certifies to the Congress for such fiscal year that the Government of Pakistan is fully cooperating with United States counter-narcotics assistance programs and policies.

* * * * * * *

SEC. 620G. ASSISTANCE TO NORTH KOREA AND THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION.

No assistance may be provided under this Act or any other provision of law to North Korea or the Korean Peninsula Energy Development Organization unless—

(1) such assistance is provided in accordance with all requirements, limitations, and procedures otherwise applicable to the provision of such assistance for such purposes; and

(2) the President—

(A) notifies the congressional committees specified in section 634A(a) of this Act prior to the obligation of such assistance in accordance with the procedures applicable to reprogramming notifications under that section, irrespective of the amount of the proposed obligation of such assistance; and

(B) determines and reports to such committees that the provision of such assistance is vital to the national interests of the United States.

SEC. 620H. DEPLETED URANIUM AMMUNITION.

(a) PROHIBITION.—Except as provided in subsection (b), none of the funds made available to carry out this Act or any other Act may be made available to facilitate in any way the sale of M–833 antitank shells or any comparable antitank shells containing a depleted uranium penetrating component to any country other than—

(1) a country that is a member of the North Atlantic Treaty Organization;

(2) a country that has been designated as a major non-NATO ally (as defined in section 644(q)); or

(3) Taiwan.

(b) EXCEPTION.—The prohibition contained in subsection (a) shall not apply with respect to the use of funds to facilitate the sale of antitank shells to a country if the President determines that to do so is in the national security interest of the United States.

SEC. 620I. FOREIGN GOVERNMENT PARKING FINES.

(a) IN GENERAL.—An amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia, Virginia, Maryland, and New York by the government of a foreign country as of the end of a fiscal year, as certified to the President by the chief executive officer of each State or District, shall be withheld from obligation for such country out of funds available in the next fiscal year to carry out part I of this Act, until the requirement of subsection (b) is satisfied.

(b) REQUIREMENT.—The requirement of this subsection is satisfied when the Secretary of State determines and certifies to the appropriate congressional committees that such fines and penalties are fully paid to the governments of the District of Columbia, Virginia, Maryland, and New York.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—For purposes of this section, the term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

SEC. 620J. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS ENGAGED IN ESPIONAGE AGAINST THE UNITED STATES.

(a) PROHIBITION.—None of the funds made available to carry out this Act or the Arms Export Control Act (22 U.S.C. 2751 et seq.) (other than humanitarian assistance or assistance for refugees) may be provided to any foreign government which the President determines is engaged in intelligence activities within the United States harmful to the national security of the United States.

(b) PERIODIC REPORTS.—Beginning one year after the date of enactment of this section, and annually thereafter, the President shall prepare and transmit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives a report, in classified and unclassified forms, listing all foreign governments which the

President determines are conducting intelligence activities within the United States harmful to the national security of the United States.

(c) DEFINITION.—As used in this section, the term "humanitarian assistance" means food (including the monetization of food), clothing, medicine, and medical supplies.

SEC. 620K. SPECIAL DEBT RELIEF FOR POOR COUNTRIES.

(a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States Government by a country described in subsection (b) as a result of—

(1) loans or guarantees issued under this Act; or

(2) credits extended or guarantees issued under the Arms Export Control Act (22 U.S.C. 2751 et seq.).

(b) COUNTRY DESCRIBED.—A country described in this subsection is a country—

(1) with a heavy debt burden that is eligible to borrow from the International Development Association but not from the International Bank for Reconstruction and Development (commonly referred to as an "IDA-only" country); and

(2) the government of which—

(A) does not have an excessive level of military expenditures;

(B) has not repeatedly provided support for acts of international terrorism; and

(C) is cooperating with the United States on international narcotics control matters;

(3) (including the military or other security forces of such government) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(4) is not prohibited from receiving assistance described in section 527(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 by reason of such section.

(c) LIMITATIONS.—The authority under subsection (a) may be exercised—

(1) only to implement multilateral official debt relief ad referendum agreements (commonly referred to as "Paris Club Agreed Minutes"); and

(2) only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(d) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to the exercise of authority under subsection (a)—

(1) shall not be considered assistance for purposes of any provision of law limiting assistance to a country; and

(2) may be exercised notwithstanding section 620(r) of this Act or any comparable provision of law.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the President for the purpose of carrying out this section $7,000,000 for each of the fiscal years 1996 and 1997.

(2) AVAILABILITY.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.

* * * * * * *

CHAPTER 2—ADMINISTRATIVE PROVISIONS

* * * * * * *

[SEC. 634. ANNUAL REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding American foreign policy and the effectiveness of assistance provided by the United States Government to other countries and to international organizations, the Chairman of the Development Coordination Committee shall prepare and transmit to the Congress, no later than February 1 of each year, as a part of the annual presentation materials for foreign assistance, a report as described in this subsection. This report shall include—

[(1)(A) a comprehensive and coordinated review of all United States policies and programs having a major impact on the development of developing countries, including but not limited to bilateral and multilateral assistance, trade, debt, employment, food, energy, technology, population, oceans, environment, human settlements, natural resources, and participation in international agencies concerned with development;

[(B) an assessment of the impact of such policies and programs on the well-being of the poor majority in developing countries in accordance with the policy objectives of chapter 1 of part I, including increasing life expectancy and literacy, lowering infant mortality and birth rates, and increasing food production and employment, such assessment to include an evaluation of the extent to which programs under chapter 1 of part I directly benefit the poor majority; and

[(C) an assessment of the impact of such policies and programs on economic conditions in the United States, including but not limited to employment, wages, and working conditions;

[(2) the dollar value of all foreign assistance and guaranties by category and by country provided or made by the United States Government by any means to all foreign countries and international organizations—

[(A) from 1946 to the fiscal year immediately preceding the fiscal year for which the report is required;

[(B) as presented to Congress for the immediate preceding fiscal year;

[(C) as obligated during the immediately preceding fiscal year;

[(D) as planned for the fiscal year in which the report is presented;

[(E) as proposed for the fiscal year following the year in which the report is presented; and

[(F) of any contract in excess of $100,000 administered by the Agency for International Development which was entered into in the preceding fiscal year without competitive selection procedures, and the reasons for doing so;

[(3) a summary of repayments, by country, to the United States from previous foreign assistance loans;

[(4) the status of each sale of agricultural commodities on credit terms theretofore made under the Agricultural Trade Development and Assistance Act of 1954 with respect to which there remains outstanding any unpaid obligation; and the status of each transaction with respect to which a loan, contract or guarantee of insurance, or extension of credit (or participation therein) was theretofore made under the Export-Import Bank Act of 1945 with respect to which there remains outstanding any unpaid obligation or potential liability; except that such report shall include individually only any loan, contract, sale, extension of credit, or other transactions listed in this paragraph which is in excess of $1,000,000;

[(5)(A) the status of the debt servicing capacity of each country receiving assistance under this Act;

[(B) all forms of debt relief granted by the United States with respect to such countries, together with a detailed statement of the specific debt relief granted with respect to each such country and the purpose for which it was granted; and

[(C) a summary of the net aid flow from the United States to such countries, taking into consideration the debt relief granted by the United States;

[(6) the dollar value of all official development assistance, security assistance, international disaster assistance, refugee assistance, and international narcotic control assistance provided by each government of a country which is a member of the Organization for Economic Cooperation and Development or of the Organization of Petroleum Exporting Countries;

[(7) the percentage which each type of assistance described in paragraph (6) represents of (A) the gross national product of each country referred to in paragraph (6), and (B) the budget of the government of such country, as well as the per capita contribution for each country for each type of assistance described in paragraph (6);

[(8) the amount of all foreign currencies acquired without payment of dollars on hand of each foreign country as of September 30 of the preceding fiscal year;

[(9) the Development Coordination Committee's operations pursuant to section 640B(f) of this Act;

[(10) the aggregate dollar value and quantity of grant military assistance, military education and training, and any other defense articles and services furnished under this Act by the United States to each foreign country and international organization for the preceding fiscal year;

[(11) information concerning the activities of the Minority Resource Center during the preceding fiscal year; and

[(12) other information appropriate to the conduct of the foreign assistance program of the United States Government.

[(b) For purposes of this section—

[(1) "foreign assistance" means any tangible or intangible item provided by the United States Government to a foreign country or international organization under this or any other Act, including but not limited to any training, service, or tech-

nical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies of any foreign country which are owned by the United States Government; and

[(2) "provided by the United States Government" includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit, or guaranty.]

SEC. 634. CONGRESSIONAL PRESENTATION DOCUMENTS.

(a) REQUIREMENT FOR SUBMISSION.—As part of the annual requests for enactment of authorizations and appropriations for foreign assistance programs for each fiscal year, the President shall prepare and transmit to the Congress annual congressional presentation documents for the programs authorized under this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.).

(b) MATERIALS TO BE INCLUDED.—The documents submitted pursuant to subsection (a) shall include—

(1) the rationale for the allocation of assistance or contributions to each country, regional, or centrally funded program, or organization, as the case may be;

(2) a description of how each such program or contribution supports the objectives of this Act or the Arms Export Control Act, as the case may be;

(3) a description of planned country, regional, or centrally funded programs or contributions to international organizations and programs for the coming fiscal year; and

(4) for each country for which assistance is requested under this Act or the Arms Export Control Act—

(A) the total number of years since 1946 that the United States has provided assistance;

(B) the total amount of bilateral assistance provided by the United States since 1946, including the principal amount of all loans, credits, and guarantees; and

(C) the total amount of assistance provided to such country from all multilateral organizations to which the United States is a member, including all international financial institutions, the United Nations, and other international organizations.

(c) GRADUATION FROM DEVELOPMENT ASSISTANCE.—

(1) DETERMINATION.—As part of the congressional presentation documents transmitted to the Congress under this section, the Secretary of State shall make a separate determination for each country identified in such documents for which bilateral development assistance is requested, estimating the year in which each such country will no longer be receiving bilateral development assistance.

(2) DEVELOPMENT ASSISTANCE DEFINED.—For purposes of this section, the term "development assistance" means assistance under—

(A) chapter 1 of part I of this Act;

(B) chapter 10 of part I of this Act;

(C) chapter 11 of part I of this Act; and

(D) the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).

* * * * * * *

*SEC. 636. PROVISIONS ON USES OF FUNDS.—(a) * * **

* * * * * * *

(j)(1) Funds made available to carry out the provisions of this Act may not be made available to provide—

(A) any financial incentive to a business enterprise located in the United States for the purpose of inducing that enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of individuals employed in the United States by that enterprise because that enterprise would replace production in the United States with production outside the United States;

(B) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(C) subject to paragraph (2), assistance for any project or activity that contributes to the violation of internationally recognized workers rights (as defined in section 502(a)(4) of the Trade Act of 1974) of workers in the foreign country, including in any designated zone or area in that country.

(2) Paragraph (1)(C) shall not apply with respect to the provision of assistance for the informal sector, microenterprises and small-scale enterprises, and small-holder agriculture of the foreign country.

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CHAPTER 3—MISCELLANEOUS PROVISIONS

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SEC. 644. DEFINITIONS.—As used in this Act—

(a) * * *

* * * * * * *

(q) "Major non-NATO ally" means a country which is designated in accordance with section 517 as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.).

* * * * * * *

SEC. 652. LIMITATION UPON EXERCISE OF SPECIAL AUTHORITIES.—The President shall not exercise any special authority granted to him under section 506(a), 552(c)(2), or 610(a) of this Act unless the President, [prior to the date] *before* he intends to exercise any such authority, notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended exercise, the section of this Act under which such authority is to be exercised, and the justification for, and the extent of, the exercise of such authority.

* * * * * * *

SEC. 667. OPERATING EXPENSES.—(a) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

[(1) $387,000,000 for the fiscal year 1986 and $387,000,000 for the fiscal year 1987 for necessary operating expenses of the agency primarily responsible for administering part I of this Act, of which $21,750,000 for the fiscal year 1987 is authorized for the necessary operating expenses of the Office of the Inspector General of the Agency for International Development and the remaining amount for the fiscal year is authorized for other necessary operating expenses of that agency and]

(1) $465,774,000 for fiscal year 1996 and $419,196,000 for fiscal year 1997 for necessary operating expenses of the agency primarily responsible for administering part I of this Act (other than the office of the inspector general of such agency);

(2) $35,206,000 for fiscal year 1996 and $31,685,000 for fiscal year 1997 for necessary operating expenses of the office of the inspector general of such agency; and

[(2)] *(3)* such amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs of such agency.

(b) Amounts appropriated under this section are authorized to remain available until expended.

* * * * * * *

SEC. 668. DEOBLIGATION OF CERTAIN UNEXPENDED ECONOMIC ASSISTANCE FUNDS.

(a) REQUIREMENT TO DEOBLIGATE.—

(1) IN GENERAL.—Except as provided in subsection (b) of this section and in paragraphs (1) and (3) of section 617(a) of this Act, at the beginning of each fiscal year the President shall deobligate and return to the Treasury, any funds described in paragraph (2) that, as of the end of the preceding fiscal year, have been obligated for a project or activity for a period of more than 3 years but have not been expended.

(2) FUNDS.—Paragraph (1) applies to funds made available for—

(A) assistance under chapter 1 of part I of this Act (relating to development assistance), chapter 10 of part I of this Act (relating to the Development Fund for Africa), or chapter 4 of part II of this Act (relating to the economic support fund);

(B) assistance under the "Multilateral Assistance Initiative for the Philippines";

(C) assistance under the Support for East European Democracy (SEED) Act of 1989; and

(D) economic assistance for the independent states of the former Soviet Union under this Act or under any other Act authorizing economic assistance for such independent states.

(b) EXCEPTIONS.—The President, on a case-by-case basis, may waive the requirement of subsection (a)(1) if the President determines, and reports to the appropriate congressional committees, that—

(1) the funds are being used for a construction project that requires more than 3 years to complete; or

(2) the funds have not been expended because of unforeseen circumstances, and those circumstances could not have been reasonably foreseen.

(c) COMMENTS BY INSPECTOR GENERAL.—As soon as possible after the submission of a report pursuant to subsection (b), the Inspector General of the agency primarily responsible for administering part I of this Act shall submit to the appropriate congressional committees such comments as the Inspector General considers appropriate with regard to the determination described in that report.

(d) APPROPRIATE CONGRESSIONAL COMMITTEES.—As used in this section, the term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

PART IV—ENTERPRISE FOR THE AMERICAS INITIATIVE

* * * * * * *

SEC. 711. AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES.

(a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, to the government of any eligible country pursuant to this Act, or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility shall notify the administrator of the agency primarily responsible for administering part I of this Act of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in an account or accounts established in the Treasury for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President shall consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—For the sale, reduction, and cancellation of loans or portions thereof pursuant to this section, there are authorized to be appropriated to the President $3,000,000 for each of the fiscal years 1996 and 1997.

(2) AVAILABILITY.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.

SECTION 9 OF THE DEPARTMENT OF STATE APPROPRIATIONS AUTHORIZATION ACT OF 1973

[BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

[SEC. 9. (a) There is established within the Department of State a Bureau of Oceans and International Environmental and Scientific Affairs. There shall be an Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, appointed by the President, by and with the advice and consent of the Senate, who shall be the head of the Bureau and who shall have responsibility for matters relating to oceans, environmental, scientific, fisheries, wildlife, and conservation affairs and for such other related duties as the Secretary may from time to time designate.]

UNITED NATIONS PARTICIPATION ACT OF 1945

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United Nations Participation Act of 1945".

SEC. 2. (a) The President, by and with the advice and consent of the Senate, shall appoint a representative of the United States to the United Nations who shall have the rank and status of Ambassador Extraordinary and Plenipotentiary and shall [hold office at the pleasure of the President] *serve at the pleasure of the President and subject to the direction of the Secretary of State.* Such representative shall represent the United States in the Security Council of the United Nations and may serve ex officio as representative of the United States in any organ, commission, or other body of the United Nations other than specialized agencies of the United Nations, and shall perform such other functions in connection with the participation of the United States in the United Nations as the President may, from time to time, direct.

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SEC. 4. (a) * * *

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(d) ANNUAL REPORT.—In addition to the report required by subsection (a), the President, at the time of submission of the annual budget request to the Congress, shall submit to the designated congressional committees a report that includes the following:

(1) * * *

(2) OTHER MATTERS REGARDING PEACEKEEPING OPERATIONS.—

(A) * * *

(B) The dollar value and percentage of total peacekeeping contracts that have been awarded to United States contractors during the previous year, *including local procurement contracts.*

* * * * * * *

SEC. 10. (a) WITHHOLDING OF CONTRIBUTIONS RELATED TO THE ROLE OF THE INSPECTOR GENERAL OF THE UNITED NATIONS.—

(1) ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1996 and for each subsequent fiscal year, 20 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under subsection (b).

(2) ASSESSED CONTRIBUTIONS FOR UNITED NATIONS PEACEKEEPING.—For fiscal year 1996 and for each subsequent fiscal year, 50 percent of the amount of funds made available for that fiscal year for United States assessed contributions for United Nations peacekeeping activities shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under subsection (b).

(3) VOLUNTARY CONTRIBUTIONS FOR UNITED NATIONS PEACEKEEPING.—For fiscal year 1996 and for each subsequent fiscal year, the United States may not pay any voluntary contribution to the United Nations for international peacekeeping activities unless a certification for that fiscal year has been made under subsection (b).

(b) CERTIFICATION.—The certification referred to in subsection (a) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, of each of the following:

(1) The United Nations has an independent office of Inspector General to conduct and supervise objective audits, inspections, and investigations relating to programs and operations of the United Nations.

(2) The United Nations has an Inspector General who was appointed by the Secretary General with the approval of the General Assembly and whose appointment was made principally on the basis of the appointee's integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigation.

(3) The Inspector General is authorized to—

(A) make investigations and reports relating to the administration of the programs and operations of the United Nations;

(B) have access to all records, documents, and other available materials relating to those programs and operations;

(C) have direct and prompt access to any official of the United Nations; and

(D) have access to all records and officials of the specialized agencies of the United Nations.

(4) The United Nations has fully implemented, and made available to all member states, procedures that effectively protect the identity of, and prevent reprisals against, any staff member of the United Nations making a complaint or disclosing information to, or cooperating in any investigation or inspection by, the United Nations Inspector General.

(5) The United Nations has fully implemented procedures that ensure compliance with recommendations of the United Nations Inspector General.

(6) The United Nations has required the United Nations Inspector General to issue an annual report and has ensured that the annual report and all other reports of the Inspector General are made available to the General Assembly without modification.

(7) The United Nations has provided, and is committed to providing, sufficient budgetary resources to ensure the effective operation of the United Nations Inspector General.

SEC. 11. (a) WITHHOLDING OF CONTRIBUTIONS RELATED TO TIMELY NOTICE OF CONTRACT OPPORTUNITIES AND CONTRACT AWARDS.—

(1) WITHHOLDING OF ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1997 and for each subsequent fiscal year, 10 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under paragraph (2).

(2) CERTIFICATION.—The certification referred to in paragraph (1) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, that the United Nations has implemented a system requiring (A) prior notification for the submission of all qualified bid proposals on all United Nations procurement opportunities over $100,000 and (B) a public announcement of the award of any contract over $100,000. To the extent practicable, notifications shall be made in the Commerce Business Daily.

(b) WITHHOLDING OF CONTRIBUTIONS RELATED TO DISCRIMINATION AGAINST COMPANIES WHICH CHALLENGE CONTRACT AWARDS.—

(1) WITHHOLDING OF ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1997 and for each subsequent fiscal year, 10 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under paragraph (2).

(2) CERTIFICATION.—The certification referred to in paragraph (1) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, that the procurement regulations of the United Nations prohibit punitive actions such as the suspension of contract eligibility for contractors who challenge contract awards or complain about delayed payments.

(c) WITHHOLDING OF CONTRIBUTIONS RELATED TO ESTABLISHMENT OF A UNITED NATIONS CONTRACT REVIEW PROCESS.—

(1) WITHHOLDING OF ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1998 and for each subsequent fiscal year, 10 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be with-

held from obligation and expenditure unless a certification for that fiscal year has been made under paragraph (2).

(2) CERTIFICATION.—The certification referred to in paragraph (1) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, that the United Nations has established a contract review process for contracts over $100,000 and a process to assure unsuccessful bidders a timely opportunity to challenge awards for contracts over $100,000 such bidders consider to have been made improperly.

UNITED STATES INTERNATIONAL BROADCASTING ACT OF 1994

TITLE III—UNITED STATES INTERNATIONAL BROADCASTING ACT

SEC. 301. SHORT TITLE.

This title may be cited as the "United States International Broadcasting Act of 1994".

* * * * * * *

SEC. 304. ESTABLISHMENT OF BROADCASTING BOARD OF GOVERNORS.

(a) * * *

(b) COMPOSITION OF THE BOARD.—

(1) The Board shall consist of [9] *11* members, as follows:

(A) [8] *10* voting members who shall be appointed by the President, by and with the advice and consent of the Senate.

* * * * * * *

(3) Exclusive of the Director of the United States Information Agency, not more than [4] *5* of the members of the Board appointed by the President shall be of the same political party.

* * * * * * *

SEC. 309. RADIO FREE ASIA.

(a) * * *

* * * * * * *

[(c) SUBMISSION OF DETAILED PLAN FOR RADIO FREE ASIA.—

[(1) No grant may be awarded to carry out this section unless the Board, through the Director of the United States Information Agency, has submitted to Congress a detailed plan for the establishment and operation of Radio Free Asia, including—

[(A) a description of the manner in which Radio Free Asia would meet the funding limitations provided in subsection (d)(4);

[(B) a description of the numbers and qualifications of employees it proposes to hire; and

[(C) how it proposes to meet the technical requirements for carrying out its responsibilities under this section.

[(2) The plan required by paragraph (1) shall be submitted not later than 90 days after the date on which all members of the Board are confirmed.

[(3) No grant may be awarded to carry out the provisions of this section unless the plan submitted by the Board includes a certification by the Board that Radio Free Asia can be established and operated within the funding limitations provided for in subsection (d)(4) and subsection (d)(5).

[(4) If the Board determines that a Radio Free Asia cannot be established or operated effectively within the funding limitations provided for in this section, the Board may submit, through the Director of the United States Information Agency, an alternative plan and such proposed changes in legislation as may be necessary to the appropriate congressional committees.]

(c) SUBMISSION OF PLAN.—Not later than 90 days after the date of the enactment of the Foreign Relations Authorization Act, Fiscal Years 1996 and 1997, the Director of the United States Information Agency shall submit to the Congress a detailed plan for the establishment and operation of Radio Free Asia in accordance with this section. Such plan shall include the following:

(1) A description of the manner in which Radio Free Asia would meet the funding limitations provided in subsection (d)(4).

(2) A description of the numbers and qualifications of employees it proposes to hire.

(3) How it proposes to meet the technical requirements for carrying out its responsibilities under this section.

* * * * * * *

SECTION 3 OF THE ACT OF MAY 13, 1924

CHAP. 153.—AN ACT Providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Texas, in cooperation with the United States of Mexico.

SEC. 3. (a) * * *

* * * * * * *

(d) Pursuant to the authority of subsection (a) and in order to facilitate further compliance with the terms of the Convention for Equitable Distribution of the Waters of the Rio Grande, May 21, 1906, United States-Mexico, the Secretary of State, acting through the United States Commissioner of the International Boundary and Water Commission, may make improvements to the Rio Grande Canalization Project, originally authorized by the Act of August 29, 1935 (49 Stat. 961). Such improvements may include all such works as may be needed to stabilize the Rio Grande in the reach between the Percha Diversion Dam in New Mexico and the American Diversion Dam in El Paso.

TAIWAN RELATIONS ACT

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IMPLEMENTATION OF UNITED STATES POLICY WITH REGARD TO TAIWAN

SEC. 3. (a) * * *

* * * * * * *

(d) The provisions of subsections (a) and (b) supersede any provision of the Joint Communique of the United States and China of August 17, 1982.

APPLICATION OF LAWS; INTERNATIONAL AGREEMENTS

SEC. 4. (a) * * *

* * * * * * *

(e) The Congress finds and declares that there are no legitimate foreign policy grounds for preventing members of the government chosen by the people of Taiwan from making private visits to the United States. Accordingly, notwithstanding any other provision of law, no official of the government of the Republic of China on Taiwan may be excluded from the United States on the basis of a determination by the Secretary of State that the entry or proposed activities in the United States of such individual would have potentially serious adverse foreign policy consequences for the United States.

* * * * * * *

SECTION 3 OF THE ACT OF JUNE 3, 1976

AN ACT to establish a Commission on Security and Cooperation in Europe.

SEC. 3. (a) The Commission shall be composed of [twenty-one] *twenty-nine* members as follows:

[(1) Nine Members of the House of Representative appointed by the Speaker of the House of Representatives. Five Members shall be selected from the majority party and four Members shall be selected, after consultation with the minority leader of the House, from the minority party.

[(2) Nine Members of the Senate appointed by the President of the Senate. Five Members shall be selected from the majority party of the Senate, after consultation with the majority leader, and four Members shall be selected, after consultation with the minority leader of the Senate, from the minority party.]

(1) Thirteen Members of the House of Representatives appointed by the Speaker of the House of Representatives. Seven Members shall be selected from the majority party and six Members shall be selected, after consultation with the minority leader of the House, from the minority party.

(2) Thirteen Members of the Senate appointed by the President of the Senate. Seven Members shall be selected from the majority party of the Senate, after consultation with the majority leader, and six Members shall be selected, after consultation with the minority leader of the Senate, from the minority party.

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SECTION 537 OF THE FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1988

ENVIRONMENTAL CONCERNS

SEC. 537. (a) * * *

* * * * * * *

(h) The Administrator of the Agency for International Development, in consultation with the Secretaries of Treasury and State, shall continue, and work to enhance, the operation of the "early warning system", by—

(1) * * *

[(2) compiling a list of proposed Multilateral Development Bank loans likely to have adverse impacts on the environment, natural resources, public health, or indigenous peoples. The list shall contain the information identified in paragraph (1), shall be updated in consultation with interested members of the public, and shall be made available to the Committees on Appropriations by April 1, 1988 and semiannually thereafter; and]

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SECTION 539 OF THE FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS ACT, 1987

SEC. 539. (a) * * *

* * * * * * *

(g) The Administrator of the Agency for International Development, in conjunction with the Secretaries of Treasury and State, shall—

(1) * * *

[(2) in preparation of reviews required by subsection (g)(1), compile a list of categories of projects likely to have adverse impacts on the environment, natural resources, or indigenous peoples. The list shall be developed in consultation with interested members of the public and made available to the Committee on Appropriations by December 31, 1986 and semiannually thereafter; and]

* * * * * * *

SPECIAL FOREIGN ASSISTANCE ACT OF 1986

AN ACT To promote immunization and oral rehydration in developing countries, to promote democracy in Haiti, to protect tropical forests and biological diversity in developing countries, to authorize increased funding for the Child Survival Fund and for international narcotics control assistance, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Special Foreign Assistance Act of 1986".

[TITLE I—PROMOTING IMMUNIZATION AND ORAL REHYDRATION IN DEVELOPING COUNTRIES

[SEC. 101. FINDINGS.

[The Congress finds that—

[(1) the United Nations Children's Fund (UNICEF) reports that 3.5 million children die annually because they have not been immunized against the six major childhood diseases: polio measles, whooping cough, diphtheria, tetanus, and tuberculosis:

[(2) at present less than 20 percent of the children in the developing world are fully immunized against these diseases;

[(3) each year more than five million additional children are permanently disabled and suffer diminished capacities to contribute to the economic, social, and political development of their countries because they have not been immunized;

[(4) ten million additional childhood deaths from immunizable and potentially immunizable diseases could be averted annually by the development of techniques in biotechnology for new a cost-effective vaccines;

[(5) the World Health Assembly, the Executive Board of the United Nations Children's Fund, and the United Nations General Assembly are calling upon the nations of the world to commit the resources necessary to meet the challenge of universal access to childhood immunization by 1990;

[(6) at the 1984 "Bellagio Conference" it was determined that the goal of universal childhood immunization by 1990 is indeed achievable; and

[(7) the Congress has expressed its expectation that the Agency for International Development will set as a goal the immunization by 1990 of at least 80 percent of all the children in those countries in which the Agency has a program.

[SEC. 102. UNITED STATES PARTICIPATION IN GLOBAL EFFORT.

[(a) UNITED STATES GOVERNMENT SUPPORT.—The Congress calls upon the President to direct the Agency for International Development, working through the Centers for Disease Control and other appropriate Federal agencies, to work in a global effort to provide enhanced support toward achieving the goal of universal access to childhood immunization by 1990 by—

[(1) assisting in the delivery, distribution, and use of vaccines, including—

[(A) the building of locally sustainable systems and technical capacities in developing countries to reach, by the appropriate age, not less than 80 percent of their annually projected target population with the full schedule of required immunizations; and

[(B) the development of a sufficient network of indigenous professionals and institutions with responsibility for developing, monitoring, and assessing immunization programs and continually adapting strategies to reach the goal of preventing immunizable diseases; and

[(2) performing, supporting, and encouraging research and development activities, both in the public and private sector, that will be targeted at developing new vaccines and at modify-

ing and improving existing vaccines to make them more appropriate for use in developing countries.

[(b) PRIVATE SECTOR SUPPORT.—In support of this global effort, the President should appeal to the people of the United States and the United States private sector to support public and private efforts to provide the resources necessary to achieve universal access to childhood immunization by 1990.

[SEC. 103. FUNDING LEVELS.

[(a) EARMARKING.—Section 104(c)(3) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following: "Of the aggregate amounts made available for fiscal year 1987 to carry out paragraph (2) of this subsection (relating to the Child Survival Fund) and to carry out subsection (c) (relating to development assistance for health), $50,000,000 shall be used to carry out this paragraph.".

[(b) AUTHORIZATION LEVEL FOR CHILD SURVIVAL FUND.—Section 104(c)(2)(B) of that Act is amended by striking out "$25,000,000 for fiscal year 1987" and inserting in lieu thereof "$75,000,000 for fiscal year 1987".

[TITLE II—PROMOTING DEMOCRACY IN HAITI

[SEC. 201. FINDINGS CONCERNING HAITI.

[The Congress finds that—

[(1) the establishment of an interim government in Haiti committed to a restoration of democracy provides Haiti with an opportunity to build the political, social, and economic institutions necessary to promote Haiti's development, to provide a better future for the people of Haiti and to provide the framework for more effective mutual cooperation with the United States, Haiti's neighbor in the Caribbean, and the other nations of the Hemisphere;

[(2) the magnitude of the political, economic, and social tasks facing the people of Haiti will make the achievement of a better future a difficult task which will require a determined and sustained effort by the Haitian people over a long period of time and will require significant external assistance from the United States and other donors; and

[(3) it is in the interest of the United States to provide appropriate support for the development of Haiti, a close neighbor which is one of the world's poorest nations and which is committed to the establishment of a democratic government.

[SEC. 202. ECONOMIC ASSISTANCE FOR HAITI.

[(a) EARMARKING OF FUNDS.—Not less than $108,000,000 of the aggregate amounts available for fiscal year 1987 to carry out sections 103 through 106 of the Foreign Assistance Act of 1961 (relating to development assistance), chapter 4 of part II of that Act (relating to the Economic Support Fund), and titles I and II of the Agricultural Trade Development and Assistance Act of 1954 (relating to the Food for Peace Program) shall be available only for Haiti.

[(b) USE OF DEVELOPMENT ASSISTANCE.—Assistance under sections 103 through 106 of the Foreign Assistance Act of 1961 which is provided for Haiti pursuant to subsection (a) shall be used to support a transition to democracy in Haiti, emphasizing foreign in-

vestment, job creation (especially in the private sector), rural development, health care and sanitation, small-scale irrigation, reforestation and land conservation, and literacy education. Such assistance should reflect the need to distribute development assistance resources more equitably among the various regions in Haiti in order to support sustainable development in all of Haiti.

[(c) REQUIREMENT FOR SEGREGATED ACCOUNT FOR ECONOMIC SUPPORT ASSISTANCE FUNDS PAID TO GOVERNMENT OF HAITI.—Funds under chapter 4 of part II of the Foreign Assistance Act of 1961 which are made available for Haiti pursuant to subsection (a) may be paid to the Government of Haiti only if the Government of Haiti will maintain those funds in a separate account and not commingle them with other funds.

[(d) CONDITIONS ON ECONOMIC SUPPORT AND DEVELOPMENT ASSISTANCE.—Funds may be obligated for assistance for Haiti under sections 103 through 106 of chapter 4 of part II of the Foreign Assistance Act of 1961 pursuant to subsection (a) only if the President determines that the interim Government of Haiti—

[(1) is improving the human rights situation in Haiti;

[(2) is implementing its timetable for completion of a new constitution that promotes genuine democratic reforms and guarantees the fundamental principles of democracy;

[(3) is establishing a framework for free and open elections leading to a democratically-elected civilian government, which would include free and functioning political parties and associations, free labor unions, and freedom of the press;

[(4) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years);

[(5) is maintaining a system of fiscal accountability to ensure that all resources allocated to the development of Haiti are used in the most effective and efficient manner;

[(6) is continuing its investigation of alleged human rights abuses and corruption by the Duvalier government and is prosecuting, in accordance with due process, those responsible for human rights abuses and corruption;

[(7) is maintaining a free and independent judiciary system;

[(8) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti; and

[(9) is encouraging private sector development.

[(e) INTER-AMERICAN FOUNDATION.—Section 401(s)(2) of the Foreign Assistance Act of 1969 is amended by striking out "$11,969,000 for fiscal year 1987" and inserting in lieu thereof "$12,969,000 for fiscal year 1987 (not less than $1,000,000 of which shall be for Haiti)".

[(f) ADDITIONAL ASSISTANCE FOR ECONOMIC DEVELOPMENT IN HAITI.—In order to assist economic development in Haiti, a Foreign Commercial Service officer should be assigned to the United States Embassy in Haiti.

[SEC. 203. MILITARY TRAINING AND OTHER NONLETHAL ASSISTANCE FOR HAITI.

[(a) AUTHORIZATION OF ASSISTANCE.—Up to $4,000,000 of the aggregate amounts available for fiscal year 1987 to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant

military assistance), chapter 5 of part II of that Act (relating to international military education and training), and the Arms Export Control Act (relating to FMS assistance) may be made available for Haiti for education, training, and other nonlethal assistance (such as transportation equipment, communications equipment, and uniforms).

[(b) CONDITIONS ON MILITARY ASSISTANCE.—Funds made available pursuant to subsection (a) may be obligated only if the President certifies to the Congress the following:

[(1) The Government of Haiti has submitted a formal request to the United States specifying a comprehensive plan for the reform and reorganization of the mission, command, and control structures of the Haitian armed forces consistent with a transition to democracy, the rule of law, constitutional government, and an elected civilian government. Such a plan should include a publicly announced commitment by the armed forces of Haiti to abide by international human rights standards and adoption of a code of conduct to assure adherence to these standards.

[(2) The Government of Haiti is making substantial efforts—

[(A) to prevent the involvement of the Haitian armed forces in human rights abuses and corruption by removing from those forces and prosecuting, in accordance with due process, those military personnel responsible for the human rights abuses and corruption;

[(B) to ensure that freedom of speech and assembly are respected;

[(C) to conduct investigations into the killings of unarmed civilians in Gonaives, Martissant, and Fort Dimanche, to prosecute, in accordance with due process, those responsible for those killings, and to prevent any similar occurrences in the future;

[(D) to provide education and training to the Haitian armed forces with respect to internationally recognized human rights and the civil and political rights essential to democracy, in order to enable those forces to function consistent with those rights; and

[(E) to take steps to implement the policy of the Government of Haiti requiring former members of the Volunteers for National Security (VSN) to turn in their weapons and to take the necessary actions to enforce this requirement.

[(c) REPORTS.—Not later than three months after the President submits his certification under subsection (b) and every three months thereafter, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each of the objectives specified in subsection (b). Half of the assistance provided pursuant to subsection (a) shall be withheld from delivery until the President submits the first such report.

[(d) NOTIFICATION TO CONGRESS.—Funds made available pursuant to subsection (a) may be obligated only if the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives and the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives and

the Committee on Appropriations and the Committee on Foreign Relations of the Senate are notified fifteen days in advance.

[(e) RELATION TO EXISTING PROVISION.—Assistance under subsection (a) may be provided notwithstanding the limitations contained in section 705(e) of the International Security and Development Cooperation Act of 1985 and is in addition to the assistance allowed under that section.

[TITLE III—PROTECTING TROPICAL FORESTS AND BIOLOGICAL DIVERSITY IN DEVELOPING COUNTRIES

[SEC. 301. PROTECTING TROPICAL FORESTS.

[Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended—

[(1) by redesignating section 118 as section 117;

[(2) by striking out subsection (d) of that section; and

[(3) by inserting after that section the following new section 118:

["SEC. 118. TROPICAL FORESTS.

["(a) IMPORTANCE OF FORESTS AND TREE COVER.—In enacting section 103(b)(3) of this Act the Congress recognized the importance of forests and tree cover to the developing countries. The Congress is particularly concerned about the continuing and accelerating alteration, destruction, and loss of tropical forests in developing countries, which pose a serious threat to development and the environment. Tropical forest destruction and loss—

["(1) result in shortages of wood, especially wood for fuel; loss of biologically productive wetlands; siltation of lakes, reservoirs, and irrigation systems; floods; destruction of indigenous peoples; extinction of plant and animal species; reduced capacity for food production; and loss of genetic resources; and

["(2) can result in desertification and destabilization of the earth's climate.

Properly managed tropical forests provide a sustained flow of resources essential to the economic growth of developing countries, as well as genetic resources of value to developed and developing countries alike.

["(b) PRIORITIES.—The concerns expressed in subsection (a) and the recommendations of the United States Interagency Task Force on Tropical Forests shall be given high priority by the President—

["(1) in formulating and carrying out programs and policies with respect to developing countries, including those relating to bilateral and multilateral assistance and those relating to private sector activities; and

["(2) in seeking opportunities to coordinate public and private development and investment activities which affect forests in developing countries.

["(c) ASSISTANCE TO DEVELOPING COUNTRIES.—In providing assistance to developing countries, the President shall do the following:

["(1) Place a high priority on conservation and sustainable management of tropical forests.

["(2) To the fullest extend feasible, engage in dialogues and exchanges of information with recipient countries—

[“(A) which stress the importance of conserving and sustainably managing forest resources for the long-term economic benefit of those countries, as well as the irreversible losses associated with forest destruction, and

[“(B) which identify and focus on policies of those countries which directly or indirectly contribute to deforestation.

[“(3) To the fullest extent feasible, support projects and activities—

[“(A) which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and

[“(B) which help developing countries identify and implement alternatives to colonizing forested areas.

[“(4) To the fullest extent feasible, support training programs, educational efforts, and the establishment or strengthening of institutions which increase the capacity of developing countries to formulate forest policies, engage in relevant land-use planning, and otherwise improve the management, of their forests.

[“(5) to the fullest extent feasible, help end destructive slash-and-burn agriculture by supporting stable and productive farming practices in areas already cleared or degraded and on lands which inevitably will be settled, with special emphasis on demonstrating the feasibility of agroforestry and other techniques which use technologies and methods suited to the local environment and traditional agricultural techniques and feature close consultation with and involvement of local people.

[“(6) To the fullest extent feasible, help conserve forests which have not yet been degraded, by helping to increase production on lands already cleared or degraded through support of reforestation, fuelwood, and other sustainable forestry projects and practices, making sure that local people are involved at all stages of project design and implementation.

[“(7) To the fullest extent feasible, support projects and other activities to conserve forested watersheds and rehabilitate those which have been deforested, making sure that local people are involved at all stages of project design and implementation.

[“(8) To the fullest extent feasible, support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing, including reforestation, soil conservation, and other activities to rehabilitate degraded forest lands.

[“(9) To the fullest extent feasible, support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation, including research in agroforestry, sustainable management of natural forests, small-scale farms and gardens, small-scale animal husbandry, wider application of adopted traditional practices, and suitable crops and crop combinations.

[“(10) To the fullest extent feasible, conserve biological diversity forest areas by—

[“(A) supporting and cooperating with United States Government agencies, other donors (both bilateral and multilateral), and other appropriate governmental, intergovernmental, and nongovernmental organizations in efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis;

[“(B) whenever appropriate, making the establishment of protected areas a condition of support for activities involving forest clearance or degradation; and

[“(C) helping developing countries identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas.

[“(11) To the fullest extent feasible, engage in efforts to increase the awareness of United States Government agencies and other donors, both bilateral and multilateral, of the immediate and long-term value of tropical forests.

[“(12) To the fullest extent feasible, utilize the resources and abilities of all relevant United States Government agencies.

[“(13) Require that any program or project under this chapter significantly affecting tropical forests (including projects involving the planting of exotic plant species)—

[“(A) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and

[“(B) take full account of the environmental impacts of the proposed activities on biological diversity,

as provided for in the environmental procedures of the Agency for International Development.

[“(14) Deny assistance under this chapter for—

[“(A) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner which minimizes forest destruction and that the proposed activity will produce positive economic benefits and sustainable forest management systems; and

[“(B) actions which significantly degrade national parks or similar protected areas which contain tropical forests or introduce exotic plants or animals into such areas.

[“(15) Deny assistance under this chapter for the following activities unless an environmental assessment indicates that the proposed activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development:

[“(A) Activities which would result in the conversion of forest lands to the rearing of livestock.

[“(B) The construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands.

[“(C) The colonization of forest lands.

[“(D) The construction of dams or other water control structures which flood relatively undegraded forest lands.

[“(d) PVOs AND OTHER NONGOVERNMENTAL ORGANIZATIONS.—Whenever feasible, the President shall accomplish the objectives of this section through projects managed by private and voluntary organizations or international, regional, or national nongovernmental organizations which are active in the region or country where the project is located.

[“(e) COUNTRY ANALYSIS REQUIREMENTS.—Each country development strategy statement or other country plan prepared by the Agency for International Development shall include an analysis of—

[“(1) the actions necessary in that country to achieve conservation and sustainable management of tropical forests, and

[“(2) the extent to which the actions proposed for support by the Agency meet the needs thus identified.

[“(f) ANNUAL REPORT.—Each annual report required by section 634(a) of this Act shall include a report on the implementation of this section.”.

[SEC. 302. PROTECTING BIOLOGICAL DIVERSITY.

[Section 119 of the Foreign Assistance Act of 1961 is amended by striking out subsections (c) and (d) and inserting in lieu thereof the following:

[“(c) FUNDING LEVEL.—For fiscal year 1987, not less than $2,500,000 of the funds available to carry out this part (excluding funds made available to carry out section 104(c)(2), relating to the Child Survival Fund) shall be allocated for assistance pursuant to subsection (b) for activities which were not funded prior to fiscal year 1987. In addition, the Agency for International Development shall, to the fullest extent possible, continue and increase assistance pursuant to subsection (b) for activities for which assistance was provided in fiscal years prior to fiscal year 1987.

[“(d) COUNTRY ANALYSIS REQUIREMENTS.—Each country development strategy statement or other country plan prepared by the Agency for International Development shall include an analysis of—

[“(1) the actions necessary in that country to conserve biological diversity, and

[“(2) the extent to which the actions proposed for support by the Agency meet the needs thus identified.

[“(e) LOCAL INVOLVEMENT.—To the fullest extent possible, projects supported under this section shall include close consultation with and involvement of local people at all stages of design and implementation.

[“(f) PVOs AND OTHER NONGOVERNMENTAL ORGANIZATIONS.—Whenever feasible, the objectives of this section shall be accomplished through projects managed by appropriate private and voluntary organizations, or international, regional, or national nongovernmental organizations, which are active in the region or country where the project is located.

[“(g) ACTIONS BY AID.—The Administrator of the Agency for International Development shall—

[“(1) cooperate with appropriate international organizations, both governmental and nongovernmental;

[“(2) look to the World Conservation Strategy as an overall guide for actions to conserve biological diversity;

[“(3) engage in dialogues and exchanges of information with recipient countries which stress the importance of conserving biological diversity for the long-term economic benefit of those countries and which identify and focus on policies of those countries which directly or indirectly contribute to loss of biological diversity;

[“(4) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity;

[“(5) whenever possible, enter into long-term agreements in which the recipient country agrees to protect ecosystems or other wildlife habitats recommended for protection by relevant governmental or nongovernmental organizations or as a result of activities undertaken pursuant to paragraph (6), and the United States agrees to provide, subject to obtaining the necessary appropriations, additional assistance necessary for the establishment and maintenance of such protected areas;

[“(6) support, as necessary and in cooperation with the appropriate governmental and nongovernmental organizations, efforts to identify and survey ecosystems in recipient countries worthy of protection;

[“(7) cooperate with and support the relevant efforts of other agencies of the United States Government, including the United States Fish and Wildlife Service, the National Park Service, the Forest Service, and the Peace Corps;

[“(8) review the Agency’s environmental regulations and revise them as necessary to ensure that ongoing and proposed actions by the Agency do not inadvertently endanger wildlife species or their critical habitats, harm protected areas, or have other adverse impacts on biological diversity (and shall report to the Congress within a year after the date of enactment of this paragraph on the actions taken pursuant to this paragraph);

[“(9) ensure that environmental profiles sponsored by the Agency include information needed for conservation of biological diversity; and

[“(10) deny any direct or indirect assistance under this chapter for actions which significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas.

[“(h) ANNUAL REPORTS.—Each annual report required by section 634(a) of this Act shall include, in a separate volume, a report on the implementation of this section.”.

[TITLE IV—MISCELLANEOUS PROVISIONS RELATING TO CERTAIN FOREIGN ASSISTANCE PROGRAMS

[SEC. 401. INCREASE AUTHORIZATION FOR INTERNATIONAL NARCOTICS CONTROL PROGRAMS.

[Section 482(a)(1) of the Foreign Assistance Act of 1961 is amended by striking out “$57,529,000 for the fiscal year 1987” and inserting in lieu thereof “$65,445,000 for the fiscal year 1987”.

[SEC. 402. AUTHORIZING A SEPARATE LINE ITEM APPROPRIATION FOR THE INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

[Section 667(a)(1) of the Foreign Assistance Act of 1961 is amended by inserting after "Act" the following: ", of which $21,750,000 for the fiscal year 1987 is authorized for the necessary operating expenses of the Office of the Inspector General of the Agency for International Development and the remaining amount for the fiscal year is authorized for other necessary operating expenses of that agency".

[SEC. 403. ADDITIONAL PROVISIONS.

[(a) BOARD OF THE INTER-AMERICAN FOUNDATION.—Section 401(g) of the Foreign Assistance Act of 1969 (22 U.S.C. 290f.(g)) is amended by striking out "seven" in the first sentence and "Four" in the second sentence and inserting in lieu thereof "nine" and "Six", respectively.

[(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect 120 days after the date of enactment of this Act.

[SEC. 404. OFFSETTING REDUCTIONS IN CERTAIN FOREIGN ASSISTANCE PROGRAMS.

[In order to provide the increased authorizations of appropriations contained in section 103(b), section 202(e), and section 401 without increasing the overall amount authorized to be appropriated for foreign assistance programs for fiscal year 1987—

[(1) section 104(g)(1)(B) of the Foreign Assistance Act of 1961 (relating to development assistance for health programs) is amended by striking out "$205,000,000 for fiscal year 1987" and inserting in lieu thereof "$180,000,000 for fiscal year 1987"; and

[(2) section 302(a)(1) of that Act (relating to international organizations and programs) is amended by striking out "$270,000,000 for fiscal year 1987" and insert in lieu thereof "$236,084,000 for fiscal year 1987".

[SEC. 405. CONFORMING AMENDMENT.

[Paragraph (6) of section 413(a) of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (Public Law 99–399) is repealed; and the sentence of section 209(a)(1) of the Foreign Service Act of 1980 which was repealed by that paragraph is hereby re-enacted.]

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1985

AN ACT To authorize international development and security assistance programs and Peace Corps programs for fiscal years 1986 and 1987, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "International Security and Development Cooperation Act of 1985".

* * * * * * *

[TITLE I—MILITARY ASSISTANCE AND SALES AND RELATED PROGRAMS

[SEC. 101. FOREIGN MILITARY SALES CREDITS.

[(a) AUTHORIZATIONS OF APPROPRIATIONS.—The first sentence of section 31(a) of the Arms Export Control Act is amended to read as follows: "There are authorized to be appropriated to the President to carry out this Act $5,371,000,000 for fiscal year 1986 and $5,371,000,000 for fiscal year 1987.".

[(b) AGGREGATE CEILINGS AND EXTENDED REPAYMENT TERMS.—Sections 31 (b) and (c) of such Act are amended to read as follows:

["(b)(1) The total amount of credits extended under section 23 of this Act shall not exceed $5,371,000,000 for fiscal year 1986 and $5,371,000,000 for fiscal year 1987.

["(2) Of the aggregate amount of financing provided under this section, not more than $553,900,000 for fiscal year 1986 and not more than $553,900,000 for fiscal year 1987 may be made available at concessional rates of interest. If a country is released from its contractual liability to repay the United States Government with respect to financing provided under this section, such financing shall not be considered to be financing provided at concessional rates of interest for purposes of the limitation established by this paragraph.

["(c) For fiscal year 1986 and fiscal year 1987, the principal amount of credits provided under section 23 at market rates of interest with respect to Greece, the Republican of Korea, the Philippines, Portugal, Spain, Thailand, and Turkey shall (if and to the extent each country so desires) be repaid in not more than twenty years, following a grace period of ten years on repayment of principal.".

[(c) FMS FINANCING FOR ISRAEL.—(1) Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than $1,800,000,000 for fiscal year 1986 and not less than $1,800,000,000 for fiscal year 1987 shall be available only for Israel.

[(2) Israel shall be released from its contractual liability to repay the United States Government with respect to the credits provided pursuant to paragraph (1).

[(3) If the Government of Israel requests that funds be used for such purposes—

[(A) up to $150,000,000 of the amount of credits made available for Israel pursuant to paragraph (1) for each of the fiscal years 1986 and 1987 shall be available for research and development in the United States for the Lavi program, and

[(B) not less than $250,000,000 of the amount of credits made available for Israel pursuant to paragraph (1) for each of the fiscal years 1986 and 1987 shall be available for the procurement in Israel of defense articles and defense services (including research and development) for the Lavi program.

[(d) FMS FINANCING FOR EGYPT.—Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than $1,300,000,000 for fiscal year 1986 and not less than $1,300,000,000 for fiscal year 1987 shall be available only for Egypt.

[(2) Egypt shall be released from its contractual liability to repay the United States Government with respect to the credits provided pursuant to paragraph (1).

[(e) FMS FINANCING FOR GREECE.—Of the total amount of credits extended under section 23 of the Arms Export Control Act, $500,000,000 for each of the fiscal years 1986 and 1987 shall be available only for Greece.

[(2) For each of the fiscal years 1986 and 1987, of the total amount of credits extended for Greece under section 23 of the Arms Export Control Act, Greece shall receive the same proportion of credits extended at concessional rates of interest as the proportion of credits extended at concessional rates of interest which Turkey receives out of the total amount of credits for Turkey under that section, and the average annual rate of interest on the credits extended for Greece at concessional rates of interest shall be comparable to the average annual rate of interest on the credits extended for Turkey at concessional rates of interest. Credits extended for Greece for each of the fiscal years 1986 and 1987 at concessional rates of interest shall not be counted toward any ceiling established by law on concessional financing under the Arms Export Control Act.

[(f) FMS FINANCING AND MAP FOR TURKEY.—For each of the fiscal years 1986 and 1987, the aggregate total of financing under the Arms Export Control Act and assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 provided for Turkey may not exceed $714,280,000. Of this amount, up to $215,000,000 may be used for assistance under chapter 2 of part II of the Foreign Assistance Act of 1961, with the understanding that the United States Government is acting with urgency and determination to oppose any actions aimed at effecting a permanent bifurcation of Cyprus.

[SEC. 102. TERMS OF FOREIGN MILITARY SALES CREDITS.

[Section 23 of the Arms Export Control Act is amended to read as follows:

[“SEC. 23. CREDIT SALES.—(a) The President is authorized to finance the procurement of defense articles, defense services, and design and construction services by friendly foreign countries and international organizations, on such terms and conditions as he may determine consistent with the requirements of this section.

[“(b) The President shall require repayment in United States dollars within a period not to exceed twelve years after the loan agreement with the country or international organization is signed on behalf of the United States Government, unless a longer period is specifically authorized by statute for that country or international organization.

[“(c)(1) The President shall charge interest under this section at such rate as he may determine, except that such rate may not be less than 5 percent per year.

[“(2) For purposes of financing provided under this section—

[“(A) the term ‘concessional rate of interest’ means any rate of interest which is less than market rates of interest; and

[“(B) the term ‘market rate of interest’ means any rate of interest which is equal to or greater than the current average interest rate (as of the last day of the month preceding the financing of the procurement under this section) that the United

States Government pays on outstanding marketable obligations of comparably maturity.

[“(d) References in any law to credits extended under this section shall be deemed to include reference to participations in credits.”.

[SEC. 103. MILITARY ASSISTANCE.

[Section 504(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter $805,100,000 for fiscal year 1986 and $805,100,000 for fiscal year 1987.”.

[SEC. 104. INTERNATIONAL MILITARY EDUCATION AND TRAINING.

[Section 542 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 542. AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to the President to carry out the purposes of this chapter $56,221,000 for fiscal year 1986 and $56,221,000 for fiscal year 1987.”.

[SEC. 105. PEACEKEEPING OPERATIONS.

[(a) AUTHORIZATIONS.—Section 552(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, $37,000,000 for fiscal year 1986 and $37,000,000 for fiscal year 1987.”.

[(b) PEACEKEEPING OPERATIONS EMERGENCIES.—(1) Section 552 of such Act is amended—

[(A) by inserting in subsection (c)“(1)” immediately after “the President may”;

[(B) by inserting in subsection (c) immediately before the period at the end of the subsection “; and (2) in the event the President also determines that such unforeseen emergency requires the immediate provision of assistance under this chapter, direct the drawdown of commodities and services from the inventory and resources of any agency of the United States Government of an aggregate value not to exceed $25,000,000 in any fiscal year”; and

[(C) by inserting at the end thereof the following new subsection:

[“(d) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for commodities and services provided under subsection (c)(2).”.

[(2) Section 652 of such Act is amended by inserting “, 552(c)(2),” immediately after “under section 506(a)”.

[SEC. 106. GUARANTY RESERVE FUND.

[(a) REPORT ON REPLENISHMENT.—For the purpose of providing recommendations for improving the security interests of the United States and the friends and allies of the United States, the President shall prepare and transmit to the Congress within 90 days after the date of enactment of this Act a report which sets forth the history of United States foreign military sales financing under the Foreign Assistance Act of 1961 and the Arms Export Control

Act. Such report shall include recommendations on replenishing the Guaranty Reserve Fund under section 24 of the Arms Export Control Act and recommendations on other matters agreed to in consultation with the chairman and ranking minority member of the Committee on Foreign Relations of the Senate and of the Committee on Foreign Affairs of the House of Representatives.

[(b) ADDITIONAL FUNDS FOR PAYMENT OF CLAIMS.—The second sentence of section 24(c) of the Arms Export Control Act is amended to read as follows: "Funds authorized to be appropriated by section 31(a) to carry out this Act which are allocated for credits at market rates of interest may be used to pay claims under such guarantees to the extent funds in the Guaranty Reserve Fund are inadequate for that purpose.".

[(c) DESIGNATION AS GUARANTY RESERVE FUND.—Such section is further amended by inserting after the first sentence the following new sentence: "The single reserve may, on and after the date of enactment of the International Security and Development Cooperation Act of 1985, be referred to as the "Guaranty Reserve Fund.".

[SEC. 107. VALUATION OF CERTAIN DEFENSE ARTICLES.

[(a) CERTAIN NAVAL VESSELS.—Section 21(a) of the Arms Export Control Act is amended—

[(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

[(2) by inserting "(1)" immediately after "(a)"; and

[(3) by adding at the end thereof the following new paragraph:

["(2) For purposes of subparagraph (A) of paragraph (1), the actual value of a naval vessel of 3,000 tons or less and 20 years or more of age shall be considered to be not less than the greater of the scrap value or fair value (including conversion costs) of such vessel, as determined by the Secretary of Defense.".

[(b) CONFORMING AMENDMENT.—Section 47 of such Act is amended in paragraph (2) by inserting ", except as otherwise provided in section 21(a)," after "excess defense article".

[SEC. 108. FULL COSTING OF FMS SALES OF TRAINING.

[(a) FMS SALES.—Section 21(a)(1)(C) of the Arms Export Control Act, as so redesignated by the preceding section of this Act, is amended to read as follows:

["(C) in the case of the sale of a defense service, the full cost to the United States Government of furnishing such service, except that in the case of training sold to a purchaser who is concurrently receiving assistance under chapter 5 of part II of the Foreign Assistance Act of 1961, only those additional costs that are incurred by the United States Government in furnishing such assistance.".

[(b) NATO STANDARDIZATION AGREEMENTS.—Section 21 of such Act is amended by inserting the following new subsection after subsection (f):

["(g) The President may enter into North Atlantic Treaty Organization standardization agreements in carrying out section 814 of the Act of October 7, 1975 (Public Law 94–106), and may enter into similar agreements with Japan, Australia, and New Zealand, for the cooperative furnishing of training on bi-

lateral or multilateral basis, if the financial principles of such agreements are based on reciprocity. Such agreements shall include reimbursement for all direct costs but may exclude reimbursement for indirect costs, administrative surcharges, and costs of billeting of trainees (except to the extent that members of the United States Armed Forces occupying comparable accommodations are charged for such accommodations by the United States). Each such agreement shall be transmitted promptly to the Speaker of the House of Representatives and the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate.".

[SEC. 109. ADMINISTRATIVE SURCHARGE.

[Subparagraph (A) of section 21(e)(1) of the Arms Export Control Act is amended by inserting "(excluding a pro rata share of fixed base operation costs)" immediately after "full estimated costs".

[SEC. 110. CONTRACT ADMINISTRATION SERVICES.

[Section 21(h) of the Arms Export Control Act is amended by inserting "contract administration services," immediately after "inspection," in the text preceding paragraph (1).

[SEC. 111. CATALOG DATA AND SERVICES.

[Section 21(h) of the Arms Export Control Act is further amended—

[(1) by inserting "(1)" immediately after "(h)";

[(2) by striking out "(1)" and "(2)" and inserting in lieu thereof "(A)" and "(B)", respectively; and

[(3) by adding at the end thereof the following:

["(2) In carrying out the objectives of this section, the President is authorized to provide cataloging data and cataloging services, without charge, to the North Atlantic Treaty Organization or to any member government of that Organization if that Organization or member government provides such data and services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government.".

[SEC. 112. REPORTS ON CASH FLOW FINANCING.

[(a) ANNUAL REPORTS.—Section 25 of the Arms Export Control Act is amended in paragraph (5) of subsection (a)—

[(1) by inserting "(A)" immediately after "(5)";

[(2) by adding "and" after the semicolon at the end of paragraph; and

[(3) by adding at the end of the paragraph the following new subparagraph:

["(B) for each country that is proposed to be furnished credits or guaranties under this Act in the next fiscal year and that has been approved for cash flow financing (as defined in subsection (d) of this section) in excess of $100,000,000 as of October 1 of the current fiscal year—

["(i) the amount of such approved cash flow financing,

["(ii) a description of administrative ceilings and controls applied, and

["(iii) a description of the financial resources otherwise available to such country to pay such approved cash flow financing;".

[(b) DEFINITION OF CASH FLOW FINANCING.—Such section is amended by adding at the end thereof the following new subsection:

["(d) For the purposes of subsection (a)(5)(B) of this section, the term 'cash flow financing' means the dollar amount of the difference between the total estimated price of a Letter of Offer and Acceptance or other purchase agreement that has been approved for financing under this Act or under section 503(a)(3) of the Foreign Assistance Act of 1961 and the amount of the financing that has been approved therefor;".

[SEC. 113. REPORT ON INTERNATIONAL VOLUME OF ARMS TRAFFIC.

[Section 25 of the Arms Export Control Act is amended—

[(1) in subsection (a) by striking out "No later than February 1" and inserting in lieu thereof "Except as provided in subsection (d) of this section, no later than February 1"; and

[(2) by adding at the end thereof the following new subsection:

["(d) The information required by subsection (a)(4) of this section shall be transmitted to the Congress no later than April 1 of each year.".

[SEC. 114. SECURITY ASSISTANCE SURVEYS.

[(a) SURVEYS SUBJECT TO REQUIREMENTS.—Section 26 of the Arms Export Control Act is amended.—

[(1) in the section caption, by striking out "DEFENSE REQUIREMENT" and inserting in lieu thereof "SECURITY ASSISTANCE";

[(2) by striking out "defense requirement" each place it appears in the section and inserting in lieu thereof "security assistance"; and

[(3) by adding at the end of the section the following new subsection:

["(d) As used in this section, the term 'security assistance surveys' means any survey or study conducted in a foreign country by United States Government personnel for the purpose of assessing the needs of that country for security assistance, and includes defense requirement surveys, site surveys, general surveys or studies, and engineering assessment surveys.".

[(b) SUBMISSION OF SURVEYS TO CONGRESS.—Section 26(c) of such Act is amended by striking out "grant that committee access to" and inserting in lieu thereof "submit to that committee copies of".

[SEC. 115. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS.

[(a) REVISION OF AUTHORITY.—Section 27 of the Arms Export Control Act is amended to read as follows:

["SEC. 27. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS.—(a) The President may enter into a cooperative project agreement with the North Atlantic Treaty Organization or with one or more member countries of that Organization.

["(b) As used in this section—

["(1) the term 'cooperative project' means a jointly managed arrangement, described in a written agreement among the parties, which is undertaken in order to further the objectives of

standardization, rationalization, and interoperability of the armed forces of North Atlantic Treaty Organization member countries and which provides—

[“(A) for one or more of the other participants to share with the United States the costs of research on and development, testing, evaluation, or joint production (including follow-on support) of certain defense articles;

[“(B) for concurrent production in the United States and in another member country of a defense article jointly developed in accordance with subparagraph (A); or

[“(C) for procurement by the United States of a defense article or defense service from another member country; and

[“(2) the term ‘other participant’ means a participant in a cooperative project other than the United States.

[“(c) Each agreement for a cooperative project shall provide that the United States and each of the other participants will contribute to the cooperative project its equitable share of the full cost of such cooperative project and will receive an equitable share of the results of such cooperative project. The full costs of such cooperative project shall include overhead and administrative costs. The United States and the other participants may contribute their equitable shares of the full cost of such cooperative project in funds or in defense articles or defense services needed for such cooperative project. Military assistance and financing received from the United States Government may not be used by any other participant to provide its share of the cost of such cooperative project. Such agreements shall provide that no requirement shall be imposed by a participant for worksharing or other industrial or commercial compensation in connection with such agreement that is not in accordance with such agreement.

[“(d) The President may enter into contracts or incur other obligations for a cooperative project on behalf of the other participants, without charge to any appropriation or contract authorization, if each of the other participants in the cooperative project agrees (1) to pay its equitable share of the contract or other obligation, and (2) to make such funds available in such amounts and at such times as may be required by the contract or other obligation and to pay any damages and costs that may accrue from the performance of or cancellation of the contract or other obligation in advance of the time such payments, damages, or costs are due.

[“(e)(1) For those cooperative projects entered into on or after the effective date of the International Security and Development Cooperation Act of 1985, the President may reduce or waive the charge or charges which would otherwise be considered appropriate under section 21(e) of this Act in connection with sales under sections 21 and 22 of this Act when such sales are made as part of such cooperative project, if the other participants agree to reduce or waive corresponding charges.

[“(2) Notwithstanding provisions of section 21(e)(1)(A) and section 43(b) of this Act, administrative surcharges shall not be increased on other sales made under this Act in order to compensate for reductions or waivers of such surcharges under this section. Funds received pursuant to such other sales shall not be available

to reimburse the costs incurred by the United States Government for which reduction or waiver is approved by the President under this section.

[“(f) Not less than 30 days before a cooperative project agreement is signed on behalf of the United States, the President shall transmit to the Speaker of the House of Representatives, the chairman of the Committee on Foreign Relations of the Senate, and the chairman of the Committee on Armed Services of the Senate, a numbered certification with respect to such proposed agreement, setting forth—

[“(1) a detailed description of the cooperative project with respect to the certification is made;

[“(2) an estimate of the quantity of the defense articles expected to be produced in furtherance of such cooperative project;

[“(3) an estimate of the full cost of the cooperative project, with an estimate of the part of the full cost to be incurred by the United States Government for its participation in such cooperative project and an estimate of that part of the full costs to be incurred by the other participants;

[“(4) an estimate of the dollar value of the funds to be contributed by the United States and each of the other participants on behalf of such cooperative project;

[“(5) a description of the defense articles and defense services expected to be contributed by the United States and each of the other participants on behalf of such cooperative project;

[“(6) a statement of the foreign policy and national security benefits anticipated to be derived from such cooperative project; and

[“(7) to the extent known, whether it is likely that prime contracts will be awarded to particular prime contractors or that subcontracts will be awarded to particular subcontractors to comply with the proposed agreement.

[“(g) Section 36(b) of this Act shall not apply to sales made under section 21 or 22 of this Act and to production and exports made pursuant to cooperative projects under this section, and section 36(c) of this Act shall not apply to the issuance of licenses or other approvals under section 38 of this Act, if such sales are made, such production and exports ensue, or such licenses or approvals are issued, as part of a cooperative project.

[“(h) The authority under this section is in addition to the authority under sections 21 and 22 of this Act and under any other provision of law.

[“(i)(1) With the approval of the Secretary of State and the Secretary of Defense, a cooperative agreement which was entered into by the United States before the effective date of the amendment to this section made by the International Security and Development Cooperation Act of 1985 and which meets the requirements of this section as so amended may be treated on and after such date as having been made under this section as so amended.

[“(2) Notwithstanding the amendment made to this section made by the International Security and Development Cooperation Act of 1985, projects entered into under the authority of this section before the effective date of that amendment may be carried through

to conclusion in accordance with the terms of this section as in effect immediately before the effective date of that amendment.".

[(b) CONFORMING AMENDMENTS.—(1) Section 2(b) of such Act is amended to read as follows:

["(b) Under the direction of the President, the Secretary of State (taking into account other United States activities abroad, such as military assistance, economic assistance, and the food for peace program) shall be responsible for the continuous supervision and general direction of sales, leases, financing, cooperative projects, and exports under this Act, including, but not limited to, determining—

["(1) whether there will be a sale to or financing for a country and the amount thereof;

["(2) whether there will be a lease to a country;

["(3) whether there will be a cooperative project and the scope thereof; and

["(4) whether there will be delivery or other performance under such sale, lease, cooperative project, or export,

to the end that sales, financing, leases, cooperative projects, and exports will be integrated with other United States activities and to the end that the foreign policy of the United States would be best served thereby.".

[(2) Section 3(a) of such Act is amended—

[(A) in the text preceding paragraph (1), by inserting ", and no agreement shall be entered into for a cooperative project (as defined in section 27 of this Act)," after "international organization";

[(B) in paragraph (2)—

[(i) by inserting ", or produced in a cooperative project (as defined in section 27 of this Act)," after "so furnished to it"; and

[(ii) by inserting "(or the North Atlantic Treaty Organization or the specified member countries (other than the United States) in the case of a cooperative project)" after "international organization" the second place it appears; and

[(C) in paragraph (3), by inserting "or service" after "such article" both places it appears.

[(3) Section 42(e) of such Act is amended—

[(A) in paragraph (1), by inserting ", and each contract entered into under section 27(d) of this Act,';' after "of this Act"; and

[(B) in paragraph (3), by inserting, ", or under contracts entered into under section 27(d) of this Act," after "of this Act".

[SEC. 116. EXCHANGE OF TRAINING AND RELATED SUPPORT.

[The Arms Export Control Act is amended by inserting the following new chapter after chapter 2B:

["Chapter 2C—Exchange of Training and Related Support

["SEC. 30A. EXCHANGE OF TRAINING AND RELATED SUPPORT.—(a) Subject to subsection (b), the President may provide training and related support to military and civilian defense personnel of a friendly foreign country or an international organization. Such

training and related support shall be provided by a Secretary of a military department and may include the provision of transportation, food services, health services, and logistics and the use of facilities and equipment.

[“(b) Training and related support may be provided under this section only pursuant to an agreement or other arrangement providing for the provision by the recipient foreign country or international organization, on a reciprocal basis, of comparable training and related support to military and civilian personnel under the jurisdiction of the Secretary of the military department providing the training and related support under this section. Such reciprocal training and related support must be provided within a reasonable period of time (which may not be more than one year) of the provision of training and related support by the United States. To the extent that a foreign country or international organization to which training and related support is provided under this section does not provide such comparable training and related support to the United States within a reasonable period of time, that country or international organization shall be required to reimburse the United States for the full costs of the training and related support provided by the United States.

[“(c) Training and related support under this section shall be provided under regulations prescribed by the President.

[“(d) Not later than February 1 of each year, the President shall submit to the Congress a report on the activities conducted pursuant to this section during the preceding fiscal year, including the estimated full costs of the training and related support provided by the United States to each country and international organization and the estimated value of the training and related support provided to the United States by that country or international organization.”.

[SEC. 117. QUARTERLY REPORTS ON UNITED STATES MILITARY ADVISORS ABROAD.

[Section 36(a)(7) of the Arms Export Control Act is amended to read as follows:

[“(7) an estimate of—

[“(A) the number of United States military personnel, the number of United States Government civilian personnel, and the number of United States civilian contract personnel, who were in each foreign country at the end of that quarter, and

[“(B) the number of members of each such category of personnel who were in each foreign country at any time during the quarter,

in implementation of sales and commercial exports under this Act or of assistance under chapter 2, 5, 6, or 8 of part II of the Foreign Assistance Act of 1961, including both personnel assigned to the country and personnel temporarily in the country by detail or otherwise;”.

[SEC. 118. SENSITIVE TECHNOLOGY.

[Section 36(b) of the Arms Export Control Act is amended—

[(1) by inserting before the period at the end of the second sentence of paragraph (1) the following: “, and a detailed jus-

tification of the reasons necessitating the sale of such articles or services in view of the sensitivity of such technology"; and

[(2) by adding at the end thereof the following new paragraph:

["(5)(A) If, before the delivery of any major defense article or major defense equipment, or the furnishing of any defense service or design and construction service, sold pursuant to a letter of offer described in paragraph (1), the sensitivity of technology or the capability of the article, equipment, or service is enhanced or upgraded from the level of sensitivity or capability described in the numbered certification with respect to an offer to sell such article, equipment, or service, then, at least 45 days before the delivery of such article or equipment or the furnishing of such service, the President shall prepare and transmit to the chairman of the Committee on Foreign Affairs of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report—

["(i) describing the manner in which the technology or capability has been enhanced or upgraded and describing the significance of such enhancement or upgrade; and

["(ii) setting forth a detailed justification for such enhancement or upgrade.

["(B) The provisions of subparagraph (A) apply to an article or equipment delivered, or a service furnished, within ten years after the transmittal to the Congress of a numbered certification with respect to the sale of such article, equipment, or service.

["(C) If the enhancement or upgrade in the sensitivity of technology or the capability of major defense equipment, defense articles, defense services, or design and construction services described in a numbered certification submitted under this subsection costs $14,000,000 or more in the case of any major defense equipment, $50,000,000 or more in the case of defense articles or defense services, or $200,000,000 or more in the case of design or construction services, then the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a new numbered certification which relates to such enhancement or upgrade and which shall be considered for purposes of this subsection as if it were a separate letter of offer to sell defense equipment, articles, or services, subject to all of the requirements, restrictions, and conditions set forth in this subsection. For purposes of this subparagraph, references in this subsection to sales shall be deemed to be references to enhancements or upgrades in the sensitivity of technology or the capability of major defense equipment, articles, or services, as the case may be.

["(D) For the purposes of subparagraph (A), the term 'major defense article' shall be construed to include electronic devices, which if upgraded, would enhance the mission capability of a weapons system.".

[SEC. 119. INCREASE IN CRIMINAL PENALTIES FOR CERTAIN VIOLATIONS OF THE ARMS EXPORT CONTROL ACT.

[(a) CRIMINAL PENALTIES.—Section 38(c) of the Arms Export Control Act is amended by striking out "not more than $100,000 or imprisoned not more than two years, or both" and inserting in lieu

thereof "for each violation not more than $1,000,000 or imprisoned not more than ten years, or both".

[(b) CIVIL PENALTIES.—Section 38(e) of such Act is amended by adding at the end thereof the following: "Notwithstanding section 11(c) of the Export Administration Act of 1979, the civil penalty for each violation involving controls imposed on the export of defense articles and defense services under this section may not exceed $500,000.".

[(c) EFFECTIVE DATE.—This section shall take effect upon the date of enactment of this Act or October 1, 1985, whichever is later. The amendments made by this section apply with respect to violations occurring after the effective date of this section.

[SEC. 120. OFFICIAL RECEPTION AND REPRESENTATION EXPENSES.

[Section 43 of the Arms Export Control Act is amended—

[(1) in subsection (b) by inserting "and official reception and representation expenses" immediately after "administrative expenses"; and

[(2) by adding at the end thereof the following new subsection:

["(c) Not more than $72,500 of the funds derived from charges for administrative services pursuant to section 21(e)(1)(A) of this Act may be used each fiscal year for official reception and representation expenses.".

[SEC. 121. SPECIAL DEFENSE ACQUISITION FUND.

[(a) CONTINUOUS ORDERS FOR CERTAIN ARTICLES AND SERVICES.—Section 51(a) of the Arms Export Control Act is amended by adding at the end thereof the following new paragraph:

["(3) The Fund may be used to keep on continuous order such defense articles and defense services as are assigned by the Department of Defense for integrated management by a single agency thereof for the common use of all military departments in anticipation of the transfer of similar defense articles and defense services to foreign countries and international organizations pursuant to this Act, the Foreign Assistance Act of 1961, or other law.".

[(b) REVOLVING FUND.—Section 51(b) of such Act is amended to read as follows:

["(b) The Fund shall consist of collections from sales made under letters of offer, or transfers made under the Foreign Assistance Act of 1961, of defense articles and defense services acquired under this chapter (representing the value of such items calculated in accordance with subparagraph (B) or (C) of section 21(a)(1) or section 22 of this Act or section 644(m) of the Foreign Assistance Act of 1961, as appropriate), together with such funds as may be authorized and appropriated or otherwise made available for the purposes of the Fund.".

[SEC. 122. LEASING AUTHORITY.

[Section 7307(b)(1) of title 10, United States Code, is amended by inserting before the period at the end thereof the following: ", except that any lease or loan of such a vessel under such a law shall be made only in accordance with the provisions of chapter 6 of the Arms Export Control Act (22 U.S.C. 2796 et seq.) or chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.)".

[SEC. 123. MILITARY ASSISTANCE COSTS; WAIVER OF NET PROCEEDS FOR SALE OF MAP ITEMS.

[(a) MILITARY ASSISTANCE COSTS.—Section 503(a) of the Foreign Assistance Act of 1961 is amended by adding the following sentence after paragraph (3):

"Sales which are wholly paid from funds transferred under paragraph (3) shall be priced to exclude the costs of salaries of members of the Armed Forces of the United States.".

[(b) WAIVER OF NET PROCEEDS.—Section 505(f) of such Act is amended by adding at the end thereof the following: "In the case of items which were delivered prior to 1975, the President may waiver the requirement that such net proceeds be paid to the United States Government if he determines that to do so is in the national interest of the United States.".

[SEC. 124. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.

[Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(2) The value of such additions to stockpiles in foreign countries shall not exceed $360,000,000 for fiscal year 1986 and shall not exceed $125,000,000 for fiscal year 1987.".

[SEC. 125. SECURITY ASSISTANCE ORGANIZATIONS.

[Section 515(c)(1) of the Foreign Assistance Act of 1961 is amended in the last sentence by striking out "for the fiscal year 1982 and the fiscal year 1983," and inserting in lieu thereof "Pakistan, Tunisia, El Salvador, Honduras,".

[SEC. 126. EXCHANGE TRAINING.

[Chapter 5 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 544. EXCHANGE TRAINING.—In carrying out this chapter, the President is authorized to provide for attendance of foreign military personnel at professional military education institutions in the United States (other than service academies) without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one, reciprocal basis each fiscal year between those United States professional military education institutions and comparable institutions of foreign countries and international organizations.".

[SEC. 127. TRAINING IN MARITIME SKILLS.

[(a) AUTHORIZATION.—Chapter 5 of part II of the Foreign Assistance Act of 1961, as amended by the preceding section of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 545. TRAINING IN MARITIME SKILLS.—The President is encouraged to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and training in maritime search and rescue, operation and maintenance of aids to navigation, port security, at-sea law enforcement, international maritime law, and general maritime skills.".

[(b) EXEMPTION.—Section 660(b) of such Act is amended—

[(1) by striking out "or" at the end of clause (1);

[(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; or"; and

[(3) by adding the following new clause after clause (2):

["(3) with respect to assistance, including training, in maritime law enforcement and other maritime skills.".

[SEC. 128. SPECIAL WAIVER AUTHORITY.

[Section 614(a)(4) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(4)(A) The authority of this subsection may not be used in any fiscal year to authorize—

["(i) more than $750,000,000 in sales to be made under the Arms Export Control Act;

["(ii) the use of more than $250,000,000 of funds made available for use of more than $100,000,000 of foreign currencies accruing under this Act or any other law.

["(B) If the authority of this subsection is used both to authorize a sale under the Arms Export Control Act and to authorize funds to be used under the Arms Export Control Act or under this Act with respect to the financing of that sale, then the use of the funds shall be counted against the limitation in subparagraph (A)(ii) and the portion, if any, of the sale which is not so financed shall be counted against the limitation in subparagraph (A)(i).

["(C) Not more than $50,000,000 of the $250,000,000 limitation provided in subparagraph (A)(ii) may be allocated to any one country in any fiscal year unless that country is a victim of active Communist or Communist-supported aggression, and not more than $500,000,000 of the aggregate limitation of $1,000,000,000 provided in subparagraphs (A)(i) and (A)(ii) may be allocated to any one country in any fiscal year.".

SEC. 129 CONVENTIONAL ARMS TRANSFERS.

[(a) NEGOTIATIONS.—At the earliest possible date, the President should, in consultation with United States allies, initiate discussions with the Soviet Union and France aimed at beginning multilateral negotiations to limit and control the transfer of conventional arms to less developed countries.

[(b) REPORT.—Within one year after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report which specifies steps being taken to fulfill the requirements of subsection (a) and which examines and analyzes United States policies concerning the export of conventional arms, especially sophisticated weapons, and possible approaches to developing multilateral limitations on conventional arms sales. This report shall examine and analyze—

[(1) the lessons of earlier efforts to negotiate restraints on the export of conventional arms;

[(2) the evolution of supplier practices and policies;

[(3) the evolution of recipient country attitudes regarding conventional arms transfers;

[(4) the effect upon regional stability and security of conventional arms transfer by the United States and its allies and the Soviet Union and its allies;

[(5) the relationship between arms imports and the external debt of recipient countries, the allocation of their internal resources, and their economic well-being;

[(6) the relationship between arms exports by Western European countries and the needs of those countries to support their domestic military procurement programs;

[(7) the prospects for engaging the Soviet Union in serious discussions concerning arms transfers, both globally and as they relate to regional security problems;

[(8) possible measures by the United States and Western European suppliers to control levels of sophisticated weapons sales, both regionally and globally; and

[(9) the timing and phasing of international conventional arms control negotiations.

[SEC. 130. FOREIGN MILITARY SALES FOR JORDAN.

[(a) MIDDLE EAST PEACE.—The foreign military sales financing authorized by this Act for Jordan is provided and increased in the recognition of progress Jordan has made in the search for a just and lasting peace in the Middle East, to encourage further progress, in recognition of the continuing defense needs of Jordan, and in the expectation that Jordan will enter into direct negotiations with Israel based on United Nations Security Council Resolutions 242 and 338 in order to resolve the state of war between those two countries.

[(b) SENSE OF CONGRESS.—It is the sense of the Congress that no foreign military sales financing authorized by this Act may be used to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new advanced military weapons systems, and no notification may be made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons systems, unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

[(c) CERTIFICATION.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons, shall be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.]

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[TITLE II—ECONOMIC SUPPORT FUND

[SEC. 201. PURPOSES AND USES OF ESF; AUTHORIZATIONS OF APPROPRIATIONS.

[SEC. 201. (a) POLICY REVISIONS AND AUTHORIZATIONS OF APPROPRIATIONS.—Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by striking out sections 531, 532, 533, 534, 536,

537, 538, 539, and 540 and inserting the following new sections after the chapter heading:

[“SEC. 531. AUTHORITY.—(a) The Congress recognizes that, under special economic, political, or security conditions, the national interests of the United States may require economic support for countries or in amounts which could not be justified solely under chapter 1 of part I. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. To the maximum extent feasible, the President shall provide assistance under this chapter consistent with the policy directions, purposes, and programs of part I of this Act.

[“(b) The Secretary of State shall be responsible for policy decisions and justifications for economic support programs under this chapter, including determinations of whether there will be an economic support program for a country and the amount of the program for each country. The Secretary shall exercise this responsibility in cooperation with the Administrator of the agency primarily responsible for administering part I of this Act.

[“(c) As part of the annual presentation materials for foreign assistance submitted to the Congress, the agency primarily responsible for administering this part shall provide a detailed justification for the uses and the purposes of the funds provided under this chapter. Such material shall include, but not be limited to, information concerning the amounts and kinds of cash grant transfers, the amounts and kinds of budgetary and balance-of-payments support provided, and the amounts and kinds of project assistance provided with funds made available under this chapter.

[“(d) To the maximum extent feasible, funds made available pursuant to this chapter for commodity import programs or other program assistance shall be used to generate local currencies, not less than 50 percent of which shall be available to support activities consistent with the objectives of sections 103 through 106 of this Act, and administered by the agency primarily responsible for administering part I of this Act.

[“(e) amounts appropriated to carry out this chapter shall be available for economic programs only and may not be used for military or paramilitary purposes.

[“SEC. 532. AUTHORIZATIONS OF APPROPRIATIONS.—(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter—

[“(1) $2,015,000,000 for the fiscal year 1986 and $2,015,000,000 for the fiscal year 1987 for the following countries signing the Camp David agreement: Israel and Egypt; and

[“(2) $1,785,000,000 for the fiscal year 1986 and $1,785,000,000 for the fiscal year 1987 for assistance under this chapter for recipients or purposes other than the countries referred to in paragraph (1).”.

[“(b) Amounts appropriated to carry out this chapter are authorized to remain available until expended.”.

[(b) EMERGENCY ASSISTANCE.—Section 535 of such Act is amended—

[(1) by striking out "1982" and "1983" inserting in lieu thereof "1986" and "1987", respectively; and

[(2) by redesignating that section as section 533.

[SEC. 202. ASSISTANCE FOR THE MIDDLE EAST

[(a) ISRAEL.—(1) Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $1,200,000,000 for fiscal year 1986 and not less than $1,200,000,000 for fiscal year 1987 shall be available only for Israel.

[(2) The total amounts of funds allocated for Israel under that chapter for fiscal year 1986 and fiscal year 1987 shall be made available as a cash transfer on a grant basis. Such transfer shall be made on an expedited basis in the first 30 days of the respective fiscal year. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfer made to Israel does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

[(b) EGYPT.—(1) Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $815,000,000 for fiscal year 1986 and not less than $815,000,000 for fiscal year 1987 shall be available only for Egypt.

[(2) All of the funds made available to Egypt under that chapter for the fiscal years 1986 and 1987 shall be provided on a grant basis.

[(3) Up to $115,000,000 of the amounts provided for Egypt for each of the fiscal years 1986 and 1987 pursuant to paragraph (1) may be provided as a cash transfer with the understanding that Egypt will undertake economic reforms or development activities which are additional to those which would be undertaken in the absence of the cash transfer.

[(c) COOPERATIVE SCIENTIFIC AND TECHNOLOGICAL PROJECTS.—It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should finance, and where appropriate participate in, cooperative projects of a scientific and technological nature involving Israel and Egypt and other Middle East countries wishing to participate. These cooperative projects should include projects in the fields of agriculture, health, energy, the environment, education, water resources, and the social sciences.

[SEC. 203. ASSISTANCE FOR CYPRUS.

[(a) EARMARKS.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $15,000,000 for fiscal year 1986 and not less than $15,000,000 for fiscal year 1987 shall be available only for Cyprus.

[(b) CYPRUS PEACE AND RECONSTRUCTION FUND.—It is the sense of the Congress that, at the appropriate time, $250,000,000 should be authorized to be appropriated to provide assistance for Cyprus under chapter 4 of part II of the Foreign Assistance Act of 1961 if the President certifies to the Congress that an agreement has been concluded by the Greek and Turkish Cypriots which is supported by Greece and Turkey and which achieves substantial progress toward settlement of the Cyprus dispute. Such an agreement should

include an agreement on Varosha/Famagusta, foreign troop levels in the Republic of Cyprus, the disposition of the international airport on Cyprus, or other significant steps which are evidence of substantial progress toward an overall settlement of the Cyprus dispute.

[SEC. 204. ASSISTANCE FOR PORTUGAL.

[Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $80,000,000 for fiscal year 1986 and $80,000,000 for fiscal year 1987 shall be available only for Portugal.

[SEC. 205. ACQUISITION OF AGRICULTURAL COMMODITIES UNDER COMMODITY IMPORT PROGRAMS.

[The President shall use not less than 18 percent of the funds which are authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for each of the fiscal years 1986 and 1987, and which are made available for commodity import programs, for the purchase of agricultural commodities of United States-origin.

[SEC. 206. TIED AID CREDIT PROGRAM.

[Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated for Commodity Import Programs—

[(1) not less than $50,000,000 for fiscal year 1986, and

[(2) an aggregate of not less than $100,000,000 for both fiscal years 1986 and 1987,

shall be deposited in the fund authorized by subsection (c)(2) of section 645 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635r) and shall be used by the Agency for International Development in carrying out the program of tied aid credits for United States exports which is provided for in that section. Funds that have not been obligated pursuant to the tied aid credit program by the end of the third quarter of the fiscal year for which they were appropriated may be used for other purposes under chapter 4 of part II of the Foreign Assistance Act of 1961 if the Administrator of the Agency for International Development certifies to the Congress that (A) no trade credit application acceptable and timely under the Trade and Development Enhancement Act of 1983 pending, or (B) those funds are not needed for that program because other countries are not engaging in predatory financing practices in order to compete with United States exports.

[SEC. 207. RESTRICTION ON USE OF FUNDS FOR NUCLEAR FACILITIES.

[Funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 or fiscal year 1987 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the International Atomic Energy Agency, and pursues nonproliferation policies consistent with those of the United States.

[SEC. 208. FISCAL YEAR 1995 SUPPLEMENTAL AUTHORIZATION.

[(a) AUTHORIZATION.—In addition to the amount appropriated for such purpose by Public Law 98–473, there are authorized to be appropriated $2,008,000,000 for fiscal year 1985 to carry out the purposes of chapter 4 of part II of the Foreign Assistance Act of 1961. Of this amount, $1,500,000,000 shall be available only for Israel, $500,000,000 shall be available only for Egypt, and $8,000,000 shall be available only for the Middle East Regional Program. Amounts appropriated pursuant to this section are authorized to remain available until September 30, 1986.

[(b) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act.

[TITLE III—DEVELOPMENT ASSISTANCE

[SEC. 301. DEVELOPMENT ASSISTANCE POLICY.

[Section 102(b) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraphs:

["(13) United States encouragement of policy reforms is necessary if developing countries are to achieve economic growth with equity.

["(14) Development assistance should, as a fundamental objective, promote private sector activity in open and competitive markets in developing countries, recognizing such activity to be a productive and efficient means of achieving equitable and long term economic growth.

[(15) United States cooperation in development should recognize as essential the need of developing countries to have access to appropriate technology in order to improve food and water, health and housing, education and employment, and agriculture and industry.

[(16) United States assistance should focus on establishing and upgrading the institutional capacities of developing countries in order to promote long term development. An important component of institution building involves training to expand the human resource potential of people in developing countries.".

[SEC. 302. AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION.

[Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by striking out the first sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes $760,000,000 for fiscal year 1986 and $760,000,000 for fiscal year 1987. Of these amounts, the President may use such amounts as he deems appropriate to carry out the provisions of section 316 of the International Security and Development Cooperation Act of 1980.".

[SEC. 303. POPULATION AND HEALTH.

[Section 104(g) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(g) AUTHORIZATIONS OF APPROPRIATIONS.—(1) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

[“(A) $290,000,000 for fiscal year 1986 and $290,000,000 for fiscal year 1987 to carry out subsection (b) of this section; and

[“(B) $205,000,000 for fiscal year 1986 and $205,000,000 for fiscal year 1987 to carry out subsection (c) of this section.

[“(2) Funds appropriated under this subsection are authorized to remain available until expended.”.

[SEC. 304. CHILD SURVIVAL FUND.

[Section 104(c)(2)(B) of the Foreign Assistance Act of 1961 is amended by striking out “$25,000,000” and inserting in lieu thereof “$25,000,000 for fiscal year 1986 and $25,000,000 for fiscal year 1987.”

[SEC. 305. PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION.

[(a) POLICY AND GOAL.—Section 104(c) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

[“(3) The Congress recognizes that the promotion of primary health care is a major objective of the foreign assistance program. The Congress further recognizes that simple, relatively low cost means already exist to reduce incidence of communicable diseases among children, mothers, and infants. The promotion of vaccines for immunization, and salts for oral rehydration, therefore, is an essential feature of the health assistance program. To this end, the Congress expects the agency primarily responsible for administering this part to set as a goal the protection of not less than 80 percent of all children, in those countries in which such agency has established development programs, from immunizable diseases by January 1, 1991.”.

[(b) ANNUAL REPORTS.—Each annual report required by section 634 of the Foreign Assistance Act of 1961 shall describe the progress achieved during the preceding fiscal year in carrying out section 104(c)(3) of such Act.

[SEC. 306. EDUCATION AND HUMAN RESOURCES DEVELOPMENT.

[The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended to read as follows: “There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $180,000,000 for fiscal year 1986 and $180,000,000 for fiscal year 1987, which are authorized to remain available until expended.

[SEC. 307. ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES.

[(a) AUTHORIZATIONS.—Section 106(e)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(e)(1) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $207,000,000 for fiscal year 1986 and $207,000,000 for fiscal year 1987.”.

[(b) COOPERATIVE DEVELOPMENT PROGRAM.—Section 106 of such Act is amended by adding at the end thereof the following new subsection:

[“(f) Of the amounts authorized to be appropriated to carry out this chapter, $5,000,000 for fiscal year 1986 and $5,000,000 for fiscal year 1987 shall be used to finance cooperative projects among the United States, Israel, and developing countries.”.

[SEC. 308. PRIVATE SECTOR REVOLVING FUND.

[Section 108(b) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1984, up to $20,000,000" in the first sentence and inserting in lieu thereof "each of the fiscal years 1986 and 1987, up to $18,000,000".

[SEC. 309. PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES IN OVERSEAS DEVELOPMENT.

[(a) NOTIFICATION DATE.—Section 123(e) of the Foreign Assistance Act of 1961 is amended by striking out "thirty days" in the third sentence and inserting in lieu thereof "one year".

[(b) EARMARKING FOR PVOS.—Section 123(f) of such Act is amended—

[(1) by striking out "1982, 1983, and 1984" and inserting in lieu thereof "1986 through 1989";

[(2) by striking out "twelve" and inserting in lieu thereof "thirteen and one half"; and

[(3) by adding at the end thereof the following new sentence: "Funds made available under chapter 4 of part II of this Act for the activities of private and voluntary organizations may be considered in determining compliance with the requirements of this subsection.".

[SEC. 310. PROMOTION OF DEMOCRATIC COOPERATIVES.

[Section 123 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(h) The Congress recognizes that, in addition to their role in social and economic development, cooperatives provide an opportunity for people to participate directly in democratic decisionmaking. Therefore, assistance under this chapter shall be provided to rural and urban cooperatives which offer large numbers of low-and middle-income people in developing countries an opportunity to participate directly in democratic decisionmaking. Such assistance shall be designed to encourage the adoption of self-help, private sector cooperative techniques and practices which have been successful in the United States.".

[SEC. 311. USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS, COOPERATIVES, AND THE PRIVATE SECTOR.

[(a) STUDY.—The Administrator of the Agency for International Development shall undertake a comprehensive study of additional ways to provide development assistance through nongovernmental organizations, including United States and indigenous private and voluntary organizations, cooperatives, the business community, and other private entities. Such study shall include—

[(1) an analysis of the percentage of development assistance allocated to governmental and nongovernmental programs;

[(2) an analysis of structural impediments, within both the United States and foreign governments, to additional use of nongovernmental programs; and

[(3) an analysis of the comparative economic benefits of governmental and nongovernmental programs.

[(b) REPORT.—The Administrator shall report the results of this study to the Congress no later than September 30, 1986.

[SEC. 312. TARGETED ASSISTANCE.

[(a) REQUIREMENTS.—Section 128 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 128. TARGETED ASSISTANCE.—(a) The President shall use poverty measurement standards, such as those developed by the International Bank for Reconstruction and Development, and other appropriate measurements in determining target populations for United States development assistance, and shall strengthen United States efforts to assure that a substantial percentage of development assistance under this chapter directly improves the lives of the poor majority, with special emphasis on those individuals living in absolute poverty.

["(b) To the maximum extent possible, activities under this chapter that attempt to increase the institutional capabilities of private organizations or governments, or that attempt to stimulate scientific and technological research, shall be designed and monitored to ensure that the ultimate beneficiaries of these activities are the poor majority.".

[(b) ANNUAL REPORTS.—Section 634(a)(1)(B) of such Act is amended by inserting immediately before the semicolon the following: ", such assessment to include an evaluation of the extent to which programs under chapter 1 of part I directly benefit the poor majority".

[SEC. 313. HOUSING AND OTHER GUARANTY PROGRAMS.

[(a) INCREASING AUTHORIZED HIG PROGRAM LEVEL.—Section 222(a) of the Foreign Assistance Act of 1961 is amended by striking out "$1,958,000,000" in the second sentence and inserting in lieu thereof "$2,158,000,000".

[(b) EXTENDING HIG PROGRAM AUTHORITY.—Such section is further amended by striking out "1986" in the third sentence and inserting in lieu thereof "1988".

[(c) MINIMUM ANNUAL HIG PROGRAM LEVELS.—Section 222 of such Act is amended by adding at the end thereof the following:

["(k) The total principal amount of guaranties issued under this section for each of the fiscal years 1986 and 1987 shall be comparable to the total principal amount of such guaranties issued for fiscal year 1984, subject to the dollar limitations on the issuance of guaranties under this section which are contained in subsection (a) and in appropriation Acts.".

[(d) AGRICULTURAL AND PRODUCTIVE CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROGRAMS.—Section 222A(h) of such Act is amended by striking out "1986" and inserting in lieu thereof "1988".

[SEC. 314. TRADE CREDIT INSURANCE PROGRAM.

[Sec 224(e) of the Foreign Assistance Act of 1961 is amended by striking out "not to exceed $300,000,000 in the fiscal year 1985" and inserting in lieu thereof "except that the aggregate amount of outstanding commitments under subsection (a) may not exceed $300,000,000 of contingent liability for loan principal during fiscal year 1986 and may not exceed $400,000,000 of contingent liability for loan principal during fiscal year 1987".

[SEC. 315. MINORITY SET-ASIDE.

[Except to the extent that the Administrator of the Agency for International Development determines otherwise, not less than 10 percent of the aggregate of the funds made available for each of the fiscal years 1986 and 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be made available only for activities of economically and socially disadvantaged enterprises (within the meaning of section 133(c)(5) of the International Development and Food Assistance Act of 1977), historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically and socially disadvantaged (within the meaning of section 133(c)(5) (B) and (C) of the International Development and Food Assistance Act of 1977). For purposes of this section, economically and socially disadvantaged individuals shall be deemed to include women.

[TITLE IV—OTHER FOREIGN ASSISTANCE PROGRAMS

[SEC. 401. AMERICAN SCHOOLS AND HOSPITALS ABROAD.

[Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(c)(1) To carry out the purposes of this section, there are authorized to be appropriated to the president $35,000,000 for fiscal year 1986 and $35,000,000 for fiscal year 1987.

["(2) Amounts appropriated under paragraph (1) are authorized to remain available until expended.".

[SEC. 401. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS.

[(a) AUTHORIZATIONS AND EARMARKINGS.—Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) There are authorized to be appropriated to the President $270,000,000 for fiscal year 1986 and $270,000,000 for fiscal year 1987 for grants to carry out the purposes of this chapter, in addition to funds available under other Acts for such purposes. Of the amount appropriated for each of the fiscal years 1986 and 1987 pursuant to these authorizations—

["(A) 59.65 percent shall be for the United Nations Development Program;

["(B) 19.30 percent shall be for the United Nations Children's Fund;

["(C) 7.20 percent shall be for the International Atomic Energy Agency, except that these funds may be contributed to that Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency;

["(D) 5.44 percent shall be for the Organization of American States development assistance programs;

["(E) 3.51 percent shall be for the United Nations Environment Program;

["(F) 0.70 percent shall be for the World Meteorological Organization;

["(G) 0.70 percent shall be for the United Nations Capital Development Fund;

[“(H) 0.35 percent shall be for the United Nations Education and Training Program for Southern Africa;

[“(I) 0.18 percent shall be for the United Nations Voluntary Fund for the Decade for Women;

[“(J) 0.07 percent shall be for the Convention on International Trade in Endangered Species;

[“(K) 0.70 percent shall be for the World Food Program;

[“(L) 0.18 percent shall be for the United Nations Institute for Namibia;

[“(M) 0.12 percent shall be for the United Nations Trust Fund for South Africa;

[“(N) 0.04 percent shall be for the United Nations Voluntary Fund for Victims of Torture;

[“(O) 0.07 percent shall be for the United Nations Industrial Development Organization;

[“(P) 0.55 percent shall be for the United Nations Development Program Trust Fund to Combat Poverty and Hunger in Africa;

[“(Q) 0.97 percent shall be for contributions to international conventions and scientific organizations;

[“(R) 0.18 percent for the United Nations Centre on Human Settlements (Habitat); and

[“(S) 0.09 percent shall be for the World Heritage Fund.”.

[(b) FISCAL YEAR 1985 CONTRIBUTION TO UNITED NATIONS ENVIRONMENT PROGRAM.—Notwithstanding section 614 of the Foreign Assistance Act of 1961 or any other provision of law, $10,000,000 of the funds appropriated for the fiscal year 1985 to carry out chapter 3 of part I of such Act shall be available only for the United Nations Environment Program. This subsection shall take effect on the date of enactment of this Act.

[SEC. 403. WITHHOLDING OF UNITED STATES PROPORTIONATE SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS.

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

[“SEC. 307. WITHHOLDING OF UNITED STATES PROPORTIONATE SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS.—(a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this chapter shall be available for the United States proportionate share for programs for the South-West Africa People’s Organization, Libya, Iran, Cuba, or the Palestine Liberation Organization or for projects whose purpose is to provide benefits to the Palestine Liberation Organization or entities associated with it.

[“(b) The Secretary of State—

[“(1) shall review, at least annually, the budgets and accounts of all international organizations receiving payments of any funds authorized to be appropriated by this chapter; and

[“(2) shall report to the appropriate committees of the Congress the amounts of funds expended by each such organization for the purposes described in subsection (a) and the amount contributed by the United States to each such organization.”.

[SEC. 404. INTERNATIONAL DISASTER ASSISTANCE.

[The first sentence of section 492(a) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President to carry out section 491, $25,000,000 for fiscal year 1986 and $25,000,000 for fiscal year 1987.".

[SEC. 405. TRADE AND DEVELOPMENT PROGRAM.

[The first sentence of section 661(b) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $20,000,000 for fiscal year 1986 and $20,000,000 for fiscal year 1987.".

[SEC. 406. OPERATING EXPENSES.

[Section 667(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(1) $387,000,000 for fiscal year 1986 and $387,000,000 for fiscal year 1987 for necessary operating expenses of the agency primarily responsible for administering part I of this Act; and".

[TITLE V—INTERNATIONAL TERRORISM AND FOREIGN AIRPORT SECURITY

[PART A—INTERNATIONAL TERRORISM GENERALLY

[SEC. 501. ANTI-TERRORISM ASSISTANCE PROGRAM.

[(a) AUTHORIZATIONS.—Section 575 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 575. AUTHORIZATIONS OF APPROPRIATIONS.—(a) There are authorized to be appropriated to the President to carry out this chapter $9,840,000 for fiscal year 1986 and $9,840,000 for fiscal year 1987.

["(b) Amounts appropriated under this section are authorized to remain available until expended.".

[(b) ITEMS ON THE MUNITIONS LIST.—Section 573(d)(4) of such Act is amended to read as follows:

["(4)(A) Except as provided in subparagraph (B), articles on the United States Munitions List established pursuant to the Arms Export Control Act may not be made available under this chapter.

["(B) For fiscal years 1986 and 1987, articles on the United States Munitions List may be made available under this chapter if—

["(i) they are small arms in category I (relating to firearms), ammunition in category III (relating to ammunition) for small arms in category I, or articles in category X (relating to protective personnel equipment), and they are directly related to anti-terrorism training being provided under this chapter;

["(ii) the recipient country is not prohibited by law from receiving assistance under one or more of the following provisions; chapter 2 of this part, chapter 5 of this part, or the Arms Export Control Act; and

["(iii) at least 15 days before the articles are made available to the foreign country, the President notifies the Committee on Foreign Affairs of the House of Representatives and the Com-

mittee on Foreign Relations of the Senate of the proposed transfer, in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

[“(C) The value (in terms of original acquisition cost) of all equipment and commodities provided under subsection (a) of this section, including articles described in subparagraph (B)(i) of this paragraph, may not exceed $325,000 in fiscal year 1986 or $325,000 in fiscal year 1987.”.

[(c) RESTRICTION.—Section 573 of such Act is amended by adding at the end thereof the following new subsection:

[“(f) Funds made available to carry out this chapter may not be used for personnel compensation or benefits.”.

[(d) EXPIRATION OF AUTHORITY.—Section 577 of such Act is repealed.

[SEC. 502. COORDINATION OF ALL UNITED STATES TERRORISM-RELATED ASSISTANCE TO FOREIGN COUNTRIES.

[(a) COORDINATION.—The Secretary of State shall be responsible for coordinating all assistance related to international terrorism which is provide by the United States Government.

[(b) REPORTS.—Not later than February 1 each year, the Secretary of State, in consultation with appropriate United States Government agencies, shall report to the appropriate committees of the Congress on the assistance related to international terrorism which was provided by the United States Government during the preceding fiscal year. Such reports may be provided on a classified basis to the extent necessary, and shall specify the amount and nature of the assistance provided.

[(c) RULE OF CONSTRUCTION.—Nothing contained in this section shall be construed to limit or impair the authority or responsibility of any other Federal agency with respect to law enforcement, domestic security operations, or intelligence activities as defined in Executive Order 12333.]

* * * * * * *

[SEC. 506. INTERNATIONAL ANTI-TERRORISM COMMITTEE.

[The Congress calls upon the President to seek the establishment of an international committee, to be known as the International Anti-Terrorism Committee, consisting of representatives of the member countries of the North Atlantic Treaty Organization, Japan, and such other countries as may be invited and may choose to participate. The purpose of the Committee should be to focus the attention and secure the cooperation of the governments and the public of the participating countries and of other countries on the problems and responses to international terrorism, by serving as a forum at both the political and law enforcement levels.

[SEC. 507. INTERNATIONAL TERRORISM CONTROL TREATY.

[It is the sense of the Congress that the President should establish a process by which democratic and open societies of the world, which are those most plagued by terrorism, negotiate a viable treaty to effectively prevent and respond to terrorist attacks. Such a treaty should incorporate and operative definition of terrorism, and should establish effective close intelligence-sharing, joint counter-

terrorist training, and uniform laws on asylum, extradition, and swift punishment for perpetrators of terrorism. Parties to such a treaty should include, but not be limited to, those democratic nations who are most victimized by terrorism.

[SEC. 508. STATE TERRORISM.

[It is sense of the Congress that all civilized nations should firmly condemn the increasing use of terrorism by certain states as an official instrument for promoting their policy goals, as evidenced by such examples as the brutal assassination of Major Arthur D. Nicholson, Junior, by a member of the Soviet armed forces.

[PART B—FOREIGN AIRPORT SECURITY

[SEC. 551. SECURITY STANDARDS FOR FOREIGN AIR TRANSPORTATION.

[(a) SECURITY AT FOREIGN AIRPORTS.—Section 1115 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1515) is amended to read as follows:

[''SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION

[''ASSESSMENT OF SECURITY MEASURES

[''SEC. 1115. (a)(1) The Secretary of Transportation shall conduct at such intervals as the Secretary shall deem necessary an assessment of the effectiveness of the security measures maintained at those foreign airports being served by air carriers, those foreign airports from which foreign air carriers serve the United States, those foreign airports which pose a high risk of introducing danger to international air travel, and at such other foreign airports as the Secretary may deem appropriate.

[''(2) Each such assessment shall be made by the Secretary of Transportation in consultation with the appropriate aeronautic authorities of the foreign government concerned and each air carrier serving the foreign airport at which the Secretary is conducting such assessment.

[''(3) The assessment shall determine the extent to which an airport effectively maintains and administers security measures. In making an assessment of any airport under this subsection, the Secretary shall use a standard which will result in an analysis of the security measures at such airport based upon, at a minimum, the standards and appropriate recommended practices contained in Annex 17 to the Convention on International Civil Aviation, as those standards and recommended practices are in effect on the date of such assessment.

[''CONSULTATION WITH THE SECRETARY OF STATE

[''(b) In carrying out subsection (a), the Secretary of Transportation shall consult the Secretary of State with respect to the terrorist threat which exists in each country. The Secretary of Transportation shall also consult with the Secretary of State in order to determine which foreign airports are not under the de facto control of the government of the country in which they are located and pose a high risk of introducing danger to international air travel.

[“REPORT OF ASSESSMENTS

[“(c) Each report to the Congress required by section 315 of this Act shall contain a summary of the assessments conducted pursuant to subsection (a).

[“NOTIFICATION TO FOREIGN COUNTRY OF DETERMINATION

[“(d) Whenever, after an assessment in accordance with subsection (a), the Secretary of Transportation determines that an airport does not maintain and administer effective security measures, the Secretary (after advising the Secretary of State) shall notify the appropriate authorities of such foreign government of such determination, and recommend the steps necessary to bring the security measures in use at that airport up to the standard used by the Secretary in making such assessment.

[“NOTICE AND SANCTIONS

[“(e)(1) Paragraph (2) of this subsection shall become effective—

[“(A) 90 days after notification to the foreign government pursuant to subsection (d), if the Secretary of Transportation finds that the foreign government has failed to bring the security measures at the identified airport up to the standard used by the Secretary in making an assessment of such airport under subsection (a); or

[“(B) immediately upon the Secretary of Transportation's determination under subsection (d) if the Secretary of Transportation determines, after consultation with the Secretary of State, that a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from such airport.

The Secretary of Transportation shall immediately notify the Secretary of State of any determination made pursuant to subparagraph (B) so that the Secretary of State may comply with the requirement of section 552(a) of the International Security and Development Cooperation Act of 1985 that a travel advisory be issued.

[“(2) Subject to paragraph (1), if the Secretary of Transportation determines pursuant to this section that an airport does not maintain and administer effective security measures—

[“(A) the Secretary of Transportation—

[“(i) shall publish the identity of such airport in the Federal Register,

[“(ii) shall cause the identity of such airport to be posted and prominently displayed at all United States airports regularly being served by scheduled air carrier operations, and

[“(iii) shall notify the news media of the identity of such airport;

[“(B) each air carrier and foreign air carrier providing service between the United States and such airport shall provide notice of such determination by the Secretary to any passenger purchasing a ticket for transportation between the United States and such airport, with such notice to be made by written material included on or with such ticket;

[“(C) the Secretary of Transportation, after consultation with the appropriate aeronautical authorities of the foreign government concerned and each air carrier serving such airport, may, notwithstanding section 1102 of this Act and with the approval of the Secretary of State, withhold, revoke, or impose conditions on the operating authority of any air carrier or foreign air carrier to engage in foreign air transportation utilizing such airport; and

[“(D) the President may prohibit air carriers and foreign air carriers from providing service between the United States and any other foreign airport which is directly or indirectly served by aircraft flying to or from the airport with respect to which the determination is made under this section.

[“(3) The Secretary of Transportation shall promptly submit to the Congress a report (with a classified annex if necessary) on any action taken under this subsection, setting forth information concerning the attempts made to secure the cooperation of the foreign government in meeting the standard used by the Secretary in making the assessment of the airport under subsection (a).

[“LIFTING OF SANCTIONS

[“(f)(1) The sanctions required to be imposed with respect to an airport pursuant to subsection (e)(2)(A) and (B) may be lifted only if the Secretary of Transportation, in consultation with the Secretary of State, has determined that effective security measures are maintained and administered at that airport.

[“(2) The Congress shall be notified if any sanction imposed pursuant to subsection (e) is lifted.

[“AUTHORITY FOR IMMEDIATE SUSPENSION OF AIR SERVICE

[“(g) Notwithstanding sections 1102 and 1114 of this Act, whenever the Secretary of Transportation determines that—

[“(1) a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from a foreign airport, and

[“(2) the public interest requires an immediate suspension of services between the United States and the identified airport, the Secretary of Transportation shall, without notice or hearing and with the approval of the Secretary of State, suspend the right of any air carrier or foreign air carrier to engage in foreign air transportation to or from that foreign airport and the right of any person to operate aircraft in foreign air commerce to or from that foreign airport.

[“CONDITIONS OF AUTHORITY

[“(h) The provisions of this section shall be deemed to be a condition to any authority granted under title IV or title VI of this Act to any air carrier or any foreign air carrier, issued under authority vested in the Secretary of Transportation.”.

[(b) CONFORMING AMENDMENTS.—

[“(1) INFORMATION IN SEMIANNUAL REPORTS.—Section 315(a) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1356(a)) is amended by adding at the end thereof the following new sen-

tence: "Each semiannual report submitted by the Administrator pursuant to the preceding sentence shall include the information described in section 1115(c) of this Act.".

[“(2) CIVIL PENALTIES.—Section 901(a)(1) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1471(a)(1)) is amended by inserting "or 1115(e)(2)(B)" after "1114".

[“(3) TABLE OF CONTENTS.—That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading

[“TITLE XI—MISCELLANEOUS”

[is amended by striking out

[“Sec. 1115. Security standards in foreign air transportation.”.

[and inserting in lieu thereof

[“Sec. 1115. Security standards in foreign air transportation.
[“(a) Assessment of security measures.
[“(b) Consultation with the Secretary of State.
[“(c) Report of assessments.
[“(d) Notification to foreign country of determination.
[“(e) Notice and sanctions.
[“(f) Lifting of sanctions.
[“(g) Authority for immediate suspension of air service.
[“(h) Conditions of authority.”.

[(c) CLOSING OF BEIRUT INTERNATIONAL AIRPORT.—It is the sense of the Congress that the President is urged and encouraged to take all appropriate steps to carry forward his announced policy of seeking the effective closing of the international airport in Beirut, Lebanon, at least until such time as the Government of Lebanon has instituted measures and procedures designed to prevent the use of that airport by aircraft hijackers and other terrorists in attacking civilian airlines or their passengers, hijacking their aircraft, or taking or holding their passengers hostage.

[SEC. 552. TRAVEL ADVISORY AND SUSPENSION OF FOREIGN ASSISTANCE.

[(a) TRAVEL ADVISORY.—Upon being notified by the Secretary of Transportation that the Secretary has determined, pursuant to subsection (e)(1)(B) of section 1115 of the Federal Aviation Act of 1958 that a condition exists that threatens the safety or security of passengers, aircraft, or crew travelling to or from a foreign airport which the Secretary of Transportation has determined pursuant to that section to be an airport which does not maintain and administer effective security measures, the Secretary of State shall immediately issue a travel advisory with respect to that airport. Any travel advisory issued pursuant to this subsection shall be published in the Federal Register. The Secretary of State shall take the necessary steps to widely publicize that travel advisory.

[(b) SUSPENSION OF FOREIGN ASSISTANCE.—The President shall suspend all assistance under the Foreign Assistance Act of 1961 or the Arms Export Control Act to any country in which is located an airport with respect to which section 1115(e)(2) of the Federal Aviation Act of 1958 becomes effective if the Secretary of State determines that such country is a high terrorist threat country. The President may waive the requirements of this subsection if the

President determines and reports to the Congress that national security interests or a humanitarian emergency require such waiver.

[(c) LIFTING SANCTIONS.—The sanctions required to be imposed pursuant to this section may be lifted only if, pursuant to section 1115(f) of the Federal Aviation Act of 1958, the Secretary of Transportation, in consultation with the Secretary of State, has determined that effective security measures are maintained and administered at the airport with respect to which the Secretary of Transportation had made the determination described in section 1115 of that Act.

[(d) NOTIFICATION TO CONGRESS.—The Congress shall be notified if any sanction imposed pursuant to this section is lifted.

[SEC. 553. UNITED STATES AIRMARSHAL PROGRAM.

[(a) STUDY OF NEED FOR EXPANSION OF PROGRAM.—The Secretary of Transportation, in coordination with the Secretary of State, shall study the need for an expanded airmarshal program on international flights of United States air carriers. The Secretary of Transportation shall report the results of this study to the Congress within 6 months after the date of enactment of this Act.

[(b) AUTHORITY TO CARRY FIREARMS AND MAKE ARRESTS.—The Secretary of Transportation, with the approval of the Attorney General and Secretary of State, may authorize persons, in connection with the performance of their air transportation security duties, to carry firearms and to make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States, if they have reasonable grounds to believe that the person to be arrested has committed or is committing a felony.

[SEC. 554. ENFORCEMENT OF INTERNATIONAL CIVIL AVIATION ORGANIZATION STANDARDS.

[The Secretary of State and the Secretary of Transportation, jointly, shall call on the member countries of the International Civil Aviation Organization to enforce that Organization's existing standards and to support United States actions enforcing such standards.

[SEC. 555. INTERNATIONAL CIVIL AVIATION BOYCOTT OF COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

[It is the sense of the Congress that the President—

[(1) should call for an international civil aviation boycott with respect to those countries which the President determines—

[(A) grant sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

[(B) otherwise support international terrorism; and

[(2) should take steps, both bilateral and multilateral, to achieve a total international civil aviation boycott with respect to those countries.

[SEC. 556. MULTILATERAL AND BILATERAL AGREEMENTS WITH RESPECT TO AIRCRAFT SABOTAGE, AIRCRAFT HIJACKING, AND AIRPORT SECURITY.

[The Secretary of State shall seek multilateral and bilateral agreement on strengthening enforcement measures and standards

for compliance with respect to aircraft sabotage, aircraft hijacking, and airport security.

[SEC. 557. RESEARCH ON AIRPORT SECURITY TECHNIQUES FOR DETECTING EXPLOSIVES.

[In order to improve security at international airports, there are authorized to be appropriated to the Secretary of Transportation from the Airport and Airway Trust Fund (in addition to amounts otherwise available for such purpose) $5,000,000, without fiscal year limitation, to be used for research on and the development of airport security devices or techniques for detecting explosives.

* * * * * * *]

[TITLE VI—INTERNATIONAL NARCOTICS CONTROL

[SEC. 601. SHORT TITLE.

[This title may be cited as the "International Narcotics Control Act of 1985".

[SEC. 602. AUTHORIZATIONS FOR INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

[Subsection (a)(1) of section 482 of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $57,529,000 for fiscal year 1986 and $57,529,000 for fiscal year 1987.".

[SEC. 603. DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION.

[Section 126(b) of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "and under chapter 4 of part II" immediately after "this chapter"; and

[(2) by inserting "(1)" after "(b)" and by adding at the end thereof the following new paragraph:

["(2) The agency primarily responsible for administering this part may utilize resources for activities aimed at increasing awareness of the effects of production and trafficking of illicit narcotics on source and transit countries.".

[SEC. 604. REPORTS ON INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

[Section 481(b) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(b)(1) Not later than 45 days after the end of each calendar quarter, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the programming and obligation, on a calendar basis, of funds under this chapter prior to the end of that quarter. The last such report for each fiscal year shall include the aggregate obligations and expenditures made, and the types and quantity of equipment provided, on a calendar quarter basis, prior to end of that fiscal year—

["(A) to carry out the purpose of this chapter with respect to each country and each international organization receiving assistance under this chapter, including the cost of the United States personnel engaged in carrying out such purposes in

each such country and with each such international organization;

[“(B) to carry out each program conducted under this chapter in each country and by each international organization, including the cost of United States personnel engaged in carrying out each such program; and

[“(C) for administrative support services within the United States to carry out the purposes of this chapter, including the cost of United States personnel engaged in carrying out such purposes in the United States.

[“(2) Not later than August 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed midyear report on the activities and operations carried out under this chapter prior to such date. Such midyear report shall included, but not be limited to, the status of each agreement concluded prior to such date with other countries to carry out the purposes of this chapter.”.

[SEC. 605. EXEMPTION FROM BAN ON INVOLVEMENT OF UNITED STATES PERSONNEL IN ARREST ACTIONS IN NARCOTICS CONTROL EFFORTS ABROAD.

[Section 481(c) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

[“(2) Paragraph (1) of this subsection shall not prohibit officers and employees of the United States from being present during direct police arrest actions with respect to narcotic control efforts in a foreign country to the extent that the Secretary of State and the government of that country agree to such an exemption. The Secretary of State shall report any such agreement to the Congress before the agreement takes effect.”.

[SEC. 606. ANNUAL REPORTS ON INVOLVEMENT OF FOREIGN COUNTRIES IN ILLICIT DRUG TRAFFIC.

Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

[“(6) Each report pursuant to this subsection shall describe the involvement of any foreign government (including any communist government) in illicit drug trafficking during the preceding fiscal year, including—

[“(A) the direct or indirect involvement of such government (or any official thereof) in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, and

[“(B) any other activities of such government (or any official thereof) which have facilitated illicit drug trafficking.”.

[SEC. 607. PROCUREMENT OF WEAPONS TO DEFEND AIRCRAFT INVOLVED IN NARCOTICS CONTROL EFFORTS.

[Of the funds available to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), $1,000,000 for each of the fiscal years 1986 and 1987 shall be made available to arm, for defensive purposes, aircraft used in narcotic control eradication or interdiction efforts. The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate shall be notified of the use of any such funds for that purpose at least 15 days in advance

in accordance with the reprogramming procedures applicable under section 634A of the Foreign Assistance Act of 1961.

[SEC. 608. REQUIREMENT FOR COST-SHARING IN INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAMS.

[Section 482 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(d) Assistance may be provided under this chapter to a foreign country only if the country provides assurances to the President, and the President is satisfied, that the country will provide at least 25 percent of the costs of any narcotics control program, project, or activity for which such assistance is to be provided. The costs borne by the country may include 'in-kind' contributions.".

[SEC. 609. PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS.

[Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 483. PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS.—Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated.".

[SEC. 610. ASSISTANCE FOR JAMAICA.

[In allocating assistance for Jamaica for fiscal year 1986 under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), the President shall give major consideration to whether the Government of Jamaica has prepared, presented, and committed itself to a comprehensive plan or strategy for the control and reduction of illicit cultivation, production, processing, transportation, and distribution of marijuana within a specifically stated period of time.

SEC. 611. ASSISTANCE FOR BOLIVIA.

[Assistance may be provided to Bolivia for fiscal years 1986 and 1987 under chapter 2 (relating to grant military assistance), chapter 4 (relating to the economic support fund), and chapter 5 (relating to international military education and training) of part ((of the Foreign Assistance Act of 1961, and under chapter 2 of the Arms Export Control Act (relating to foreign military sales financing), only under the following conditions:

[(1) For fiscal year 1986—

[(A) up to 50 percent of the aggregate amount of such assistance allocated for Bolivia may be provided at any time after the President certifies to the Congress that the Government of Bolivia has enacted legislation that will establish its legal coca requirements, provide for the licensing of the number of hectares necessary to produce the legal requirement, and make unlicensed coca production illegal; and

[(B) the remaining amount of such assistance may be provided at any time following a certification pursuant to subparagraph (A) if the President certifies to the Congress that the Government of Bolivia has achieved the eradication targets for the calendar year 1985 contained in its 1983 narcotics agreements with the United States.

[(2) For fiscal year 1987, such assistance may not be provided unless the President certifies to the Congress that the Government of Bolivia has developed a plan to eliminate illicit narcotics production countrywide and is prepared to enter into an agreement with the United States to implement that plan. If that certification is made, then—

[(A) up to 50 percent of the aggregate amount of such assistance allocated for Bolivia may be provided at any time after the President certifies to the Congress that Bolivia has engaged in narcotics interdiction operations which have significantly disrupted the illicit coca industry in Bolivia or has cooperated with the United States in such operations; and

[(B) the remaining amount of such assistance may be provided at any time after the President certifies to the Congress that Bolivia has either met in calendar year 1986 the eradication targets for the calendar year 1985 contained in its 1983 narcotics agreements with the United States or has entered into an agreement of cooperation with the Untied States for implementing that plan for 1987 and beyond (including numerical eradication targets) and is making substantial progress toward the plan's objectives, including substantial eradication of illicit coca crops and effective use of United States assistance.

In the certification required by subparagraph (B), the President shall explain why the terms of the 1983 agreement provided unattainable and the reasons why a new agreement was necessary.

[SEC. 612. ASSISTANCE TO PERU.

[(a) CONDITIONS ON ASSISTANCE.—United States assistance (as defined by section 481(i)(4) of the Foreign Assistance Act of 1961) may be provided for Peru—

[(1) for fiscal year 1986, only if the President reports to the Congress that the Government of Peru has demonstrated substantial progress in developing a plan that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirement, and eliminate illicit and unlicensed coca production; and

[(2) for fiscal year 1987, only if the President reports to the Congress that the Government of Peru has developed such a plan and is implementing it.

[(b) UPPER HUALLAGA VALLEY PROJECT.—Funds authorized to be appropriated for fiscal year 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) may be made available for the project of the Agency for International Development in the Upper Huallaga Valley of Peru only if the Administrator of that Agency, after consultation with the Congress, determines that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley. The assistance for Peru described in this subsection may be provided only if the report required by subsection (a)(2) has been submitted to the Congress.

[SEC. 613. REALLOCATION OF FUNDS IF CONDITIONS NOT MET.

[If any of the assistance described in section 611 is not provided for Bolivia because the conditions specified in that section are not met, or if any of the assistance described in sections 612(a) is not provided for Peru because the conditions specified in that section are not met, the President shall reprogram such assistance in order to provide additional assistance to countries which have taken significant steps to halt illicit drug production or trafficking.

[SEC. 614. CONDITIONS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL.

[Section 482(a) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(3) Funds authorized to be appropriated by this section for fiscal year 1986 and for fiscal year 1987 may be used for a contribution to the United Nations Fund for Drug Abuse Control only if that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country.".

[SEC. 615. LATIN AMERICAN REGIONAL NARCOTICS CONTROL ORGANIZATION.

[(a) FEASIBILITY STUDY.—The Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall conduct a study of the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information-sharing and a regional enforcement unit.

[(b) REPORT.—No later than six months after the date of enactment of this Act, a report on the advisability of encouraging the establishment of such an organization shall be submitted to the Committee on Foreign Affairs and the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations and the Committee on the Judiciary of the Senate.

[SEC. 616. GREATER EFFORT BY UNITED STATES ARMED FORCES TO SUPPORT NARCOTICS CONTROL EFFORTS ABROAD.

[No later than 60 days after the date of enactment of this Act, the President shall report to the Congress on why the United States Armed Forces should not exert greater effort in facilitating and supporting interception of narcotics traffickers, and in gathering narcotics-related intelligence, outside the United States.

[SEC. 617. CUBAN DRUG TRAFFICKING.

[(a) FINDINGS.—The Congress finds that—

[(1) the subject of the flow, use, and control of narcotic and psychotropic substances is a matter of great international importance;

[(2) the problem of drug abuse and drug trafficking continues to worsen throughout most parts of the world;

[(3) the concerns of the governments of many countries have become manifest in several bilateral and multilateral narcotics control projects;

[(4) United Nations agencies monitor and apply controls on the flow and use of drugs and coordinate multilateral efforts to control production, trafficking, and abuse of drugs;

[(5) the United Nations Fund for Drug Abuse Control funds narcotics projects throughout the world and has been a vehicle since 1971 for multilateral implementation of narcotics control and reduction programs;

[(6) the International Narcotics Control Board is charged with monitoring compliance with the Single Convention on Narcotic Drugs, 1961, and the Convention on Psychotropic Substances, and Cuba is a party to both Conventions;

[(7) the United Nations Commission on Narcotic Drugs is responsible for formulating polices, coordinating activities, supervising the implementation of international conventions, and making recommendations to governments for international drug control;

[(8) the promotion of drug abuse and participation in drug trafficking is universally considered egregious criminal behavior wherever it occurs, whether it occurs locally, nationally, or internationally;

[(9) a Federal grand jury of the United States has indicted four prominent Cuban officials on charges of conspiring to smuggle drugs into the Untied States;

[(10) United States Government officials have testified at several congressional hearings that the Government of Cuba is facilitating the flow of illicit drugs into the United States in order to obtain hard currency, support guerrilla/terrorist activities, and undermine United States society; and

[(11) such alleged conduct on the part of the Government of Cuba would be injurious to the world community and counter to the general principle of international law that no country has the right to use or permit the use of its territory in such a manner as to injure another country or persons therein.

[(b) RECOMMENDED ACTIONS.—It is the sense of the Congress that the President should—

[(1) acting through the Permanent Representative on the United States to the United Nations, take such steps as may be necessary to place the question of the involvement by the Government of Cuba in illicit drug trafficking on the agenda of the United Nations;

[(2) acting through the Representative of the United States to the Organization of American States, request the Organization of American States to consider this question as soon as possible; and

[(3) request other appropriate international organizations and international forums to consider this question.

[(c) REPORT.—The President shall report to the Congress on the actions taken pursuant to this section.

[SEC. 618. PROHIBITION ON ASSISTANCE TO COUNTRIES WHICH DO NOT TAKE ADEQUATE STEPS TO HALT DRUG TRAFFICKING.

[Section 481(h) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

[“(4) In addition to the requirements applicable to major illicit drug producing countries pursuant to paragraph (1), the President shall not provide any assistance under this Act or the Arms Export

Control Act to any other country which the President determines has not taken adequate steps to prevent—

[“(A) the processing (in whole or in part) in such country of narcotic and psychotropic drugs or other controlled substances,

[“(B) the transportation through such country of narcotic and psychotropic drugs or other controlled substances, and

[“(C) the use of such country as a refuge for illegal drug traffickers.”.

[SEC. 619. DRUG TRAFFICKING AND THE PROBLEM OF TOTAL CONFIDENTIALITY OF CERTAIN FOREIGN BANK ACCOUNTS.

[(a) FINDINGS.—The Congress finds that—

[(1) several banks in Latin America and the Caribbean are used by narcotics traffickers as depositories for money obtained in providing illicit drugs to the United States and other countries of the region;

[(2) offshore banks which provide total confidentiality provide a service which materially assists the operations of illicit drug traffickers; and

[(3) cooperation in gaining access to the bank accounts of such narcotics traffickers would materially assist United States authorities in controlling the activities of such traffickers.

[(b) POLICY.—The Congress—

[(1) requests the President to negotiate treaties or appropriate international agreements with all countries providing confidential banking services (giving high priority to countries in the Caribbean region) to provide disclosure to the United States Government of information contained in official records, and in records of bank accounts, concerning persons under investigation for violations of United States law, in particular those regarding international drug trafficking;

[(2) directs the President to include reports on the results of such efforts in the annual International Narcotics Control Strategy Report; and

[(3) reaffirms its intention to obtain maximum cooperation on the part of all governments for the purpose of halting international drug trafficking, and constantly to evaluate the cooperation of those governments receiving assistance from the United States.

[TITLE VII—WESTERN HEMISPHERE

[SEC. 701. CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE.

[Part I of the Foreign Assistance Act of 1961 is amended by adding after chapter 5 the following new chapter:

[“CHAPTER 6—CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE

“SEC. 461. STATEMENT OF POLICY.—(a) The congress finds that—

[“(1) the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States; and

[“(2) the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America.

[“(b)(1) The achievement of democracy, respect for human rights, peace, and equitable economic growth depends primarily on the cooperation and the human and economic resources of the people and governments of Central America. The Congress recognizes that the United States can make a significant contribution to such peaceful and democratic development through a consistent and coherent policy which includes a long-term commitment of assistance. This policy should be designed to support actively—

[“(A) democracy and political reform, including opening the political process to all members of society;

[“(B) full observance of internationally recognized human rights, including free elections, freedom of the press, freedom of association, and the elimination of all human rights abuses;

[“(C) leadership development, including training and educational programs to improve public administration and the administration of justice;

[“(D) land reform, reform in tax systems, encouragement of private enterprise and individual initiative, creation of favorable investment climates, curbing corruption where it exists, and spurring balanced trade;

[“(E) the establishment of the rule of law and an effective judicial system; and

[“(F) the termination of extremist violence by both the left and the right as well as vigorous action to prosecute those guilty of crimes and the prosecution to the extent possible of past offenders.

[“(2) The policy described in paragraph (1) should also promote equitable economic growth and development, including controlling the flight of capital and the effective use of foreign assistance and adhering to approved programs for economic stabilization and fiscal responsibility. Finally, this policy should foster dialog and negotiations—

[“(A) to achieve peace based upon the objectives of democratization, reduction of armament, and end to subversion, and the withdrawal of foreign military forces and advisers; and

[“(B) to provide a security shield against violence and intimidation.

[“(3) It is the purpose of this chapter to establish the statutory framework and to authorize the appropriations and financing necessary to carry out the policy described in this section.

[“(c) The Congress finds, therefore, that the people of the United States are willing to sustain and expand a program of economic and military assistance in central America if the recipient countries can demonstrate progress toward and a commitment to these goals.

[“SEC. 462. CONDITIONS ON FURNISHING ASSISTANCE.—The President shall ensure that assistance authorized by this Act and the Arms Export Control Act to Central American countries is furnished in a manner which fosters demonstrated progress toward and commitment to the objectives set forth in section 461. Where necessary to achieve this purpose, the President shall impose condi-

tions on the furnishing of such assistance. In carrying out this section, the President shall consult with the Congress in regard to progress toward the objectives set forth in section 461, and any conditions imposed on the furnishing of assistance in furtherance of those objectives.

[“SEC. 463. PEACE PROCESS IN CENTRAL AMERICA.—The Congress—

[“(1) strongly supports the initiatives taken by the Contadora group and the resulting Document of Objectives which has been agreed to by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua and which sets forth a framework for negotiating a peaceful settlement to the conflict and turmoil in the region; and

[“(2) finds that the United States should provide such assistance and support as may be appropriate in helping to reach comprehensive and verifiable final agreements, based on the Document of Objectives, which will ensure peaceful and enduring solutions to the Central American conflicts.

[“SEC. 464. ECONOMIC ASSISTANCE COORDINATION.—(a) The Congress finds that participation by Central American countries in an effective forum for dialog on, and the continuous review and advancement of, Central America’s political, economic, and social development would foster cooperation between the United States and Central American countries.

[“(b) It is the sense of the Congress that—

[“(1) the President should enter into negotiations with the countries of Central America to establish a Central American Development Organization (hereafter in this section referred to as the ‘Organization’) to help provide a continuous and coherent approach to the development of the Central American region; and

[“(2) the establishment of the Organization should be based upon the following principles:

[“(A) Participation in the Organization should be open to the United States, other donors, and those Central American countries that commit themselves to, among other things, respecting internationally recognized human rights, building democracy, and encouraging equitable economic growth through policy reforms.

[“(B) The Organization should be structured to include representatives from both the public and private sectors, including representatives from the labor, agriculture, and business communities.

[“(C) The Organization should meet periodically to carry out the functions described in subparagraphs (D) and (E) of this paragraph and should be supported by a limited professional secretariat.

[“(D) The Organization should make recommendations affecting Central American countries on such matters as—

[“(i) political, economic, and social development objectives, including the strengthening of democratic pluralism and the safeguarding of internationally recognized human rights;

[“(ii) mobilization of resources and external assistance needs; and

[“(iii) reform of economic policies and structures.

[“(E) The Organization should have the capacity for monitoring country performance on recommendations issued in accordance with subparagraph (D) of this paragraph and for evaluating progress toward meeting such country objectives.

[“(F) To the maximum extent practicable, the United States should follow the recommendations of the Organization in disbursing bilateral economic assistance for any Central American country. No more than 75 percent of such United States assistance in any fiscal year should be disbursed until the recommendations of the Organization for that fiscal year have been made final and communicated to the donor countries. The limitation on disbursements contained in the preceding sentence should apply only to recommendations made final and communicated to donor countries prior to the fourth quarter of such fiscal year. The United States representative to the Organization should urge other donor countries to similarly implement the recommendations of the Organization.

[“(G) The administrator of the agency primarily responsible for administering part I of this Act, or his designee, should represent the United States Government in the Organization and should carry out his functions in that capacity under the continuous supervision and general direction of the Secretary of State.

[“(c) Subject to subsection (d)(2), the President is authorized to participate in the Organization.

[“(d)(1) The administrator of the agency primarily responsible for administering part I of this Act, under the supervision and direction of the Secretary of State, shall prepare a detailed proposal to carry out this section and shall keep the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate fully and currently informed concerning the development of this proposal.

[“(2) The President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a copy of the text of any agreement, which he proposes to sign, that would provide for the establishment of and United States participation in the Organization no less than sixty days prior to his signature. During that sixty-day period there shall be full and formal consultations with and review by those committees in accordance with procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

[“SEC. 465. AUTHORIZATIONS FOR FISCAL YEARS 1988 AND 1989.—(a) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President, for the purpose of furnishing nonmilitary assistance for Central American countries, $1,200,000,000 for each of the fiscal years 1988 and 1989, which are authorized to remain available until expended.

[“(b) For the purpose of providing the assistance described in subsection (a), funds appropriated pursuant to the authorizations

in that subsection may be transferred by the President for obligation in accordance with the authorities of part I of this Act (including chapter 4 of part II), the Peace Corps Act, the Migration and Refugee Assistance Act of 1962, the United States Information and Education Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, the National Endowment for Democracy Act, and the State Department Basic Authorities Act of 1956.

[''SEC. 466. DEFINITIONS.—For the purposes of this chapter, the term 'Central American countries' includes Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and regional programs which benefit such countries.''.

[SEC. 702. EL SALVADOR.

[(a) SUPPORT FOR EL SALVADOR.—The Congress finds that—

[(A) a free and democratic El Salvador is in the security interest of the United States;

[(B) Jose Napoleon Duarte was elected President of El Salvador in 1984 in the most democratic election held in El Salvador in many years;

[(C) political violence in El Salvador has declined dramatically under President Durate's leadership;

[(D) President Duarte's policies of respect for human rights, political pluralism, dialogue and reconciliation with the Salvadoran guerrilla forces, legal and social reform, and effective defense against the violent overthrow of the Salvadoran government are deserving of praise from all who believe in a democratic form of government;

[(E) the March 31, 1985, legislative and municipal elections were successfully carried out, with 64 percent of the electorate defying guerrilla attacks to vote;

[(F) the victory of President Duarte's Christian Democratic Party reaffirms the support for these policies by his fellow citizens, the essential test of any government or movement;

[(G) in spite of the state of siege technically in effect due to the insurgent threat, observance of free speech, free press, and free assembly are widely enjoyed in El Salvador and permit public airing of opposing political views;

[(H) President Duarte is firmly committed to judicial reform and prosecution of cases involving "death squads";

[(I) President Duarte's leadership and popular support has notably weakened the popular support given the guerrillas, as evidenced by the high levels of voter participation in the free elections held in El Salvador since 1982, the reduction in territory in which the guerrillas can freely operate, their inability to mount frontal military attacks, and their resort to economic sabotage, ambushes, political assassination, and urban terrorism with blatant disregard for basic human rights; and

[(J) President Duarte has succeeded in reversing the decline in his country's economy which, though still weak, has better prospects than in recent years.

[(2) Therefore, it is the sense of the Congress that—

[(A) President Duarte is to be congratulated for his outstanding leadership under difficult circumstances and for his efforts to foster democratic government and institutions in his country, and he is encouraged to continue his efforts to pro-

mote political pluralism, democratic institutions, and respect for human rights in his country; and

[(B) the armed services of El Salvador are to be congratulated for their improved performance and professionalism in defending Salvadoran citizens and their democratically elected government from attack by armed insurgents, and especially for their role in helping to protect and uphold the electoral process.

[(3) The Congress reaffirms the importance of continued support for democratic principles and institutions and respect for human rights by the various sectors of Salvadoran society, which is a major factor in United States support for El Salvador.

[(b) OBJECTIVES.—The Congress expects that—

[(1) the Government of El Salvador will be willing to pursue a dialogue with the armed opposition forces and their political representatives for the purposes of achieving an equitable political settlement of the conflict, including free and fair elections;

[(2) the elected civilian government will be in control of the Salvadoran military and security forces, and those forces will comply with applicable rules of international law and with Presidential directives pertaining to the protection of civilians during combat operations, including Presidential directive C–111–03–984 (relating to aerial fire support);

[(3) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in ending the activities of the death squads;

[(4) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in establishing an effective judicial system; and

[(5) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in implementing the land reform program.

[(c) REPORTS.—On October 1, 1985, April 1, 1986, October 1, 1986, and April 1, 1987, the President shall report to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate on the extent to which the objectives described in subsection (b) are being met. With respect to the objective described in paragraph (4) of that subsection, each report shall discuss whether the commission proposed by the President of El Salvador to investigate human rights cases has been established, funded, and given sufficient investigative powers; whether the evidence that commission collects may be used in the Salvadoran judicial process; whether that commission has issued a comprehensive report with regard to its investigation of all Americans murdered in El Salvador; and whether those responsible for the Las Hojas massacre are being prosecuted.

[(d) AIRCRAFT FOR AERIAL WARFARE.—(1) The authorities of part II of the Foreign Assistance Act of 1961 and the Arms Export Control Act may not be used to make available to El Salvador any helicopters or other aircraft, and licenses may not be issued under section 38 of the Arms Export Control Act for the export to El Salvador of any such aircraft, unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Re-

lations of the Senate are notified at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

[(2) Paragraph (1) shall take effect on the date of enactment of this Act and shall remain in effect until October 1, 1987.

[(e) SPECIAL ACCOUNT FOR LOCAL CURRENCIES.—(1) All local currencies, which are generated with the funds provided to El Salvador for balance-of-payments support for fiscal years 1986 and 1987 under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), shall be deposited in accordance with section 609 of that Act in a special account established by the Government of El Salvador.

[(2) Local currencies deposited pursuant to paragraph (1) shall be used for projects assisting agrarian reform and the agricultural sector (and particular emphasis shall be placed on projects for these purposes); judicial reform; employment generation; health, education, and other social services; infrastructure repair; and credits and other support for the private sector (principally for small and medium sized businesses).

[(3) For purposes of this subsection—

[(A) the term "agrarian reform" means projects assisting or enhancing the abilities of agencies, cooperatives, and farms to implement land reform decrees in El Salvador, notwithstanding section 620(g) of the Foreign Assistance Act of 1961; and

[(B) the term "judicial reform" means projects assisting or enhancing the abilities of agencies of the Salvadoran Government to investigate and prosecute politically motivated violence.

[(f) DEVELOPMENT ASSISTANCE.—Of the amounts available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, $79,600,000 for fiscal year 1986 and $79,600,000 for fiscal year 1987 shall be available only for El Salvador.

[(g) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance authorized by this Act which is allocated for El Salvador shall be suspended if the elected President of that country is deposed by military coup or decree.

SEC. 703. ASSISTANCE FOR GUATEMALA.

[(a) CONDITIONS ON MILITARY ASSISTANCE AND SALES.—For fiscal years 1986 and 1987, assistance may be provided for Guatemala under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) and sales may be made and financing may be provided for Guatemala under the Arms Export Control Act (relating to foreign military sales) only if the President makes the following certifications to the Congress:

[(1) For fiscal year 1986, an elected civilian government is in power in Guatemala and has submitted a formal written request to the United States for the assistance, sales, or financing to be provided.

[(2) For both fiscal years 1986 and 1987, the Government of Guatemala made demonstrated progress during the preceding year—

[(A) in achieving control over its military and security forces,

[(B) toward eliminating kidnappings and disappearances, forced recruitment into the civil defense patrols, and other abuses by such forces of internationally recognized human rights, and

[(C) in respecting the internationally recognized human rights of its indigenous Indian population.

[(b) CONSTRUCTION EQUIPMENT AND MOBILE MEDICAL FACILITIES AND RELATED TRAINING.—If the conditions specified in subsection (a) are met, Guatemala may be provided with the following for fiscal years 1986 and 1987 (in addition to such other assistance, sales, or financing as may be provided for Guatemala):

[(1) Sales of construction equipment and mobile medical facilities to assist in development programs that will directly assist the poor in Guatemala.

[(2) Sales of training, to be provided outside of Guatemala, which is related to the sales described in paragraph (1).

[(3) A total for both fiscal years 1986 and 1987 of no more than $10,000,000 in credits under the Arms Export Control Act for sales described in paragraphs (1) and (2).

Such sales and credits shall be provided only to enable the military forces of Guatemala to obtain equipment and training for civilian engineering and construction projects and mobile medical teams, which would not be used in the rural resettlement program.

[(c) PROHIBITION ON FURNISHING WEAPONS.—Funds required to be appropriated by title I of this Act may not be used for the procurement by Guatemala of any weapons or ammunition.

[(d) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance authorized by this Act which is allocated for Guatemala shall be suspended if the elected civilian government of that country is deposed by military coup or decree.

[(e) RURAL RESETTLEMENT PROGRAM.—Assistance provided for Guatemala for the fiscal year 1986 and fiscal year 1987 under chapter 1 of part I (relating to development assistance) or under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961—

[(1) may not be provided to the Government of Guatemala for use in its rural resettlement program; and

[(2) shall be provided through private and voluntary organizations to the maximum extent possible.

[(f) INVITATION FOR ICRC TO VISIT GUATEMALA.—The Congress calls upon the President to urge the Government of Guatemala to allow the International Committee of the Red Cross—

[(1) to conduct an unimpeded visit to Guatemala in order to investigate humanitarian needs in that country and to report on human rights abuses in that country; and

[(2) to investigate the possibilities of its providing humanitarian services in that country.

[(g) RELATIONS BETWEEN BELIZE AND GUATEMALA.—It is the sense of the Congress that the United States should use its good offices and influences to encourage the Government of Guatemala to recognize the independence of Belize and to enter into a mutual nonaggression treaty with Belize.

[(h) HUMAN RIGHTS GROUPS IN GUATEMALA.—(1) The Congress finds that—

[(A) the Group for Mutual Support was formed in 1984 to protest the disappearances of Guatemalan civilians;

[(B) the Group for Mutual Support has carried out its work in a peaceful, non-ideological manner, and is the only indigenous human rights group operating in Guatemala; and

[(C) two of the Group's six steering committee members, Hector Gomez and Maria Rosario Godyo de Cuevas, were recently killed.

[(2) It is the sense of the Congress that—

[(A) human rights groups in Guatemala, particularly the Group for Mutual Support, should be allowed to carry out their work against human rights abuses with the full cooperation, protection, and support of the Government of Guatemala; and

[(B) whether the Government of Guatemala allows human rights groups, including the Group for Mutual Support, to carry out their work should be taken into account by the United States in determining whether there is human rights progress in Guatemala.

[SEC. 704. REFUGEES IN HONDURAS.

[Funds authorized to be appropriated by this Act and funds authorized to be appropriated for the "Migration and Refugee Assistance" account for fiscal years 1986 and 1987—

[(1) which are to be used for refugee assistance or other assistance for Nicaraguan Indian refugees in Honduras shall be channeled, to the maximum extent possible, through the United Nations High Commissioner for Refugees, the International Committee of the Red Cross, the Intergovernmental Committee for Migration, or other established and recognized international refugee relief organizations; and

[(2) may not be used to facilitate the involuntary repatriation of Salvadoran refugees who are in Honduras.

[SEC. 705. PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI.

[(a) USE OF PVOS.—To the maximum extent practicable, assistance for Haiti under chapter 1 of part I (relating to development assistance) and under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

[(b) CONDITIONS ON ASSISTANCE.—Funds available for fiscal year 1986 and for fiscal year 1987 to carry out chapter 1 of part I (relating to development assistance), chapter 4 of part II (relating to the economic support fund), or chapter 5 of part II (relating to international military education and training) of the Foreign Assistance Act of 1961 may be obligated for Haiti only if the President determines that the Government of Haiti—

[(1) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti;

[(2) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years); and

[(3) is making progress toward improving the human rights situation in Haiti and progress toward implementing political reforms which are essential to the development of democracy

in Haiti, such as progress toward the establishment of political parties, free elections, free labor unions, and freedom of the press.

[(c) REPORTS TO THE CONGRESS.—Not later than one year after the date of the enactment of this Act and one year thereafter, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each paragraph of subsection (b).

[(d) ASSISTANCE IN HALTING ILLEGAL EMIGRATION FROM HAITI.—Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961 (relating to police training), funds made available under such Act may be used for programs with Haiti, which shall be consistent with prevailing United States refugee policies, to assist in halting significant illegal emigration from Haiti to the United States.

[(e) LIMITATION ON MAP AND FMS FINANCING.—Assistance may not be provided for Haiti for fiscal year 1986 or fiscal year 1987 under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) or under the Arms Export Control Act (relating to foreign military sales financing), except for necessary transportation, maintenance, communications, and related articles and services to enable the continuation of migrant and narcotics interdiction operations.

[(f) LITERACY AND OTHER EDUCATION PROGRAMS.—Of the amounts authorized to be appropriated to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) which are allocated for Haiti, $1,000,000 for fiscal year 1986 and $1,000,000 for fiscal year 1987 shall be available only for literacy and other education programs in Haiti.

[SEC. 706. MILITARY ASSISTANCE FOR PARAGUAY.

[For the fiscal years 1986 and 1987, none of the funds authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) or to carry out the Arms Export Control Act (relating to foreign military sales financing) may be used for assistance for Paraguay unless the President certifies to the Congress that the Government of Paraguay has ended the practice of torture and abuse of individuals held in detention by its military and security forces and has instituted procedures to ensure that those arrested are promptly charged and brought to trial.

[SEC. 707. ASSISTANCE FOR PERU.

[(a) HUMAN RIGHTS TRAINING IN IMET PROGRAMS.—Respect for internationally recognized human rights shall be an important component of the training provided for Peru under chapter 5 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 and for fiscal year 1987.

[(b) STRENGTHENING THE PERUVIAN JUDICIAL SYSTEM.—Of the amount authorized to be appropriated by this Act to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), $1,000,000 for fiscal year 1986 and $1,000,000 for fiscal year 1987 shall be used to strengthen the judicial system in Peru under section 534 of the Foreign Assistance Act of 1961 (relating to administration of justice).

[SEC. 708. INTER-AMERICAN FOUNDATION.

[The first sentence of section 401(s)(2) of the Foreign Assistance Act of 1969 is amended to read as follows: "There are authorized to be appropriated $11,969,000 for fiscal year 1986 and $11,969,000 for fiscal year 1987 to carry out the purposes of this section.".

[SEC. 709. COMPREHENSIVE REPORTS ON ASSISTANCE FOR LATIN AMERICA AND THE CARIBBEAN.

[(a) REQUIREMENT FOR COMPREHENSIVE ACCOUNTING OF ASSISTANCE.—In the annual reports required by section 634 of the Foreign Assistance Act of 1961, the President shall provide to the Congress a full, complete, and detailed accounting of all assistance provided during the fiscal years 1986 and 1987 for Latin America and the Caribbean under the Foreign Assistance Act of 1961 and the Arms Export Control Act.

[(b) INFORMATION TO BE INCLUDED.—The report provided pursuant to subsection (a) shall include for each fiscal year, among other things, the following with respect to each authorization account:

[(1) The specific projects and other activities carried out in each country.

[(2) The number of persons from each country who were provided with training, and the types of training provided.

[(3) The defense articles and defense services provided for each country.

[(4) The types of goods and commodities provided to each country for economic stabilization purposes under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), and a copy of each agreement for the furnishing of any assistance under that chapter.

[(5) The amounts of local currency generated by United States assistance to each country, the uses of those currencies, and the total amount of those currency still available for use as of the time of the report.

[(6) A report on any transfers or reprogrammings of funds, and a description of how transferred or reprogrammed funds modified the amounts requested for each account.

[(7) A report on the funds which have been obligated but remain unexpended for each country in each account.

[(8) An analysis of the amount of funds and programs provided through nongovernmental as contrasted to governmental channels.

[SEC. 710. USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS.

[To the maximum extent practicable, assistance under chapter 1 of part I (relating to development assistance) and chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 for countries in Latin America and the Caribbean should be provided through private and voluntary organizations which have a proven record of development assistance efforts overseas.

[SEC. 711. ASSISTANCE FOR LAW ENFORCEMENT AGENCIES.

[Section 660 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

["(c) Subsection (a) shall not apply with respect to a country which has a longstanding democratic tradition, does not have

standing armed forces, and does not engage in a consistent pattern of gross violations of internationally recognized human rights.

[“(d) Notwithstanding the prohibition contained in subsection (a) assistance may be provided to Honduras or El Salvador for fiscal years 1986 and 1987 if, at least 30 days before providing assistance, the President notifies the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act, that he has determined that the government of the recipient country has made significant progress, during the preceding six months, in eliminating any human rights violations including torture, incommunicado detention, detention of persons solely for the nonviolent expression of their political views, or prolonged detention without trial. Any such notification shall include a full description of the assistance which is proposed to be provided and of the purposes to which it is to be directed.”.

[SEC. 712. ADMINISTRATION OF JUSTICE.

[Chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), as amended by title II of this Act, is further amended by adding at the end thereof the following new section:

[“SEC. 534. ADMINISTRATION OF JUSTICE.—(a) The President may furnish assistance under this chapter to countries and organizations, including national and regional institutions, in order to strengthen the administration of justice in countries in Latin America and the Caribbean.

[“(b) Assistance under this section may only include—

[“(1) support for specialized professional training, scholarships, and exchanges for continuing legal education;

[“(2) programs to enhance prosecutorial and judicial capabilities and protection for participants in judicial cases;

[“(3) notwithstanding section 660 of this Act, programs to enhance investigative capabilities, conducted under judicial or prosecutorial control;

[“(4) strengthening professional organizations in order to promote services to members and the role of the bar in judicial selection, enforcement of ethical standards, and legal reform;

[“(5) increasing the availability of legal materials and publications;

[“(6) seminars, conferences, and training and educational programs to improve the administration of justice and to strengthen respect for the rule of law and internationally recognized human rights; and

[“(7) revision and modernization of legal codes and procedures.

[“(c) Not more than $20,000,000 of the funds made available to carry out this chapter for any fiscal year shall be available to carry out this section, in addition to amounts otherwise available for such purposes.

[“(d) Funds may not be obligated for assistance under this section unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified of the amount and nature of the proposed assistance

at least 15 days in advance in accordance with the procedures applicable to reprogrammings pursuant to section 634A of this Act.

[“(e) The authority of this section shall expire on September 30, 1987.”.

[SEC. 713. USE OF EMPLOYEE STOCK OWNERSHIP PLANS IN DEVELOPMENT EFFORTS.

[(a) FINDINGS.—The Congress declares that—

[(1) employee stock ownership plans in industrial, farming, banking, and other enterprises in Central America and the Caribbean can be an important component in achieving United States goals in Central America and the Caribbean; and

[“(2) employee stock ownership plans should be used as an instrument in financing growth and transfers of equity in the region, in reorganizing state-owned enterprises into viable employee-owned businesses, in expanding political and economic pluralism, and in strengthening democratic institutions in the region.

[(b) PLAN FOR EXPANDED USE OF ESOPS.—The President is urged to develop a plan for the expanded use of employee stock ownership plans in development efforts of the United States in Central America and the Caribbean, with an emphasis on policy and infrastructural changes needed to encourage voluntary employee stock ownership initiatives by multinational corporations and other private sector enterprises which have investments, are considering making new investments, or are interested in management contracts and joint ventures in the region.

[(c) TASK FORCE.—To assist in this effort, there is established a Presidential Task Force on Project Economic Justice (hereafter in this section referred to as the “Task Force”), which shall consist of individuals appointed by the President who are distinguished leaders of the private sector of the United States, including significant representation of union representatives of workers in successful companies with employee stock ownership plans and of nationally recognized experts in all phases of design, implementation, and operation of employee stock ownership plans. The President shall designate one of the members of the Task Force to serve as Chairman. The Chairman of the Task Force shall appoint a volunteer fundraising committee, and all the expenses of the Task Force shall be paid without the use of public funds.

[(d) REPORT.—Not later than December 31, 1985, the Task Force shall prepare and transmit to the President and the Congress a report on the expanded use of employee stock ownership plans in the development efforts of the United States in Central America and the Caribbean, including specific recommendations on strategies for using employee stock ownership plans as a means of accelerating the rate of private sector capital formation in Central America and the Caribbean that is systematically linked to expanding ownership and profit-sharing opportunities for all employees.

[SEC. 714. INTERNATIONAL ADVISORY COMMISSION FOR THE CARIBBEAN REGION.

[(a) FINDINGS.—The Congress finds that—

[(1) many of the social, agricultural, educational, and economic problems which confront nations in the Caribbean Re-

gion result primarily from social and economic injustice and inadequate economic and agricultural development;

[(2) such problems are not addressed sufficiently by current United States policies toward that region;

[(3) the development of the Caribbean Region is of vital importance to the economic and strategic interests of the United States and its allies; and

[(4) for purposes of defining development plans, providing an international forum for Caribbean Region development issues, and providing expert advice to donor-aid countries, an international commission is needed as the prime institution for promoting economic cooperation and development in the Caribbean Region.

[(b) INVITATIONS TO PARTICIPATE IN COMMISSION.—

[(1) INVITATION TO CARIBBEAN COUNTRIES.—The President may invite the countries which comprise the Caribbean Region to participate with the United States in a commission to be known as the International Advisory Commission for the Caribbean Region (hereafter in this section referred to as the "Commission").

[(2) INVITATION TO CERTAIN OTHER COUNTRIES.—The President may also invite the Netherlands, the United Kingdom, France, Canada, the Commonwealth of Puerto Rico, and the Virgin Islands to participate in the Commission.

[(c) FUNCTIONS OF COMMISSION.—It is the sense of the Congress that the Commission should—

[(1) examine social, agricultural, educational, and economic issues which affect the Caribbean Region; and

[(2) consult with leaders of the countries in the Caribbean Region and with representatives from public and private organizations involved in matters related to the Caribbean Region in order to evaluate the problems and needs of such countries.

[(d) FUNDING FOR ORGANIZATIONAL MEETING OF COMMISSION.—Of the funds authorized to be appropriated to carry out section 106 of the Foreign Assistance Act of 1961 (relating to development assistance for energy, private and voluntary organizations, and selected development activities), up to a total of $100,000 for fiscal years 1986 and 1987 may be made available to—

[(1) pay reasonable administrative expenses associated with the organizational meeting of the Commission; and

[(2) pay reasonable travel and lodging expenses incurred by commissioners from other participant governments incident to their attendance at the organizational meeting of the Commission.

[(e) REQUEST TO CONGRESS RELATING TO UNITED STATES PARTICIPATION IN THE COMMISSION.—The President should provide cost estimates and request authorization from the Congress in order to provide for the participation of the United States in the Commission (other than United States participation associated with the organizational meeting).

[(f) APPOINTMENT OF UNITED STATES REPRESENTATIVE AND OBSERVERS.—Upon the creation of the Commission.—

[(1) the President should consider appointing one individual as the United States representative to the Commission;

[(2) the Speaker of the House of Representatives should consider appointing two Members of the House, one from each major political party, as observers at the Commission; and

[(3) the majority leader of the Senate should consider appointing two Members of the Senate, one from each major political party, as observers at the Commission.

[SEC. 715. EXEMPTION OF CERTAIN SAFETY-RELATED EQUIPMENT FROM PROHIBITION ON MILITARY SALES TO CHILE.

[Section 726 of the International Security and Development Cooperation Act of 1981 is amended by adding at the end thereof the following new subsection:

["(c) The prohibition contained in subsection (b) does not prohibit the sale, or the licensing for export, of cartridge actuated devices, propellant actuated devices, and technical manuals for aircraft of the F–5E/F or A/T–37 type which were sold to the Chilean Air Force by the United States before January 1, 1976, so long as the items are provided only for purposes of enhancing the safety of the aircraft crew.".

[SEC. 716. RURAL ELECTRIFICATION.

[It is the sense of the Congress that funds appropriated for the fiscal years 1986 and 1987 under section 103(a)(2) of the Foreign Assistance Act of 1961 (relating to development assistance for agriculture, rural development, and nutrition) should be used for a comprehensive rural electrification program in Central America in order to establish conditions of stability and a foundation for economic development.

[SEC. 717. FACILITATING INTERNATIONAL COMMERCE THROUGH MEXICO.

[(a) FINDING.—Recognizing that increased levels of balanced international trade are an essential component in an economic development program for the region and that the United States has traditionally been the most important trading partner for each of the nations of Latin America, it is the sense of the Congress that current procedures and laws of the Government of Mexico, and practices of its officials, constitute a significant impediment to the transit of vehicles carrying the commodities of international trade through Mexican territory.

[(b) NEGOTIATIONS AND COOPERATIVE STEPS CONCERNING TRANSIT.—As the Government of Mexico has played a valuable role in assisting and encouraging the economic and political development of the region, and in offering advice to the United States as to constructive policies this nation might pursue with respect to peace and prosperity in the area, the Secretary of State, acting independently or with representatives of other Latin America nations, shall initiate negotiations with the Government of Mexico aimed at eliminating or reducing those impediments to international trade. The agenda for such negotiations should include discussions to encourage the Government of Mexico to accede to existing international custom conventions on international in-transit shipments. Such actions are to be taken in concert with the institution by the United States, and the nations of the region where the transiting shipments originate, of appropriate and cooperative steps to make sealed-truck, no-inspection transit administratively acceptable to

the Government of Mexico and other transited countries. Similar bilateral or multilateral negotiations by the Secretary of State with nations respecting the same international customs conventions is also encouraged.

[(c) REPORT.—The Secretary of State shall report the status of these negotiations to Congress by January 1, 1986.

[SEC. 718, CONDEMNING HUMAN RIGHTS VIOLATIONS AND THE SUBVERSION OF OTHER GOVERNMENTS BY THE GOVERNMENT OF CUBA.

[(a) CONDEMNATION OF CERTAIN ACTION BY THE GOVERNMENT OF CUBA.—The Congress condemns—

[(1) the consistent pattern of gross violations of internationally recognized human rights by the Cuban Government, including—

[(A) cruel, inhumane, and degrading treatment and punishment of prisoners;

[(B) the suppression of free speech, press, and assembly; and

[(C) restrictions on religious activity and the freedom to emigrate; and

[(2) the provision by the Cuban government of material aid and personnel support for the purposes of subversion.

(b) CALL UPON THE GOVERNMENT OF CUBA.—The Congress calls upon the Government of Cuba to restore civil liberties and cease in the violation of human rights of the Cuban people and cease the subversion of other governments through material and personnel support.

[SEC. 719, REPORTS ON FOREIGN DEBT IN LATIN AMERICA.

[(a) FINDINGS.—The Congress finds that—

[(1) the foreign debt of Latin American countries has soared from $27,000,000,000 in 1970 to over $350,000,000,000 in 1983;

[(2) the foreign debt of Latin American countries is a serious obstacle to their economic progress, threatens their stability, and endangers the democratic processes in those nations;

[(3) the economic and political futures of many of the Latin American countries hang in the balance and depend upon a successful resolution of the foreign debt crisis; and

[(4) the confidence of the American people in the United States system of banking is also involved in a successful resolution of the foreign debt crisis.

(b) REPORT.—Not later than January 1, 1986, the Secretary of State shall prepare and transmit to the Congress a report on—

[(1) the magnitude of the foreign debt crisis in the Western Hemisphere;

[(2) the impact of the foreign debt crisis on the economies of the countries of Latin America;

[(3) the degree to which the national security interests of the United States are implicated in this crisis;

[(4) the steps being taken and the policy being pursued by the United States aimed at dealing with this crisis;

[(5) the degree to which the foreign debt crisis affects the system of banking in the United States; and

[(6) the steps being taken and the policy being pursued by the United States Government aimed at dealing with this crisis.

[SEC. 720. ECONOMIC ASSISTANCE FOR URUGUAY.

[Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), $15,000,000 for fiscal year 1986 and $15,000,000 for fiscal year 1987 shall be available only for Uruguay.

[SEC. 721. CANADIAN EXPORTS TO THE UNITED STATES.

[(a) CATTLE AND HOGS.—(1) The Congress finds that—

[(A) livestock prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of live cattle and hogs from Canada, which has increased by 1,000 percent in the last decade in the case of hogs alone;

[(B) American livestock producers are suffering from the same general economic crisis affecting all of agriculture, and many will face liquidation or foreclosure in the near future; and

[(C) the disparity between the United States and the Canadian dollar amount to 32 to 34 percent and results in even further increases in Canadian hogs and cattle being imported into the United States.

[Therefore, it is the sense of the Congress that the President should direct appropriate officials of the executive branch, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussion with the Canadian Government directed toward immediate reduction in the Canadian export of cattle and hogs to the United States.

[(b) SOFTWOOD TIMBER.—(1) The Congress find that—

[(A) softwood timber prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of processed softwood timber from Canada, which has increased from 18 percent of the United States market in the last two years to 35 to 40 percent today;

[(B) American timber producers are suffering from this economic crisis, and the difficulty in acquiring timber from the National Forest System; and

[(C) the disparity between the United States and the Canadian dollar amounts to 32 to 34 percent and results in even further increases in processed softwood timber being imported into the United States.

[(2) Therefore, it is the sense of the Congress that the President should direct appropriate officials of the executive branch, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of softwood timber to the United States.

[SEC. 722. NICARAGUA.

[(a) SETTLEMENT OF THE CONFLICT.—The Congress—

[(1) strongly supports national reconciliation in Nicaragua and the creation of a framework for negotiating a peaceful settlement to the Nicaraguan conflict; and

[(2) finds that the United States should, in assisting efforts to reach comprehensive and verifiable final agreements based on the Contadora Document of Objectives, encourage the Government of Nicaragua to pursue a dialogue with the armed opposition forces and their political representatives for the purposes of achieving an equitable political settlement of the conflict, including free and fair elections.

[(b) UNITED STATES CONCERNS ABOUT NICARAGUAN FOREIGN AND DOMESTIC POLICIES.—The Congress finds and declares the following:

[(1) Despite positive actions by the Congress signaling support for negotiated solutions to conflicts in Central America, there are disturbing trends in Nicaragua's foreign and domestic policies, including—

[(A) President Daniel Ortega's April 1985 trip to the Soviet Union at a time when the Congress signaled its strong disapproval of increasing Nicaraguan-Soviet ties;

[(B) the Sandinista government's close military ties with Cuba, the Soviet Union, and its Warsaw Pact allies; the disappointing and insufficient reduction of the number of Cuban advisors in Nicaragua by only 100 out of an approximately 2,500; and the continuing military buildup that Nicaragua's neighbors consider threatening;

[(C) the Sandinista government's curtailment of individual liberties, political expression, freedom of worship, and the independence of the media;

[(D) the subordination of military, judicial, and internal security functions to the ruling political party; and

[(E) the Sandinista government's efforts to export its influence and ideology.

[(2) If Nicaragua does not address the concerns described in paragraph (1), the United States has several options to address this challenge to peace and stability in the region, including political, diplomatic, and trade sanctions. In addition, the United States—

[(A) should through appropriate regional organizations, such as the Organization of American States, seek to maintain multilateral pressure on Nicaragua to address these concerns; and

[(B) should, if called upon to do so, give serious consideration to supporting any sanctions adopted by such an organization.

[(3) In assessing whether or not progress is being made in addressing these concerns, the Congress will expect prompt and significant initiatives by the Government of Nicaragua such as—

[(A) the removal of foreign military advisors from Nicaragua;

[(B) the end to Sandinista support for insurgencies in other countries in the region, including the cessation of

military supplies to the rebel forces fighting the democratically elected government in El Salvador;

[(C) restoration of individual liberties, political expression, freedom of worship, and the independence of the media; and

[(D) progress toward internal reconciliation and a pluralistic democratic system, including steps to liberalize institutions in order to allow the internal opposition in Nicaragua to become a viable partner in the Nicaraguan political process.

[(c) RESOLUTION OF THE CONFLICT IN NICARAGUA.—

[(1) BASIS FOR POLICY.—The Congress finds that—

[(A) the people of Nicaragua are suffering the horrors of a fierce armed conflict that is causing grave hardships and loss of life, has thrown the country into a serious political, social, and economic upheaval, and is of serious concern to the nations of the region and to the United States;

[(B) this conflict is fundamentally a continuation of efforts of the Nicaraguan people to attain a representative government at peace with its neighbors, efforts which began under the Somoza regime; and

[(C) the United States recognized these noble aspirations of the Nicaraguan people in the June 23, 1979, resolution of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs of the Organization of American States, which reads as follows:

[“WHEREAS:

[“The people of Nicaragua are suffering the horrors of a fierce armed conflict that is causing grave hardships and loss of life, and has thrown the country into a serious political, social, and economic upheaval;

[“The inhumane conduct of the dictatorial regime governing the country, as evidenced by the report of the Inter-American Commission on Human Rights, is the fundamental cause of the dramatic situation faced by the Nicaraguan people; and

[“The spirit of solidarity that guides Hemisphere relations places an unavoidable obligation on the American countries to exert every effort within their power, to put an end to the bloodshed and to avoid the prolongation of this conflict which is disrupting the peace of the Hemisphere;

[“THE SEVENTEENTH MEETING OF CONSULTATION OF MINISTERS OF FOREIGN AFFAIRS,

[“DECLARES:

[“That the solution of the serious problem is exclusively within the jurisdiction of the people of Nicaragua.

[“That in the view of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs this solution should be arrived at on the basis of the following:

[“1. Immediate and definitive replacement of the Somoza regime.

[“2. Installation in Nicaraguan territory of a democratic government, the composition of which should include the principal representative groups which oppose the Somoza

regime and which reflects the free will of the people of Nicaragua.

[“3. Guarantee of the respect for human rights of all Nicaraguans without exception.

[“4. The holding of free elections as soon as possible, that will lead to the establishment of a truly democratic government that guarantees peace, freedom, and justice.

[“RESOLVES:

[“1. To urge the member states to take steps that are within their reach to facilitate an enduring and peaceful solution of the Nicaraguan problem on the bases set forth above, scrupulously respecting the principle of nonintervention and abstaining from any action that might be in conflict with the above bases or be incompatible with a peaceful and enduring solution to the problem.

[“2. To commit their efforts to promote humanitarian assistance to the people of Nicaragua and to contribute to the social and economic recovery of the country.

[“3. To keep the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs open while the present situation continues.”.

[(2) THE GOVERNMENT OF NICARAGUA.—The Congress further finds that—

[(A) the Government of National Reconstruction of Nicaragua formally accepted the June 23, 1979, resolution as a basis for resolving the Nicaraguan conflict in its “Plan to Achieve Peace” which was submitted to the Organization of American States on July 12, 1979;

[(B) the June 23, 1979, resolution and its acceptance by the Government of National Reconstruction of Nicaragua was the formal basis for the removal of the Somoza regime and the installation of the Government of National Reconstruction;

[(C) the Government of National Reconstruction, now known as the Government of Nicaragua and controlled by the Frente Sandinista (the FSLN), has flagrantly violated the provisions of the June 23, 1979, resolution, the rights of the Nicaraguan people, and the security of the nations in the region, in that it—

[(i) no longer includes the democratic members of the Government of National Reconstruction in the political process;

[(ii) is not a government freely elected under conditions of freedom of the press, assembly, and organization, and is not recognized as freely elected by its neighbors, Costa Rica, Honduras, and El Salvador;

[(iii) has taken significant steps towards establishing a totalitarian Communist dictatorship, including the formation of FSLN neighborhood watch committees and the enactment of laws that violate human rights and grant undue executive power;

[(iv) has committed atrocities against its citizens as documented in reports by the Inter-American Commis-

sion on Human Rights of the Organization of American States;

[(v) has aligned itself with the Soviet Union and Soviet allies, including the German Democratic Republic, Bulgaria, Libya, and the Palestine Liberation Organization;

[(vi) has committed and refuses to cease aggression in the form of armed subversion against its neighbors in violation of the Charter of the United Nations, the Charter of the Organization of American States, the Inter-American Treaty of Reciprocal Assistance, and the 1965 United Nation General Assembly Declaration on Intervention; and

[(vii) has built up an army beyond the needs of immediate self-defense, at the expense of the needs of the Nicaraguan people and about which the nations of the region have expressed deepest concern.

[(3) THE NICARAGUAN DEMOCRATIC OPPOSITION.—The Congress further finds that—

[(A) as a result of these violations, the Government of Nicaragua has lost the support of virtually all independent sectors of Nicaraguan society who initially supported the removal of the Somoza regime (including democratic political parties of the left, center, and right; the leadership of the Church; free unions; and the business, farmer, and professional sectors) and who still seek democracy, reject the rule of the Frente Sandinista, and seek the free elections promised in 1979;

[(B) the Nicaraguan political opposition has joined with the armed opposition groups in issuing the San Jose Manifesto of March 1, 1985, calling for a national dialogue under mediation by the Nicaraguan Bishops Conference to peacefully attain the fulfillment of the Government of Nicaragua's commitments to the Organization of American States, including "the democratization of Nicaragua, conscious that democracy is the only means to carry out an authentic revolution and secure our national identify and sovereignty";

[(C) on June 12, 1985, in San Salvador, El Salvador, the political and armed opposition groups representing the entire democratic political spectrum of Nicaragua formed the Unified Nicaraguan Opposition and affirmed their "historical commitment to achieve for Nicaragua the reconciliation of her children, to establish the foundation for democracy and the moral and material reconstruction of the nation"; and

[(D) the Unified Nicaraguan Opposition further declared its intention to "give priority at all times to a political solution which will ease the suffering of the people".

[(4) CONCERNS IN THE REGION AND UNITED STATES RESPONSIBILITIES.—The Congress further finds that—

[(A) Nicaragua's neighbors, Costa Rica, El Salvador, and Honduras, have expressed, individually and through the Contadora process, their belief that their peace and free-

dom is not safe so long as the Government of Nicaragua excludes from power most of Nicaragua's political leadership and is controlled by a small sectarian party, without regard to the will of the majority of Nicaraguans; and

[(B) the United States, given its role in the installation of the current Government of Nicaragua, has a special responsibility regarding the implementation of the commitments made by that Government in 1979, especially to those who fought against Somoza to bring democracy to Nicaragua with United States support.

[(5) RESOLUTION OF THE CONFLICT.—The Congress—

[(A) condemns the Government of Nicaragua for violating its solemn commitments to the Nicaraguan people, the United States, and the Organization of American States;

[(B) affirms that the Government of Nicaragua will be regarded as having achieved political legitimacy when it fulfills its 1979 commitment to the Organization of Americans States to implement genuinely democratic elections, under the supervision of the Organization of American States, in which all elements of the Nicaraguan resistance can peacefully participate under conditions recognized as necessary for free elections by international bodies;

[(C) urges the Government of Nicaragua to enter a national dialogue, as proposed by the Nicaraguan democratic resistance in San Jose, Costa Rica, on March 1, 1985, under mediation by the Nicaraguan Bishops Conference in order to peacefully resolve the current crisis through internationally recognized elections in which all elements of Nicaraguan society can freely participate;

[(D) supports the Nicaraguan democratic resistance in its efforts to peacefully resolve the Nicaraguan conflict and to achieve the fulfillment of the Government of Nicaragua's solemn commitments to the Nicaraguan people, the United States, and the Organization of American States;

[(E) supports efforts by the Contadora nations, the Organization of American States, and other appropriate regional organizations to maintain multilateral pressure on Nicaragua to fulfill its commitments; and

[(F) requests that the Secretary of State transmit the text of this subsection to the Foreign Ministers of the member states of the Organization of American States.

[(d) PROHIBITION RELATING TO MILITARY OR PARAMILITARY OPERATIONS IN NICARAGUA.—Notwithstanding any other provision of law, no funds authorized to be appropriated or otherwise made available by this Act (except the funds authorized to be appropriated in this section), by the Foreign Assistance Act of 1961, or by the Arms Export Control Act shall be used to provide assistance of any kind, either directly or indirectly, to any person or group engaging in an insurgency or other act of rebellion against the Government of Nicaragua. The United States shall not enter into any arrangement conditioning, expressly or impliedly, the provision of assistance under this Act or the purchase of defense articles and services under the Arms Export Control Act upon the provision of

assistance by a recipient to persons or groups engaging in an insurgency or other act of rebellion against the Government of Nicaragua.

[(e) LIMITATION ON USE OF FUNDS AGAINST NICARAGUA.—None of the funds authorized to be appropriated in this or any other Act can be used to fund directly, or indirectly, activities against the Government of Nicaragua which have not been authorized by, or pursuant to, law and which would place the United States in violation of our obligations under the Charter of the Organization of American States, to which the United States is a signatory, or under international law as defined by treaty commitments agreed to, and ratified by, the Government of the United States.

[(f) FOOD AID TO THE NICARAGUAN PEOPLE.—In cooperation with Cardinal Miguel Obando y Bravo and private and voluntary organizations, the President should explore and promote means for providing food aid to the Nicaraguan people through private and voluntary organizations and the Catholic Church.

[(g) HUMANITARIAN ASSISTANCE FOR NICARAGUAN DEMOCRATIC RESISTANCE.—(1) Effective upon the date of enactment of this Act, there are authorized to be appropriated $27,000,000 for humanitarian assistance to the Nicaraguan democratic resistance. Such assistance shall be provided to such department or agency of the United States as the President shall designate, except the Central Intelligence Agency or the Department of Defense.

[(2) The assistance authorized by this subsection is authorized to remain available for obligation until March 31, 1986.

[(3) One-third of the assistance authorized by this subsection shall be available for obligation at any time after the appropriation of funds pursuant to such authorization, an additional one-third shall be available for obligation upon submission of the first report required by subsection (j), and the remaining one-third shall be available for obligation upon submission of the second such report.

[(4) The President shall establish appropriate procedures to ensure that any humanitarian assistance provided by the United States Government to the Nicaraguan democratic resistance is used only for the intended purpose and is not diverted (through barter, exchange, or any other means) for acquisition of weapons, weapons systems, ammunition, or other equipment, vehicles, or material which can be used to inflict serious bodily harm or death.

[(5) As used in this subsection, the term "humanitarian assistance" means the provision of food, clothing, medicine, and other humanitarian assistance, and it does not include the provision of weapons, weapons systems, ammunition, or other equipment, vehicles, or material which can be used to inflict serious bodily harm or death.

[(h) ASSISTANCE FOR IMPLEMENTATION OF A CONTADORA AGREEMENT.—Effective upon the date of enactment of this Act, there are authorized to be appropriated $2,000,000, which are authorized to remain available until expended, for payment by the Secretary of State for the expenses arising from implementation by the Contadora nations (Mexico, Panama, Colombia, and Venezuela) of an agreement among the countries of Central America based on the Contadora Document of Objectives of September 9, 1983, including peacekeeping, verification, and monitoring systems.

[(i) POLICIES WITH RESPECT TO NICARAGUA.—The President is hereby urged and requested—

[(1) to pursue vigorously the use of diplomatic and economic measures to resolve the conflict in Nicaragua, including simultaneous negotiations—

[(A) to implement the Contadora Document of Objectives of September 8, 1983; and

[(B) to develop, in close consultation and cooperation with other nations, trade and economic measures to complement such policies of the United States and to encourage the Government of Nicaragua to take the necessary steps to resolve the conflict;

[(2) to suspend the economic sanctions imposed by the President on May 1, 1985, and the United States military maneuvers in Honduras and off the coast of Nicaragua, if the Government of Nicaragua agrees—

[(A) to a cease fire,

[(B) to open a dialogue with all elements of the opposition, including the Nicaraguan democratic resistance, and

[(C) to suspend the state of emergency in Nicaragua;

[(3) to call upon the Nicaraguan democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses; and

[(4) to resume bilateral discussions with the Government of Nicaragua with a view to encouraging—

[(A) a church-mediated dialogue between the Government of Nicaragua and all elements of the opposition, including the Nicaraguan democratic resistance, in support of internal reconciliation as called for by the Contadora Document of Objectives; and

[(B) a comprehensive, verifiable agreement among the nations of Central America, based on the Contadora Document of Objectives.

[(j) REPORTS.—The President shall submit a report to the Congress 90 days after the date of enactment of this Act, and every 90 days thereafter, on any actions taken to carry out subsections (g) and (h). Each such report shall include—

[(1) a detailed statement of any progress made in reaching a negotiated settlement referred to in subsection (i)(1), including the willingness of the Nicaraguan democratic resistance and the Government of Nicaragua to negotiate a settlement;

[(2) a detailed accounting of the disbursements made to provide humanitarian assistance with the funds provided pursuant to subsection (g); and

[(3) a discussion of the alleged human rights violations by the Nicaraguan democratic resistance and the Government of Nicaragua, including a statement of the steps taken by the Nicaraguan democratic resistance to comply with the request referred to in subsection (i)(3).

[(k) SUBMISSION OF REQUEST FOR ADDITIONAL ASSISTANCE FOR THE CENTRAL AMERICA PEACE PROCESS.—If the President determines at any time after the enactment of this Act that—

[(1) negotiations based on the Contadora Document of Objectives of September 9, 1983, have produced an agreement, or show promise of producing an agreement, or

[(2) other trade and economic measures will assist in a resolution of the conflict, or to stabilization in the region,

the President may submit to the Congress a request for budget and other authority to provide additional assistance for the furtherance of the Central America peace process.

[(l) STATEMENT TO BE INCLUDED.—The President's request pursuant to subsection (k) shall include a detailed statement as to progress made to resolve the conflict in the region.

[(m) CONSULTATION WITH THE CONGRESS.—In formulating a request pursuant to subsection (k), the President shall consult with the Congress.

[(n) HOUSE PROCEDURES.—(1) The provisions of this subsection apply, during the 99th Congress, to the consideration in the House of Representatives of a joint resolution with respect to the request submitted by the President pursuant to subsection (k).

[(2) For purposes of this subsection, the term "joint resolution" means only a joint resolution introduced within 3 legislative days after the Congress receives the request submitted by the President pursuant to subsection (k)—

[(A) the matter after the resolving clause of which is as follows: "That the Congress hereby approves the additional authority and assistance for the Central America peace process that the President requested pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 91–672.";

[(B) which does not have a preamble; and

[(C) the title of which is as follows: "Joint Resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985.".

[(3) A joint resolution shall, upon introduction, be referred to the appropriate committee or committees of the House of Representatives.

[(4) If all the committees of the House to which a joint resolution has been referred have not reported the same joint resolution by the end of 15 legislative days after the first joint resolution was introduced, any committee which has not reported the first joint resolution introduced shall be discharged from further consideration of that joint resolution and that joint resolution shall be placed on the appropriate calendar of the House.

[(5)(A) At any time after the first joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution under clauses 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until

disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

[(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

[(C) An amendment to the joint resolution is not in order.

[(D) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

[(6) As used in this subsection, the term "legislative day" means a day on which the House is in session.

[(o) SENATE PROCEDURES.—A joint resolution which is introduced in the Senate within 3 calendar days after the day on which the Congress receives a Presidential request described in subsection (k) and which, if enacted, would grant the President the authority to take any or all of the actions described in subsection (k) shall be considered in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98–473), except that—

[(1) references in such paragraphs to the Committees on Appropriations of the Senate shall be deemed to be references to the appropriate committee or committees of the Senate; and

[(2) amendments to the joint resolution are in order.

[(p) SUBMISSION OF REQUEST FOR ADDITIONAL ASSISTANCE FOR NICARAGUAN DEMOCRATIC RESISTANCE.—If the President determines at any time after the enactment of this Act that—

[(1) negotiations based on the Contadora Document of Objectives of September 9, 1983, have failed to produce an agreement, or

[(2) other trade and economic measures have failed to resolve the conflict,

the President may submit to the Congress a request for budget and other authority to provide additional assistance for the Nicaraguan democratic resistance.

[(q) STATEMENT TO BE INCLUDED.—The President's request pursuant to subsection (p) shall include a detailed statement as to why the negotiations or other measures have failed to resolve the conflict in the region.

[(r) CONSULTATION WITH THE CONGRESS.—In formulating a request pursuant to subsection (p), the President shall consult with the Congress.

[(s) HOUSE PROCEDURES.—(1) The provisions of this subsection apply, during the 99th Congress, to the consideration in the House of Representatives of a joint resolution with respect to the request submitted by the President pursuant to subsection (p).

(2) For purposes of this subsection, the term "joint resolution" means only a joint resolution introduced within 3 legislative days after the Congress receives the request submitted by the President pursuant to subsection (p)—

[(A) the matter after the resolving clause of which is as follows: "That the Congress hereby approves the additional authority and assistance for the Nicaraguan democratic resistance that the President requested pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 91—672.";

[(B) which does not have a preamble; and

[(C) the title of which is as follows: "Joint Resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985.".

[(3) A joint resolution shall, upon introduction, be referred to the appropriate committee or committees of the House of Representatives.

[(4) If all the committees of the House to which a joint resolution has been referred have not reported the same joint resolution by the end of 15 legislative days after the first joint resolution was introduced, any committee which has not reported the first joint resolution introduced shall be discharged from further consideration of that joint resolution and that joint resolution shall be placed on the appropriate calendar of the House.

[(5(A) At any time after the first joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution under clause 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

[(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

[(C) An amendment to the joint resolution is not in order.

[(D) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

[(6) As used in this subsection, the term "legislative day" means a day on which the House is in session.

[(t) SENATE PROCEDURES.—A joint resolution which is introduced in the Senate within 3 calendar days after the day on which the Congress receives a Presidential request described in subsection (p) and which, if enacted, would grant the President the authority to take any or all of the actions described in subsection (p) shall be considered in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Ap-

propriations Act, 1985 (as contained in Public Law 98–473), except that—

[(1) references in such paragraphs to the Committees on Appropriations of the Senate shall be deemed to be references to the appropriate committee or committees of the Senate; and

[(2) amendments to the joint resolution are in order.

[(u) CONGRESSIONAL RULEMAKING POWERS.—Subsections (n), (o), (s), and (t) are enacted—

[(1) as exercises of the rulemaking powers of the House of Representatives and Senate, and as such they are deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under this section, and they supersede other rules only to the extent that they are inconsistent with such rules; and

[(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

[TITLE VIII—AFRICA

[SEC. 801. BALANCE-OF-PAYMENTS SUPPORT FOR COUNTRIES IN AFRICA.

[(a) ESF COMMODITY IMPORT AND SECTOR PROGRAMS.—Agreements with countries in Africa which provide for the use of funds made available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for the fiscal years 1986 and 1987 to finance imports by those countries (under commodity import programs or sector programs) shall require that those imports be used to meet long-term development needs in those countries in accordance with the following criteria:

[(1) Spare parts and other imports shall be allocated on the basis of evaluations, by the agency primarily responsible for administering part I of that Act, of the ability of likely recipients to use such spare parts and imports in a maximally productive, employment generating, and cost effective way.

[(2) Imports shall be coordinated with investments in accordance with the recipient country's plans for promoting economic development. The agency primarily responsible for administering part I of that Act shall assess such plans to determine whether they will effectively promote economic development.

[(3) Emphasis shall be placed on imports for agricultural activities which will expand agricultural production, particularly activities which expand production for export or production to reduce reliance on imported agricultural products.

[(4) Emphasis shall also be placed on a distribution of imports having a broad development impact in terms of economic sectors and geographic regions.

[(5) In order to maximize the likelihood that the imports financed by the United States under such chapter are in addi-

tion to imports which would otherwise occur, consideration shall be given to historical patterns of foreign exchange uses.

[(6)(A) Seventy-five percent of the foreign currencies generated by the sale of such imports by the government of the country shall be deposited in a special account established by that government and, except as provided in subparagraph (B), shall be available only for use in accordance with the agreement for economic development activities which are consistent with the policy directions of section 102 of the Foreign Assistance Act of 1961 and which are the types of activities for which assistance may be provided under sections 103 through 106 of that Act.

[((B) The agreement shall require that the government of the country make available to the United States Government such portion of the amount deposited in the special account as may be determined by the President to be necessary for requirements of the United States Government.

[(b) ANNUAL EVALUATIONS.—The agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall conduct annual evaluations of the extent to which the criteria set forth in this subsection have been met.

[SEC. 802. ECONOMIC SUPPORT ASSISTANCE FOR SOUTHERN AFRICA.

[(a) FUNDS FOR SOUTHERN AFRICA REGIONAL PROGRAMS.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $30,000,000 for fiscal year 1986 and not less than $30,000,000 for fiscal year 1987 shall be available only for regional programs in southern Africa. Not less than 50 percent of each of these amounts shall be allocated to assist sector projects supported by the Southern Africa Development Coordination Conference (SADCC) to enhance the economic development of the nine member states forming this important regional institution, especially in the following sectors: transportation, agricultural research and training, manpower development, and institutional support for the SADCC secretariat.

[(b) STUDIES RELATING TO SOUTHERN AFRICA REGIONAL PROGRAMS.—(1) the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall conduct a study which evaluates—

[(A) the assistance which the agency provides to the Southern African Development Coordination Conference and other African regional institutions and economic development organizations, and

[(B) ways to improve such assistance.

[(2) The administrator shall also conduct a study which assesses what type of bureaucratic mechanism within that agency might be established to coordinate assistance to all African regional institutions.

[(3) The administrator shall submit the results of the studies conducted pursuant to this subsection to the Congress within 3 months after the date of enactment of this Act.

[SEC. 803. POLICY TOWARD SOUTH AFRICAN "HOMELANDS".

[(a) FINDINGS.—The Congress finds that—

[(1) the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race, are principles which are fully supported by the American people;

[(2) The forced relocation of blacks by the Government of the Republic of South Africa to designated "homelands" divides families, as families are required to remain in the "homelands" while fathers seek work in the so-called "white areas";

[(3) the forced removal of persons living in so-called "black spots" in "white" rural areas in South Africa denies them the fundamental right to live and to farm on land they have legally occupied for years, and subjects them to arbitrary arrest and detention when they seek these rights;

[(4) compared to "white" South Africa, the designated "homelands", which are meant to accommodate the largest South African population group on a fraction of South African territory and were established without the consent of the vast majority of the governed, are characterized by high rates of infant mortality, unemployment, and malnutrition and by a severe shortage of medical services;

[(5) the policy of the Government of the Republic of South Africa denies blacks their rightful claim to full South African citizenship; and

[(6) the recent violence in South Africa must be seen as an inevitable result of the denial of the full rights of citizenship.

[(b) STATEMENT OF POLICY.—It is the sense of the Congress that—

[(1) the policy of separate development and the forced relocation of the people of the Republic of South Africa are inconsistent with fundamental American values and internationally recognized principles of human rights;

[(2) the Government of the United States should continue to regard as citizens of South Africa all persons born within the internationally recognized boundaries of the Republic of South Africa, and not differentiate among these citizens on the basis of the South African Government's claim to have granted independence to various "homelands";

[(3) at such times that any "homeland" official applies for a visa for travel to the United States, such visa should not be granted unless that official holds a passport which is recognized as valid by the Government of the United States; and

[(4) the Government of the United States should urge that the forced relocation of South African citizens be discontinued and that policies be adopted for all South Africa's citizens which protect the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race.

[SEC. 804. ASSISTANCE FOR ZAIRE.

[(a) ECONOMIC SUPPORT ASSISTANCE.—Funds allocated for assistance for Zaire under chapter 4 of part II of the Foreign Assistance Act of 1961 for each of the fiscal years 1986 and 1987 shall be used only for assistance which is provided in accordance with the provisions applicable to assistance under chapter 1 of part I of the Foreign Assistance Act of 1961. Such assistance shall be provided, to

the maximum extent practicable, through private and voluntary organizations.

[(b) MILITARY ASSISTANCE.—For each of the fiscal years 1986 and 1987—

[(1) the value of assistance provided under chapter 2 of part II of the Foreign Assistance Act of 1961 for Zaire may not exceed $7,000,000; and

[(2) financing may not be provided under the Arms Export Control Act for Zaire.

[SEC. 805. ASSISTANCE FOR TUNISIA.

[(a) POLICY CONCERNING SECURITY ASSISTANCE.—The United States provides security assistance to Tunisia in recognition of the traditional friendship between the United States and Tunisia and our common interests in the region. The provision of such assistance is also based on the expectation that political stability and development in Tunisia will be best advanced through continued growth of democratic institutions.

[(b) EARMARKING OF MAP AND ESF.—For each of the fiscal years 1986 and 1987—

[(1) not less than $15,000,000 of the amounts authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961, and

[(2) not less than $20,000,000 of the amounts authorized to be appropriated to carry out chapter 4 of part II of that Act, shall be available only for Tunisia.

[SEC. 806. POLITICAL SETTLEMENT IN SUDAN.

[(a) FINDINGS.—The Congress finds that—

[(1) friendship and mutual interests bind the United States and Sudan; and

[(2) the peace, security, and economic development of Sudan depend in large part on addressing the problems associated with the traditional north-south division in that country through political rather than military means.

[(b) UNITED STATES POLICY.—It is, therefore, the policy of the United States that the provision of security assistance to Sudan shall be based on the expectation that the Government of Sudan will make progress toward reaching a political settlement with all parties to the conflict in the south of Sudan.

[SEC. 807. ELECTIONS IN LIBERIA.

[In recognition of the special relationship that the United States has with Liberia and of the wide variety of interests that the United States has in Liberia, security assistance for Liberia for fiscal years 1986 and 1987 is based on the expectation of a successful completion of free and fair elections, on a multiparty basis, in October 1985 as proposed by the Government of Liberia and on a return to full civilian, constitutional rule as a consequence of those elections.

[SEC. 808. WESTERN SAHARA.

[(a) UNITED STATES POLICY.—The policy of the United States shall be to support a negotiated political solution to the conflict in the Western Sahara taking into account the principle of self-determination as outlined in the 1981 Nairobi resolution and to encour-

age all parties to the conflict to reach a peaceful internationally recognized settlement. As part of this policy, the United States should carefully consider each type of military assistance it furnishes to any of the parties to the conflict and should seek to insure that the furnishing of such military assistance is consistent with United States policy which seeks a negotiated settlement.

[(b) FURTHER STATEMENT OF POLICY.—It is the further policy of the United States to support Morocco's legitimate defense needs and to discourage aggression by any country in North Africa against another.

[SEC. 809. SAHEL DEVELOPMENT PROGRAM.

[(a) AUTHORIZATIONS OF APPROPRIATIONS.—The third sentence of section 121(c) of the Foreign Assistance Act of 1961 is amended to read as follows: "In addition to the amounts authorized to be appropriated in the preceding sentences and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $87,750,000 for fiscal year 1986 and $87,750,000 for fiscal year 1987.".

[(b) IMPROVING ADMINISTRATIVE CAPABILITIES OF HOST GOVERNMENTS.—Section 121 of such Act is amended by adding at the end thereof the following new subsection:

["(e) Grants shall be made under this section to Sahel Development Program host governments in order to help them enhance their administrative capabilities to meet the administrative requirements resulting from donor country projects and activities.".

[SEC. 810. AFRICAN DEVELOPMENT FOUNDATION.

[(a) AUTHORIZATION OF APPROPRIATIONS.—Section 510 of the African Development Foundation Act is amended to read as follows:

["AUTHORIZATIONS OF APPROPRIATIONS

["SEC. 510. There are authorized to be appropriated to carry out this title, in addition to amounts otherwise available for that purpose, $3,872,000 for fiscal year 1986 and $3,872,000 for fiscal year 1987. Funds appropriated under this section are authorized to remain available until expended.

[(b) EXTENSION OF AUTHORITIES.—Section 511 of such Act is amended by striking out "1985" and inserting in lieu thereof "1990".

[SEC. 811. REPEAL OF CLARK AMENDMENT.

[Section 118 of the International Security and Development Cooperation Act of 1980 (prohibiting assistance for military or paramilitary operations in Angola) is repealed.

[SEC. 812. FAILURE OF THE ETHIOPIAN GOVERNMENT TO RESPONSIBLY AMELIORATE FAMINE CONDITIONS.

[(a) FINDINGS.—The Congress finds that—

[(1) many thousands of Ethiopian people have suffered and died, and an additional ten million people are in danger of death, through starvation caused by prolonged drought;

[(2) the Government of the United States has a continuing commitment to the emergency fund under title II of the Agricultural Trade Development and Assistance Act of 1954 (the Food For Peace Act);

[(3) United States emergency food assistance for Africa in fiscal year 1985 is more than twice the amount provided in fiscal year 1984, and is the largest amount contributed by any single donor;

[(4) the Ethiopian Government, as a client state of the Soviet Union, has considered the equipage and modernization of its five hundred thousand-person military organization more vital than alleviating the suffering of its people caused by drought;

[(5) the Ethiopian Government has considered the funding of its military organization more vital than promoting a viable national agrarian policy;

[(6) there is evidence that the Government of Ethiopia has used the drought-caused famine to induce cooperation from certain dedicated Ethiopians who seek to bring about fundamental changes in their country;

[(7) the United States Government is concerned about the seizure by the Ethiopian Government of an Australian aid ship in an attempt to cut off food to its citizens in the northern regions, an area most severely stricken by famine; and

[(8) the Ethiopian Government deems the appearance and status of its socialist system more worthy of attention than it citizens and agricultural policies in need.

[(b) STATEMENT OF POLICY.—It is the sense of the Congress that—

[(1) the Government of Ethiopia should be condemned for failing in its responsibility to sufficiently ameliorate the severe drought and famine conditions throughout its agrarian country-side;

[(2) the Government of Ethiopia should allocate more of its resources toward the development of a more balanced and effective agrarian system;

[(3) human rights monitoring groups can be a positive force for human rights in Ethiopia and should be allowed to function and should be supported;

[(4) the Government of Ethiopia should initiate a genuine policy of national reconciliation;

[(5) the continued improvement of Ethiopia's treatment of the Ethiopian people and respect for human rights would better relations between the United States and Ethiopia;

[(6) the President or his representatives should convey to Ethiopian officials the concerns of the Congress expressed in this section at every opportunity; and

[(7) the President or his representatives should also convey these concerns of the Congress to the governments of United States allies and urge the cooperation of those governments in efforts to ensure a more responsible Ethiopian Government.

[(c) PROHIBITION ON IMPORTS AND EXPORTS.—(1) The President shall determine, within 30 days after the date of enactment of this Act, whether the Ethiopian regime is conducting a deliberate policy of starvation of its people and has not granted fundamental human rights to its citizens. The President shall submit that determination, and the basis for that determination, to the Congress.

[(2) If the President determines that such a policy is being conducted and that such rights are not being granted, paragraph (3) shall take effect if the Congress enacts a joint resolution approving that determination.

[(3) If the conditions specified in paragraphs (1) and (2) are met—

[(A) good and services of Ethiopian origin may not be imported into the United States; and

[(B) except for emergency relief, rehabilitation, and recovery assistance, goods and services of United States origin may not be exported (directly or indirectly) to Ethiopia.

[(d) PROHIBITION ON ECONOMIC ASSISTANCE.—The President shall suspend all forms of economic assistance to the Government of Ethiopia. This section shall not be construed to prevent the furnishing of international disaster assistance under section 491 of the Foreign Assistance Act of 1961 or economic assistance which will directly benefit needy people in accordance with section 116 of that Act.

SEC. 813. ASSISTANCE FOR THE PEOPLE'S REPUBLIC OF MOZAMBIQUE.

[(a) ECONOMIC ASSISTANCE.—The funds authorized to be appropriated for fiscal years 1986 and 1987 to carry out chapter 1 of part I (relating to development assistance) and chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 that are allocated for bilateral assistance to the People's Republic of Mozambique shall be used solely for assistance to the private sector of the economy of Mozambique to the maximum extent practicable. To the maximum extent practicable, such funds shall be channeled to non-governmental entities in Mozambique.

[(b) MILITARY ASSISTANCE.—(1) None of the funds authorized to be appropriated for fiscal year 1986 or fiscal year 1987 to carry out chapter 2 of part II (relating to grant military assistance) or chapter 5 of part II (relating to international military education and training) of the Foreign Assistance Act of 1961 shall be used to provide assistance to the People's Republic of Mozambique unless the President makes the certification described in paragraph (2) before providing any such assistance for that fiscal year.

[(2) The certification required by paragraph (1) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate that the Government of the People's Republic of Mazambique—

[(A) is making a concerted and significant effort to comply with internationally recognized human rights;

[(B) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy;

[(C) has implemented a plan by September 30, 1986, to reduce the number of foreign military personnel to no more than 55; and

[(D)(i) in the case of a certification with respect to assistance for fiscal year 1986, is committed to holding free elections at a date no later than September 30, 1986, and to that end has

demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

[(I) the electoral process with internationally recognized observers; and

[(II) the elimination of all restrictions on the formation and activities of opposition political parties; and

[(ii) in the case of a certification with respect to assistance for fiscal year 1987, held free elections by September 30, 1986.

[SEC. 901. THE PHILIPPINES.

[(a) DEMOCRACY IN THE PHILIPPINES.—It is the sense of the Congress that the United States should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the Government of the Philippines in—

[(1) guaranteeing free, fair, and honest elections in 1986 and 1987, or sooner should any such elections occur;

[(2) ensuring the full, fair, and open prosecution of those responsible for the murder of Benigno Aguino, including those involved in the cover-up;

[(3) ensuring freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the local and provincial elections of 1986 and the Presidential election of 1987:

[(4) establishing the writ of habeas corpus and the termination of the Presidential Detention Action and all other forms of detention without charge or trial;

[(5) releasing all individuals detained or imprisoned for peaceful political activities;

[(6) making substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past:

[(7) implementing structural economic reforms and a strengthening of the private sector, including elimination of corruption and monopolies; and

[(8) enhancing the professional capability of the Philippine armed forces and security forces (including the Philippine Constabulary and the Civilian House Defense Forces).

[(b) PRIMARY PURPOSES OF UNITED STATES ASSISTANCE.—The Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States and to encourage the restoration of internal security, both of which goals can be best served by the achievement of an open and stable democracy.

[(c) CONGRESSIONAL OVERSIGHT.—The Congress, in determining future aid levels for the Philippines, will take into account not only our military bases agreement with that country, but also the extent to which the objectives and goals specified in subsections (a) and (b) have been implemented. The Congress may defer assistance for

the Philippines under both chapter 2 of part II of the Foreign Assistance Act of 1961 and the Arms Export Control Act if—

[(1) significant progress is not achieved with respect to the objectives and goals specified in subsections (a) and (b), or

[(2) the Congress finds that such assistance is used to violate the internationally recognized human rights of the Filipino people.

[(e) NONLETHAL ASSISTANCE.—Assistance provided for the Philippines for fiscal year 1986 under the Arms Export Control Act or under chapter 2 of part II of the Foreign Assistance Act of 1961 shall be nonlethal in character.

[SEC. 902. NUCLEAR NON-PROLIFERATION CONDITIONS ON ASSISTANCE FOR PAKISTAN.

[Section 620E of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(e) No assistance shall be furnished to Pakistan and no military equipment or technology shall be sold or transferred to Pakistan, pursuant to the authorities contained in this Act or any other Act, unless the President shall have certified in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, during the fiscal year in which assistance is to be furnished or military equipment or technology is to be sold or transferred, that Pakistan does not posses a nuclear explosive device and that the proposed United States assistance program will reduce significantly the risk that Pakistan will possess a nuclear explosive device.".

[SEC. 903. DISADVANTAGED CHILDREN IN ASIA.

[(a) AUTHORIZATION OF ADDITIONAL ASSISTANCE.—Section 241(b) of the Foreign Assistance Act of 1961 is amended by striking out "$2,000,000" and inserting in lieu thereof "$3,000,000".

[(b) ADDITIONAL STEPS TO HELP AMERASIAN CHILDREN.—The Congress finds that Amerasian children are currently the object of discrimination in the countries in Asia where they now reside. Therefore, the President shall report to the Congress on the quality of life of these children and on what additional steps, such as facilitating adoptions, the United States could take to enhance the lives of these children.

[SEC. 904. ASSISTANCE FOR AFGHANISTAN.

[(a) AUTHORIZATION.—The President may make available funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law.

[(b) EARMARKING OF FUNDS.—Each fiscal year, not less than $15,000,000 of the aggregate amount of funds available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 shall be available only for humanitarian assistance to the Afghan people pursuant to subsection (a) of this section.

[(c) EFFECTIVE DATES.—This section shall take effect on the date of enactment of this Act, except that subsection (b) shall not apply to fiscal year 1985.

[SEC. 905. ASSISTANCE FOR THE CAMBODIAN PEOPLE.

[The President may make available to the noncommunist resistance forces in Cambodia up to $5,000,000 for fiscal year 1986, and up to $5,000,000 for fiscal year 1987, of the funds authorized to be appropriated to carry out chapter 2 (relating to grant military assistance) or chapter 4 (relating to the economic support fund) of part II of the Foreign Assistance Act of 1961, notwithstanding any other provision of law.

[SEC. 906. PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE.

[(a) PROHIBITION.—Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Cambodia or elsewhere in Indochina.

[(b) *Deobligation or Certain Funds*.—All funds appropriated before the date of enactment of this section which were obligated but not expended for activities having the purpose or effect described in subsection (a) shall be deobligated and shall be deposited in the Treasury of the United States as miscellaneous receipts.

[(c) *Exception for Humanitarian Assistance*—This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Cambodian people.

[SEC. 907. POLITICAL SETTLEMENT IN SRI LANKA.

[(A) FINDINGS.—The Congress finds that—

[(1) the Government and people of Sri Lanka and the Government and people of the United States share a common devotion to independence, democracy, and human rights;

[(2) the United States is concerned over the armed clashes between the security forces of the Government of Sri Lanka and some Sri Lankans who seek through violent means, including terrorist attacks, to divide that nation;

[(3) there have been acts of terrorism committed against members of the Sri Lankan security forces, as well as against civilians, and there have been human rights abuses by members of the security forces against civilians, particularly Tamils, despite the efforts of the Government, which the Congress believes must be intensified, to put an end to those abuses;

[(4) the differences and grievances in Sri Lanka cannot be resolved through the use of force; and

[(5) the United States is a proud participant through its economic assistance programs in Sri Lanka's highly regarded development efforts and looks forward to enhanced cooperation and assistance in the context of a political settlement in Sri Lanka leading to the kind of peaceful climate in which additional aid could be effectively utilized.

[(b) POLITICAL SETTLEMENT.—It is, therefore, the sense of the Congress that—

[(1) all parties in Sri Lanka, from all communities in and out of government, should renew their efforts to achieve a joint political settlement which meets the legitimate concerns of all

the people of Sri Lanka, while preserving the territory integrity of Sri Lanka; and

[(2) all parties outside Sri Lanka should do nothing which would impeded progress toward such a settlement.

[SEC 908. UNITED STATES POLICY TOWARD THE REPUBLIC OF KOREA.

[(a) FINDINGS.—The Congress finds that—

[(1) the Government of the Republic of Korea has taken several significant and encouraging steps in liberalizing the political system in that country;

[(2) among the steps which have facilitated a more democratic environment are the release of hundreds of student demonstrators, the lifting of a political ban on more than 300 opposition leaders, and the holding of a vigorously contested election for the National Assembly in which the opposition made substantial gains;

[(3) despite these steps, the people of the Republic of Korea, who have become increasingly better educated and prosperous as a result of Korea's extraordinarily rapid economic development, have the desire and the capability to participate more fully and effectively in the government of their own country; and

[(4) while internationally recognized human rights are clearly respected much more in the Republic of Korea than in the Democratic People's Republic of Korea, continued progress toward democratization in the south is in the interests of both the Republic of Korea and the United States, inasmuch as long-term political stability cannot be assured in the absence of further progress towards democratic government.

[(b) UNITED STATES POLICY.—It is the policy of the United States to provide assistance to the Republic of Korea in order to help that country defend itself against external aggression. It is the hope of the United States that the continuing close relations between our two countries, including such assistance, will encourage the establishment of a genuinely democratic system in the Republic of Korea, in which internationally recognized human rights, including freedom of the press, freedom of association, and freedom of assembly are observed.

[TITLE X—FOOD AND AGRICULTURAL ASSISTANCE

[SEC. 1001. INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT.

[Section 103(g) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(g)(1) In order to carry out the purposes of this section, the President may continue United States participation in and may make contributions to the International Fund for Agricultural Development.

["(2) Of the aggregate amount authorized to be appropriated to carry out part I of this Act, up to $50,000,000 for fiscal year 1986 and up to $50,000,000 for fiscal year 1987 may be made available, by appropriation or by transfer, for United States contributions to the second replenishment of the International Fund for Agricultural Development.".

[SEC. 1002. PUBLIC LAW 480 TITLE II MINIMUMS.

[Paragraph (3) of section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately before the semicolon the following: ", except that for fiscal year 1986 the minimum quantity distributed shall be 1,800,000 metric tons, of which not less than 1,300,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program, and for fiscal year 1987 the minimum quantity distributed shall be 1,900,000 metric tons, of which no less than 1,425,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies of the World Food Program".

[SEC. 1003. EXPRESS AUTHORITY FOR TITLE II DIRECT DISTRIBUTION, SALE, AND BARTER.

[Section 202(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting after the first sentence the following new sentence: "Such commodities may be furnished for direct distribution, sale, barter, or other appropriate disposition in carrying out the purposes set forth in section 201.".

[SEC. 1004. ROLE OF PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

[(a) NUTRITIONAL AND DEVELOPMENT OBJECTIVES.—Section 202(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new paragraph:

["(4) In the case of commodities distributed under this title by nonprofit voluntary agencies, consideration shall be given to nutritional and development objectives as established by those agencies in light of their assessment of the needs of the people assisted.".

[(b) FOOD FOR DEVELOPMENT PROGRAMS.—Section 302(c)(4) of such Act is amended by inserting "and of United States nonprofit voluntary agencies and cooperatives" immediately after "agriculture".

[SEC. 1005. MULTIYEAR AGREEMENTS WITH PVOS AND COOPERATIVES.

[Section 202 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following:

["(c)(1) In agreements with nonprofit voluntary agencies and cooperatives for nonemergency assistance under this title, the President is encouraged, if requested by the nonprofit voluntary agency or cooperative, to approve multiyear agreements to make agricultural commodities available for distribution by that agency or cooperative. Such agreement shall be subject to the availability each fiscal year of the necessary appropriations and agricultural commodities.

["(2) Paragraph (1) does not apply to an agreement which the President determines should be limited to a single year because of the past performance of the nonprofit voluntary agency or cooperative or because the agreement involves a new program of assistance.

["(3) In carrying out a multiyear agreement pursuant to this subsection, a nonprofit voluntary agency or cooperative shall not be required to obtain annual approval from the United States Govern-

ment in order to continue its assistance program pursuant to the agreement, unless exceptional and unforeseen circumstances have occurred which the President determines require such approval.".

[SEC. 1006. TITLE II PROGRAMMING REPORTS.

[Section 408(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "title I" both places it appears and inserting in lieu thereof "titles I and II".

[SEC. 1007. ELIGIBLE COMMODITIES UNDER SECTION 416(b).

[Section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended by inserting ", rice," after "Dairy products" in the first sentence and by inserting ", rice," after "dairy products" in the third and eighth sentences.

[SEC. 1008. LONG-TERM AGRICULTURAL COMMODITY AGREEMENTS WITH FOOD DEFICIT COUNTRIES.

[As part of the United States foreign assistance program, the President should explore the possibility of concluding long-term agricultural commodity agreements to help stabilize and increase the flow of concessional and commercial food stuffs with food deficit countries. The President shall prepare and transmit to the Congress a report on his efforts to achieve such long-term agreements by June 1, 1986.

[TITLE XI—PEACE CORPS

[SEC. 1101. AUTHORIZATIONS OF APPROPRIATIONS.

[Section 3(b) of the Peace Corps Act is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to carry out the purposes of this Act $130,000,000 for each of the fiscal years 1986 and 1987.".

[SEC. 1102. NUMBER OF PEACE CORPS VOLUNTEERS.

[(a) STATEMENT OF POLICY.—Section 2 of the Peace Corps Act (22 U.S.C. 2501) is amended—

[(1) by inserting "(a)" immediately after "SEC. 2."; and

[(2) by adding at the end thereof the following new subsection:

["(b) The Congress declares that it is the policy of the United States and a purpose of the Peace Corps to maintain, to the maximum extent appropriate and consistent with programmatic and fiscal considerations, a volunteer corps of at least 10,000 individuals.".

[(b) ANNUAL REPORT.—Section 11 of the Peace Corps Act (22 U.S.C. 2510) is amended by adding at the end thereof the following new sentence:

["The President shall also include in the report a description of any plans to carry out the policy set forth in section 2(b) of this Act.".

[SEC. 1103. LIMITATION ON LENGTH OF PEACE CORPS EMPLOYMENT.

[(a) AUTHORITY TO MAKE APPOINTMENTS OF MORE THAN FIVE YEARS.—Section 7(a) of the Peace Corps Act (22 U.S.C. 2506(a)) is amended—

[(1) in paragraph (2)—

[(A) in subparagraph (A)—

[(i) by striking out "five" and inserting in lieu thereof "seven and one-half"; and

[(ii) by striking out "unless" and all that follows through "basis" and inserting in lieu thereof ", subject to paragraph (5) and except as provided in paragraph (6)"; and

[(B) in the third sentence, by inserting "(other than the provisions of section 309)" after "1980"; and

[(2) by adding at the end thereof the following new paragraphs:

["(5) Except as provided in paragraph (6), the Director of the Peace Corps may make appointments or assignments of United States citizens under paragraph (2) for periods of more than five years only in the case of individuals whose performance as employees of the Peace Corps has been exceptional and only in order to achieve one or more of the following purposes:

["(A) To permit individuals who have served at least two and one-half years of such an appointment or assignment abroad to serve in the United States thereafter.

["(B) To permit individuals who have served at least two and one-half years of such an appointment or assignment in the United States to serve abroad thereafter.

["(C) To permit individuals who have served at least two and one-half years of such an appointment or assignment in a recruitment, selection, or training activity to be reassigned to an activity other than the one in which they have most recently so served.

["(D) To promote the continuity of functions in administering the Peace Corps.

At no time may the number of appointments or assignments of United States citizens in effect under paragraph (2) for periods in excess of five years exceed fifteen percent of the total of all appointments and assignments of United States citizens then in effect under paragraph (2).

["(6) Notwithstanding the limitation set forth in paragraph (2)(A) on the length of an appointment or assignment under paragraph (2) and notwithstanding the limitations set forth in paragraph (5) on the circumstances under which such an appointment or assignment may exceed five years, the Director of the Peace Corps, under special circumstances, may personally approve an extension of an appointment or assignment under paragraph (2) for not more than one year on an individual basis.".

[(b) REPORTS TO CONGRESS.—The Director of the Peace Corps shall, not later than January 1, 1986, submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report describing the criteria to be applied by the Director in exercising the authority provided by amendments made by subsection (a) to make appointments or assignments of individuals for periods of more than five years. Not later than each January 1 thereafter, the Director shall submit to the Committees referred to in the preceding sentence a report on—

[(1) the exercise of such authority during the preceding fiscal year for each of the purposes specified in paragraph (5) of sec-

tion 7(a) of the Peace Corps Act, as added by subsection (a) of this section; and

[(2) the exercise during that fiscal year of the authority under paragraph (6) of such section 7(a), as added by subsection (a) of this section.

[SEC. 1104. PEACE CORPS NATIONAL ADVISORY COUNCIL.

[(a) ESTABLISHMENT OF COUNCIL.—The Peace Corps Act (22 U.S.C. 2501 and following is amended by inserting after section 11 the following new section:

["PEACE CORPS NATIONAL ADVISORY COUNCIL

["SEC. 12. (a) ESTABLISHMENT.—A Peace Corps National Advisory Council (hereinafter in this section referred to as the 'Council') shall be established in accordance with the provisions of this section.

["(b) FUNCTIONS.—(1) The Council shall advise and consult with the President and the Director of the Peace Corps with regard to policies and programs designed to further the purposes of this Act and shall, as the Council considers appropriate, periodically report to the Congress with regard to the Peace Corps.

["(2) Members of the Council shall (subject to subsection (d)(1)) conduct on-site inspections, and make examinations, of the activities of the Peace Corps in the United States and in other countries in order to—

["(A) evaluate the accomplishments of the Peace Corps;

["(B) assess the potential capabilities and the future role of the Peace Corps;

["(C) make recommendations to the President, the Director of the Peace Corps, and, as the Council considers appropriate, the Congress, for the purpose of guiding the future direction of the Peace Corps and of helping to ensure that the purposes and programs of the Peace Corps are carried out in ways that are economical, efficient, responsive to changing needs in developing countries and to changing relationships among people, and in accordance with law, and

["(D) make such other evaluations, assessments, and recommendations as the Council considers appropriate.

["(3) The Council may provide for public participation in its activities.

["(c) MEMBERSHIP.—(1) Persons appointed as members of the Council shall be broadly representative of the general public, including educational institutions, private volunteer agencies, private industry, farm organizations, labor unions, different regions of the United States, different educational, economic, racial, and national backgrounds and age grouping, and both sexes.

["(2)(A) The Council shall consist of fifteen voting members who shall be appointed by the President, by and with the advice and consent of the Senate. At least seven of such members shall be former Peace Corps volunteers, and not more than eight of such members shall be members of the same political party.

["(B) The first appointments of members of the Council under this paragraph shall be made not more than sixty days after the date of the enactment of this section and, solely for purposes of de-

termining the expiration of their terms, shall be deemed to take effect on the sixtieth day after such date of enactment.

[“(C) No member appointed under this paragraph may be an officer or employee of the United States Government.

[“(D) Of the members initially appointed under this paragraph, eight shall be appointed to 1-year terms and seven shall be appointed to 2-year terms. Thereafter, all appointed members shall be appointed to 2-year terms.

[“(E) A member of the Council appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.

[“(F) No member of the Council may serve for more than two consecutive 2-year terms.

[“(G) Members of the Council shall serve at the pleasure of the President.

[“(H) An appointed member of the Council may be removed by a vote of nine members for malfeasance in office, for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

[“(I) Within thirty days after any vacancy occurs in the office of an appointed member of the Council, the President shall nominate an individual to fill the vacancy.

[“(3) In addition to the voting members of the Council, the Secretary of State and the Administrator of the Agency for International Development, or their designees, and the Director and Deputy Director of the Peace Corps, shall be non-voting members, ex officio, of the Council.

[“(d) COMPENSATION.—(1) Except as provided in paragraph (2), a member of the Council who is not an officer or employee of the United States Government—

[“(A) shall be paid compensation out of funds made available for the purposes of this Act at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties as a Council member, and

[“(B) while away from his or her home or regular place of business on necessary travel, as determined by the Director of the Peace Corps, in the actual performance of duties as a Council member, shall be paid per diem, travel, and transportation expenses in the same manner as is provided under subchapter I of chapter 57 of title 5, United States Code.

[“(2) A member of the Council may not be paid compensation under paragraph (1)(A) for more than twenty days in any calendar year.

[“(e) QUORUM.—A majority of the voting members of the Council shall constitute a quorum for the purposes of transacting any business.

[(f) FINANCIAL INTERESTS OF MEMBERS.—A member of the Council shall disclose to the Council the existence of any direct or indirect financial interest of that member in any particular matter before the Council and may not vote or otherwise participate as a Council member with respect to that particular matter.

[“(g) CHAIR AND VICE CHAIR.—At its first meeting and at its first regular meeting in each calendar year thereafter, the Council shall elect a Chair and Vice Chair from among its appointed members who are citizens of the United States. The Chair and Vice Chair may not both be members of the same political party.

[“(h) MEETINGS, BYLAWS, AND REGULATIONS.—(1) The Council shall hold a regular meeting during each calendar quarter and shall meet at the call of the President, the Director of the Peace Corps, the Council’s Chair, or one-fourth of its members.

[“(2) The Council shall prescribe such bylaws and regulations as it considers necessary to carry out its functions. Such bylaws and regulations shall include procedures for fixing the time and place of meetings, giving or waiving of notice of meetings, and keeping of minutes of meetings.

[“(i) REPORTS TO THE PRESIDENT AND THE DIRECTOR.—Not later than January 1, 1988, and not later than January 1 of each second year thereafter, the Council shall submit to the President and the Director of the Peace Corps a report on its views on the Program and activities of the Peace Corps. Each report shall contain a summary of the advice and recommendations provided by the Council to the President and the Director during the period covered by the report and such recommendations (including recommendations for administrative or legislative action) as the Council considers appropriate to make to the Congress. Within ninety days after receiving each such report, the President shall submit to the Congress a copy of the report, together with any comments concerning the report that the President or the Director considers appropriate.

[“(j) ADMINISTRATIVE ASSISTANCE.—The Director of the Peace Corps shall make available to the Council such personnel, administrative support services, and technical assistance as are necessary to carry out its functions effectively.”.

[(b) TERMINATION OF SIMILAR ADVISORY BODY.—Any advisory body carrying out functions similar to those assigned to the Peace Corps National Advisory Council provided for in subsection (a) shall cease to exist sixty days after the date of the enactment of this Act.

[SEC. 1105. NONPARTISAN APPOINTMENTS.

[(a) POLITICAL TESTS.—The Peace Corps Act (22 U.S.C. 2501 and following) is amended—

[(1) by redesignating sections 25, 26, and 27 as sections 26, 27, and 28, respectively; and

[(2) by inserting after section 24 the following new section:

[“NONPARTISAN APPOINTMENTS

[“SEC. 25. In carrying out this Act, no political test or political qualification may be used in—

[“(1) selecting any person for enrollment as a volunteer or for appointment to a position at, or for assignment to (or for employment for assignment to), a duty station located abroad, or

[”(2) promoting or taking any other action with respect to any volunteer or any person assigned to such a duty station.”.

[(b) DISCRIMINATION.—Section 5(a) of the Peace Corps Act (22 U.S.C. 2504(a)) is amended by amending the last sentence to read as follows: "In carrying out this subsection, there shall be no discrimination against any person on account of race, sex, creed, or color.".

[TITLE XII—MISCELLANEOUS PROVISIONS RELATING TO FOREIGN ASSISTANCE

[SEC. 1201. NOTICE TO CONGRESS OF USE OF CERTAIN AUTHORITIES RELATING TO HUMAN RIGHTS CONDITIONS.

[Section 502B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(g) Whenever the provisions of subsection (e) or (f) of this section are applied, the President shall report to the Congress before making any funds available pursuant to those subsections. The report shall specify the country involved, the amount and kinds of assistance to be provided, and the justification for providing the assistance, including a description of the significant improvements which have occurred in the country's human rights record.".

[SEC. 1202. PROHIBITIONS AGAINST ASSISTANCE.

[Section 620(f) of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(1)" immediately after "(f)";

[(2) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively; and

[(3) by adding at the end thereof the following new paragraph:

["(2) Notwithstanding the provisions of paragraph (1) of this subsection, the President may remove a country, for such period as the President determines, from the application of this subsection, and other provisions which reference this subsection, if the President determines and reports to the Congress that such action is important to the national interest of the United States. It is the sense of the Congress that when consideration is given to authorizing assistance to a country removed from the application of this subsection, one of the factors to be weighted, among others, is whether the country in question is giving evidence of fostering the establishment of a genuinely democratic system, with respect for internationally recognized human rights.".

[SEC. 1203. LAND REFORM PROGRAMS.

[Section 620(g) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following sentence: "This prohibition shall not apply to monetary assistance made available for use by a government (or a political subdivision or agency of a government) to compensate nationals of that country in accordance with a land reform program, if the President determines that monetary assistance for such land reform program will further the national interests of the United States.".

[SEC. 1204. SUSPENSION OF ASSISTANCE TO COUNTRIES VIOLATING U.S. EXPORT LAWS IN ORDER TO MANUFACTURE A NUCLEAR EXPLOSIVE DEVICE.

[(a) SUSPENSION OF ASSISTANCE BECAUSE OF ILLEGAL EXPORTS.—Subsection (a)(1) of section 670 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(A)" after "country which";

[(2) by inserting immediately before the period at the end thereof ", or (B) is a non-nuclear-weapon state which, on or after the date of enactment of the International Security and Development Cooperation Act of 1985, exports illegally (or attempts to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of a nuclear explosive device"; and

[(3) by adding at the end thereof the following: "For purposes of clause (B), an export (or attempted export) by a person who is an agent of, or is otherwise acting on behalf of or in the interests of, a country shall be considered to be an export (or attempted export) by that country.".

[(b) CONFORMING AMENDMENTS.—Such section 670 is amended—

[(1) in the section caption by inserting "ILLEGAL EXPORTS FOR NUCLEAR EXPLOSIVE DEVICES," after "TRANSFERS,"; and

[(2) by striking out "(5) As used in this subsection" and inserting in lieu thereof "(c) As used in this section".

[(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

[SEC. 1205. REPORTS ON ECONOMIC CONDITIONS IN CERTAIN COUNTRIES.

[(a) EXTERNAL DEBT BURDEN OF CERTAIN COUNTRIES RECEIVING UNITED STATES ASSISTANCE.—The Congress finds that the Governments of Egypt, Israel, Turkey, and Portugal each have an enormous external debt burden which may be made more difficult by virtue of financing provided for those governments under various United States assistance programs.

[(b) ANNUAL REPORTS ON ECONOMIC CONDITIONS.—In order to assist the Congress in examining United States assistance for these countries, the President shall report to Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, not later than January 15 of each year, regarding economic conditions prevailing in Egypt, Israel, Turkey, and Portugal which may affect their respective ability to meet their international debt obligations and to stabilize their economies.

[SEC. 1206. EGYPTIAN-ISRAELI RELATIONS.

[The Congress notes the recent effort of Egypt to move the peace process forward. However, the Congress continues to be concerned about the less than normal relations between Egypt and Israel. It is the sense of the Congress that all United States foreign assistance to Egypt is provided in the expectation that the Egyptian Government will continue in its efforts to bring peace to the region and that it will continue to support and fulfill the provisions of the Camp David Accords and the Egyptian-Israeli Peace Treaty.

[SEC. 1207. PROCUREMENT OF CONSTRUCTION AND ENGINEERING SERVICES.

[Section 604(g) of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(1)" after "(g)"; and

[(2) by adding at the end thereof the following new paragraph:

["(2) Paragraph (1) does not apply with respect to an advanced developing country which—

["(A) is receiving direct economic assistance under chapter 1 of part I or chapter 4 of part II of this Act, and

["(B) if the country has its own foreign assistance programs which finance the procurement of construction or engineering services, permits United States firms to compete for those services.".

SEC. 1208. COMPLETION OF PLANS AND COST ESTIMATES.

[Section 611 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a) by striking out "$100,000" and inserting in lieu thereof "$500,000"; and

[(2) in subsection (b) by striking out "the procedures set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973, with respect to such computations" and inserting in lieu thereof "the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.) or acts amendatory or supplementary thereto".

[SEC. 1209. REPROGRAMMING NOTIFICATIONS TO CONGRESS.

[(a) REPROGRAMMING NOTIFICATIONS.—Section 634A of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(a)" immediately before "None";

[(2) by inserting "or the Arms Export Control Act" immediately after "disaster relief and rehabilitation)" and immediately after "this Act" the second place it appears; and

[(3) by adding at the end of the section the following new subsections:

["(b) The notification requirement of this section does not apply to the reprogramming—

["(1) of funds to be used for an activity, program, or project under chapter 1 of part I if the amounts to be obligated for that activity, program, or project for that fiscal year do not exceed by more than 10 percent the amount justified to the Congress for that activity, program, or project for that fiscal year; or

["(2) of less than $25,000 to be used under chapter 8 of part I, or under chapter 5 of part II, for a country for which a program under that chapter for that fiscal year was justified to the Congress.

["(c) The President shall notify the chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Foreign Affairs of the House of Representatives concerning any reprogramming of funds in the International Affairs Budget Function, the authorizations of appropriations for which are in their respective jurisdictions, to the same degree and with the same conditions as the President notifies the Committees on Ap-

propriations. The requirements of this subsection are in addition to, and not in lieu of, other notification requirements.".

[(b) ALLOCATION REPORTS.—Section 653 of such Act is amended—

[(1) by inserting in subsection (a) "or the Arms Export Control Act" immediately after "sections 451 or 637)";

[(2) by striking out subsection (b); and

[(3) by redesignating subsection (c) as subsection (b).

[(c) QUARTERLY REPORTS.—Section 36(a) of the Arms Export Control Act is amended—

[(1) in paragraph (5), by striking out "cash" and by striking out ", credits to be extended under section 23, and guaranty agreements to be made under section 24"; and

[(2) in paragraph (6), by striking out "cash" and by striking out "and credits expected to be extended".

[SEC. 1210. REPORT ON UNITED STATES ASSISTANCE TO COAL EXPORTING NATIONS.

[Not later than 30 days after the date of enactment of this Act, the President shall submit to the appropriate committees of the Congress a report describing the status and terms of, and containing all other pertinent information relating to, any United States Government assistance which is provided to foreign nations that produce or export coal for the purpose of financing or assisting in the development of coal production, transportation, export, or other coal-related activities or operations.

[SEC. 1211. REPEAL OF OBSOLETE PROVISIONS AND CORRECTION OF TECHNICAL REFERENCES.

[(a) REPEALS.—The Foreign Assistance Act of 1961 is amended as follows:

[(1) The third sentence of section 105(a) is repealed.

[(2) Section 106(b)(1) is amended by striking out "(A)" and by striking out subparagraph (B).

[(3) Section 110 is amended by striking out "(a)" and by striking out subsection (b).

[(4) Chapter 10 of part I is repealed.

[(b) CORRECTION OF CROSS-REFERENCES.—

[(1) FOREIGN SERVICE ACT.—Section 636(a)(14) of such Act is amended by striking out "the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.)" and inserting in lieu thereof "the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.)".

[(2) TITLE 31 OF THE U.S. CODE.—Section 611(a) of such Act is amended by striking out "section 1311 of the Supplemental Appropriation Act, 1955 as amended (31 U.S.C. 200)" and inserting in lieu thereof "section 1501 of title 31, United States Code".

[(3) ITAR REGULATIONS.—Section 47(6) of the Arms Export Control Act is amended by striking out "combat" and inserting in lieu thereof "military".

[TITLE XIII—MISCELLANEOUS PROVISIONS

[SEC. 1301. EFFECTIVE DATE.

[Except as otherwise provided in this Act, this Act shall take effect on October 1, 1985.

[SEC. 1302. CODIFICATION OF POLICY PROHIBITING NEGOTIATIONS WITH THE PALESTINE LIBERATION ORGANIZATION.

[(a) UNITED STATES POLICY.—The United States in 1975 declared in a memorandum of agreement with Israel, and has reaffirmed since, that "The United States will continue to adhere to its present policy with respect to the Palestine Liberation Organization, whereby it will not recognize or negotiate with the Palestine Liberation Organization so long as the Palestine Liberation Organization does not recognize Israel's right to exist and does not accept Security Council Resolutions 242 and 338.".

[(b) REAFFIRMATION AND CODIFICATION OF POLICY.—The United States hereby reaffirms that policy. In accordance with that policy, no officer or employee of the United States Government and no agent or other individual acting on behalf of the United States Government shall negotiate with the Palestine Liberation Organization or any representatives thereof (except in emergency or humanitarian situations) unless and until the Palestine Liberation Organization recognizes Israel's right to exist, accepts United Nations Security Council Resolutions 242 and 338 and renounces the use of terrorism, except that no funds authorized to be appropriated by this or any other Act may be obligated or made available for the conduct of the current dialogue on the Middle East process with any representative of the Palestine Liberation Organization if the President knows and advises the Congress that the representative directly participated in the planning or execution of a particular terrorist activity which resulted in the death or kidnapping of a United States citizen.

[SEC. 1303. COMMISSION FOR THE PRESERVATION OF AMERICA'S HERITAGE ABROAD.

[(a) PURPOSE.—Because the fabric of a society is strengthened by visible reminders of the historical roots of the society, it is in the national interest of the United States to encourage the preservation and protection of the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens.

[(b) ESTABLISHMENT.—There is established a commission to be known as the Commission for the Preservation of America's Heritage Abroad (hereafter in this section referred to as the "Commission").

[(c) DUTIES.—The Commission shall—

[(1) identify and publish a list of those cemeteries, monuments, and historic buildings located abroad which are associated with the foreign heritage of United States citizens from eastern and central Europe, particularly those cemeteries, monuments, and buildings which are in danger of deterioration or destruction;

[(2) encourage the preservation and protection of such cemeteries, monuments, and historic buildings by obtaining, in cooperation with the Department of State, assurances from foreign governments that the cemeteries, monuments, and buildings will be preserved and protected; and

[(3) prepare and disseminate reports on the condition of and the progress toward preserving and protecting such cemeteries, monuments, and historic buildings.

[(d) MEMBERSHIP.—(1) The Commission shall consist of 21 members appointed by the President, 7 of whom shall be appointed after consultation with the Speaker of the House of Representatives and 7 of whom shall be appointed after consultation with the President pro tempore of the Senate.

[(2)(A) Except as provided in subparagraphs (B) and (C), members of the Commission shall be appointed for terms of 3 years.

[(B) Of the members first appointed after consultation with the Speaker of the House of Representatives, 5 shall be appointed for a term of 2 years. Of the members first appointed after consultation with the President pro tempore of the Senate, 5 shall be appointed for 2 years.

[(C) A member appointed to fill a vacancy on the Commission shall serve for the remainder of the term for which the member's predecessor was appointed.

[(D) A member may retain membership on the Commission until the member's successor has been appointed.

[((3) The President shall designate the Chairman of the Commission from among its members.

[(e) MEETINGS.—The Commission shall meet at least once every three months.

[(f) COMPENSATION AND PER DIEM.—(1) Members of the Commission shall receive no pay on account of their service on the Commission.

[(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

[(g) AUTHORITIES.—(1) The Commission or any member it authorizes may, for the purposes of carrying out this section, hold such hearings, sit and act at such times and places, request such attendance, take such testimony, and receive such evidence, as the Commission considers appropriate.

[(2) The Commission may appoint such personnel (subject to the provisions of title 5 of the United States Code which govern appointments in the competitive service) and may fix the pay of such personnel (subject to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates) as the Commission deems desirable.

[(3) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay then in effect for grade GS–18 of the General Schedule (5 U.S.C. 5332(a)).

[(4) Upon request of the Commission, the head of any Federal department or agency, including the Secretary of State, may detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties under this section.

[(5) The Commission may secure directly from any department or agency of the United States, including the Department of State,

any information necessary to enable it to carry out this section. Upon the request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

[(6) The Commission may accept, use, and dispose of gifts or donations of money or property.

[(7) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

[(8) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

[(h) REPORTS.—The Commission shall transmit an annual report to the President and to each House of Congress as soon as practicable after the end of each fiscal year. Each report shall include a detailed statement of the activities and accomplishments of the Commission during the preceding fiscal year and any recommendations by the Commission for legislation and administrative actions.

[SEC. 1304. FEDERAL COAL EXPORT COMMISSION

[(a) ESTABLISHMENT.—The Secretary of Commerce shall establish, within ninety days after the date of enactment of this Act, a Federal Coal Export Commission (hereinafter in this section referred to as the "Commission").

[(b) MEMBERSHIP.—The Commission shall be composed of thirty members appointed by the Secretary of Commerce, as follows:

[(1) FEDERAL GOVERNMENT REPRESENTATIVES.—Ten members shall be representatives of the International Trade Administration, the Department of Energy, the Department of State, the Department of Transportation, the Office of the United States Trade Representative, and a Federal institution involved in export financing.

[(2) PRIVATE SECTOR REPRESENTATIVES.—

[(A) Five members shall be representatives of export coal producers, including traders and brokers.

[(B) Five members shall be representatives of coal labor.

[(C) Five members shall be representatives of transporters of export coal, including representatives of rail and barge carriers and port authorities.

[(D) Five members shall be representatives of institutions having a substantial interest in United States export coal financing.

[(c) EXPENSES.—Members of the Commission shall serve without pay. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code.

[(d) COOPERATION.—All Federal departments and agencies are authorized to cooperate with the Commission and to furnish information, appropriate personnel, and such assistance as may be agreed upon by the Commission and the Federal department or agency involved.

[(e) ACTIVITIES.—The Commission shall convene not less than four times a year for consultation on activities leading to increased cooperation among entities involved in United States coal exports, with the goal of expanding the United States share of the international coal market. Activities of the Commission shall include, but are not limited to, the identification of—

[(1) diplomatic channels to facilitate the exportation of United States coal and methods to increase the coordination of diplomatic efforts relating to such exports;

[(2) domestic and international impediments to coal exports;

[(3) foreign markets for United States export coal, with emphasis on increasing United States coal sales to developing nations and expanding the participation of the United States International Development Cooperation Agency in such an effort;

[(4) availability of, and methods of, financing United States coal exports, including the feasibility of increasing Federal export financial and economic assistance; and

[(5) methods to promote, market, and coordinate United States coal on the international market.

[The Commission shall also examine the potential for small- and medium-sized coal companies to enter the export coal trade through export trading companies with respect to the marketing, transportation, and financial services which such trading companies may provide pursuant to the Export Trading Company Act of 1982.

[(f) REPORT.—The Commission shall submit to the President and the Congress, within two years after its first meeting, a report which details its findings pursuant to subsection (e) and, based upon such findings, makes recommendations which would lead to the expansion of the United States share of the international metallurgical and steam coal market.

[(g) TERMINATION.—The Commission shall cease to exist upon submission of its report pursuant to subsection (f).]

JORDAN SUPPLEMENTAL ECONOMIC ASSISTANCE AUTHORIZATION ACT OF 1985

[TITLE IV—AUTHORIZATION OF ECONOMIC SUPPORT FUND ASSISTANCE FOR JORDAN

[SHORT TITLE

[SEC. 401. This title may be cited as the "Jordan Supplemental Economic Assistance Authorization Act of 1985".

[ECONOMIC SUPPORT FUND

[SEC. 402. (a)(1) In addition to funds otherwise available for such purposes for such fiscal year, there are authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $250,000,000 for the fiscal year 1985, which amount shall be available only for Jordan.

[(2) Of the funds authorized to be appropriated by paragraph (1)—

[(A) for the fiscal year 1985, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance;

[(B) for the fiscal year 1986, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance; and

[(C) for the fiscal year 1987, $60,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance.

[(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1987.

[POLICY

[SEC. 403. (a) SENSE OF CONGRESS.—It is the sense of Congress that no foreign military sales financing authorized by this Act may be used to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new advanced military weapons systems, and no notification may be made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons systems, unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

[(b) CERTIFICATION.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems or other new advanced military weapons, must be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.]

AFRICAN FAMINE RELIEF AND RECOVERY ACT OF 1985

[SECTION 1. SHORT TITLE.

This Act may be cited as the "African Famine Relief and Recovery Act of 1985".

[SEC. 2. INTERNATIONAL DISASTER ASSISTANCE.

[Chapter 9 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2292–2292p) is amended by adding at the end thereof the following new section:

[SEC. 495K. AFRICAN FAMINE ASSISTANCE.

["(a) AUTHORIZATION OF ASSISTANCE.—The President is authorized to provide assistance for famine relief, rehabilitation, and recovery in Africa. Assistance under this section shall be provided for humanitarian purposes and shall be provided on a grant basis. Such assistance shall include—

["(1) relief, rehabilitation, and recovery projects to benefit the poorest people, including the furnishing of seeds for planting, fertilizer, pesticides, farm implements, farm animals and vaccine and veterinary services to protect livestock upon which

people depend, blankets, clothing, and shelter, disease prevention and health care projects, water projects (including water purification and well-drilling), small-scale agricultural projects, and food protection and preservation projects; and

[“(2) projects to meet emergency health needs, including vaccinations.

[“(b) USES OF FUNDS.—

[“(1) PRIVATE AND VOLUNTARY ORGANIZATIONS AND INTERNATIONAL ORGANIZATIONS.—Funds authorized to be appropriated by this section shall be used primarily for grants to private and voluntary organizations and international organizations.

[“(2) EMERGENCY HEALTH PROJECTS.—A significant portion of the funds authorized to be appropriated by this section shall be used for emergency health projects pursuant to subsection (a)(2).

[“(3) MANAGEMENT SUPPORT ACTIVITIES.—Of the amount authorized to be appropriated by this section, $2,500,000 shall be transferred to the ‘Operating Expenses of the Agency for International Development’ account. These funds shall be used for management support activities associated with the planning, monitoring, and supervision of emergency food and disaster assistance provided in those countries in Africa described in section 5(a) of the African Famine Relief and Recovery Act of 1985.

[“(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to the amounts otherwise available for such purpose, there are authorized to be appropriated $137,500,000 for the fiscal year 1985 for use in providing assistance under this section.

[“(d) POLICIES AND AUTHORITIES TO BE APPLIED.—Assistance under this section shall be furnished in accordance with the policies and general authorities contained in section 491.”.

[SEC. 30. MIGRATION AND REFUGEE ASSISTANCE.

[(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise available for such purpose, there are authorized to be appropriated to the Department of State for “Migration and Refugee Assistance” for the fiscal year 1985, $37,500,000 for assisting refugees and displaced persons in Africa.

[(b) USE OF FUNDS.—

[(1) PROJECTS FOR IMMEDIATE DEVELOPMENT NEEDS.—Up to 54 percent of the funds authorized to be appropriated by this section may be made available to the United Nations Office of Emergency Operations in Africa for projects such as those proposed at the second International Conference on Assistance to Refugees in Africa (ICARA II) to address the immediate development needs created by refugees and displaced persons in Africa.

[(2) EMERGENCY RELIEF AND RECOVERY EFFORTS.—The remaining funds authorized to be appropriated by this section shall be used by the Bureau for Refugee Programs of the Department of State for emergency relief and recovery efforts in Africa.

[SEC. 4. DEPARTMENT OF DEFENSE ASSISTANCE.

[(a) SPECIAL RULE ON REIMBURSEMENT.—If the Department of Defense furnishes goods or services for African supplemental famine assistance activities, the Department of Defense shall be reimbursed for not more than the costs which it incurs in providing those goods or services. These costs do not include military pay and allowances, amortization and depreciation, and fixed facility costs.

[(b) DEFNITION OF AFRICAN SUPPLEMENTAL FAMINE ASSISTANCE ACTIVITIES.—For purposes of this section, the term "African supplemental famine assistance activities" means the provision of the following fiscal year 1985 supplemental assistance for Africa:

[(1) Famine assistance pursuant to section 2 of this Act.

[(2) Migration and refugee assistance pursuant to section 3 of this Act.

[(3) Assistance pursuant to supplemental appropriations for title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721–1726).

[(4) Assistance with funds appropriated during fiscal year 1985 for the Emergency Refugee and Migration Assistance Fund (22 U.S.C. 2601(c)).

[SEC. 5. GENERAL PROVISIONS RELATING TO ASSISTANCE.

[(a) COUNTRIES TO BE ASSISTED.—Amounts authorized to be appropriated by this Act shall be available only for assistance in those countries in Africa which have suffered during calendar years 1984 and 1985 from exceptional food supply problems due to drought and other calamities.

[(b) "HICKENLOOPER AMENDMENT".—Assistance may be provided with funds authorized to be appropriated by this Act without regard to section 602(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(e)(1)).

[(c) ENSURING THAT ASSISTANCE REACHES INTENDED RECIPIENTS.—The President shall ensure that adequate procedures have been established so that assistance pursuant to this Act is provided to the famine victims for whom it is intended.

[SEC. 6. REPORTS ON AFRICAN FAMINE ASSISTANCE.

[(a) REPORT ON UNITED STATES CONTRIBUTION TO MEET EMERGENCY NEEDS.—

[(1) REQUIREMENT FOR REPORT.—Not later than June 30, 1985, the President shall report to the Congress with respect to the United States contribution to meet emergency needs, including food needs, for African famine assistance.

[(2) INFORMATION TO BE INCLUDED IN REPORT.—The report required by this subsection shall describe—

[(A) the emergency needs, including food needs, for African famine assistance that are identified by the President's Interagency Task Force on the African Food Emergency, private and voluntary organizations active in famine relief, the United Nations Office for Emergency Operations in Africa, the United Nations Food and Agriculture Organization, the World Food Program, and such other organizations as the President considers appropriate; and

[(B) the projected fiscal year 1985 contribution by the United States Government to meet an appropriate share of those needs referred to in subparagraph (A).

[(b) REPORT ON ASSISTANCE PROVIDED PURSUANT TO THIS ACT.—

[(1) REQUIREMENT FOR REPORT.—Not later than September 30, 1985, the President shall report to the Congress on the assistance provided pursuant to this Act.

[(2) INFORMATION TO BE INCLUDED IN REPORT.—

[(A) USE OF FUNDS.—The report pursuant to this subsection shall describe the uses, by the Agency for International Development and by the Department of State, of the funds authorized to be appropriated by this Act, including—

[(i) a description of each project or program supported with any of those funds, and the amount allocated to it;

[(ii) the identity of each private and voluntary organization or international organization receiving any of those funds, and the amount of funds each received;

[(iii) the amount of those funds used for assistance to each country;

[(iv) the amount of those funds, if any, which will not have been obligated as of September 30, 1985; and

[(v) a list of any projects or programs supported with those funds which are not expected to be completed as of December 31, 1985.]

INTERNATIONAL SECURITY AND DEVELOPMENT ASSISTANCE AUTHORIZATION ACT OF 1983

JOINT RESOLUTION Making further continuing appropriations for the fiscal year 1984.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1984, and for other purposes, namely:

SEC. 101. (a) * * *

(b)(1) * * *

[(2) Section 101(b)(2) of this joint resolution may be cited as the "International Security and Development Assistance Authorizations Act of 1983".

[AUTHORIZATION OF APPROPRIATIONS

[There is authorized to be appropriated to the President $1,315,000,000 for the fiscal year 1984 to carry out section 23 of the Arms Export Control Act. The total principal amount of loans guaranteed under section 24(a) of the Arms Export Control Act shall not exceed $4,446,500,000 for the fiscal year 1984.

[There are authorized to be appropriated for the fiscal year 1984 the following amounts to carry out the following provisions of the Foreign Assistance Act of 1961:

[(1) $725,213,000 to carry out section 103.
[(2) $244,600,000 to carry out section 104(b).
[(3) $133,400,000 to carry out section 104(c).
[(4) $121,477,000 to carry out section 105.
[(5) $160,000,000 to carry out section 106.
[(6) $103,000,000 to carry out section 121.
[(7) $30,000,000 to carry out section 214.
[(8) $266,214,000 to carry out chapter 3 of part I.
[(9) $47,000,000 to carry out section 481.
[(10) $25,000,000 to carry out section 491.
[(11) $3,074,000,000 to carry out chapter 4 of part II.
[(12) $639,700,000 to carry out section 503.
[(13) $56,452,000 to carry out chapter 5 of part II.
[(14) $46,200,000 to carry out chapter 6 of part II.
[(15) $22,000,000 to carry out section 661.
[(16) $370,000,000 to carry out section 667.

[There is authorized to be appropriated to the President to carry out the African Development Foundation Act $3,000,000 for the fiscal year 1984.

[There is authorized to be appropriated to carry out the Peace Corps Act $116,000,000 for fiscal year 1984.

[Section 10 of Public Law 91–672 and section 15(a) of the State Department Basic Authorities Act of 1956 shall not apply with respect to funds appropriated for "Migration and Refugee Assistance" or for the Inter-American Foundation by the joint resolution of October 1, 1983 (Public Law 98–107), as amended by this joint resolution.

[ASSISTANCE FOR ISRAEL AND EGYPT

[Section 31(b)(3) of the Arms Export Control Act is amended to read as follows:

["(3) Of the aggregate total of credits (or participations in credits) extended under section 23 of this Act and of the total principal amount of loans guaranteed under section 24(a) of this Act, not less than $1,700,000,000 for the fiscal year 1984 shall be available only for Israel, of which not less than $850,000,000 shall be credits under section 23. Of the total aggregate credit ceiling made available to Israel, up to $300,000,000 shall be made available for research and development activities in the United States and $250,000,000 shall be made available for the procurement of defense articles and defense services in Israel for the Lavi program.".

[Section 31(c) of such Act is amended—

[(a) in the first sentence by striking out "for the fiscal year 1982 and for the fiscal year 1983" and inserting in lieu thereof "for the fiscal year 1984"; and

[(b) in the last sentence—

[(1) by striking out "$550,000,000" and inserting in lieu thereof "$850,000,000 for the fiscal year 1984"; and

[(2) by striking out "for each such year".

[Section 31(b)(6) of such Act is amended to read as follows:

["(6) Of the total amounts of credits (or participations in credits) extended under section 23 of this Act, not less than $465,000,000 for the fiscal year 1984 shall be available only for Egypt, and Egypt shall be released from its contractual liability to repay the United

States Government with respect to such credits (and participations in credits). Of the total principal amount of loans guaranteed under section 24(a) of this Act, not less than $900,000,000 for the fiscal year 1984 shall be available only for Egypt.".

[Section 31(b)(5) of such Act is amended by striking out "for the fiscal year 1982 and for the fiscal year 1983" and inserting in lieu thereof "for the fiscal year 1984".

[Section 532 of the Foreign Assistance Act of 1961 is amended to read as follows:

"[SEC. 532. EARMARKING FOR ISRAEL AND EGYPT.—Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1984, not less than $910,000,000 shall be available only for Israel and not less than $750,000,000 shall be available only for Egypt.".

[CONDITIONS ON MILITARY ASSISTANCE FOR EL SALVADOR

[Not more than 70 percent of the amount made available for the fiscal year 1984 for military assistance for El Salvador under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 and under the Arms Export Control Act may be expended until—

[(1) Salvadoran authorities have substantially concluded all investigative actions in the case of the National Guardsmen charged with murder in the deaths of the four United States churchwomen in December 1980 that were set forth in communications from the Department of State (including the letters dated July 8 and September 23, 1983); and

[(2) Salvadoran authorities have brought the accused to trial and have obtained a verdict.

[Not more than 90 percent of the amount made available for the fiscal year 1984 for military assistance for El Salvador under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 and under the Arms Export Control Act may be expended until the President has determined and certified to the Congress that—

[(1) the Government of El Salvador has not taken any action which would alter, suspend, or terminate the land reform program for phase I or phase III promulgated under Decree 154 (dated March 5, 1980) or Decree 207 (dated April 28, 1980) in a manner detrimental to the rights of the beneficiaries or the potential beneficiaries under those decrees; and

[(2) the Government of El Salvador continues to make documented progress on implementing the land reform program.

[MINORITY SET-ASIDE

[Except to the extent that the Administrator of the Agency for International Development determines otherwise, not less than 10 percent of the aggregate of the funds made available for the fiscal year 1984 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be made available only for activities of economically and socially disadvantaged enterprises (within the meaning of section 133(c)(5) of the International Development and Food Assistance Act of 1977), historically Black colleges and universities, and private and voluntary organizations which are controlled by individuals who are Black Americans, Hispanic Americans, or Native Americans, or who are economically and socially disadvantaged

(within the meaning of section 133(c)(5) (B) and (C) of the International Development and Food Assistance Act of 1977). For purposes of this section, economically and socially disadvantaged individuals shall be deemed to include women.

[MINORITY RESOURCE CENTER

[None of the funds authorized to be appropriated for the fiscal year 1984 to carry out the Foreign Assistance Act of 1961 may be used to eliminate the Minority Resource Center as a separate and distinct entity within the Agency for International Development, including implementation of a consolidation of the Minority Resource Center with the Office of Small and Disadvantaged Business Utilization under section 133(c)(8) of the International Development and Food Assistance Act of 1977.

[PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI

[It is the sense of the Congress that for the fiscal year 1984 up to $24,000,000 of the funds available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, and up to $10,000,000 of the funds available to carry out chapter 4 of part II of such Act, should be made available for development assistance for Haiti, subject to the limitation contained in the third paragraph of this heading.

[To the maximum extent practicable, assistance for Haiti under chapter 1 of part I and under chapter 4 of part II of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

[Funds available for fiscal year 1984 to carry out chapter 1 of part I or chapter 2, 4, or 5 of part II of the Foreign Assistance Act of 1961 may be obligated for Haiti, and credits may be extended and guarantees may be issued under the Arms Export Control Act for Haiti, only if the President determines that the Government of Haiti—

[(1) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti;

[(2) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years); and

[(3) is making a concerted and significant effort to improve the human rights situation in Haiti by implementing the political reforms which are essential to the development of democracy in Haiti, including the establishment of political parties, free elections, and freedom of the press.

[Six months after the date of enactment of this section, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each numbered provision contained in the third paragraph of this heading.

[Notwithstanding the limitation of section 660 of the Foreign Assistance Act of 1961, funds made available under such Act for the fiscal year 1984 may be used for programs with Haiti, which shall be consistent with prevailing United States refugee policies, to assist in halting significant illegal emigration from Haiti to the United States.

[PRIVATE SECTOR REVOLVING FUND

[The amendment contained in section 407 of H.R. 2992, as reported by the Committee on Foreign Affairs of the House of Representatives on May 17, 1983, is hereby enacted.

[ANTITERRORISM ASSISTANCE PROGRAM

[The amendments contained in title II of H.R. 2992, as reported by the Committee on Foreign Affairs of the House of Representatives on May 17, 1983, are hereby enacted, except that, for purposes of such enactment, section 575 of the Foreign Assistance Act of 1961 shall read as follows:

["SEC. 575. APPROPRIATIONS.—There is authorized to be appropriated to the President to carry out this chapter $5,000,000 for the fiscal year 1984. Amounts appropriated under this section are authorized to remain available until expended.".]

LEBANON EMERGENCY ASSISTANCE ACT OF 1983

[SHORT TITLE

[SECTION 1. This Act may be cited as the "Lebanon Emergency Assistance Act of 1983".

[ECONOMIC SUPPORT FUND

[SEC. 2. (a) It is hereby determined that the national interests of the United States would be served by the authorization and appropriation of additional funds for economic assistance for Lebanon in order to promote the economic and political stability of that country and to support the international effort to strengthen a sovereign and independent Lebanon.

[(b) Accordingly, in addition to amounts otherwise authorized to be appropriated for the fiscal year 1983 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated $150,000,000 to carry out such provisions with respect to Lebanon.

[(c) Amounts authorized by this section may be appropriated in an appropriation Act for any fiscal year (including a continuing resolution) and shall continue to be available beyond the fiscal year notwithstanding any provision of that appropriation Act to the contrary.

[MILITARY SALES AND RELATED PROGRAMS

[SEC. 3. (a) In order to support the rebuilding of the armed forces of Lebanon, the Congress finds that the national security interests of the United States would be served by the authorization and appropriation of additional funds to provide training for the Lebanese armed forces and by the authorization of additional foreign military sales guaranties to finance procurements by Lebanon of defense articles and defense services for its security requirements.

[(b) In addition to amounts otherwise made available for the fiscal year 1983 to carry out the provisions of chapter 5 of part II of the Foreign Assistance Act of 1961, there are authorized to be ap-

propriated for the fiscal year 1983 $1,000,000 to carry out such provisions with respect to Lebanon.[3]

[(c) In addition to amounts otherwise made available for the fiscal year 1983 for loan guaranties under section 24(a) of the Arms Export Control Act, $100,000,000 of loan principal are authorized to be so guaranteed during such fiscal year for Lebanon.[3]

[UNITED STATES ARMED FORCES IN LEBANON

[SEC. 4. (a) The President shall obtain statutory authorization from the Congress with respect to any substantial expansion in the number or role in Lebanon of United States Armed Force, including any introduction of United States Armed Forces into Lebanon in conjunction with agreements providing for the withdrawal of all foreign troops from Lebanon and for the creation of a new multinational peace-keeping force in Lebanon.

[(b) Nothing in this section is intended to modify, limit, or suspend any of the standards and procedures prescribed by the War Powers Resolution of 1973.]

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1981

AN ACT To authorize appropriations for the fiscal years 1982 and 1983 for international security and development assistance and for the Peace Corps, to establish the Peace Corps as an autonomous agency, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security and Development Cooperation Act of 1981".

[TITLE I—MILITARY SALES AND RELATED PROGRAMS

[REPORTS TO THE CONGRESS

[SEC. 101. (a)(1) Section 3(d)(1) of the Arms Export Control Act is amended—

[(A) in the text preceding subparagraph (A) by striking out "to a transfer of a defense article, or related training or other defense service, sold under this Act and may not give his consent to such a transfer under section 505(a)(1) or 505(a)(4) of the Foreign Assistance Act of" and inserting inlieu thereof ", or under section 505(a)(1) or 505(a)(4) of the Foreign Assistance Act of 1961, to a transfer of any major defense equipment valued (in terms of its original acquisition cost) at $14,000,000 or more, or any defense article or related training or other defense service valued (in terms of its original acquisition cost) at $50,000,000 or more,";

[(B) by amending subparagraph (B) to read as follows:

["(B) a description of the article or service proposed to be transferred, including its acquisition cost,";

[(C) in subparagraph (C) by striking out "defense article or related training or other defense service" and inserting in lieu thereof "article or service"; and

[(D) in the last sentence by striking out "defense articles, or related training or other defense services," and inserting in lieu thereof "articles or services".

[(2) Section 3(d)(3) of such Act is amended by striking out all that follows "The President may not give his consent" through "section 38 of this Act," and inserting in lieu thereof "to the transfer of any major defense equipment valued (in terms of its original acquisition cost) at $14,000,000 or more, or any defense article or defense service valued (in terms of its original acquisition cost) at $50,000,000 or more, the export of which has been licensed or approved under section 38 of this Act,".

[(3) Section 3(d)(4) of such Act is amended—

[(A) by inserting "or" at the end of subparagraph (B);

[(B) by striking out "; or" at the end of subparagraph (C) and inserting in lieu thereof a period; and

[(C) by striking out subparagraph (D).

[(b)(1) Section 28(a) of such Act is amended by striking out "five" and inserting in lieu thereof "fifteen".

[(2) Section 28(b) of such Act is amended by striking out "the issuance of a letter of offer in accordance with such request would be subject to the requirements of section 36(b) of this Act" and inserting in lieu thereof "the request involves a proposed sale of major defense equipment for $7,000,000 or more or of any other defense articles or defense services for $25,000,000 or more".

[(c) The first sentence of section 36(b)(1) of such Act is amended—

[(1) by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000"; and

[(2) by striking out "$7,000,000" and inserting in lieu thereof "$14,000,000".

[(d) Section 36(c) of such Act is amended in the first sentence of paragraph (1)—

[(1) by striking out "$7,000,000" and inserting in lieu thereof "$14,000,000"; and

[(2) by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

[(e) Section 36(d) of such Act is amended by striking out "(c)" and inserting in lieu thereof "(c)(1)".

[PROPOSED TRANSFERS OR SALES TO THE NORTH ATLANTIC TREATY ORGANIZATION, JAPAN, AUSTRALIA, OR NEW ZEALAND

[SEC. 102. (a) Section 3(d)(2) of the Arms Export Control Act is amended—

["(1) by striking out "(2) Unless" and inserting in lieu thereof "(2)(A) Except as provided in subparagraph (B), unless"; and

["(2) by adding at the end thereof the following:

["(B) In the case of a proposed transfer to the North Atlantic Treaty Organization, or any member country of such Organization, Japan, Australia, or New Zealand, unless the president states in the certification submitted pursuant to paragraph (1) of this subsection that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, such consent shall not become effective until fifteen calendar days after the date of such submis-

sion and such consent shall become effective then only if the Congress does not adopt, within such fifteen-day period, a concurrent resolution disapproving the proposed transfer.".

[(b)(1) Section 36(b)(1) of such Act is amended in the fifth sentence by striking out "if the Congress, within thirty calendar days after receiving such certification," and inserting in lieu thereof the following: ", with respect to a proposed sale to the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand, if the Congress, within fifteen calendar days after receiving such certification, or with respect to a proposed sale to any other country or organization, if the Congress within thirty calendar days after receiving such certification,".

[(2) Section 36(b)(2) of such Act is amended by inserting before the period at the end thereof a comma and the following: "except that for purposes of consideration of any resolution with respect to the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand, it shall be in order in the Senate to move to discharge a committee to which such resolution was referred if such committee has not reported such resolution at the end of five calendar days after its introduction".

[PERSONNEL PERFORMING DEFENSE SERVICES

["SEC. 103. Section 21(c)(2) of the Arms Export Control Act is amended to read as follows:

["(2) Within forty-eight hours of the existence of, or a change in status of significant hostilities or terrorist acts or a series of such acts, which may endanger American lives or property, involving a country in which United States personnel are performing defense services pursuant to this Act or the Foreign Assistance Act of 1961, the President shall submit to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, classified if necessary, setting forth—

["(A) the identity of such country;

["(B) a description of such hostilities or terrorist acts; and

["(C) the number of members of the United States Armed Forces and the number of United States civilian personnel that may be endangered by such hostilities or terrorist acts.".

[CHARGES FOR USE AND NONRECURRING RESEARCH, DEVELOPMENT, AND PRODUCTION COSTS

[SEC. 104. Section 21(e)(2) of the Arms Export Control Act is amended by inserting "standardization with the Armed Forces of Japan, Australia, or New Zealand in furtherance of the mutual defense treaties between the United States and those countries," immediately after "standardization,".

[FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILINGS

[SEC. 105. (a) Section 31(a) of the Arms Export Control Act is amended by striking out "$500,000,000 for the fiscal year 1981" and inserting in lieu thereof "$800,000,000 for the fiscal year 1982 and $800,000,000 for the fiscal year 1983".

[(b) Section 31(b) of such Act is amended to read as follows:

["(b)(1) The total amount of credits (or participations in credits) extended under section 23 of this Act shall not exceed $800,000,000 for the fiscal year 1982 and $800,000,000 for the fiscal year 1983.

["(2) The total principal amount of loans guaranteed under section 24(a) of this Act shall not exceed $3,269,525,000 for the fiscal year 1982 and $3,269,525,000 for the fiscal year 1983.

["(3) Of the aggregate total of credits (or participations in credits) under section 23 of this Act, and of the total principal amount of loans guaranteed under section 24(a) of this Act, not less than $1,400,000,000 for the fiscal year 1982 and not less than $1,400,000,000 for the fiscal year 1983 shall be available only for Israel, of which not less than $550,000,000 for each such year shall be available as credits under section 23 of this Act.

["(4) Of the amount available under paragraph (2) of this subsection for loan guaranties under section 24(a) of this Act, not less than $280,000,000 for fiscal year 1982 and not less than $280,000,000 for the fiscal year 1983 shall be available only for Greece.

["(5) The principal amount of loans guaranteed under section 24(a) of this Act for the fiscal year 1982, and for the fiscal year 1983 with respect to Egypt, Greece, Sudan, Somalia, and Turkey shall (if and to the extent each such country so desires) be repaid in not more than twenty years, following a grace period of ten years on repayment of principal.

["(6) Of the total amount of credits (or participations in credits) extended under section 23 of this Act for the fiscal years 1982 and 1983, not less than $200,000,000 for each such year shall be available only for Egypt, and Egypt shall be released from its contractual liability to repay the United States Government with respect to such credits and participations in credits.

["(7) Of the total amount of credits (or participations in credits) extended under section 23 of this Act for the fiscal years 1982 and 1983, not less than $50,000,000 for each such year shall be available only for the Sudan, and the Sudan shall be released from its contractual liability to repay the United States Government with respect to such credits and participations in credits,".

[(c) Section 31(c) of such Act is amended—

[(1) in the first sentence by striking out "fiscal year 1981" and inserting in lieu thereof "fiscal year 1982 and for the fiscal year 1983";

[(2) in the last sentence by striking out "$500,000,000" and inserting in lieu thereof "$550,000,000"; and

[(3) in the last sentence by inserting "each" immediately before "such year".

[REPEAL OF CEILING ON COMMERCIAL SALES

[SEC. 106. Section 38(b)(3) of the Arms Export Control Act is repealed.

[PERIODIC REVIEW OF ITEMS ON THE MUNITIONS LIST

[SEC. 107. Section 38 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

[“(f) The President shall periodically review the items on the United States Munitions List to determine what items, if any, no longer warrant export controls under this section. The results of such reviews shall be reported to the Speaker of the House of Representatives and to the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate. Such a report shall be submitted at least 30 days before any item is removed from the Munitions List and shall describe the nature of any controls to be imposed on that item under the Export Administration Act of 1979.”.

[SPECIAL DEFENSE ACQUISITION FUND

[SEC. 108. (a) The Arms Export Control Act is amended by adding at the end thereof the following new chapter:

[“CHAPTER 5—SPECIAL DEFENSE ACQUISITION FUND

[“SEC. 51. SPECIAL DEFENSE ACQUISITION FUND.—(a)(1) Under the direction of the President and in consultation with the Secretary of State, the Secretary of Defense shall establish a Special Defense Acquisition Fund (hereafter in this chapter referred to as the ‘Fund’), to be used as a revolving fund separate from other accounts, under the control of the Department of Defense, to finance the acquisition of defense articles and defense service in anticipation of their transfer pursuant to this Act, the Foreign Assistance Act of 1961, or as otherwise authorized by law, to eligible foreign countries and international organizations, and may acquire such articles and services with the funds in the Fund as he may determine. Acquisition under this chapter of items for which the initial issue quantity requirements for United States Armed Forces have not been fulfilled and are not under current procurement contract shall be emphasized when compatible with security assistance requirements for the transfer of such items.

[“(2) Nothing in this chapter may be construed to limit or impair any responsibilities conferred upon the Secretary of State or the Secretary of Defense under this Act or the Foreign Assistance Act of 1961.

[“(b) The Fund shall consist of—

[“(1) collections from sales made under letters of offer issued pursuant to section 21(a)(1) of this Act representing the actual value of defense articles not intended to be replaced in stock,

[“(2) collections from sales representing the value of asset use charges (including contractor rental payments for United States Government-owned plant and production equipment) and charges for the proportionate recoupment of nonrecurring research, development, and production costs, and

[“(3) collections from sales made under letters of offer (or transfers made under the Foreign Assistance Act of 1961) of defense articles and defense services acquired under this chapter, representing the value of such items calculated in accordance with paragraph (2) or (3) of section 21(a) or section 22 of this Act or section 644(m) of the Foreign Assistance Act of 1961, as appropriate,

together with such funds as may be authorized and appropriated or otherwise made available for the purposes of the Fund.

[“(c)(1) The size of the Fund may not exceed such dollar amount as is prescribed in section 138(g) of title 10, United States Code. For purposes of this limitation, the size of the Fund is the amounts in the Fund plus the value (in terms of acquisition cost) of the defense articles acquired under this chapter which have not been transferred from the Fund in accordance with this chapter.

[“(2) Amounts in the Fund shall be available for obligation in any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

[“SEC. 52. USE AND TRANSFER OF ITEMS PROCURED BY THE FUND.—(a) No defense article or defense service acquired by the Secretary of Defense under this chapter may be transferred to any foreign country or international organization unless such transfer is authorized by this Act, the Foreign Assistance Act of 1961, or other law.

[“(b) The President may authorize the temporary use by the United States Armed Forces of defense articles and defense services acquired under this chapter prior to their transfer to a foreign country or international organization, if such is necessary to meet national defense requirements and the United States Armed Forces bear the costs of operation and maintenance of such articles or services while in their use and the costs of restoration or replacement upon the termination of such use.

[“(c) Except as provided in subsection (b) of this section, the Fund may be used to pay for storage, maintenance, and other costs related to the preservation and preparation for transfer of defense articles and defense services acquired under this chapter prior to their transfer, as well as the administrative costs of the Department of Defense incurred in the acquisition of such items to the extent not reimbursed pursuant to section 43(b) of this Act.

[“SEC. 53. ANNUAL REPORTS TO CONGRESS.—(a) Not later than December 31 of each year, the President shall submit to the Congress a comprehensive report on acquisitions of defense articles and defense services under this chapter. Each such report shall include—

[“(1) a description of each contract for the acquisition of defense articles or defense services under this chapter which was entered into during the preceding fiscal year;

[“(2) a description of each contract for the acquisition of defense articles or defense services under this chapter which the President anticipates will be entered into during the current fiscal year;

[“(3) a description of each defense article or defense service acquired under this chapter which was transferred to a foreign country or international organization during the preceding fiscal year; and

[“(4) an evaluation of the impact of the utilization of the authority of this chapter of United States defense production and the readiness of the United States Armed Forces.

[(b) As part of the annual written report to the Congress required by section 139(a) of title 10, United States Code, regarding procurement schedules for each weapon system for which funding

authorization is required, the President shall provide a report estimating the likely procurements to be made through the Fund.".

[(b) Section 138 of title 10, United States Code, is amended by adding immediately following subsection (f) the following new subsection:

[(g) The size of the Special Defense Acquisition Fund established pursuant to chapter 5 of the Arms Export Control Act may not exceed $300,000,000 in fiscal year 1982, may not exceed $600,000,000 in fiscal year 1983, and may not exceed $900,000,000 in fiscal year 1984 or any fiscal year thereafter.".

[LEASING OF DEFENSE ARTICLES

[SEC. 109. (a) The Arms Export Control Act, as amended by section 108 of this Act, is further amended by adding at the end thereof the following new chapter:

["CHAPTER 6—LEASES OF DEFENSE ARTICLES

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

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

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

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

The requirement of paragraph (3) shall not apply to leases entered into for purposes of cooperative research or development, military exercises, or communications or electronics interface projects, or to any defense article which has passed three-quarters of its normal service life.

["(b) Each lease agreement under this section shall be for a fixed duration of not to exceed five years and shall provide that, at any time during the duration of the lease, the President may terminate the lease and require the immediate return of the leased articles.

["(c) Defense articles in the stocks of the Department of Defense may be leased or loaned to a foreign country or international organization only under the authority of this chapter or chapter 2 of part II of the Foreign Assistance Act of 1961, and may not be leased to a foreign country or international organization under the authority of section 2667 of title 10, United States Code.

["SEC. 62. REPORTS TO THE CONGRESS.—(a) Not less than 30 days before entering into or renewing any agreement with a foreign country or international organization to lease any defense article under this chapter, or to loan any defense article under chapter 2 of part II of the Foreign Assistance Act of 1961, for a period of one

year or longer, the President shall transmit to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Armed Services of the Senate, a written certification which specifies—

[“(1) the country or international organization to which the defense article is to be leased or loaned;

[“(2) the type, quantity, and value (in terms of replacement cost) of the defense article to be leased or loaned;

[“(3) the terms and duration of the lease or loan; and

[“(4) a justification for the lease or loan, including an explanation of why the defense article is being leased or loaned rather than sold under this Act.

[“(b) The President may waive the requirements of this section (and in the case of an agreement described in section 63, may waive the provisions of that section) if he determines, and immediately reports to the Congress, that an emergency exists which requires that the lease or loan be entered into immediately in the national security interests of the United States.

[“SEC. 63. LEGISLATIVE REVIEW.—(a)(1) In the case of any agreement involving the lease under this chapter, or the loan under chapter 2 of part II of the Foreign Assistance Act of 1961, to any foreign country or international organization for a period of one year or longer of any defense articles which are either (i) major defense equipment valued (in terms of its replacement cost less any depreciation in its value) at $14,000,000 or more, or (ii) defense articles valued (in terms of their replacement cost less any depreciation in their value) at $50,000,000 or more, the agreement may not be entered into or renewed if the Congress, within 30 calendar days after receiving the certification with respect to that proposed agreement pursuant to section 62(a), adopts a concurrent resolution stating that it objects to the proposed lease or loan.

[“(2) This section shall not apply with respect to a loan or lease to the North Atlantic Treaty Organization, any member country of that Organization, Japan, Australia, or New Zealand.

[“(b) Any resolution under subsection (a) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(c) For the purpose of expediting the consideration and adoption of concurrent resolutions under subsection (a), a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

[“SEC. 64. APPLICATION OF OTHER PROVISIONS OF LAW.—Any reference to sales of defense articles under this Act in any provision of law restricting the countries or organizations to which such sales may be made shall be deemed to include a reference to leases of defense articles under this chapter.”.

[(b) Such Act is further amended—

[(1) in section 2(b)—

[(A) by inserting “, leases,” immediately after “sales” both places it appears,

[(B) by inserting "whether there shall be a lease to a country," immediately after "thereof,", and

[(C) by inserting ", lease," immediately after "sale" the second place it appears;

[(2) in section 3(a)—

[(A) in the text preceding paragraph (1) by inserting "or leased" immediately after "sold", and

[(B) in paragraph (4) by inserting "or lease" immediately after "purchase"; and

[(3) in section 4 by inserting "or leased" immediately after "sold" in the first sentence.

[(c) Paragraph (5) of section 503(b) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(5) the loan agreement provides that (A) if the defense article is damaged while on loan, the country or international organization to which it was loaned will reimburse the United States for the cost of restoring or replacing the defense article, and (B) if the defense article is lost or destroyed while on loan, the country or international organization to which it was loaned will pay to the United States an amount equal to the replacement cost (less any depreciation in the value) of the defense article.".

[(d)(1) Section 109 of the International Security and Development Cooperation Act of 1980 is repealed.

[(2) Section 36(a) of the Arms Export Control Act is amended—

[(A) by inserting "and" at the end of paragraph (8);

[(B) by striking out "; and" at the end of paragraph (9) and inserting in lieu thereof a period; and

[(C) by striking out paragraph (10).

[MILITARY ASSISTANCE

[SEC. 110. (a) Section 504(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $238,500,000 for the fiscal year 1982 and not to exceed $238,500,000 for the fiscal year 1983.

["(2) Amounts appropriated under this subsection are authorized to remain available until expended.".

[(b) Section 506(a) of such Act is amended by striking out "$50,000,000" and inserting in lieu thereof "$75,000,000".

[(c) Section 503(a)(3) of such Act is amended by striking out "specified in section 504(a)(1) of this Act, within the dollar limitations of that section," and inserting in lieu thereof "country,".

[(d) Section 516 of such Act is repealed.

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

[SEC. 111. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$85,000,000 for the fiscal year 1981" and inserting in lieu thereof "$130,000,000 for the fiscal year 1982 and $125,000,000 for the fiscal year 1983".

[INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

[SEC. 112. Section 515 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 515. OVERSEAS MANAGEMENT OF ASSISTANCE AND SALES PROGRAMS.—(a) In order to carry out his responsibilities for the management of international security assistance programs conducted under this chapter, chapter 5 of this part, and the Arms Export Control Act, the President may assign members of the Armed Forces of the United States to a foreign country to perform one or more of the following functions:

[“(1) equipment and services case management;

[“(2) training management;

[“(3) program monitoring;

[“(4) evaluation and planning of the host government’s military capabilities and requirements;

[“(5) administrative support;

[“(6) promoting rationalization, standardization, interoperability, and other defense cooperation measures among members of the North Atlantic Treaty Organization and with the Armed Forces of Japan, Australia, and New Zealand; and

[“(7) liaison functions exclusive of advisory and training assistance.

[“(b) Advisory and training assistance conducted by military personnel assigned under this section shall be kept to an absolute minimum. It is the sense of the Congress that advising and training assistance in countries to which military personnel are assigned under this section shall be provided primarily by other personnel who are not assigned under this section and who are detailed for limited periods to perform specific tasks.

[“(c)(1) The number of members of the Armed Forces assigned to a foreign country under this section may not exceed six unless specifically authorized by the Congress. The President may waive this limitation if he determines and reports to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, 30 days prior to the introduction of the additional military personnel, that United States national interests require that more than six members of the Armed Forces be assigned under this section to carry out international security assistance programs in a country not specified in this paragraph. For the fiscal year 1982 and the fiscal year 1983, Indonesia, the Republic of Korea, the Philippines, Thailand, Egypt, Jordan, Morocco, Saudi Arabia, Greece, Portugal, Spain, and Turkey are authorized to have military personnel strengths larger than six under this section to carry out international security assistance programs.

[“(2) The total number of members of the Armed Forces assigned under this section to a foreign country in a fiscal year may not exceed the number justified to the Congress for that country in the congressional presentation materials for that fiscal year, unless the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives are notified 30 days in advance of the introduction of the additional military personnel.

[“(d) Effective October 1, 1982, the entire costs (including salaries of United States military personnel) of overseas management of international security assistance programs under this section shall be charged to or reimbursed from funds made available to carry out this chapter, other than any such costs which are either paid directly for such defense services under section 21(a) of the Arms Export Control Act or reimbursed from charges for services collected from foreign governments pursuant to section 21(e) and section 43(b) of that Act.

[“(e) Members of the Armed Forces assigned to a foreign country under this section shall serve under the direction and supervision of the Chief of the United States Diplomatic Mission to that country.

[“(f) The President shall continue to instruct United States diplomatic and military personnel in the United States missions abroad that they should not encourage, promote, or influence the purchase by any foreign country of United States-made military equipment, unless they are specifically instructed to do so by an appropriate official of the executive branch.”.

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 113. Section 542 of the Foreign Assistance Act of 1961 is amended by striking out “$34,000,000 for the fiscal year 1981” and inserting in lieu thereof “$42,000,000 for the fiscal year 1982 and $42,000,000 for the fiscal year 1983”.

[PEACEKEEPING OPERATIONS

[SEC. 114. (a) Section 552(a) of the Foreign Assistance Act of 1961 is amended by striking out “$25,000,000 for the fiscal year 1981” and inserting in lieu thereof “$19,000,000 for the fiscal year 1982 and $19,000,000 for the fiscal year 1983”.

[(b) Section 552(c) of such Act is amended by striking out “(1)” and all that follows through “may not be transferred” and inserting in lieu thereof “the total amount so transferred in any fiscal year may not exceed $15,000,000”.

[FOREIGN INTIMIDATION AND HARASSMENT OF INDIVIDUALS IN THE UNITED STATES

[SEC. 115. Chapter 1 of the Arms Export Control Act is amended by adding at the end thereof the following new section:

[“Sec. 6. FOREIGN INTIMIDATION AND HARASSMENT OF INDIVIDUALS IN THE UNITED STATES.—No letters of offer may be issued, no credits or guarantees may be extended, and no export licenses may be issued under this Act with respect to any country determined by the President to be engaged in a consistent pattern of acts of intimidation or harassment directed against individuals in the United States. The President shall report any such determination promptly to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate.”.

[TITLE II—ECONOMIC SUPPORT FUND

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 201. Section 531(b)(1) of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1981, $2,065,300,000" and inserting in lieu thereof "$2,623,500,000 for the fiscal year 1982 and $2,723,500,000 for the fiscal year 1983".

[PROVISIONS RELATING TO USE OF FUNDS

[SEC. 202. Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by striking out sections 532 and 533 and inserting in lieu thereof the following new sections:

["SEC. 532. MIDDLE EAST PROGRAMS.—(a)(1) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982 and for the fiscal year 1983, not less than $785,000,000 for each such year shall be available only for Israel and not less than $750,000,000 for each such year shall be available only for Egypt. Amounts made available for Israel and Egypt for the fiscal year 1982 pursuant to this paragraph shall be in addition to the amounts made available to those countries pursuant to paragraph (4) of this subsection.

["(2) All of the funds made available to Israel and to Egypt under this chapter for the fiscal years 1982 and 1983 shall be provided on a grant basis.

["(3) The total amount of funds allocated for Israel under this chapter for the fiscal year 1982 and for the fiscal year 1983 may be made available as a cash transfer. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfers made to Israel does not cause an adverse impact on the total amount of nonmilitary exports from the United States to Israel.

["(4) In addition to the amounts requested for Israel and Egypt under this chapter for the fiscal year 1982, $21,000,000 shall be made available for Israel for the fiscal year 1982 and $21,000,000 shall be made available for Egypt for the fiscal year 1982 in order to replace the funds which were authorized and appropriated for those countries in the fiscal year 1981 but which was reprogrammed in order to provide assistance for Liberia and El Salvador.

["(5) Of the amounts provided to Egypt under this chapter for the fiscal year 1982 and for the fiscal year 1983, up to $50,000,000 for each such year may be used under title XII of chapter 2 of part I of this Act in building agricultural extension services in Eygpt for the small farmer in order to upgrade the skills of the agricultural faculty in provincial universities, improve the agricultural curriculum offered and the equipment available in provincial universities, and establish a provincial university extension service with an outreach program which can directly reach the Egyptian small farmer.

["(b)(1) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982 and for the fiscal year 1983, $11,000,000 for each such year may be used for special requirements in the Middle East, including regional cooperative projects of a scientific and technological nature in accordance with paragraph (2) of this subsection, other regional programs, development

programs on the West Bank and in Gaza, population programs, project development and support, and programs of participant training.

[“(2) It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should finance, and where appropriate participate in, cooperative projects of a scientific and technological nature involving Israel and Egypt and other Middle East countries wishing to participate. These cooperative projects should include projects in the fields of agriculture, health, energy, the environment, education, water resources, and the social sciences. Of the funds available under paragraph (1) of this subsection for the fiscal year 1982 and for the fiscal year 1983, $4,000,000 for each such year may be used in accordance with this paragraph for scientific and technological projects which will promote regional cooperation among Israel and Egypt and other Middle East countries.

[“(3) The President may obligate funds under paragraph (1) of this subsection only if, in accordance with the established prenotification procedures under section 634A of this Act, he transmits a report to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives, and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, at least 15 days prior to such obligation. This report shall set forth—

[“(A) the name of the proposed recipient of such funds,

[“(B) the amount of funds to be made available to such recipient, and

[“(C) the purpose for which such funds are to be made available.

[“(4) At the end of the fiscal year 1981, at the end of the fiscal year 1982, and at the end of the fiscal year 1983, the President shall report to the Congress on the use of funds under this chapter during that fiscal year for special requirements in the Middle East.

[“(c) None of the funds appropriated to carry out this chapter for the fiscal year 1982 or the fiscal year 1983 may be made available to Syria.

[“(d) It is the sense of the Congress that, of the funds required to be appropriated to carry out this chapter, $7,000,000 for the fiscal year 1982 and $7,000,000 or more for the fiscal year 1983 should be made available for Lebanon for relief and rehabilitation programs of international and private voluntary agencies and other not-for-profit United States organizations operating in Lebanon.

[“SEC. 533. EASTERN MEDITERRANEAN PROGRAMS.—(a) Not less than two-thirds of the funds made available to Turkey under this chapter for each of the fiscal years 1982 and 1983 shall be provided on a grant basis.

[“(b) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982 and for the fiscal year 1983, $15,000,000 for each such year shall be available only for Cyprus. Of that amount, $5,000,000 for the fiscal year 1982 and $10,000,000 for the fiscal year 1983 shall be for scholarship programs to bring Cypriots to the United States for education.

[“SEC. 534. PROHIBITION ON USE OF FUNDS FOR NUCLEAR FACILITIES.—Funds available to carry out this chapter for the fiscal year

1982 and for the fiscal year 1983 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that use of funds for such purpose is indispensable to the achievement of nonproliferation objectives which are uniquely significant and of paramount importance to the United States.

[“SEC. 535. EMERGENCY ASSISTANCE.—(a) Of the funds appropriated to carry out this chapter, up to $75,000,000 for the fiscal year 1982 and up to $75,000,000 for the fiscal year 1983 may be made available for emergency use under this chapter when the national interests of the United States urgently require economic support to promote economic or political stability.

[“(b) Notwithstanding any provision of this chapter or of an appropriations Act (including a joint resolution making continuing appropriations) which earmarks funds available to carry out this chapter for a specific country or purpose, up to 5 percent of each amount so earmarked may be used to carry out this section.

[“SEC. 536. SPECIAL REQUIREMENTS FUND.—Of the amounts appropriated to carry out this chapter, up to $75,000,000 for the fiscal year 1982 may be made available as a special requirements fund, except that such funds may not be obligated unless the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committee on Appropriations of each House of the Congress are notified fifteen days in advance of such obligation.

[“SEC. 537. TUNISIA.—Of the funds authorized to be appropriated to carry out this chapter for the fiscal years 1982 and 1983, not less than $5,000,000 for each such year shall be available for Tunisia.

[“SEC. 538. COSTA RICA.—Of the funds authorized to be appropriated to carry out this chapter for the fiscal years 1982 and 1983, not less than $15,000,000 for each such year shall be available only for Costa Rica for the purposes of economic assistance.

[“SEC. 539. NICARAGUA.—Of the funds authorized to be appropriated to carry out this chapter, $20,000,000 for the fiscal year 1982 and $20,000,000 for the fiscal year 1983 shall be available only for Nicaragua.”.

[“ACQUISITION OF AGRICULTURAL COMMODITIES AND RELATED PRODUCTS UNDER COMMODITY IMPORT PROGRAMS

[SEC. 203. The Congress directs the President to allocate at least 15 percent of the funds which are made available each fiscal year under this title for commodity import programs for use in financing the purchase of agricultural commodities and agricultural related products which are of United States-origin.

[TITLE III—DEVELOPMENT ASSISTANCE

[AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

[SEC. 301. (a) The first sentence of section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by striking out “$713,500,000 for the fiscal year 1981” and inserting in lieu thereof “$700,000,000 for the fiscal year 1982 and $700,000,000 for the fis-

cal year 1983, of which up to $1,000,000 for each such fiscal year shall be available only to carry out section 316 of the International Security and Development Cooperation Act of 1980".

[(b)(1) It is the sense of the Congress that the United States should strongly support the efforts of developing countries to improve infant feeding practices, in particular through the promotion of breast feeding. As a demonstration of that support, the President is authorized to use up to $5,000,000 of the funds made available for the fiscal year 1982 to carry out the purposes of sections 103 and 104(c) of the Foreign Assistance Act of 1961 in order to assist developing countries establish or improve programs to encourage improved infant feeding practices. In carrying out this paragraph, the Agency for International Development should provide funds for necessary research to obtain better information on the precise nature and magnitude of problems relating to infant feeding practices, including the use of infant formula, in developing countries.

[(2) The President shall, as part of the congressional presentation documentation for the fiscal years 1983 and 1984, include information relevant to the implementation of this subsection, including—

[(A) a description of actions taken by the Agency for International Development to promote breast feeding and to improve supplemental infant feeding practices in developing countries through funds made available in this subsection and through its regular programs in the fields of health, nutrition, and population activities;

[(B) a summary of the results of studies authorized by this subsection on the nature and magnitude of problems in developing countries related to infant feeding practices; and

[(C) a summary of reports by member countries of the World Health Organization on their actions to implement the International Code of Marketing of Breast Milk Substitutes.

[(c) Section 103 of such Act is amended by adding at the end thereof the following new subsection:

["(g) In order to carry out the purposes of this section, the President may continue to participate in and may provide, on such terms and conditions as he may determine, up to $180,000,000 to the International Fund for Agricultural Development. There are authorized to be appropriated to the President for the purposes of this subsection $180,000,000 except that not more than $40,500,000 may be appropriated under this subsection for the fiscal year 1982. Amounts appropriated under this subsection are authorized to remain available until expended.".

[POPULATION AND HEALTH

[SEC. 302. (a) Section 104(g) of the Foreign Assistance Act of 1961 is amended by striking out the first sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

["(1) $211,000,000 for the fiscal year 1982 and $211,000,000 for the fiscal year 1983 to carry out subsection (b) of this section; and

[“(2) $133,405,000 for the fiscal year 1982 and $133,405,000 for the fiscal year 1983 to carry out subsection (c) of this section. Of the funds appropriated for each of the fiscal years 1982 and 1983 to carry out subsection (b) of this section, not less than 16 percent or $38,000,000, whichever amount is less, shall be available only for the United Nations Fund for Population Activities.”.

[(b) Section 104(f) of such Act is amended by adding at the end thereof the following:

[“(3) None of the funds made available to carry out this part may be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning.”.

[EDUCATION AND HUMAN RESOURCES DEVELOPMENT

[SEC. 303. (a) The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended by striking out “$101,000,000 for the fiscal year 1981” and inserting in lieu thereof “$103,600,000 for the fiscal year 1982 and $103,600,000 for the fiscal year 1983”.

[(b) Such section is further amended by adding at the end thereof the following: “For each of the fiscal years 1982 and 1983, the President shall use not less than $4,000,000 of the funds made available for the purposes of this section to finance scholarships for undergraduate or professional education in the United States for South African students who are disadvantaged by virtue of legal restrictions on their ability to get an adequate undergraduate or professional education, except that up to $1,000,000 of the funds made available for each such fiscal year under chapter 4 of part II of this Act for southern African regional programs may be used to finance such scholarships in lieu of an equal amount under this section.”.

[ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES

[SEC. 304. (a) Section 106(d)(3) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the semicolon at the end thereof the following: “and programs of disaster preparedness, including the prediction of and contingency planning for natural disasters abroad”.

[(b) Section 106(e)(1) of such Act is amended by striking out “$140,000,000 for the fiscal year 1981” and inserting in lieu thereof “$147,200,000 for the fiscal year 1982 and $147,200,000 for the fiscal year 1983”.

[UNITED NATIONS DECADE FOR WOMEN

[SEC. 305. Section 113 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(c) Not less than $500,000 of the funds made available under this chapter for the fiscal year 1982 shall be expended on international programs which support the original goals of the United Nations Decade for Women.”.

[HUMAN RIGHTS

[SEC. 306. The first sentence of section 116(e) of the Foreign Assistance Act of 1961 is amended by striking out "the fiscal year 1981" and inserting in lieu thereof "each of the fiscal years 1982 and 1983".

[ENVIRONMENT AND NATURAL RESOURCES

[SEC. 307. Section 118 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 118. ENVIRONMENT AND NATURAL RESOURCES.—(a) The Congress finds that if current trends in the degradation of natural resources in developing countries continue, they will severely undermine the best efforts to meet basic human needs, to achieve sustained economic growth, and to prevent international tension and conflict. The Congress also finds that the world faces enormous, urgent, and complex problems, with respect to natural resources, which require new forms of cooperation between the United States and developing countries to prevent such problems from becoming unmanageable. It is, therefore, in the economic and security interests of the United States to provide leadership both in thoroughly reassessing policies relating to natural resources and the environment, and in cooperating extensively with developing countries in order to achieve environmentally sound development.

["(b) In order to address the serious problems described in subsection (a), the President is authorized to furnish assistance under this part for developing and strengthening the capacity of developing countries to protect and manage their environment and natural resources. Special efforts shall be made to maintain and where possible to restore the land, vegetation, water, wildlife, and other resources upon which depend economic growth and human well-being, especially of the poor.

["(c)(1) The President, in implementing programs and projects under this chapter, shall take fully into account the impact of such programs and projects upon the environment and natural resources of developing countries. Subject to such procedures as the President considers appropriate, the President shall require all agencies and officials responsible for programs or projects under this chapter—

["(A) to prepare and take fully into account an environmental impact statement for any program or project under this chapter significantly affecting the environment of the global commons outside the jurisdiction of any country, the environment of the United States, or other aspects of the environment which the President may specify; and

["(B) to prepare and take fully into account an environmental assessment of any proposed program or project under this chapter significantly affecting the environment of any foreign country.

Such agencies and officials should, where appropriate, use local technical resources in preparing environmental impact statements and environmental assessments pursuant to this subsection.

["(2) The President may establish exceptions from the requirements of this subsection for emergency conditions and for cases in

which compliance with those requirements would be seriously detrimental to the foreign policy interests of the United States.

[“(d)(1) In enacting section 103(b)(3) of this Act the Congress recognized the importance of forests and tree cover to the developing countries. The Congress is particularly concerned about the continuing and accelerating alteration, destruction, and loss of tropical forests in developing countries. Tropical forests constitute a major world resource. Their destruction and loss pose a serious threat to development and the environment in developing countries. Tropical forest destruction and loss result in shortages of wood, especially wood for fuel; siltation of lakes, reservoirs and irrigation systems; floods; destruction of indigenous peoples; extinction of plant and animal species; reduced capacity for food production; and loss of genetic resources; and can result in desertification and in destabilization of the earth's climate. Properly managed tropical forests provide a sustained source of fiber and other commodities essential to the economic growth of developing countries.

[“(2) The concerns expressed in paragraph (1) and the recommendations of the United States Interagency Task Force on Tropical Forests shall be considered by the President—

[“(A) in formulating and carrying out programs and policies with respect to developing countries, including those relating to bilateral and multilateral assistance and those relating to private sector activities, and

[“(B) in seeking opportunities to coordinate public and private development and investment activities which affect forests in developing countries.

[“(3) It is the sense of the Congress that the President should instruct the representatives of the United States to the United Nations and to other appropriate international organizations to urge—

[“(A) that higher priority be given in the programs of these organizations to the problems of tropical forest alteration and loss, and

[“(B) that there be improved cooperation and coordination among these organizations with respect to tropical forest activities.”.

[SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

[SEC. 308. (a) Section 121(c) of the Foreign Assistance Act of 1961 is amended in the third sentence by striking out “$88,442,000 for the fiscal year 1981” and inserting in lieu thereof “$86,558,000 for the fiscal year 1982 and $86,558,000 for the fiscal year 1983”.

[(b) Section 121 of such Act is amended by adding at the end thereof the following new subsection:

[“(d) Funds available to carry out this section (including foreign currencies acquired with funds appropriated to carry out this section) may not be made available to any foreign government for disbursement unless the Administrator of the Agency for International Development determines that the foreign government will maintain a system of accounts with respect to those funds which will provide adequate identification of and control over the receipt and expenditure of those funds.”.

[PRIVATE AND VOLUNTARY ORGANIZATIONS

[SEC. 309. Section 123 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

["(f) For each of the fiscal years 1982, 1983, and 1984, funds in an amount not less than 12 percent of the aggregate amount appropriated for that fiscal year to carry out sections 103(a), 104(b), 104(c), 105, 106, 121, and 491 of this Act shall be made available for the activities of private and voluntary organizations and the President shall seek to channel funds in an amount not less than 16 percent of such aggregate amount for the activities of private and voluntary organizations.

["(g) After December 31, 1984, funds made available to carry out section 103(a), 104(b), 104(c), 105, 106, 121, or 491 of this Act may not be made available for programs of any United States private and voluntary organization which does not obtain at least 20 percent of its total annual financial support for its international activities from sources other than the United States Government, except that this restriction does not apply with respect to programs which, as of that date, are receiving financial support from the agency primarily responsible for administering this part. The Administrator of the agency primarily responsible for administering this part may, on a case-by-case basis, waive the restriction established by this subsection, after taking into account the effectiveness of the overseas development activities of the organization, its level of volunteer support, its financial viability and stability, and the degree of its dependence for its financial support on the agency primarily responsible for administering this part.".

[HOUSING GUARANTY PROGRAMS

[SEC. 310. (a) Section 222(a) of the Foreign Assistance Act of 1961 is amended—

[(1) in the second sentence by striking out "$1,555,000,000" and inserting in lieu thereof "$1,718,000,000"; and

[(2) in the third sentence by striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1984".

[(b) Section 223(b) of such Act is amended by adding at the end thereof the following: "All of the foregoing fees referred to in this section together with earnings thereon and other income arising from guaranty operations under this title shall be held in a revolving fund account maintained in the Treasury of the United States. All funds in such account may be invested in obligations of the United States. Any interest or other receipts derived from such investments shall be credited to such account and may be used for the purposes cited in this section.".

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 311. (a) Section 301 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(h) The President is authorized to permit the United States to participate in and to use any of the funds made available under this part after the date of enactment of this subsection for the pur-

pose of furnishing assistance (on such terms and conditions as the President may determine) to the International Food Policy Research Institute.".

[(b) Section 302(a)(1) of such Act is amended by striking out "$233,350,000 for the fiscal year 1981" and inserting in lieu thereof "$218,600,000 for the fiscal year 1982 and $218,600,000 for the fiscal year 1983. Of the funds appropriated under this paragraph for each of the fiscal years 1982 and 1983, (A) not less than 19.6 percent on $45,000,000, whichever amount is less, shall be available only for the United States Children's Fund, (B) not less than 59.5 percent or $134,500,000, whichever amount is less, shall be available only for the United Nations Development Fund, (C) not less than 4.4 percent or $10,000,000, whichever amount is less, shall be available only for the United Nations Environment Fund, (D) not less than 0.159 percent or $400,000, whichever amount is less, shall be available only for the United Nations Trust Fund for Southern Africa, and (E) not less than 0.196 percent on $500,000, whichever amount is less, shall be available only for the United Nations Institute for Training and Research".

[TRADE AND DEVELOPMENT PROGRAM

[SEC. 312. (a) The section caption of section 661 of the Foreign Assistance Act of 1961 is amended by striking out "REIMBURSABLE DEVELOPMENT PROGRAMS" and inserting in lieu thereof "TRADE AND DEVELOPMENT PROGRAM".

[(b) Such section 661 is further amended—

[(1) by inserting "(a)" immediately before "The President";

[(2) in the first sentence by striking out "to use $4,000,000 of the funds made available for the fiscal year 1981 for the purposes of this Act"; and

[(3) by adding at the end thereof the following new subsection:

["(b) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $6,907,000 for the fiscal year 1982 and $6,907,000 for the fiscal year 1983. Amounts appropriated under this subsection are authorized to remain available until expended.".

[AFRICAN DEVELOPMENT FOUNDATION

[SEC. 313. Section 510 of the international Security and Development Cooperation Act of 1980 is amended—

[(1) by striking out "for the fiscal year 1981"; and

[(2) by striking out "$2,000,000" and inserting in lieu thereof "not less than $2,000,000 for the fiscal year 1982 and up to $2,000,000 for the fiscal year 1983".

[TITLE IV—FOOD FOR PEACE PROGRAMS

[REPEAL OF OBSOLETE FOREIGN CURRENCY PROVISIONS

[SEC. 401. The Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) in section 101, by striking out "for foreign currencies" and inserting in lieu thereof ", to the extent that sales for dollars under the terms applicable to such sales are not possible,

for foreign currencies on credit terms and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement";

[(2) by amending section 103(b) to read as follows:

["(b) except where the President determines that it would be inconsistent with the objectives of this Act, determine the amount of foreign currencies needed for the uses specified in subsections (a), (b), (e), and (h) of section 104 and in title III, and the agreements for credit sales shall provide for payment of such amounts in dollars or in foreign currencies upon delivery of the agricultural commodities; and such payment may be considered as an advance payment of the earliest installments;";

[(3) in section 103(d), by striking out "(1)" and by striking out ", or (2) for the purpose only of sales of agricultural commodities for foreign currencies under title I of this Act, any country or area dominated by a Communist government";

[(4) in section 103(l), by striking out "obtain commitments from friendly" and all that follows through "United States of America, and";

[(5) in section 104—

[(A) in the text preceding subsection (a), by striking out "this title" and inserting in lieu thereof "agreements for such sales entered into prior to January 1, 1972,"; and

[(B) in paragraph (3) of the proviso following subsection (k), by striking out "(except as provided in subsection (c) of this section),";

[(6) in section 106(a)—

[(A) by inserting "(1)" after "(a)"; and

[(B) by adding at the end thereof the following:

["(2) Payment by any friendly country for commodities purchased for foreign currencies on credit terms and on terms which permit conversion to dollars shall be upon terms no less favorable to the United States than those for development loans made under section 122 of the Foreign Assistance Act of 1961.";

[(7) by repealing section 108; and

[(8) by repealing section 109(b).

[EMERGENCY OR EXTRAORDINARY RELIEF REQUIREMENTS

[SEC. 402. Section 104(d) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

[SELF-HELP MEASURES TO INCREASE AGRICULTURAL PRODUCTION; VERIFICATION OF SELF-HELP PROVISIONS

[SEC. 403. (a) Section 109(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting in paragraph (3) immediately before the semicolon ", and reducing illiteracy among the rural poor";

[(2) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

[(3) by inserting the following new paragraph immediately after paragraph (10);

[“(11) carrying out programs to improve the health of the rural poor.”.

[(b) Section 109 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new subsection as follows:

[“(d)(1) In each agreement entered into under this title and in each amendment to such an agreement, the economic development and self-help measures which the recipient country agrees to undertake shall be described (A) to the maximum extend feasible, in specific and measurable terms, and (B) in a manner which ensures that the needy people in the recipient country will be the major beneficiaries of the self-help measures pursuant to each agreement.

[“(2) the President shall, to the maximum extent feasible, take appropriate steps to assure that, in each agreement entered into under this title and in each amendment to such an agreement, the self-help measures agreed to are additional to the measures that the recipient country otherwise would have undertaken irrespective of that agreement or amendment.

[“(3) The President shall take all appropriate steps to determine whether the economic development and self-help provisions of each agreement entered into under this title, and of each amendment to such an agreement, are being fully carried out.”.

[(c) The amendments made by this section shall not be effective if the Agriculture and Food Act of 1981 is enacted (either before or after the enactment of this Act) and contains the same amendments.

[TITLE II MINIMUM

[SEC. 404. Section 201(b)(3) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out “1,400,000 metric tons” and inserting in lieu thereof “1,200,000 metric tons for nonemergency programs”.

[TITLE V—OTHER ASSISTANCE PROGRAMS

[AMERICAN SCHOOLS AND HOSPITALS ABROAD

[SEC. 501. Section 214(c) of the Foreign Assistance Act of 1961 is amended by striking out “$30,000,000 for fiscal year 1981” and inserting in lieu thereof “$20,000,000 for the fiscal year 1982 and $20,000,000 for the fiscal year 1983”.

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 502. (a)(1) Section 481(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(d)(1) The Secretary of State shall inform the Secretary of Health and Human Services of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a program receiving assistance under this chapter.

[“(2) The Secretary of Health and Human Services shall monitor the impact of the health of persons who may use or consume marihuana of the spraying of a herbicide to eradicate such marihuana in a program receiving assistance under this chapter, and if the Secretary determines that such persons are exposed to amounts of such herbicide which are harmful to their health, the Secretary

shall prepare and transmit a report to the Congress setting forth such determination together with any recommendations the Secretary may have.

[“(3) Of the funds authorized to be appropriated for the fiscal year 1982 under section 482, the President is urged to use not less than $100,000 to develop a substance that clearly and readily warns persons who may use or consume marihuana that it has been sprayed with the herbicide paraquat or other herbicide harmful to the health of such persons.

[“(4) If the Secretary of Agriculture determines that a substance has been developed that clearly and readily warns persons who may use or consume marihuana that it has been sprayed with the herbicide paraquat of other herbicide harmful to the health of such persons, such substance shall be used in conjunction with the spraying of paraquat or such other herbicide in any program receiving assistance under this chapter.”.

[(2) Assistance provided from funds appropriated, before the enactment of this Act, to carry out section 481 of the Foreign Assistance Act of 1961 may be made available for purposes prohibited by subsection (d) of such section as in effect immediately before the enactment of this subsection.

[(3) Funds appropriated for the fiscal year 1980 to carry out section 481 of the Foreign Assistance Act of 1961 which were obligated for assistance for the Republic of Columbia may be used for purposes other than those set forth in section 482(a)(2) of that Act as in effect immediately before the enactment of the International Security and Development Cooperation Act of 1980.

[(4) Paragraphs (2) and (3) of this subsection shall apply only to the extent provided in advance in an appropriations Act. For such purpose, the funds described in those paragraphs are authorized to be made available for the purposes specified in those paragraphs.

[(b) Section 481 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(e) Not later than February 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the status of the United States policy to establish and encourage an international strategy to prevent the illicit production of and to interdict and intercept trafficking in narcotics.”.

[(c) Section 482(a) of such Act is amended to read as follows:

[“(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $37,700,000 for the fiscal year 1982 and $37,700,000 for the fiscal year 1983.

[“(2) Amounts appropriated under this subsection are authorized to remain available until expended.”.

[INTERNATIONAL DISASTER ASSISTANCE

[SEC. 503. Section 492(a) of the Foreign Assistance Act of 1961 is amended by striking out “$25,000,000 for the fiscal year 1981” and inserting in lieu thereof “$27,000,000 for the fiscal year 1982 and $27,000,000 for the fiscal year 1983”.

[ASSISTANCE FOR DISPLACED PERSONS IN CENTRAL AMERICA

[SEC. 504. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 495I. ASSISTANCE FOR DISPLACED PERSONS IN CENTRAL AMERICA.—(a)(1) The Congress recognizes that prompt United States assistance is necessary to help meet the basic human needs of persons displaced by strife in El Salvador. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to help alleviate the suffering of these displaced persons. Assistance provided under this section shall be for humanitarian purposes, with emphasis on the provision of food, medicine, medical care, and shelter and, where possible, implementation of other relief and rehabilitation activities. The Congress encourages the use, where appropriate, of the services of private and voluntary organizations and international relief agencies in the provision of assistance under this section.

["(2) The Congress understands that the country of Belize has expressed interest and willingness in the resettlement in its territory of Haitian nationals who desire to settle in Belize. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to assist the Government of Belize in the resettlement of Haitian nationals in the national territory of Belize.

["(b) There are authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise available for such purposes, $5,000,000 for the fiscal year 1982 and $5,000,000 for the fiscal year 1983. Amounts appropriated under this section are authorized to remain available until expended.

["(c) Assistance under this section shall be provided in accordance with the policies and utilizing the general authorities provided in section 491.".

[TITLE VI—PEACE CORPS

[ESTABLISHMENT AS AN INDEPENDENT AGENCY

[SEC. 601. (a) The Peace Corps Act (22 U.S.C. 2501 et seq.) is amended by inserting the following new section 2A immediately after section 2:

["PEACE CORPS AS AN INDEPENDENT AGENCY

["SEC. 2A. Effective on the date of the enactment of the International Security and Development Cooperation Act of 1981, the Peace Corps shall be an independent agency within the executive branch and shall not be an agency within the ACTION Agency or any other department or agency of the United States.".

[(b) There are transferred to the Director of the Peace Corps all functions relating to the Peace Corps which were vested in the Director of the ACTION Agency on the day before the date of the enactment of this Act.

[(c)(1) All personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations and other funds as are determined by the Direc-

tor of the Office of Management and Budget, after consultation with the Comptroller General of the United States, the Director of the Peace Corps, and the Director of the ACTION Agency, to be employed, held, used, or assumed primarily in connection with any function relating to the Peace Corps before the date of the enactment of this Act are transferred to the Peace Corps. The transfer of unexpended balances pursuant to the preceding sentence shall be subject to section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c).

[(2)(A) The transfer pursuant to this subsection of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any employee to be separated or reduced in rank, class, grade, or compensation, or otherwise suffer a loss of employment benefits for one year after—

[(i) the date on which the Director of the Office of Management and Budget submits the report required by subsection (f)(1) of this section, or

[(ii) the effective date of the transfer of such employee, whichever occurs later

[(B) The personnel transferred pursuant to this subsection shall, to the maximum extent feasible, be assigned to such related functions and organizational units in the Peace Corps as such personnel were assigned to immediately before the date of the enactment of this Act.

[(C) Collective-bargaining agreements in effect on the date of the enactment of this Act covering personnel transferred pursuant to this subsection or employed on such date of enactment by the Peace Corps shall continue to be recognized by the Peace Corps until the termination date of such agreements or until such agreements are modified in accordance with applicable procedures.

[(3) Under such regulations as the President may prescribe, each person who, immediately before the date of the enactment of this Act, does not hold an appointment under section 7(a)(2) of the Peace Corps Act and who is determined under paragraph (1) of this subsection to be employed primarily in connection with any function relating to the Peace Corps shall, effective on the date of the enactment of this Act, and notwithstanding subparagraph (B) of section 7(a)(2) of the Peace Corps Act, be appointed a member of the Foreign Service under section 7(a)(2) of the Peace Corps Act, and be appointed or assigned to an appropriate class of the Foreign Service, except that—

[(A) any person who, immediately before such date of enactment, holds a career or career-conditional appointment shall not, without the consent of such person, be so appointed until three years after such date of enactment, during which period any such person not consenting to be so appointed may continue to hold such career or career-conditional appointment; and

[(B) each person so appointed who, immediately before such date of enactment, held a career or career-conditional appointment at grade GS–8 or lower of the General Schedule established by section 5332 of title 5, United States Code, shall be

appointed a member of the Foreign Service for the duration of operations under the Peace Corps Act.

Each person appointed under this paragraph shall receive basic compensation at the rate of such persons class determined by the President to be appropriate, except that the rate of basic compensation received by such person immediately before the effective date of such person's appointment under this paragraph shall not be reduced as a result of the provisions of this paragraph.

[(d)(1) Section 4(b) of the Peace Corps Act (22 U.S.C. 2503(b)) is amended by striking out "such agency or officer of the United States Government as he shall direct. The head of any such agency or any such officer" and inserting in lieu thereof "the Director of the Peace Corps. The Director of the Peace Corps".

[(2) The Director of the Peace Corps shall continue to exercise all the functions under the Peace Corps Act or any other law or authority which the Director was performing on December 14, 1981.

[(e)(1) Section 3 of the Peace Corps Act (22 U.S.C. 2502) is amended by repealing subsections (d), (e), and (f) and by redesignating subsection (g) as subsection (d).

[(2) The amendment made by paragraph (1) of this subsection shall not alter or affect (A) the validity of any action taken before the date of the enactment of this Act under those provisions of law repealed by that amendment, or (B) the liability of any person for any payment described in section 3(f) of the Peace Corps Act as in effect immediately before the date of the enactment of this Act.

[(f)(1) Not later than the thirtieth day after the date of the enactment of this Act, or February 15, 1982, whichever occurs later, the Director of the Office of Management and Budget, after consultation with the Director of the Peace Corps and the Director of the ACTION Agency, shall submit to the appropriate committees of the Congress and to the Comptroller General a report on the steps taken to implement the provisions of this title, including descriptions of the dispositions of administrative matters, including matters relating to personnel, assets, liabilities, contracts, property, records, and unexpended balances or appropriations, authorizations, allocations, and other funds employed, used, held, available, or to be made available in connection with functions or activities relating to the Peace Corps.

[(2) Not later than the forty-fifth day after the date of the enactment of this Act, or March 1, 1982, whichever occurs later, the Comptroller General shall submit to the appropriate committees of the Congress a report stating whether, in the judgment of the Comptroller General, determinations made by the Director of the Office of Management and Budget under subsection (c)(1) of this section were equitable.

[(g) References in any statute, reorganization plan, Executive order, regulation, or other official document or proceeding to the ACTION Agency or the Director of the ACTION Agency with respect to functions or activities relating to the Peace Corps shall be deemed to refer to the Peace Corps or the Director of the Peace Corps, respectively.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 602. (a) Section 3(b) of the Peace Corps Act (22 U.S.C. 2502(b)) is amended by striking out "fiscal year 1981 not to exceed $188,000,000" and inserting in lieu thereof "the fiscal year 1982 not to exceed $105,000,000 and for the fiscal year 1983 not to exceed $105,000,000".

[(b) Section 3(c) of such Act is amended by striking out "fiscal year 1981" and inserting in lieu thereof "each fiscal year".

[INTEGRATION OF DISABLED PEOPLE

[SEC. 603. Section 3 of the Peace Corps Act (22 U.S.C. 2502) is amended by adding at the end thereof the following new subsection:

["(h) In recognition of the fact that there are over 400,000,000 disabled people in the world, 95 percent of whom are among the poorest of the poor, the Peace Corps shall be administered so as to give particular attention to programs, projects, and activities which tend to integrate disabled people into the national economies of developing countries, thus improving their status and assisting the total development effort.".

[RESTORATION OF CERTAIN AUTHORITIES FORMERLY CONTAINED IN THE FOREIGN SERVICE ACT

[SEC. 604. (a) Section 10 of the Peace Corps Act (22 U.S.C. 2509) is amended by adding at the end thereof the following new subsections:

["(i) The Director of the Peace Corps shall have the same authority as is available to the Secretary of State under section 26(a) of the State Department Basic Authorities Act of 1956. For purposes of this subsection, the reference in such section 26(a) to a principal officer of the Foreign Service shall be deemed to be a reference to a Peace Corps representative and the reference in such section to a member of the Foreign Service shall be deemed to be a reference to a person employed, appointed, or assigned under this Act.

["(j) The provisions of section 30 of the State Department Basic Authorities Act of 1956 shall apply to volunteers and persons employed, appointed, or assigned under this Act. For purposes of this subsection, references to the Secretary in subsection (b) of such section shall be deemed to be references to the Director of the Peace Corps, references to the Secretary in subsection (f) of such section shall be deemed to be references to the President, and the reference in subsection (g) of such section to a principal representative of the United States shall be deemed to be a reference to a Peace Corps representative.".

[(b) Section 5(h) of such Act is amended by striking out the last two sentences.

[(c) To the extent that the authorities provided by the amendments made by subsection (a) are authorities which are not applicable with respect to the Peace Corps immediately before the enactment of this Act and which require the expenditure of funds, those authorities may not be exercised using any funds appropriated after February 15, 1981, and before the date of the enactment of this Act.

[MISCELLANOUS—CONFORMING AMENDMENTS

[SEC. 605. (a) Section 9 of the Peace Corps Act (22 U.S.C. 2508) is amended by striking out "section 10(a)(4)" in the second sentence and inserting in lieu thereof "section 10(a)(5)".

[(b) Section 18 of such Act (22 U.S.C. 2517) is repealed.

[READJUSTMENT ALLOWANCE

[SEC. 606. The first sentence of section 5(c) of the Peace Corps Act (22 U.S.C. 2504(c)) is amended by striking out "not to exceed $125" and inserting in lieu thereof "not less than $125".

[TITLE VII—MISCELLANEOUS PROVISIONS

[ADVANCE ACQUISITION OF PROPERTY

[SEC. 701. Section 608(a) of the Foreign Assistance Act of 1961 is amended—

[(1) in the first sentence—

[(A) by inserting ", or (if a substantial savings would occur) other property already owned by an agency of the United States Government," immediately after "excess personal property", and

[(B) by inserting "or supplementary to" immediately after "in lieu of"; and

[(2) in the second sentence by inserting "any property available from an agency of the United States Government," immediately before "or other property".

[CONSTRUCTION OF PRODUCTIVE ENTERPRISES IN EGYPT

[SEC. 702. The first sentence of section 620(k) of the Foreign Assistance Act of 1961 is amended by striking out "for fiscal year 1977, fiscal year 1980, or fiscal year 1981".

[COMPENSATION FOR PARTICIPATING AGENCY EMPLOYEES

[SEC. 703. The first sentence of section 625(d) of the Foreign Assistance Act of 1961 is amended by striking out "together with allowances and benefits under that Act" and inserting in lieu thereof "or under chapter 53 of title 5, United States Code, or at any other rate authorized by law, together with allowances and benefits under the Foreign Service Act of 1980".

[NOTIFICATION OF PROGRAM CHANGES

[SEC. 704. Section 634A of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following: "Whenever a proposed reprogramming exceeds $1,000,000 and the total amount proposed for obligation for a country under this Act in a fiscal year exceeds by more than $500,000 the amount specified for that country in the report required by section 653(a) of this Act, notifications of such proposed reprogrammings shall specify—

["(1) the nature and purpose of such proposed obligation, and

["(2) to the extend possible at the time of the proposed obligation, the country for which such funds would otherwise have been obligated.".

[INSPECTOR GENERAL

[SEC. 705. (a) The Inspector General Act of 1978 is amended—

[(1) in paragraph (1) of section 2, by inserting "the Agency for International Development," immediately after "Department of Transportation,";

[(2) in section 11—

[(A) in paragraph (1), by inserting "the Agency for International Development," immediately after "Administrator of"; and

[(B) in paragraph (2), by inserting "the Agency for International Development," immediately after "Transportation or"; and

[(3) by inserting immediately after section 8 the following new section 8A:

["SPECIAL PROVISIONS RELATING TO THE AGENCY FOR INTERNATIONAL DEVELOPMENT

["SEC. 8A. (a) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Agency for International Development—

["(1) shall supervise, direct, and control all security activities relating to the programs and operations of that Agency, subject to the supervision of the Administrator of that Agency; and

["(2) to the extent requested by the Director of the United States International Development Cooperation Agency (after consultation with the Administrator of the Agency for International Development), shall supervise, direct, and control all audit, investigative, and security activities relating to programs and operations within the United States International Development Cooperation Agency.

["(b) In addition to the Assistant Inspectors General provided for in section 3(d) of this Act, the Inspector General of the Agency for International Development shall, in accordance with applicable laws and regulations governing the civil service, appoint an Assistant Inspector General for Security who shall have the responsibility for supervising the performance of security activities relating to programs and operations of the Agency for International Development.

["(c) The semiannual reports required to be submitted to the Administrator of the Agency for International Development pursuant to section 5(b) of this Act shall also be submitted to the Director of the United States International Development Cooperation Agency.

["(d) In addition to the officers and employees provided for in section 6(a)(6) of this Act, member of the Foreign Service may, at the request of the Inspector General of the Agency for International Development, be assigned as employees of the Inspector General. Members of the Foreign Service so assigned shall be responsible solely to the Inspector General, and the Inspector General (or his or her designee) shall prepare the performance evaluation reports for such members.

["(e) In establishing and staffing field offices pursuant to section 6(c) of this Act, the Administrator of the Agency for International

Development shall not be bound by overseas personnel ceilings established under the Monitoring Overseas Direct Employment policy.

[“(f) The reference in section 7(a) of this Act to an employee of the establishment shall, with respect to the Inspector General of the Agency for International Development, be construed to include an employee of or under the United States International Development Cooperation Agency.

[“(g) The Inspector General of the Agency for International Development shall be in addition to the officers provided for in section 624(a) of the Foreign Assistance Act of 1961.

[“(h) As used in this Act, the term ‘Agency for International Development’ includes any successor agency primarily responsible for administering part I of the Foreign Assistance Act of 1961.”.

[(b)(1) Section 624(g) of the Foreign Assistance Act of 1961 is repealed.

[(2) Section 239(e) of such Act is amended by striking out “Auditor General” each of the three places it appears and inserting in lieu thereof “Inspector General”.

[(3) Section 5316 of title 5, United States Code, is amended by striking out “Auditor General of the Agency for International Development” and inserting in lieu thereof “Inspector General, Agency for International Development”.

[(c) The individual holding the position of Inspector General of the Agency for International Development on the date of enactment of this section shall not be required to be reappointed by reason of the enactment of this section.

[OPERATING EXPENSES

[SEC. 706. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “, for the fiscal year 1981”; and

[(2) in paragraph (1) by striking out “$293,8000,000” and inserting in lieu thereof “$335,600,000 for the fiscal year 1982 and $335,600,000 for the fiscal year 1983”.

[TECHNICAL AMENDMENT

[SEC. 707. The sentence of section 620(f) of the Foreign Assistance Act of 1961 is amended to read as follows: “For the purposes of this subsection, the phrase ‘Communist country’ includes specifically, but is not limited to, the following countries:

[“Czechoslovak Socialist Republic,

[“Democratic People’s Republic of Korea,

[“Estonia,

[“German Democratic Republic,

[“Hungarian People’s Republic,

[“Latvia,

[“Lithuania,

[“Mongolian People’s Republic,

[“People’s Republic of Albania,

[“People’s Republic of Bulgaria,

[“People’s Republic of China,

[“Polish People’s Republic,

[“Republic of Cuba,

[“Socialist Federal Republic of Yugoslavia,
[“Socialist Republic of Romania,
[“Socialist Republic of Vietnam,
[“Tibet,
[“Union of Soviet Socialist Republics (including its captive constituent republics).”.

[EMERGENCY HUMANITARIAN HELP FOR THE PEOPLE OF POLARD

[SEC. 708. (a) The people of Poland, with whom the people of the United States have a longstanding friendship, now face serious domestic food shortages which will be worsened by large-scale loss of their livestock this winter if feed supplies do not arrive quickly. Therefore, the President is urged, for urgent humanitarian reasons, to use existing authorities promptly in order to provide to the people of Poland, under as favorable terms as possible, feed grains from Commodity Credit Corporation stocks or other appropriate commodities.

[(b) For the longer term, the President is encouraged to pursue discussions with other Western countries about a multilateral effort to help the people of Poland achieve self-sustaining economic recovery in the years ahead.

[(c) Chapter 4 of part II of the Foreign Assistance Act of 1961, as amended by section 202 of this Act, is further amended by adding at the end thereof the following new section:

[“SEC. 540. POLAND.—Notwithstanding any other provision of law, $5,000,000 of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1982 shall be available only for Poland for the purchase, transportation, and distribution of food and medical supplies through private and voluntary agencies where appropriate.”.]

* * * * * * *

[FINDINGS REGARDING GLOBAL SECURITY

[SEC. 710. (a) The Congress finds that the security of the United States and other countries is increasingly affected by a broad range of global problems including shortages or potential shortages of food, oil, water, wood, and other basic mineral and natural resources; desperate poverty; sickness; population pressures; environmental deterioration, including soil erosion and water pollution; and large-scale and destabilizing refugee problems.

[(b) The Congress finds that hunger, disease, and extreme poverty are among the most critical of these global problems, As ever greater numbers of people perceive the disparity between their own continuing deprivation and the prosperity of others, and judge their predicament to be neither just nor inevitable, it becomes increasingly likely that there will be unrest and violence with consequent disruption of the flow of essential materials, adverse effects on the world economy, decreased likelihood of cooperative efforts toward meeting the other critical problems threatening national and global security, and increased likelihood of confrontation between nations which possess nuclear arms.

[(c) Therefore, the Congress finds that the Nation’s understanding of global and national security must be broad enough to include

the problems cited in this section, and that adequate protection of the security of the United States requires effective action on these global problems, and in particular on the problems of hunger, disease, and extreme poverty.

[WORLD FOOD SECURITY RESERVES

[SEC. 711. (a) The Congress finds that—

[(1) the Congress recently passed and the President signed into law an Act which provides for establishment of a United States food security reserve of up to four million metric tons of wheat to be used for emergency food assistance;

[(2) the food import needs of developing countries will increase over the next ten years; and

[(3) other grain exporting countries could take additional steps to assure continuity of food assistance during food crisis years.

[(b) The President shall encourage other grain exporting countries to establish their own food security reserves or take other measures that complement the United States food security reserve.

[(c) The President shall report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate within one year after the enactment of this Act on the actions he has taken and the response of other countries to these proposals.

[FINDINGS AND DECLARATION OF POLICY REGARDING WORLD HUNGER

[SEC. 712. The Congress, affirming the value of human life, finds and declares that the elimination of hunger and its causes is of fundamental moral significance and, further, that it is in the political, economic, and security interests of the United States. Therefore, the Congress declares that the elimination of hunger and its causes shall be a primary objective of United States relations with developing countries.

[REAFFIRMATION OF SUPPORT FOR HUMAN RIGHTS PROVISIONS

[SEC. 713. (a) The Congress reaffirms its support for the various statutory provisions which have been enacted in order to promote internationally recognized human rights.

[(b) It is the sense of the Congress that a strong commitment to the defense of human rights should continue to be a central feature of United States foreign policy.]

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[LEBANON

[SEC. 715. It is the sense of the Congress that the Government of the United States should continue to support diplomatic efforts to resolve he current crisis in Lebanon, and to pursue a comprehensive and coordinated policy in Lebanon guided by the following principles:

[(1) maintenance of an effective cease-fire throughout Lebanon;

[(2) resolution of the issue of the Syrian missiles deployed in Lebanon;

[(3) freedom, security, and opportunity for the Christian and all other Lebanese communities, including the Moslem, Druze, Armenian, and Jewish communities in Lebanon;

[(4) reaffirmation of the historic United States-Lebanon relationship and strengthening the longstanding commitment of the United States to the independence, sovereignty, and territorial integrity of Lebanon, without partition, free from terrorism and violence, and free to determine its future without Soviet or other outside interference;

[(5) generous international support for relief, rehabilitation, and humanitarian assistance for Lebanon, particularly for those Lebanese citizens who have suffered from the terrorism and violence of recent events;

[(6) restoration of Lebanon's sovereignty free from outside domination or occupation; and

[(7) support for a free and open national election.

[USE OF CHEMICAL AND TOXIN WEAPONS

[SEC. 716. (a) The Congress condemns the use of, and the provision for use of, chemical agents and toxin weapons against the peoples of Laos, Kampuchea, or Afghanistan.

[(b) It is the sense of the Congress that the President should, acting through the Permanent Representative of the United States to the United Nations and all other appropriate diplomatic agents, seek definite measures to bring to an end actions by any party or government in using, and providing for use, chemical agents or toxin weapons against the peoples of Laos, Kampuchea, and Afghanistan, in violation of the spirit and the provisions of—

[(1) the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (done at Washington, London, and Moscow on April 10, 1972);

[(2) the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (signed at Geneva on June 17, 1925); and

[(3) customary international law.

[(c) It is further the sense of Congress that the President should—

[(1) allocate the highest possible priority to the development of further evidence clarifying the nature and origins of the chemical agents and toxin weapons being used against the peoples of Laos, Kampuchea, and Afghanistan; and

[(2) vigorously seek a satisfactory explanation from the Government of the Soviet Union regarding the strong circumstantial and presumptive evidence of its role in the use, or provision for use, of such weapons.

[(d) The Congress reiterates the concern expressed in House Resolution 644 (96th Congress), adopted by the House of Representatives on May 19, 1980, regarding the outbreak of pulmonary anthrax near Sverdlosk on April 3, 1979, and expresses its disappointment that the Soviet Union has failed adequately to respond to requests for data explaining this incident as provided in the Convention on the Prohibition of the Development, Production

and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

[(e) It is further the sense of Congress that the negotiation of a treaty prohibiting the development, production, and stockpiling of chemical weapons, with reliable verification provisions, should be given a high priority by the United States Government and by all foreign governments.

[FINANCIAL OBLIGATIONS TO THE UNITED NATIONS

[SEC. 717. (a) The Congress finds and declares that—

[(1) the financing of the United Nations is the collective responsibility of all member nations;

[(2) the International Court of Justice has determined that the expenses of the United Nations incurred in its peacekeeping operations are properly included as a part of the regular expenses of the United Nations; and

[(3) peacekeeping operations are vital to the mission of the United Nations and must be adequately financed if such operations are to continue.

[(4) the Government of the Union of Soviet Socialist Republics is currently $180,000,000 in arrears on its payments to the United Nations, primarily as a result of its refusal to pay for the peacekeeping operations of the United Nations.

[(b) It is the sense of the Congress that the President, acting through the Permanent Representative of the United States to the United Nations, should undertake appropriate diplomatic initiatives to ensure that members of the United Nations make payments of all their outstanding financial obligations to the United Nations, including their assessments with respect to the peacekeeping operations of the United Nations.

[CONDEMNATION OF LIBYA FOR ITS SUPPORT OF INTERNATIONAL TERRORIST MOVEMENTS

[SEC. 718. (a) The Congress condemns the Libyan Government for its support of international terrorist movements, its efforts to obstruct positive movement toward the peaceful resolution of problems in the Middle East region, and its actions to destabilize and control governments of neighboring states in Africa.

[(b) The Congress believes that the President should conduct an immediate review of concrete steps the United States could take, individually and in concert with its allies, to bring economic and political pressure on Libya to cease such activities, and should submit a report on that review to the Congress within one hundred and eighty days after the date of enactment of this Act. Such a review should include the possibility of tariffs on or prohibitions against the import of crude oil from Libya.

[UNITED STATES CITIZENS ACTING IN THE SERVICE OF INTERNATIONAL TERRORISM

[SEC. 719. (a) It is the sense of the Congress that the spread of international terrorism poses a grave and growing danger for world peace and for the national security of the United States. As a part of its vigorous opposition to the activities of international terrorist

leaders and the increase of international terrorism, the United States should take all steps necessary to ensure that no United States citizen is acting in the service of terrorism or of the proponents of terrorism.

[(b) Not later than six months after the enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report which includes—

[(1) a description of all legislation, currently in force, and of all administrative remedies, presently available, which can be employed to prevent the involvement, service, or participation by United States citizens in activities in support of international terrorism or terrorist leaders;

[(2) an assessment of the adequacy of such legislation and remedies, and of the enforcement resources available to carry out such measures, to prevent the involvement, service, or participation by United States citizens in activities in support of international terrorism or terrorist leaders; and

[(3) a description of available legislative and administrative alternatives, together with an assessment of their potential impact and effectiveness, which could be enacted or employed to put an end to the participation of United States citizens in activities in support of international terrorism or terrorist leaders.

[NONALIGNED COUNTRIES

[SEC. 720. (a) In considering whether to provide assistance, make sales, extend credits, or guarantee loans under the provisions of the Foreign Assistance Act of 1961, as amended, or the Arms Export Control Act, to any country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Session of the General Assembly of the United Nations on September 25 and 28, 1981, the President shall take into account whether such country has dissociated itself from the communique issued following the meeting.

[(b) Within thirty days after the date of enactment of this section, the President shall submit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the countries which have dissociated themselves from the nonaligned countries communique and on their methods of dissociation.

[PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI

[SEC. 721. (a)(1) It is the sense of the Congress that up to $15,000,000 of the funds available for the fiscal year 1982 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 should be made available for development assistance for Haiti, subject to the limitation in subsection (b) of this section.

[(2) To the maximum extent practical, assistance for Haiti for the fiscal year 1982 under chapter 1 of part I of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

[(b) Funds available for the fiscal year 1982 to carry out chapter 1 of part I or chapter 2 or chapter 5 of part II of the Foreign Assistance Act of 1961 may be expended for Haiti, and credits and guarantees extended for the fiscal year 1982 under the Arms Export Control Act may be approved for use for Haiti, only if the President determines that the Government of Haiti—

[(1) is cooperating with the United States in halting illegal emigration from Haiti:

[(2) is not aiding, abetting, or otherwise supporting illegal emigration from Haiti;

[(3) has provided assurances that it will cooperate fully in implementing United States development assistance programs in Haiti (including programs for prior fiscal years); and

[(4) is not engaged in a consistent pattern of gross violations of internationally recognized human rights.

[(c) Six months after the date of enactment of this Act, the President shall prepare and transmit to the Congress a report on the extent to which the actions of the Government of Haiti are consistent with paragraphs (1), (2), (3), and (4) of subsection (b) of this section.

[Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961, funds made available under such Act for the fiscal year 1982 and for the fiscal year 1983 may be used for programs with Haiti to assist in halting significant illegal emigration from Haiti to the United States.

[COMPREHENSIVE ANALYSIS OF FOREIGN ASSISTANCE

[SEC. 722. (a) It is the sense of Congress that at a time when major retrenchments and reappraisals are being made in domestic programs, it is also logical that, while maintaining past international commitments, the magnitude and direction of future foreign assistance programs should also be reviewed. As part of such a review process, the President is requested to provide a comprehensive report to the Congress on his approach to foreign assistance. Such report shall include an analysis and recommendations on the following issues:

[(1) the relationship between foreign assistance and defense expenditures as means of conducting foreign policy;

[(2) the appropriate mix between military and economic assistance;

[(3) the strengths and weaknesses, and appropriate mix, of bilateral and multilateral assistance programs;

[(4) the relevance of the basic human needs approach to current aid policy;

[(5) the performance of other aid donors, and the benefits they derive from their programs;

[(6) criteria for determining the appropriate size and composition of country programs;

[(7) the appropriateness of the current mix of grants and loans, and the possibility of combining them with new or existing guarantee, insurance, and export credit programs;

[(8) specific means to more actively engage the private sector in assistance programs; and

[(9) the usefulness of current functional categories in constructing the development assistance budget.

[(b) The Congress requests that the President provide to the Congress a preliminary report by March 31, 1982, and a final report by June 30, 1982, with respect to the issues referred to in subsection (a).

[EXTERNAL DEBT BURDENS OF EGYPT, ISRAEL, AND TURKEY

[SEC. 723. The Congress finds that the Governments of Egypt, Israel, and Turkey each have an enormous external debt burden which may be made more difficult by virtue of financing provided for those governments under various United States assistance programs. In order to assist the Congress in examining United States assistance for these countries, the President shall report to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, not later than one hundred and twenty days after the date of enactment of this Act and not later than one year after the date of enactment of this Act, regarding economic conditions prevailing in Egypt, Israel, and Turkey which may affect their respective ability to meet their international debt obligations and to stabilize their economies. These reports shall also analyze the impact on Egypt's economy of Arab sanctions against Egypt.

[NICARAGUA

[SEC. 724. (a) In furnishing assistance under this Act to the Government of Nicaragua, the President shall take into account the extent to which that Government has engaged in violations of internationally recognized human rights (including the right to organize and operate labor unions free from political oppression, the right to freedom of the press, and the right to freedom of religion) and shall encourage the Government of Nicaragua to respect those rights.

[(b) In furnishing assistance under this Act to the Government of Nicaragua, the President shall take into account the extent to which that Government has fulfilled its pledge of July 1979 to the member states of the Organization of American States—

[(1) to establish full respect for human rights in Nicaragua in accordance with the United Nations Universal Declaration of the Rights and Duties of Man and the Charter on Human Rights of the Organization of American States;

[(2) to allow the free movement in Nicaragua of the Inter-American Commission on Human Rights; and

[(3) to establish the framework for free and democratic elections so that the people of Nicaragua may elect their representatives to city councils, to constitutional assembly, and to Nicaragua's highest-ranking authorities, with such framework to include, but not be limited to, the full and complete opportunity for political activity of the Nicaraguan people.

[(c) Assistance to the Government of Nicaragua under this Act shall be terminated if the President determines and reports to the Congress that the Government of Nicaragua cooperates with or harbors any international terrorist organization or is aiding, abetting, or supporting acts of violence or terrorism in other countries

or that Soviet, Cuban, or other foreign combat military forces are stationed or situated within the borders of Nicaragua and the presence of such forces constitutes a threat to the national security of the United States or to any Latin American ally of the United States.

[(d) Any agreement between the United States and the Government of Nicaragua regarding the use of funds appropriated to carry out this Act, which are to be made available in the form of loans, shall specifically require that to the maximum extent possible such loan funds, and any local currency generated in conjunction therewith, shall be used for assistance to the private sector. Local currency loan programs in Nicaragua shall be monitored and audited in accordance with section 624(g) of the Foreign Assistance Act of 1961.

[(e) For each six-month period in which any funds are expended under this Act for Nicaragua, the President shall submit to the Speaker of the House of Representatives, and the chairman of the Committee on Foreign Relations of the Senate, a report accounting fully and in itemized detail for the amounts obligated and actually expended in Nicaragua.

[REPEAL OF LIMITATIONS ON ASSISTANCE, SALES, AND SALES CREDIT FOR CHILE

[SEC. 726. (a) Section 406 of the International Security Assistance and Arms Export Control Act of 1976 (22 U.S.C. 2370 note) is repealed.

[(b) Notwithstanding any other provision of law—

[(1) no assistance may be furnished under chapter 2, 4, 5, or 6 of part II of the Foreign Assistance Act of 1961 to Chile;

[(2) no sale of defense articles or services may be made under the Arms Export Control Act to Chile:

[(3) no credits (including participation in credits) may be extended and no loan may be guaranteed under the Arms Export Control Act with respect to Chile; and

[(4) no export licenses may be issued under section 38 of the Arms Export Control Act to or for the Government of Chile;

unless and until the President submits to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a detailed report certifying—

[(A) that the Government of Chile has made significant progress in complying with internationally recognized principles of human rights;

[(B) that the provision of such assistance, articles or services is in the national interest of the United States; and

[(C) that the Government of Chile is not aiding or abetting international terrorism and has taken appropriate steps to cooperate to bring to justice by all legal means available in the United States or Chile those indicated by a United States grand jury in connection with the murders of Orlando Letelier and Ronni Moffitt.

[(c) The prohibition contained in subsection (b) does not prohibit the sale, or the licensing for export, of cartridge actuated devices, propellant actuated devices, components, parts, tools, technical manuals, time compliance to technical orders (TCTOs), or TCTO

retrofits for aircraft of the F–5E/F, A/T–37, or C–103E/H type owned by the Chilean Air Force, so long as the items are provided only for purposes of enhancing the safety of the aircraft crew.

[ASSISTANCE FOR EL SALVADOR

[SEC. 727. (a) It is the sense of the Congress that assistance furnished to the Government of El Salvador, both economic and military, should be used to encourage—

[(1) full observance of internationally recognized human rights in accordance with sections 116 and 502B of the Foreign Assistance Act of 1961;

[(2) full respect for all other fundamental human rights, including the right of freedom of speech and of the press, the right to organize and operate free labor unions, and the right to freedom of religion;

[(3) continued progress in implementing essential economic and political reforms, including land reform and support for the private sector;

[(4) a complete and timely investigation of the deaths for all United States citizens killed in El Salvador since October 1979;

[(5) an end to extremist violence and the establishment of a unified command and control of all government security forces in this effort;

[(6) free, fair, and open elections at the earliest date; and

[(7) increased professional capability of the Salvadoran Armed Forces in order to establish a peaceful and secure environment in which economic development and reform and the democratic processes can be fully implemented, thereby permitting a phased withdrawal of United States military training and advisory personnel at the earliest possible date.

[(b) It is the sense of the Congress that the United States economic assistance to El Salvador should put emphasis on revitalizing the private sector and supporting the free market system. The Congress recognizes that the lack of foreign exchange to buy imported raw materials and intermediate goods is a major impediment to the ability of the Salvadoran economy to provide jobs. The Congress also recognizes that the funds budgeted for economic assistance are only a fraction of the foreign exchange needed, and United States economic aid should be used, wherever possible, to stimulate private sector lending. Therefore, the Congress urges the President to set aside a portion of the economic support funds to provide guarantees to private United States banks willing to give credits to the Salvadoran private sector.

[RESTRICTIONS ON MILITARY ASSISTANCE AND SALES TO EL SALVADOR

[SEC. 728. (a)(1) The Congress finds that peaceful and democratic development in Central America is in the interest of the United States and of the community of American States generally, that the recent civil strife in El Salvador has caused great human suffering and disruption to the economy of that country, and that substantial assistance to El Salvador is necessary to help alleviate that suffering and to promote economic recovery within a peaceful and democratic process. Moreover, the Congress recognizes that the

efforts of the Government of El Salvador to achieve these goals are affected by the activities of forces beyond its control.

[(2) Taking note of the substantial progress made by the Government of El Salvador in land and banking reforms, the Congress declares it should be the policy of the United States to encourage and support the Government of El Salvador in the implementation of these reforms.

[(3) The United States also welcomes the continuing efforts of President Duarte and his supporters in the Government of El Salvador to establish greater control over the activities of members of the armed forces and government security forces. The Congress finds that it is in the interest of the United States to cooperate with the Duarte government in putting an end to violence in El Salvador by extremist elements among both the insurgents and the security forces, and in establishing a unified command and control of all government forces.

[(4) The United States supports the holding of free, fair, and open elections in El Salvador at the earliest date. The Congress notes the progress being made by the Duarte government in this area, as evidenced by the appointment of an electoral commission.

[(b) In fiscal years 1982 and 1983, funds may be obligated for assistance for El Salvador under chapter 2 or 5 of part II of the Foreign Assistance Act of 1961, letters of offer may be issued and credits and guarantees may be extended for El Salvador under the Arms Export Control Act, and members of the Armed Forces may be assigned or detailed to El Salvador to carry out functions under the Foreign Assistance Act of 1961 or the Arms Export Control Act, only if not later than thirty days after the date of enactment of this Act and every one hundred and eighty days thereafter, the President makes a certification in accordance with subsection (d).

[(c) If the President does not make such a certification at any of the specified times then the President shall immediately—

[(1) suspend all expenditures of funds and other deliveries of assistance for El Salvador which were obligated under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 after the date of enactment of this Act;

[(2) withhold all approvals for use of credits and guarantees for El Salvador which were extended under the Arms Export Control Act after the date of enactment of this Act;

[(3) suspend all deliveries of defense articles, defense services, and design and construction services to El Salvador which were sold under the Arms Export Control Act after the date of enactment of this Act; and

[(4) order the prompt withdrawal from El Salvador of all members of the Armed Forces performing defense services, conducting international military education and training activities, or performing management functions under section 515 of the Foreign Assistance Act of 1961.

Any suspension of assistance pursuant to paragraphs (1) through (4) of this subsection shall remain in effect during fiscal year 1982 and during fiscal year 1983 until such time as the President makes a certification in accordance with subsection (d).

[(d) The certification required by subsection (b) is a certification by the President to the Speaker of the House of Representatives

and to the Chairman of the Committee on Foreign Relations of the Senate of a determination that the Government of El Salvador—

[(1) is making a concerted and significant effort to comply with internationally recognized human rights.

[(2) is achieving substantial control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

[(3) is making continued progress in implementing essential economic and political reforms, including the land reform program;

[(4) is committed to the holding of free elections at an early date and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in El Salvador which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

[(A) a renouncement of further military or paramilitary activity; and

[(B) the electoral process with internationally recognized observers.

Each such certification shall discuss fully and completely the justification for making each of the determinations required by paragraphs (1) through (4).

[(e) On making the first certification under subsection (b) of this section, the President shall also certify to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that he has determined that the Government of El Salvador has made good faith efforts both to investigate the murders of the six United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice those responsible for those murders. The second certification required under this section may be made only if it includes a determination by the President that the Government of El Salvador (1) made good faith efforts since the first such certification was made to investigate the murders of those six United States citizens and to bring to justice those responsible for those murders, and (2) has taken all reasonable steps to investigate the disappearance of journalist John Sullivan in El Salvador in January 1981. The fourth certification required under this section may be made only if it includes a determination by the President that, since the third such certification was made, the Government of El Salvador (1) has made good faith efforts both to investigate the murders of the seven United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice all those responsible for those murders, and (2) has taken all reasonable steps to investigate the killing of Michael Kline in El Salvador in October 1982.

[REPORTING REQUIREMENT RELATING TO EL SALVADOR

[SEC. 729. (a) Not later than ninety days after the date of enactment of this section, the President shall prepare and transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a report setting forth—

[(1) the viewpoints of all major parties to the conflict in El Salvador and of the influential actors in the Salvadoran political system regarding the potential for interest and in negotiations, elections, and a settlement of the conflict; and

[(2) the views of democratic Latin American nations, Canada, the Organization of American States, and European allies of the United States regarding a negotiated settlement to such conflict.

[(b) It is the sense of the Congress that the President shall, as soon as possible, send a special envoy or use other appropriate means to consult with and gather information from appropriate representatives of the parties to the Salvadoran conflict, democratic governments of Latin America, Canada, and European allies of the United States regarding the attainment of a negotiated settlement in El Salvador.

[RESTRICTIONS ON AID TO EL SALVADOR

[SEC. 730. None of the funds authorized to be appropriated by this Act may be made available for the provision of assistance to El Salvador for the purpose of planning for compensation, or for the purpose of compensation, for the confiscation, nationalization, acquisition, or expropriation of any agricultural or banking enterprise, or of the properties or stock shares which may be pertaining thereto.

[EL SALVADORAN REFUGEES

[SEC. 731. It is the sense of the Congress that the administration should continue to review, on a case-by-case basis, petitions for extended voluntary departure made by citizens of El Salvador who claim that they are subject to persecution in their homeland, and should take full account of the civil strife in El Salvador in making decisions on such petitions.

[CONSOLIDATED REPORTS: ARMS EXPORT CONTROL ACT

[SEC. 732. Section 25 of the Arms Export Control Act is amended to read as follows:

["SEC. 25. ANNUAL ESTIMATE AND JUSTIFICATION FOR SALES PROGRAM.—(a) No later than February 1 of each year, the President shall transmit to the Congress, as a part of the annual presentation materials for security assistance programs proposed for the next fiscal year, a report which sets forth—

["(1) an arms sales proposal covering all sales and licensed commercial exports under this Act of major weapons or weapons-related defense equipment for $7,000,000 or more, or of any other weapons or weapons-related defense equipment for $25,000,000 or more, which are considered eligible for approval during the current calendar year, together with an indication of which sales and licensed commercial exports are deemed most likely actually to result in the issuance of a letter of offer or of an export license during such year;

["(2) an estimate of the total amount of sales and licensed commercial exports expected to be made to each foreign nation from the United States;

[“(3) the United States national security considerations involved in expected sales or licensed commercial exports to each country, an analysis of the relationship between anticipated sales to each country and arms control efforts concerning such country and an analysis of the impact of such anticipated sales on the stability of the region that includes such country;

[“(4) an estimate with regard to the international volume of arms traffic to and from nations purchasing arms as set forth in paragraphs (1) and (2) of this subsection, together with best estimates of the sale and delivery of weapons and weapons-related defense equipment by all major arms suppliers to all major recipient countries during the preceding fiscal year;

[“(5) an estimate of the aggregate dollar value and quantity of defense articles and defense services, military education and training, grant military assistance, and credits and guarantees, to be furnished by the United States to each foreign country and international organization in the next fiscal year;

[“(6) an analysis and description of the services performed during the preceding fiscal year by officers and employees of the United States Government carrying out functions on a full-time basis under this Act for which reimbursement is provided under section 43(b) or section 21(a) of this Act, including the number of personnel involved in performing such services;

[“(7) the total amount of funds in the reserve under section 24(c) at the end of the fiscal year immediately preceding the fiscal year in which a report under this section is made, together with an assessment of the adequacy of such total amount of funds as a reserve for the payment of claims under guarantees issued pursuant to section 24 in view of the current debt servicing capacity of borrowing countries, as reported to the Congress pursuant to section 634(a)(5) of the Foreign Assistance Act of 1961;

[“(8) a list of all countries with respect to which findings made by the President pursuant to section 3(a)(1) of this Act are in effect on the date of such transmission;

[“(9) The progress made under the program of the Republic of Korea to modernize its armed forces, the role of the United States in mutual security efforts in the Republic of Korea and the military balance between the People’s Republic of Korea and the Republic of Korea;

[“(10) the amount and nature of Soviet military assistance to the armed forces of Cuba during the preceding fiscal year and the military capabilities of those armed forces;

[“(11) the status of each loan and each contract of guaranty or insurance theretofore made under the Foreign Assistance Act of 1961, predecessor Acts, or any Act authorizing international security assistance, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each extension of credit for the procurement of defense articles or defense services, and of each contract of guaranty in connection with any such procurement, theretofore made under the Arms Export Control Act with respect to which there remains outstanding any unpaid obligation or potential liability; and

[“(12) such other information as the President may deem necessary.

[“(b) Not later than thirty days following the receipt of a request made by the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives for additional information with respect to any information submitted pursuant to subsection (a), the President shall submit such information to such committee.

[“(c) The President shall make every effort to submit all of the information required by subsection (a) or (b) wholly in unclassified form. Whenever the President submits any such information in classified form, he shall submit such classified information in an addendum and shall also submit simultaneously a detailed summary, in unclassified form, of such classified information.”.

[CONSOLIDATED REPORTS: FOREIGN ASSISTANCE ACT OF 1961

[SEC. 733. Section 634(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by amending the first sentence to read as follows: “In order that the Congress and the American people may be better and more currently informed regarding American foreign policy and the effectiveness of assistance provided by the United States Government to other countries and to international organizations, the Chairman of the Development Coordination Committee shall prepare and transmit to the Congress, no later than February 1 of each year, as a part of the annual presentation materials for foreign assistance, a report as described in this subsection. This report shall include—”;

[(2) in paragraph (1)(B), by striking out “the progressive developing countries are making toward achieving those objectives which are indicative of improved well-being of the poor majority, which objectives shall include but not be limited to”;

[(3) in paragraph (2)—

[(A) by striking out “and” at the end of subparagraph (D);

[(B) by adding “and” at the end of subparagraph (E); and

[(C) by adding at the end thereof the following:

[“(F) of any contract in excess of $100,000 administered by the Agency for International Development which was entered into in the preceding fiscal year without competitive selection procedures, and the reasons for doing so;”;

[(4) by amending paragraph (4) to read as follows:

[“(4) the status of each sale of agricultural commodities on credit terms theretofore made under the Agricultural Trade Development and Assistance Act of 1954 with respect to which there remains outstanding any unpaid obligation; and the status of each transaction with respect to which a loan, contract or guarantee of insurance, or extension of credit (or participation therein) was theretofore made under the Export-Import Bank Act of 1945 with respect to which there remains outstanding any unpaid obligation or potential liability; except that such report shall include individually only any loan, con-

tract, sale, extension of credit, or other transactions listed in this paragraph which is in excess of $1,000,000;";

[(5) In paragraph (7), by striking out "and" after the semicolon; and

[(6) by striking out paragraph (8) and inserting in lieu thereof the following new paragraphs:

["(8) the amount of all foreign currencies acquired without payment of dollars on hand of each foreign country as of September 30 of the preceding fiscal year;

["(9) the Development Coordination Committee's operations pursuant to section 640B(f) of this Act;

["(10) the aggregate dollar value and quantity of grant military assistance, military education and training, and any other defense articles and services furnished under this Act by the United States to each foreign country and international organization for the preceding fiscal year;

["(11) information concerning the activities of the Minority Resource Center during the preceding fiscal year; and

["(12) other information appropriate to the conduct of the foreign assistance program of the United States Government.".

[REPEALS

[SEC. 734. (a) The following provisions of the following Acts are repealed:

[(1) The Foreign Assistance Act of 1961: Sections 125(b), 301(b), 301(e)(3), 302(a)(3), 451(b), 481(c)(2), 495D(e), 495H(c)(2), 513, 601(e)(2), 613(c), 620(b), 620(i), 620(m), 640B(g), 657, 659, and 668, and the second sentence of section 542.

[(2) The International Security and Development Cooperation Act of 1980; Sections 108, 313(b), 603, 713, 714, 720, and 721.

[(3) The International Development Cooperation Act of 1979: Section 124, 504(b), 506, 507(b), 508(b), and 509(c).

[(4) The Special International Security Assistance Act of 1979: Sections 4(e)(2), 7(b), 8(c), and 9.

[(5) The International Development and Food Assistance Act of 1978: Sections 117(b)(2), 122(b), 201, 303, and 603(a)(1).

[(6) The International Development and Food Assistance Act of 1977: Sections 132(a), 133(c)(6), and 214.

[(7) Section 213 of the International Development and Food Assistance Act of 1975.

[(8) The Foreign Assistance Act of 1974: Sections 3, 25, 26, 27, 43, 49, 50(c), and 51(c).

[(9) The Foreign Assistance Act of 1973; Sections 36(e), 37, and 38.

[(10) The Arms Export Control Act: Section 43(c), and the fifth paragraph of section 1.

[(11) The International Security Assistance Act of 1979: Sections 6(b), 20(a), 25, and 28.

[(12) The International Security Assistance Act of 1978: Sections 15(b), 23(d), 23(e)(2), 24(C), 25, and 27.

[(13) The International Security Assistance Act of 1977: Sections 14, 22, 24(c), 25, and 28(a)(2).

[(14) Section 507 of the International Security Assistance and Arms Export Control Act of 1976.

[(15) Section 7 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (22 U.S.C. 2410a).

[(b) Section 620(s)(1) of the Foreign Assistance Act of 1961 is amended—

[(1) in subparagraph (A) by inserting "and" after the semicolon;

[(2) in subparagraph (B)—

[(A) by inserting "or other" after "foreign exchange", and

[(B) by striking out "; and" and inserting in lieu thereof a period; and

[(3) by repealing subparagraph (C).

[(c) Except as otherwise explicitly provided by their terms, amendments to the Foreign Assistance Act of 1961 and the Arms Export Control Act which are applicable only to a single fiscal or calendar year or which require reports or other actions on a nonrecurring basis shall be deemed to have expired and shall be removed form law upon the expiration of the applicable time periods for the fulfillment of the required actions.

[REPORT ON NUCLEAR ACTIVITIES

[SEC. 735. Beginning with the fiscal year 1983 and for each fiscal year thereafter, the President shall prepare and transmit to the Congress, as part of the presentation materials for foreign assistance programs proposed for the fiscal year, a classified report describing the nuclear programs and related activities of any country for which a waiver of section 669 or 760 of the Foreign Assistance Act of 1961 is in effect, including an assessment of—

[(1) the extent and effectiveness of International Atomic Energy Agency safeguards at that country's nuclear facilities; and

[(2) the capability, actions, and intentions of the government of that country with respect to the manufacture or acquisition of a nuclear explosive device.

[ASSISTANCE TO PAKISTAN

[SEC. 736. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

["SEC. 620E. ASSISTANCE TO PAKISTAN.—The Congress recognizes that Soviet forces occupying Afghanistan pose a security threat to Pakistan. The Congress also recognizes that an independent and democratic Pakistan with continued friendly ties with the United States is in the interest of both nations. The Congress finds that United States assistance will help Pakistan maintain its independence. Assistance to Pakistan is intended to benefit the people of Pakistan by helping them meet the burdens imposed by the presence of Soviet forces in Afghanistan and by promoting economic development. In authorizing assistance to Pakistan, it is the intent of Congress to promote the expeditious restoration of full civil liberties and representative government in Pakistan. The Congress further recognizes that it is in the mutual interest of Pakistan and the Untied States to avoid the profoundly destabilizing ef-

fects of the proliferation of nuclear explosive devices or the capacity to manufacture or otherwise acquire nuclear devices.

[“(b) The United States reaffirms the commitment made in its 1959 bilateral agreement with Pakistan relating to aggression from a Communist or Communist-dominated state.

[“(c) Security assistance for Pakistan shall be made available in order to assist Pakistan in dealing with the threat to its security posed by the Soviet presence in Afghanistan. The United States will take appropriate steps to ensure that defense articles provided by the United States to Pakistan are used for defensive purposes.

[“(d) The President may waive the prohibitions of section 669 of this Act at any time during the period beginning on the date of enactment of this section and ending on September 30, 1987, to provide assistance to Pakistan during that period if he determines that to do so is in the national interest of the United States.”.

[PROHIBITIONS RELATING TO NUCLEAR TRANSFERS AND NUCLEAR DETONATIONS

[SEC. 737. (a) The Congress finds that any transfer of a nuclear explosive device to a non-nuclear-weapon state or, in the case of a non-nuclear-weapon state, any receipt or detonation of a nuclear explosive device would cause grave damage to bilateral relations between the United States and that country.

[(b) Section 669(b)(2) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(2)(A) A certification under paragraph (1) of this subsection shall take effect on the date on which the certification is received by the Congress. However, if, within thirty calendar days after receiving this certification, the Congress adopts a concurrent resolution stating in substance that the Congress disapproves the furnishing of assistance pursuant to the certification, then upon the adoption of that resolution the certification shall cease to be effective and all deliveries of assistance furnished under the authority of that certification shall be suspended immediately.

[“(B) Any concurrent resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(C) For the purpose of expediting the consideration and adoption of concurrent resolutions under this paragraph, a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.”.

[(c) Section 670 of such Act is amended to read as follows:

[SEC. 670. NUCLEAR REPROCESSING TRANSFERS, TRANSFERS OF NUCLEAR EXPLOSIVE DEVICES, AND NUCLEAR DETONATIONS.—(a)(1) Except as provided in paragraph (2) of this subsection, no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of providing economic assistance (including assistance under chapter 4 of part II), providing military assistance or grant military education and training, providing assistance under chapter 6 of part II, or extending military credits or making guarantees, to any country which on or after the date of enactment of the International Security Assistance Act of 1977 de-

livers nuclear reprocessing equipment, materials, or technology to any other country or receives such equipment, materials, or technology from any other country (except for the transfer of reprocessing technology associated with the investigation, under international evaluation programs in which the United States participates, of technologies which are alternatives to pure plutonium reprocessing).

[“(2) Notwithstanding paragraph (1) of this subsection, the President may furnish assistance which would otherwise be prohibited under that paragraph if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

[“(3)(A) A certification under paragraph (2) of this subsection shall take effect on the date on which the certification is received by the Congress. However, if, within 30 calendar days after receiving this certification, the Congress adopts a concurrent resolution stating in substance that the Congress disapproves the furnishing of assistance pursuant to the certification, then upon the adoption of that resolution the certification shall cease to be effective and all deliveries of assistance furnished under the authority of that certification shall be suspended immediately.

[“(B) Any concurrent resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(C) For the purpose of expediting the consideration and adoption of concurrent resolutions under this paragraph, a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

[“(b)(1) Except as provided in paragraphs (2) and (3) of this subsection, no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of providing economic assistance (including assistance under chapter 4 of part II), providing military assistance or grant military education and training, providing assistance under chapter 6 of part II, or extending military credits or making guarantees, to any country which on or after the date of enactment of the International Security Assistance Act of 1977—

[“(A) transfers a nuclear explosive device to a non-nuclear-weapon state, or

[“(B) is a non-nuclear-weapon state and either—

[“(i) receives a nuclear explosive device, or

[“(ii) detonates a nuclear explosive device.

[“(2)(A) Notwithstanding paragraph (1) of this subsection, the President may, for a period of not more than 30 days of continuous session, furnish assistance which would otherwise be prohibited under paragraph (1) of this subsection if, before furnishing such assistance, the President transmits to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign

Relations of the Senate, a certification that he has determined that an immediate termination of assistance to that country would be detrimental to the national security of the United States. Not more than one such certification may be transmitted for a country with respect to the same detonation, transfer, or receipt of a nuclear explosive device.

[“(B) If the President transmits a certification to the Congress under subparagraph (A), a joint resolution which would permit the President to exercise the waiver authority of paragraph (3) of this subsection shall, if introduced in either House within thirty days of continuous session after the Congress receives this certification, be considered in the Senate and House of Representatives in accordance with subparagraphs (C) and (D) of this paragraph.

[“(C) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(D) For the purpose of expediting the consideration and adoption of joint resolutions under this paragraph, a motion to proceed to the consideration of such a joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

[“(E) For purposes of this paragraph, the term ‘joint resolution’ means a joint resolution the matter after the resolving clause of which is as follows: ‘That the Congress having received on a certification by the President under section 670(b)(2) of the Foreign Assistance Act of 1961 with respect to , the Congress hereby authorizes the President to exercise the waiver authority contained in section 670(b)(3) of that Act.’, with the date of receipt of the certification inserted in the first blank and the name of the country inserted in the second blank.

[“(3) Notwithstanding paragraph (1) of this subsection, if the Congress enacts a joint resolution under paragraph (2) of this subsection, the President may furnish assistance which would otherwise be prohibited under paragraph (1) if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

[“(4) For the purposes of this subsection, continuity of session is broken only by an adjournment of Congress sine die and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

[“(5) As used in this subsection, the term ‘non-nuclear-weapon state’ means any country which is not a nuclear-weapon state, as defined in article IX(3) of the Treaty on the Non-Proliferation of Nuclear Weapons.”.]

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1980

AN ACT To authorize appropriations for the fiscal year 1980 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security and Development Cooperation Act of 1980".

[TITLE I—MILITARY AND RELATED ASSISTANCE AND SALES PROGRAMS

[THIRD COUNTRY TRANSFERS

[SEC. 101. (a)(1) Section 3(d) of the Arms Export Control Act is amended—

[(A) by redesignating existing paragraph (3) as paragraph (4); and

[(B) by inserting the following new paragraph (3) immediately after paragraph (2):

["(3) The President may not give his consent to the transfer to a third country of a defense article or a defense service valued (in terms of its original acquisition costs) at $25,000,000 or more, or of major defense equipment valued (in terms of its original acquisition costs) at $7,000,000 or more, the export of which has been licensed or approved under section 38 of this Act, unless at least 30 calendar days before giving such consent the President submits to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report containing the information specified in subparagraphs (A) through (E) of paragraph (1).".

[(2) Such section is further amended—

[(A) in the last sentence of paragraph (1) by striking out "subsection" and inserting in lieu thereof "paragraph"; and

[(B) in paragraph (2) by inserting "paragraph (1) of" immediately before "this subsection".

[(b) Paragraph (4) of section 3(d) of such Act, as so redesignated by subsection (a)(1)(A) of this section, is amended—

[(1) by striking out "or" at the end of subparagraph (B);

[(2) by striking out the period at the end of clause (ii) of subparagraph (C) and inserting in lieu thereof "; or "; and

[(3) by adding at the end thereof the following new subparagraph:

[(D) to transfers to the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand, of any major defense equipment valued (in terms of its original acquisition cost) at less than $7,000,000 or of any defense article or related training or other defense service valued (in terms of its original acquisition cost) at less than $25,000,000.".

[PERFORMANCE OF DEFENSE SERVICES

[SEC. 102. Section 21(c) of the Arms Export Control Act is amended—

[(1) by striking out "training advising, or otherwise providing assistance regarding combat activities" and inserting in lieu thereof "training and advising that may engage United States personnel in combat activities";)

[(2) by inserting "(1)" immediately after "(c)"; and

[(3) by adding at the end thereof the following:

[(2) Within 48 hours after the outbreak of significant hostilities involving a country in which United States personnel are performing defense services pursuant to this Act or the Foreign Assistance Act of 1961, the President shall submit to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, setting forth—

["(A) the identity of such country and a description of such hostilities; and

["(B) the number of members of the United States Armed Forces and the number of United States civilian personnel performing defense services related to such hostilities in such country, their location, the precise nature of their activities, and the likelihood of their becoming engaged in or endangered by hostilities.".

[RECIPROCAL TRAINING AGREEMENTS

[SEC. 103. Section 21(g) of the Arms Export Control Act is amended by striking out "In carrying out section 814 of the Act of October 7, 1975 (Public Law 94–106), the President may enter into North Atlantic Treaty Organization standardization agreements" and inserting in lieu thereof "The President may enter into North Atlantic Treaty Organization standardization agreements in carrying out section 814 of the Act of October 7, 1975 (Public Law 94–106), and may enter into similar agreements with Japan, Australia, and New Zealand,".

[GUARANTY RESERVE

[SEC. 104. (a) Section 24(c) of the Arms Export Control Act is amended to read as follows:

["(c) Funds obligated under this section before the date of enactment of the International Security and Development Cooperation Act of 1980 which constitute a single reserve for the payment of claims under guaranties issued under this section shall remain available for expenditure for the purposes of this section on and after that date. The President shall report promptly to the Congress whenever the payment of a claim under any such guaranty reduces the total amount of funds in the single reserve under this subsection to an amount less than $750,000,000, together with his recommendations for the authorization of appropriations of additional funds for such reserve. For purposes of any provision in this Act or any other Act relating to a prohibition or limitation on the availability of funds under this Act, whenever a guaranty is issued under this section, the principal amount of the loan so guaranteed shall be deemed to be funds made available for use under this Act.

Any guaranties issued hereunder shall be backed by the full faith and credit of the United States.".

[(b) Section 37 of such Act is amended by adding at the end thereof the following:

["(c) Notwithstanding the provisions of subsection (b), to the extent that any of the funds constituting the reserve under section 24(c) are paid out for a claim arising out of a loan guaranteed under section 24, amounts received from a foreign government or international organization after the date of such payment, with respect to such claim, shall be credited to such reserve, shall be merged with the funds in such reserve, and shall be available for any purpose for which funds in such reserve are available.".

[(c) Section 25(a) of such Act is amended—

[(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5); and

[(2) by inserting after paragraph (2) the following:

["(3) the total amount of funds in the reserve under section 24(c) at the end of the fiscal year immediately preceding the fiscal year in which a report under this section is made, together with an assessment of the adequacy of such total amount of funds as a reserve for the payment of claims under guaranties issued pursuant to section 24 in view of the current debt servicing capacity of borrowing countries, as reported to the Congress pursuant to section 634(a)(5) of the Foreign Assistance Act of 1961;".

[(d) Section 31(a) of such Act is amended by inserting immediately after the first sentence the following new sentence: "Credits may not be extended under section 23 of this Act in an amount, and loans may not be guaranteed under section 24(a) of this Act in a principal amount, which exceeds any maximum amount which may be established with respect to such credits or such loan guarantees in legislation appropriating funds to carry out this Act.".

[MILITARY CONSTRUCTION

[SEC. 105. (a) The Arms Export Control Act is amended by inserting immediately after chapter 2 the following new chapter:

["CHAPTER 2A—FOREIGN MILITARY CONSTRUCTION SALES

["SEC. 29. FOREIGN MILITARY CONSTRUCTION SALES.—The President may sell design and construction services to any eligible foreign country or international organization if such country or international organization agrees to pay in United States dollars not less than the full cost to the United States Government of furnishing such services. Payment shall be made to the United States Government in advance of the performance of such services by officers or employees of the United States Government. The President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of design and construction services for sale under this section if such country or international organization provides the United States Government with a dependable undertaking (1) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (2) to

make funds available in such amounts and at such time as may be required to meet the payments required by the contract and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.".

[(b)(1) Section 21(h) of such Act is amended by striking out "defense articles or defense services" both places it appears and inserting in lieu thereof "defense articles, defense services, or design and construction services".

[(2) Section 22(c) of such Act is amended to read as follows:

["(c) The provisions of the Renegotiation Act of 1951 do not apply to procurement contracts heretofore or hereafter entered into under this section, section 29, or predecessor provisions of law.".

[(3) Sections 23, 24(a), and 31(c) of such Act are each amended by striking out "defense articles and defense services" each place it appears and inserting in lieu thereof "defense articles, defense services, and design and construction services".

[(c) Section 36(a) of such Act is amended—

[(1) by striking out "and" immediately after the semicolon at the end of paragraph (7);

[(2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon; and

[(3) by adding at the end thereof the following new paragraph:

["(9) a listing of each sale under section 29 during the quarter for which such report is made, specifying (A) the purchaser, (B) the United States Government department or agency responsible for implementing the sale, (C) an estimate of the dollar amount of the sale, and (D) a general description of the real property facilities to be constructed pursuant to such sale; and".

[(d)(1) Section 36(b)(1) of such Act is amended in the first sentence by inserting "any design and construction services for $200,000,000 or more," immediately after "$25,000,000 or more,".

[(2) Such section is further amended—

[(A) in the first sentence by inserting ", or (in the case of a sale of design and construction services) the information specified in clauses (A) through (D) or paragraph (9) of subsection (a)," immediately after "subsection (a)" the first place it appears;

[(B) in the second sentence by striking out "or defense services" and inserting in lieu thereof ", defense services, or design and construction services,"; and

[(C) in the third sentence—

[(i) in subparagraph (A) by striking out "or services" and inserting in lieu thereof ", defense services, or design and construction services";

[(ii) in subparagraph (C) by striking out "or defense service" and inserting in lieu thereof ", defense service, or design and construction service";

[(iii) in subparagraph (E) by striking out "or services" both places it appears and inserting in lieu thereof ", defense services, or design and construction services";

[(iv) in subparagraph (I) by striking out "or services" both places it appears and inserting in lieu thereof ", defense services, or design and construction services";

[(v) in subparagraph (J) by striking out "or services" and inserting in lieu thereof ", defense services, or design and construction services";

[(vi) in subparagraph (K) by striking out "or services" and inserting in lieu thereof ", defense services, or design and construction services";

[(vii) in subparagraph (L) by striking out "or services" and inserting in lieu thereof ", defense services, or design and construction services";

[(viii) in subparagraph (M) by striking out "services, or" the first place it appears and inserting in lieu thereof "defense services, design and construction services, or defense"; and

[(ix) in subparagraph (N) by inserting ", defense services, or design and construction services immediately after "defense articles".

[(e)(1) Section 37(a) of such Act is amended by striking out "sections 21 and 22" and inserting in lieu thereof "sections 21, 22, and 29".

[(2) Section 39 of such Act is amended—

[(A) in subsection (a) by inserting ", or of design and construction services under section 29," immediately after "section 22"; and

[(B) in subsection (c) by inserting "or section 29" immediately after "section 22".

[(3) Section 42 of such Act is amended—

[(A) in subsection (d) by striking out "and 24" and inserting in lieu thereof "24, and 29"; and

[(B) in subsection (e) by striking out "and 22" both places that it appears and inserting in lieu thereof ", 22, and 29".

[(f) Section 47 of such Act is amended—

[(1) in paragraph (4) by inserting ", but does not include design and construction services under section 29 of this Act" immediately after "military sales";

[(2) in paragraph (6) by striking out "and" immediately after the semicolon;

[(3) in paragraph (7) by striking out the period and inserting in lieu thereof "; and"; and

[(4) by adding at the end thereof the following new paragraph:

["(8) 'design and construction services' means, with respect to sales under section 29 of this Act, the design and construction of real property facilities, including necessary construction equipment and materials, engineering services, construction contract management services relating thereto, and technical advisory assistance in the operation and maintenance of real property facilities provided or performed by any department or agency of the Department of Defense or by a contractor pursuant to a contract with such department or agency.".

FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

[SEC. 106. (a) Section 31(a) of the Arms Export Control Act is amended by striking out "$673,500,000 for the fiscal year 1980" and inserting in lieu thereof "$500,000,000 for the fiscal year 1981".

[(b) Section 31(b) of such Act is amended to read as follows:

["(b)(1) The total amount of credits, or participations in credits, extended pursuant to section 23 of this Act for the fiscal year 1981 shall not exceed $500,000,000.

["(2) The total principal amount of loans guaranteed pursuant to section 24(a) of this Act for the fiscal year 1981 shall not exceed $2,616,000,000.

["(3) Of the aggregate total of such credits, or participations in credits, and of the total principal amount of such loans guaranteed, not less than $1,400,000,000 for the fiscal year 1981 shall be available only for Israel, of which $200,000,000 shall be available only for costs associated with the relocation of Israeli forces from the Sinai.".

[(c) Section 31(c) of such Act is amended—

[(1) in the first sentence by striking out "fiscal year 1980" and inserting in lieu thereof "fiscal year 1981"; and

[(2) in the last sentence by striking out "one-half" and inserting in lieu thereof "$500,000,000".

[(d) The principal amount of the loans guaranteed under section 24(a) of such Act for the fiscal year 1981 with respect to Egypt, the Sudan, Greece, and Turkey shall be repaid, and with respect to Somalia may be repaid, in not less than twenty years, following a grace period of ten years on repayment of principal.

[COMMERCIAL EXPORTS OF DEFENSE ARTICLES AND DEFENSE SERVICES

[SEC. 107. (a) Section 38(b)(3) of the Arms Export Control Act is amended by striking out "$35,000,000" and inserting in lieu thereof "$100,000,000".

[(b) Section 36(c) of such Act is amended—

[(1) in the first sentence by striking out "not less than 30 days";

[(2) by redesignating paragraphs (1), (2), and (3) as clauses (A), (B), and (C), respectively;

[(3) in the last sentence by striking out "paragraph (2)" and inserting in lieu thereof "clause (B)" and by striking out "paragraph (3)" and inserting in lieu thereof "clause (C)";

[(4) by inserting "(1) immediately after "(c)"; and

[(5) by adding at the end thereof the following:

["(2) Unless the President states in his certification that an emergency exists which requires the proposed export in the national security interests of the United States, a license for export described in paragraph (1)—

"(A) shall not be issued at least 30 calendar days after the Congress receives such certification; and

"(B) shall not be issued then if the Congress, within such 30-day period, adopts a concurrent resolution stating that it objects to the proposed export, except that this subparagraph

does not apply with respect to a license issued for an export to the North Atlantic Treaty Organization, any member country of that Organization, Japan, Australia, or New Zealand.

If the President states in his certification that an emergency exists which requires the proposed export in the national security interests of the United States, thus waiving the requirements of subparagraphs (A) and (B) of this paragraph, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate issuance of the export license and a discussion of the national security interests involved.

[“(3)(A) Any resolution under this subsection shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(B) For the purpose of expediting the consideration and adoption of concurrent resolutions under this subsection, a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.”.

[(c) Section 38(a) of such Act is amended by adding at the end thereof the following new paragraph:

[“(3) In exercising the authorities conferred by this section, the President may require that any defense article or defense service be sold under this Act as a condition of its eligibility for export, and may require that persons engaged in the negotiation for the export of defense articles and services keep the President fully and currently informed of the progress and future prospects of such negotiations.”.

[(d) Section 25(d)(1) of such Act is amended—

[(1) in the first sentence by inserting “and licensed commercial exports” immediately after “sales” both places it appears; and

[(2) in the second sentence—

[(A) by inserting “and licensed commercial exports” immediately after “Sales”, and

[(B) by inserting “or of an export license” immediately after “letter of offer”.]

* * * * * * *

[NOTIFICATION OF CERTAIN COMMERCIAL EXPORTS TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

[“SEC. 111. Section 6(i) of the Export Administration Act of 1979 is amended in text preceding paragraph (1) by striking out “of the Senate” and inserting in lieu thereof “and the Committee on Foreign Relations of the Senate at least 30 days”.

[MILITARY ASSISTANCE

[“SEC. 112. (a) Section 503(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “or” at the end of paragraph (1);

[(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof “; or”; and

[(3) by inserting at the end thereof the following new paragraph:

[“(3) transferring such of the funds appropriated or otherwise made available under this chapter as the President may determine for assistance to a recipient specified in section 504(a)(1) of this Act, within the dollar limitations of that section, to the account in which funds for the procurement of defense articles and defense services under section 21 and section 22 of the Arms Export Control Act have been deposited for such recipient, to be merged with such deposited funds, and to be used solely to meet obligations of the recipient for payment for sales under that Act.”.

[(b) Section 504(a)(1) of such Act is amended to read as follows:

[“(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $106,100,000 for the fiscal year 1981. Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for fiscal year 1981:

[Portugal	$51,000,000
[Spain	3,600,000
[The Philippines	25,000,000
[The Sudan	1,700,000

The amount specified in this paragraph for military assistance to any such country may be increased by not more than 10 percent of such amount if the President deems such increase necessary for the purposes of this chapter.”.

[(c) Section 506(a) of such Act is amended by striking out “$10,000,000” and inserting in lieu thereof “$50,000,000”.

[(d) Section 516(a) of such Act is amended—

[(1) by striking out “September 30, 1980” and inserting in lieu thereof “September 30, 1982”; and

[(2) by striking out “three” and inserting in lieu thereof “five”.

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

[“SEC. 113. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out “$95,000,000 for the fiscal year 1980” and inserting in lieu thereof “$85,000,000 for the fiscal year 1981”.

[INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

[“SEC. 114. Section 515 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (b)(1)—

[(A) by striking out “fiscal year 1980” and inserting in lieu thereof “fiscal year 1981”;

[(B) by striking out “the countries specified in section 504(a)(1) and in” and inserting in lieu thereof “Portugal, Spain, Jordan, the Philippines,”; and

[(C) by striking out “Iran, Kuwait” and inserting in lieu thereof “Egypt”;

[(2) in subsection (b)(3)—

[(A) by striking out "Iran, Kuwait, and";

[(B) by striking out "countries" and inserting in lieu thereof "country"; and

[(C) by striking out "each"; and

[(3) in the last sentence of subsection (f)—

[(A) by inserting "six more than" immediately after "may not exceed";

[(B) by striking out "December 31, 1978" and inserting in lieu thereof "December 31, 1979"; and

[(C) by inserting "and countries to which military personnel have been assigned pursuant to subsection (c)" immediately after "such countries".

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 115. (a) The first sentence of section 542 of the Foreign Assistance Act of 1961 is amended by striking out all that follows "the purposes of this chapter" and inserting in lieu thereof "$34,000,000 for the fiscal year 1981.".

[(b)(1) Section 644(m) of such Act is amended—

[(A) by striking out "and" at the end of paragraph (3);

[(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

[(C) by adding at the end thereof the following new paragraph:

["(5) with respect to military education and training, the additional costs that are incurred by the United States Government in furnishing such assistance.".

[(2) Section 21(a)(3) of the Arms Export Control Act is amended by inserting immediately before the period the following: ", except that in the case of training sold to a purchaser who is concurrently receiving assistance under chapter 5 of part II of the Foreign Assistance Act of 1961, only those additional costs that are incurred by the United States Government in furnishing such training".

[PEACEKEEPING OPERATIONS

[SEC. 116. (a) Section 552(a) of the Foreign Assistance Act of 1961 is amended by striking out "$21,100,000 for the fiscal year 1980" and inserting in lieu thereof "$25,000,000 for the fiscal year 1981".

[(b) Section 553 of such Act is repealed and section 554 is redesignated as section 553.

[SPECIAL AUTHORITY

[SEC. 117. (a) Section 614(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) The President may authorize the furnishing of assistance under this Act without regard to any provision of this Act, the Arms Export control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under this Act, in furtherance of any of the purposes of this Act, when the President determines, and so notifies in writing the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate,

that to do so is important to the security interests of the United States.

[“(2) The President may make sales, extend credit, and issue guaranties under the Arms Export Control Act, without regard to any provision of this Act, the Arms Export Control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under the Arms Export Control Act, in furtherance of any of the purpose of such Act, when the President determines, and so notifies in writing the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that to do so is vital to the national security interests of the United States.

[“(3) Before exercising the authority granted in this subsection, the President shall consult with, and shall provide a written policy justification to, the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

[“(4) The authority of this subsection may not be used to authorize the use of more than $250,000,000 of funds made available for use under this Act or the Arms Export Control Act, or the use of more than $100,000,000 of foreign currencies accruing under this Act or any other law, in any fiscal year. Not more than $50,000,000 of the funds available under this subsection may be allocated to any one country in any fiscal year, unless such country is a victim of active Communist or Communist-supported aggression.

[“(5) The authority of this section may not be used to waive the limitations on transfers contained in section 610(a) of this Act.”.

[(b) Section 652 of such Act is amended by striking out “, 610(a), or 614(a)” and inserting in lieu thereof “or 610(a)”.

[PROHIBITION ON MILITARY ASSISTANCE TO NICARAGUA

[SEC. 119. None of the funds authorized to be appropriated by this title shall be made available for any aid or assistance to Nicaragua.

[TITLE II—ECONOMIC SUPPORT FUND

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 201. Section 531(b)(1) of the Foreign Assistance Act of 1961 is amended by striking out “fiscal year 1980, $1,935,000,000” and inserting in lieu thereof “fiscal year 1981, $2,065,300,000”.

[USE OF FUNDS

[SEC. 202. Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by striking out all that follows section 531 and inserting in lieu thereof the following:

[SEC. 532. USE OF FISCAL YEAR 1981 FUNDS.—(a)(1) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1981, not less than $785,000,000 shall be available only for Israel and not less than $750,000,000 shall be available only for Egypt.

[“(2) All of the funds made available to Israel and to Egypt under this chapter for the fiscal year 1981 shall be provided on a grant basis.

[“(3) The total amount of funds allocated for Israel under this chapter for the fiscal year 1981 may be made available as a cash transfer. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfers made to Israel does not cause an adverse impact on the total amount of nonmilitary exports from the United States to Israel.

[“(b) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year, 1981, not less than $200,000,000 shall be available only for Turkey. Not less than two-thirds of the funds made available to Turkey under this chapter for the fiscal year 1981 shall be provided on a grant basis.

[“(c) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1981, $15,000,000 shall be available only for Cyprus for refugee relief, reconstruction, and educational exchange programs.

[“(d)(1) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1981, $12,500,000 may be used for special requirements in the Middle East, including regional programs and development programs on the West Bank and in Gaza.

[“(2) The President may obligate or expend funds under this subsection only if—

[“(A) he has transmitted to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign Relations and the chairman of the Committee on Appropriations of the Senate, a report setting forth—

[“(i) the name of the proposed recipient of such funds,

[“(ii) the amount of funds to be made available to such recipient, and

[“(iii) the purpose for which such funds are to be made available;

[“(B) a period of 30 calendar days has elapsed since the Congress received such report; and

[“(C) the Congress did not adopt, during such 30-day period, a concurrent resolution stating in substance that the Congress does not approve the proposed use of funds described in such report.

[“(e)(1) Up to $50,000,000 of the funds appropriated to carry out this chapter for the fiscal year 1981 may be made available for emergency use under this chapter when the national interests of the United States urgently require economic support to promote economic or political stability.

[“(2) Notwithstanding subsections (a)(1), (b), (c), and (d)(1) of this section, up to 5 percent of the funds available for any country or region pursuant to such subsections may be used under paragraph (1) of this subsection.

[“(f) None of the funds appropriated to carry out this chapter for fiscal year 1981 may be made available for Syria.

[“(g) Funds available to carry out this chapter for the fiscal year 1981 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress

that use of funds for such purpose is indispensable to the achievement of nonproliferation objectives which are uniquely significant and of paramount importance to the United States.

[“SEC. 533. CENTRAL AMERICAN ECONOMIC SUPPORT.—(a) The Congress finds that peaceful and democratic development in Central America is in the interest of the United States and of the community of American States generally, that the recent civil strife in Nicaragua has caused great human suffering and disruption to the economy of that country, and that substantial external assistance to Nicaragua is necessary to help alleviate that suffering and to promote economic recovery within a peaceful and democratic process. The Congress further finds that peaceful and democratic development in certain other Central American countries will be significantly assisted by additional economic support at this time.

[“(b) In furnishing assistance under this chapter to the Government of Nicaragua, the President shall take into account the extent to which that Government has engaged in violations of the right to organize and operate labor unions free from political oppression, has engaged in or permitted violations of human rights, has engaged in violations of the right to freedom of the press, or has engaged in violations of the right to freedom of religion.

[“(c) The President shall encourage the Government of Nicaragua to respect the right to freedom of the press, the right to organize and operate free labor unions, the right to freedom of religion, as well as all other fundamental human rights.

[“(d) The Congress reaffirms the requirement of section 502B(a)(1) of this Act that a principal goal of the foreign policy of the United States shall be to promote the increased observance of internationally recognized human rights by all countries. In furtherance of the goal, assistance to Nicaragua for the fiscal year 1981 under this chapter shall be terminated, in accordance with sections 116 and 502B of this Act, if the Government of Nicaragua engages in a consistent pattern of gross violations of internationally recognized human rights.

[“(e) The President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report for each 6-month period in which funds are expended under this chapter for Nicaragua for the fiscal year 1981. Each such report shall discuss fully and completely the status of respect in Nicaragua for human rights, political pluralism, freedom of the press and assembly, freedom of religion, and freedom of labor to organize and bargain collectively.

[“(f) Prior to releasing any assistance to the Government of Nicaragua under this chapter, the President shall transmit a certification to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the Government of Nicaragua has not cooperated with or harbored any international terrorist organization and is not aiding, abetting, or supporting acts of violence or terrorism in other countries. In the event that the President transmits such a certification, but at a later date he determines that the Government of Nicaragua cooperates with or harbors any international terrorist organization or is aiding, abetting, or supporting acts of violence or terrorism in other countries, the President shall terminate assistance to the Govern-

ment of Nicaragua under this chapter, and the outstanding balance of any loan to the Government of Nicaragua, or any of its agencies or instrumentalities, with funds authorized to be appropriated by this chapter shall become immediately due and payable.

[“(g) It is the sense of the Congress that the United States should support those traditionally faithful allies of the United States which are responsible members of the Organization of American States, including Guatemala, El Salvador, Costa Rica, Nicaragua, Panama, and Honduras, against terrorism and external subversion.

[“(h) Funds made available under this chapter for the National School of Agriculture in Nicaragua shall be used under an understanding with the Autonomous National University of Nicaragua that the National School of Agriculture will cooperate in programs with United States institutions of higher education.

[“(i) Any agreement between the United States and the Government of Nicaragua regarding the use of funds authorized to be appropriated under this chapter, which are to be made available in the form of loans, shall specifically require that at least 60 percent of such loan funds, and any local currency generated in conjunction therewith, shall be used for assistance to the private sector. Insofar as practicable, local currency used for assistance to the private sector in Nicaragua shall, consistent with the accomplishment of the purposes set forth in subsection (a) of this section, be used in ways which will strengthen private financial institutions which will help keep the private sector in Nicaragua financially independent. Local currency loan programs in Nicaragua shall be monitored and audited in accordance with section 624(g) of this Act. The President shall report on the implementation of this subsection in the reports required under subsection (e) of this section.

[“(j) The President shall terminate assistance to the Government of Nicaragua under this chapter if he determines and reports to the Congress that Soviet, Cuban, or other foreign combat military forces are stationed or situated within the boarders of Nicaragua and that the presence of such forces constitutes a threat to the national security of the United States or to any Latin American ally of the United States.

[“(k) The President shall terminate assistance to Nicaragua under this chapter for the fiscal year 1981 if he determines that the Government of Nicaragua has engaged in a consistent pattern of violations of the right to organize and operate labor unions free from political oppression.

[“(l) The President shall encourage the holding of free, open elections in Nicaragua within a reasonable period of time and shall, in providing any additional assistance to Nicaragua, take into consideration the progress which is being made toward holding such elections.

[“(m) None of the funds made available for Nicaragua under this chapter may be used for assistance for any school or other educational instrumentality or facility which would house, employ, or be made available to Cuban personnel.

[“(n) The President shall terminate assistance to Nicaragua under this chapter if he determines that the Government of Nicaragua engages in systematic violations of free speech and press.

[“(o) Any agreement between the United States and the Government of Nicaragua regarding the use of funds authorized to be appropriated under this chapter, which are to be made available in the form of loans, shall specifically require that such loan funds shall be used for the purchase of goods or services of United States origin.

[“(p) Up to one percent of the funds made available to Nicaragua under this chapter for the fiscal year 1981 shall be used to make publicly known to the people of Nicaragua the extent of United States aid programs to them. The President shall periodically report to the Congress on the effectiveness of this efforts to carry out this subsection.”.

[CONSTRUCTION OF PRODUCTIVE ENTERPRISE IN EGYPT

[SEC. 203. The first sentence of section 620(k) of the Foreign Assistance Act of 1961 is amended by inserting “, fiscal year 1980, or fiscal year 1981” immediately after “fiscal year 1977”.

[TITLE III—DEVELOPMENT ASSISTANCE PROGRAMS

[AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

[SEC. 301. The first sentence of section 103(a)(2) of the Foreign Assistance Act of 1961 is amended to read as follows: “There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $713,500,000 for the fiscal year 1981.”.

[POPULATION AND HEALTH

[SEC. 302. (a) Section 104(b) of the Foreign Assistance Act of 1961 is amended by inserting after “information and services” in the second sentence the following: “, including also information and services which relate to and support natural family planning methods,”.

[(b) The first sentence of section 104(g) of such Act is amended to read as follows: “There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

[“(1) $238,000,000 for the fiscal year 1981 to carry out subsection (b) of this section, of which not less than $3,000,000 shall be available only to support the World Health Organization’s Special Program of Research, Development and Research Training in Human Reproduction; and

[“(2) $145,300,000 for the fiscal year 1981 to carry out subsection (c) of this section.”.

[EDUCATION AND HUMAN RESOURCES DEVELOPMENT

[SEC. 303. The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended to read as follows: “There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $101,000,000 for the fiscal year 1981, which are authorized to remain available until expended.”.

[ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES

[SEC. 304. (a) The section caption of section 106 of the Foreign Assistance Act of 1961 is amended by striking out "technical assistance, energy, research, reconstruction, and selected development problems" and inserting in lieu thereof "energy, private voluntary organizations, and selected development activities".

[(b) Subsection (a) of such section is amended—

[(1) by inserting "(A)" immediately after "(a)(1)";

[(2) by striking out "(2)", "(3)", and "(4)" and inserting in lieu thereof "(B)", "(C)", and "(D)", respectively;

[(3) by striking out "(A)", "(B)", and "(C)" in paragraph (3) and inserting in lieu thereof "(i)", "(ii)", and "(iii)", respectively; and

["(4) by adding at the end thereof the following new paragraph:

["(2) The Congress also finds that energy production from renewable, decentralized sources and energy conservation are vital elements in the development process. Inadequate access by the poor to energy sources as well as the prospect of depleted fossil fuel reserves and higher energy prices require an enhanced effort to expand the energy resources of developing countries through greater emphasis on renewable sources. Renewable and decentralized energy technologies have particular applicability for the poor, especially in rural areas.".

[(c) Subsection (b) of such section is amended—

[(1) by inserting "(A)" immediately after "(b)(1)";

[(2) by striking out "fiscal year 1980 shall be used for purposes of paragraph (1)" and inserting in lieu thereof "fiscal year 1981 shall be used for purposes of subparagraph (A)".

[(d) Such section is further amended by inserting at the end of subsection (b) the following:

["(2) The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation through research on and development and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act. Such programs shall also be directed toward the earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain, and are transferable from one region of the world to another. Such programs may include research on and the development, demonstration, and application of suitable energy technologies (including use of wood); analysis of energy uses, needs, and resources; training and institutional development; and scientific interchange.

["(c) The agency primarily responsible for administering this part and the Department of Energy shall coordinate with one another, to the maximum extent possible, the planning and implementation of energy programs under this chapter.".

[(e) Existing subsection (c) of such section is redesignated as subsection (d).

[(f) Existing subsection (d) of such section is amended to read as follows:

["(e)(1) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $140,000,000 for the fiscal year 1981.

["(2) Amounts appropriated under this section are authorized to remain available until expended.".

[(g) Section 119 of such Act is repealed.

[HUMAN RIGHTS IN DEVELOPING COUNTRIES

[SEC. 305. Section 116(e) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1980" and inserting in lieu thereof "fiscal year 1981".

[SAHEL DEVELOPMENT PROGRAM

[SEC. 306. Section 121(c) of the Foreign Assistance Act of 1961 is amended by inserting immediately after the second sentence the following new sentence: "In addition to the amounts authorized in the preceding sentences and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $88,442,000 for the fiscal year 1981.".

[PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES

[SEC. 307. Section 123 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a) by inserting before the period at the end of the fourth sentence the following: "and, if necessary and determined on a case-by-case basis, for the purpose of sharing the cost of developing programs related to such activities";

[(2) in subsection (a) by inserting before the period at the end of the fifth sentence the following: "and to establish simplified procedures for the development and approval of programs to be carried out by such private and voluntary organizations and cooperatives as have demonstrated a capacity to undertake effective development activities"; and

[(3) By adding at the end thereof the following new subsection:

["(e) Prohibitions on assistance to countries contained in this or any other Act shall not be construed to prohibit assistance by the agency primarily responsible for administering this part in support of programs of private and voluntary organizations and cooperatives already being supported prior to the date such prohibition becomes applicable. The President shall take into consideration, in any case in which statutory prohibitions on assistance would be applicable but for this subsection, whether continuation of support for such programs is in the national interest of the United States. If the President continues such support after such date, he shall prepare and transmit, not later than thirty days after such date, to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a report setting forth the reasons for such continuation.".

[RELATIVELY LEAST DEVELOPED COUNTRIES

[SEC. 308. The last sentence of section 124(c)(2) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "1980" and inserting in lieu thereof "1981"; and

[(2) by striking out "$18,800,000" and inserting in lieu thereof "$10,845,000".

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 309. Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $233,350,000 for the fiscal year 1981.".

[PARTICIPANT TRAINING

[SEC. 310. Section 617 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "In order to ensure the effectiveness of assistance under this Act, such expenses for orderly termination of programs may include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.".

[REIMBURSABLE DEVELOPMENT PROGRAMS

[SEC. 311. Section 661 of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$3,800,000 of the funds made available for the purposes of this Act for the fiscal year 1980" and inserting in lieu thereof "$4,000,000 of the funds made available for the fiscal year 1981 for the purposes of this Act".

[INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

[SEC. 312. The first sentence of section 410 of the International Development Cooperation Act of 1979 is amended by striking out "$23,750,000 for the fiscal year 1980" and inserting in lieu thereof "$12,000,000 for the fiscal year 1981".

[ASSISTANCE TO THE EASTERN CARIBBEAN

[SEC. 313. (a) The Congress urges the President to use up to $7,000,000 for the fiscal year 1981 for bilateral development assistance for the countries of the eastern Caribbean.

[ASSISTANCE FOR EQUATORIAL GUINEA

[SEC. 314. The President is urged to provide up to $3,000,000 of the funds authorized to be appropriated for the fiscal year 1981 by this title for assistance to Equatorial Guinea if he deems that conditions in that country warrant such assistance.

[CARIBBEAN DEVELOPMENT BANK

[SEC. 315. Notwithstanding section 620(r) of the Foreign Assistance Act of 1961, the President may, after consultation with the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, make arrangements at his discretion for the assumption by the recipient members of the Caribbean Development Bank of any loans made to the Bank under the authority of that Act.]

* * * * * * *

[REDUCTION OF POSTHARVEST LOSSES OF FOOD

[SEC. 317. It is the sense of the Congress that—

[(1) the President should reaffirm the policy of the United States Government to support the goal established by the United Nations General Assembly of reducing by 50 percent postharvest losses of food in developing countries; and

[(2) the President, acting through the Agency for International Development, should increase substantially the proportion of funds made available under the Foreign Assistance Act of 1961 for the purpose of assisting, together with other donor countries and with developing countries, in the reduction of postharvest losses of food in developing countries.

[TITLE IV—OTHER ASSISTANCE PROGRAMS

[AMERICAN SCHOOLS AND HOSPITALS ABROAD

[SEC. 401. Section 214(c) of the Foreign Assistance Act of 1961 is amended by striking out $25,000,000 for the fiscal year 1980" and inserting in lieu thereof "$30,000,000 for the fiscal year 1981".

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 402. (a) Section 482(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $38,573,000 for the fiscal year 1981.

["(2) Funds appropriated under this subsection for the fiscal year 1981 may not be used for a contribution to the United Nations Fund for Drug Abuse Control in an amount which exceeds the lesser of $3,000,000 or 50 percent of the total contributions by all countries to such Fund for the calendar year with respect to which the United States contribution is made.

["(3) Amounts appropriated under this subsection are authorized to remain available until expended.".

[(b) Section 482 of such Act is amended by adding at the end thereof the following new subsection:

["(c) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, section 508 of the General Government Matters, Department of Commerce, and Related Agencies Appropriation Act, 1962, and section 105 of the Agricultural Trade Development and Assistance Act of 1954, up to the equivalent of $10,000,000 in currencies or credits of the Government of Pakistan held by the Unit-

ed States shall, to such extent as may be provided in an appropriation Act, be available to the President for the fiscal year 1981 (and shall remain available until expended) to carry out the purposes of section 481 through assistance to the Government of Pakistan. Notwithstanding any other provision of law, the availability or expenditure of such foreign currencies shall not affect or reduce appropriations otherwise available to carry out the administration of the international narcotics control program.".

[(c) Notwithstanding the provisions of section 482(a)(2) of the Foreign Assistance Act of 1961 as in effect immediately prior to the enactment of this Act, funds appropriated for the fiscal year 1980 to carry out the purposes of section 481 of that Act which were obligated for assistance for Colombia may be used for fixed-wing aircraft, communications equipment, and such other equipment and operational support, including aviation services, as are essential to the Colombian anti-narcotics enforcement program.

[INTERNATIONAL DISASTER ASSISTANCE

[SEC. 403. Section 492 of the Foreign Assistance Act of 1961 is amended by striking out "$21,800,000 for the fiscal year 1980" and inserting in lieu thereof "$25,000,000 for the fiscal year 1981".

[DISASTER ASSISTANCE BORROWING AUTHORITY

[SEC. 404. (a) Section 492 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(a)" immediately before "There is"; and

[(2) by adding at the end thereof the following new subsection:

["(b) In addition to amounts otherwise available to carry out this chapter, up to $50,000,000 in any fiscal year may be obligated against appropriations under this part (other than this chapter) for use in providing assistance in accordance with the authorities and general policies of section 491. Amounts subsequently appropriated under this chapter with respect to a disaster may be used to reimburse any appropriation account against which obligations were incurred under this subsection with respect to that disaster.".

[(b) Section 491(b) of such Act is amended by striking out "limitation on appropriations" and inserting in lieu thereof "limitations."

[AFRICAN REHABILITATION AND RESETTLEMENT

[SEC. 405. Section 495F of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 495F. AFRICAN REHABILITATION AND RESETTLEMENT.—(a) The Congress recognizes that United States assistance is necessary to help developing countries in Africa meet the longer term rehabilitation and resettlement needs of displaced persons and other innocent victims of civil strife. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for the longer term rehabilitation and resettlement needs of such victims. Funds for this purpose should be used to assist African governments in providing semipermanent housing, potable water supply systems, and sanitary facilities which are generally not provided by existing refugee relief agencies.

[“(b) There are authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise available for such purposes, $15,000,000 for the fiscal year 1981. Amounts appropriated under this subsection are authorized to remain available until expended.

[“(c) Assistance under this section shall be provided in accordance with the policies and general authorities contained in section 491.”.

[MIGRATION AND REFUGEE ASSISTANCE

[SEC. 406. Section 102(a)(4) of the Department of State Authorization Act, Fiscal Years 1980 and 1981, is amended by striking out “$457,798,000” and inserting in lieu thereof “$517,209,000”.

[PUBLIC LAW 480 TRANSFER AUTHORITY

[SEC. 407. Section 403 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following:

[“(c) Notwithstanding any other provision of this Act or any other Act, if the President determines it to be necessary for the purposes of this Act, he may direct that not to exceed 15 percent of the funds available in any fiscal year for carrying out any title of this Act be used to carry out any other title of this Act.”.

[EAST TIMOR

[SEC. 408. It is the sense of the Congress that the President should take all appropriate measures to—

[(1) continue to support and encourage relief operations by the Government of Indonesia and by international relief agencies in East Timor;

[(2) assist the Government of Indonesia to facilitate the reuniting of families separated because of developments in recent years in East Timor; and

[(3) encourage the Government of Indonesia to allow access to East Timor by international journalists.

[TITLE VI—PEACE CORPS

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 601. (a) Section 3(b) of the Peace Corps Act is amended by striking out “fiscal year 2980 not to exceed $105,404,000” and inserting in lieu thereof “fiscal year 1981 not to exceed $118,000,000”.

[(b) Section 3(c) of such Act is amended by striking out “fiscal year 1980” and inserting in lieu thereof “fiscal year 1981”.

[(c) Section 15(d)(7) of such Act is amended by striking out “$5,000” and inserting in lieu thereof “$20,000”.

[AMENDMENTS TO THE DOMESTIC VOLUNTEER SERVICE ACT

[SEC. 602. (a) Section 401 of the Domestic Volunteer Service Act of 1973 is amended—

[(1) by striking out “two Associate Directors” in the first sentence and inserting in lieu thereof “one Associate Director”;

[(2) by striking out "One such" and by inserting in lieu thereof "Such"; and

[(3) by striking out ", and the other such Associate Director" and all that follows through "(22 U.S.C. 2501 et seq.)".

[(b) Section 405 of such Act is amended—

[(1) in subsection (a) by striking out "and the Peace Corps Act (22 U.S.C. 2501 et seq.)".

[(2) in subsection (b)(1) by striking out "and the Peace Corps Act (22 U.S.C. 2501 et seq.)"; and

[(3) in subsection (b)(2)—

[(A) by striking out "and the Peace Corps Act", and

[(B) by striking out "Acts" both places it appears and inserting in lieu thereof "Act".

[UTILIZATION OF RETURNED PEACE CORPS VOLUNTEERS

[SEC. 603. The Director of the Peace Corps shall develop a plan providing for more effective utilization of returned Peace Corps volunteers in order to promote a better understanding of other peoples and cultures on the part of the American people. The Director shall report to the Congress no later than January 15, 1981, on the plan and necessary procedures for implementing the plan.

[TITLE VII—MISCELLANEOUS PROVISIONS

[HUMAN RIGHTS

[SEC. 701 (a) Section 116(a) of the Foreign Assistance Act of 1961 is amended by inserting "causing the disappearance of persons by the abduction and clandestine detention of those persons," immediately after "without charges,".

[(b) Section 502B(d)(1) of such Act is amended by inserting "causing the disappearance of persons by the abduction and clandestine detention of those persons," immediately after "trial,".

[(c) Section 112(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "causing the disappearance of persons by the abduction and clandestine detention of those persons," immediately after "without charges,".

[AUDITING OF INTERNATIONAL PROGRAMS

[SEC. 702. (a) Section 301(d) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following: "The Comptroller General shall report simultaneously to the Congress and the President the results of the audits conducted under this subsection.".

[(b) Section 301(e) of such Act is amended—

[(1) in the first sentence of paragraph (1)—

[(A) by striking out "a single professionally qualified group"; and inserting in lieu thereof "of external, professionally qualified groups", and

[(B) by striking out "and evaluation" and inserting in lieu thereof "evaluation, and audits";

[(2) in the second sentence of paragraph (1)—

[(A) by striking out "group" both places it appears and inserting in lieu thereof "groups", and

[(B) by striking out "and evaluation" and inserting in lieu thereof "evaluation, or audit";

[(3) in the third sentence of paragraph (1) by striking out "group" and inserting in lieu thereof "groups";

[(4) in the first sentence of paragraph (2) by striking out "and evaluation" and inserting in lieu thereof "evaluation, and audits";

[(5) in the second sentence of paragraph (2) by striking out "and evaluation" and inserting in lieu thereof "evaluation, or audit"; and

[(6) in the second sentence of paragraph (3) by inserting "his evaluation of such reports and related information," immediately after "to the President".

[REPORTS ON INTERNATIONAL ORGANIZATIONS

[SEC. 703. Chapter 3 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 306. REPORTS ON INTERNATIONAL ORGANIZATIONS.—(a) The annual reports to the Congress under section 2 of the Act of September 21, 1950 (64 Stat. 902; 22 U.S.C. 262a), shall be submitted within nine months after the end of the fiscal year to which they relate.

["(b)(1) The President shall submit semiannual reports to the Congress listing all voluntary contributions by the United States Government to international organizations. One of the semiannual reports shall be submitted no later than July 1 and shall list all contributions made during the first six months of the then current fiscal year. The other semiannual report shall be submitted no later than January 1 and shall list all contributions made during the last six months of the preceding fiscal year. Each such report shall specify the Government agency making the voluntary contribution, the international organization to which the contribution was made, the amount and form of the contribution, and the purpose of the contribution. Contributions shall be listed on both an agency-by-agency basis and an organization-by-organization basis.

["(2) In order to facilitate the preparation of the reports required by paragraph (1), the head of any Government agency which makes a voluntary contribution to any international organization shall promptly report that contribution to the Director of the Office of Management and Budget.

["(3) As used in this subsection, the term 'contribution' means any contribution of any kind, including the furnishing of funds or other financial support, services of any kind (including the use of experts or other personnel), or commodities, equipment, supplies, or other materiel.".

[TECHNICAL AMENDMENT CORRECTING CROSS REFERENCE

[SEC. 704. Section 502B(a)(2) of the Foreign Assistance Act of 1961 is amended by striking out "Export Administration Act of 1969" and inserting in lieu thereof "Export Administration Act of 1979".

[PROCUREMENT

[SEC. 705. (a) Section 604(e) of the Foreign Assistance Act of 1961 is amended by inserting the following immediately before the period at the end thereof: ", unless the commodity to be financed could not reasonably be procured in the United States in fulfillment of the objectives of a particular assistance program under which such commodity procurement is to be financed".

[(b) Section 604 of such Act is amended by adding at the end thereof the following new subsection:

["(g) None of the funds authorized to be appropriated or made available for obligation or expenditure under this Act may be made available for the procurement of construction or engineering services from advanced developing countries, eligible under the Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services.".

[INSPECTOR GENERAL

[SEC. 706. Section 624(g) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "Auditor General" each place is appears and inserting in lieu thereof "Inspector General";

[(2) in paragraph (3)—

[(A) by striking out "and investigative" and inserting in lieu thereof ", investigative, and security"; and

[(B) by adding at the end thereof the following: "In addition, to the extent requested by the Director of the United States International Development Cooperation Agency (after consultation with the Administrator), the Inspector General shall with respect to the duties and responsibilities of that Agency supervise, direct, and control all audit, investigative, and security activities relating to programs and operations within the require International Development Cooperation Agency.";

[(3) in paragraph (4) by inserting "and the Director" immediately after "Administrator"; and

[(4) by adding at the end thereof the following:

["(6) The Inspector General shall have the authority to require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of functions under this subsection. Any such subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court. Procedures other than subpenas shall be used to obtain documents and information from agencies of the United States Government.

["(7) In carrying out the responsibilities specified in paragraph (3), the Inspector General shall—

["(A) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

["(B) establish guidelines for determining when it is appropriate to use non-Federal auditors; and

[“(C) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in subparagraph (A).

[“(8) The Administrator shall provide the Inspector General with appropriate and adequate office space at central and field office locations of the agency primarily responsible for administering part I of this Act, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices and the equipment and facilities located in such offices. In establishing and staffing such field offices, the Administrator shall not be bound by overseas personnel ceilings established under the Monitoring Overseas Direct Employment policy.

[“(9)(A) The Inspector General may receive and investigate complaints or information from any employee of or under the United States International Development Cooperation Agency concerning the possible existence of an activity constituting a violation of law, rules, or regulations, constituting mismanagement, gross waste of funds, abuse of authority, or constituting a substantial and specific danger to the public health and safety.

[“(B) The Inspector General shall not, after receipt of a complaint or information from an employee, disclose the identity of the employee without the consent of the employee, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

[“(C) Any employee who has authority to take, direct others to take, recommend, or approve any personnel action shall not exercise or threaten to exercise such authority in order to take any action against any employee as a reprisal for making a complaint or disclosing information to the Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.”.

[ANNUAL REPORT

[SEC. 707. Section 634(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “and” at the end of paragraph (5);

[(2) by redesignating paragraph (6) as paragraph (8); and

[(3) by inserting after paragraph (5) the following new paragraphs:

[“(6) the dollar value of all official development assistance, security assistance, international disaster assistance, refugee assistance, and international narcotics control assistance provided by each government of a country which is a member of the Organization for Economic Cooperation and Development or of the Organization of Petroleum Exporting Countries;

[“(7) the percentage which each type of assistance described in paragraph (6) represents of (A) the gross national product of each country referred to in paragraph (6), and (B) the budget of the government of such country, as well as the per capita contribution for each country for each type of assistance described in paragraph (6); and

[SHIPPING DIFFERENTIAL

[SEC. 708. Section 640C of the Foreign Assistance Act of 1961 is amended by striking out "Part V" and inserting in lieu thereof "chapter 4 of part II".

[OPERATING EXPENSES

[SEC. 709. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "fiscal year 1980" and inserting in lieu thereof "fiscal year 1981"; and

[(2) in paragraph (1) by striking out "$263,000,000" and inserting in lieu thereof "$293,800,000".

[INTERAGENCY GROUP ON HUMAN RIGHTS AND FOREIGN ASSISTANCE

[SEC. 710. It is the sense of the Congress that—

[(1) the Interagency Group on Human Rights and Foreign Assistance has been an effective mechanism for coordinating and implementing United States human rights policies;

[(2) the President should consider establishing the Interagency Group on a more permanent basis;

[(3) the Interagency Group should examine proposals for not only economic assistance but also for security assistance; and

[(4) the President should report his recommendations for strengthening the Interagency Group to the Congress no later than July 1, 1981.

[PEACE IN THE MIDDLE EAST

[SEC. 711. (a) It is the sense of the Congress that all parties to the Arab-Israeli conflict need to reaffirm their unequivocal commitment to the peace process in order to achieve further progress toward a comprehensive settlement, to reinforce the principles of the Camp David accords, and to take actions to encourage parties not currently involved in the peace process to become active participants in peace efforts.

[(b) It is further the sense of the Congress that to further these goals (1) all parties to the conflict should accept Israel's unequivocal right to exist within secure and recognized borders; (2) the Governments of Israel and Egypt should maintain and strengthen their commitment to the process of normalization of relations and continue actions to support that commitment; (3) the Governments of Israel and Egypt should reaffirm their commitment to United Nations Resolution 242 and its applicability, in all its aspects, to territories under negotiations; and (4) the governments of countries in the Middle East should assure that their policies and actions are consistent with the objectives of achieving peace and of involving other parties in the peace process.

[ASSISTANCE FOR JORDAN

[SEC. 712. It is the sense of the Congress that for Jordan to receive any funds authorized to be appropriated by this Act, it should be judged by the President that Jordan is acting in good faith to achieve peace in the Middle East and that the expenditure of such funds for Jordan will serve to further peace in the Middle East.

[CUBAN REFUGEES

[SEC. 715. (a) The Congress finds that—

[(1) the flow of refugees for political, economic, or other compelling reasons is a growing and world-wide phenomenon;

[(2) the United States represents freedom of thought and action and economic opportunity and has historically played a major role in providing a home to the refugees of the world;

[(3) an orderly and lawful refugee process is necessary for the furtherance of United States domestic well-being;

[(4) continuation of the traditional compassionate and humanitarian policy of the United States regarding entry to its shores of refugees and other victims of oppression is threatened by the precipitate influx of large numbers of Cubans fleeing their country;

[(5) the United States has sought to negotiate with the Government of Cuba to establish a lawful, safe, and orderly process by which Cubans may be allowed to leave their country; and

[(6) the Cuban refugee crisis is a problem of international concern and other nations should contribute to its resolution.

[(b)(1) The Congress urges the President to take the necessary steps to encourage and secure greater international cooperation with respect to the large number of Cuban natives who have recently fled or are attempting to flee Cuba. Such steps should include seeking the agreement of other countries to admit some of those persons into their respective countries and to contribute funds and other assistance for the resettlement of those persons.

[(2) In order to encourage countries throughout the world which are recipients of United States bilateral and multilateral assistance to permit and to help finance the resettlement of Cuban and other refugees within their borders, the President shall, to the maximum extent feasible, attempt to channel such assistance to countries which have demonstrated a willingness to provide assistance to Cuban and other refugees.

[(c) It is the sense of the Congress that, in carrying out subsection (b)(1), the President should seek the discussion, in an appropriate international forum such as the United Nations or the Organization of American States, of the situation involving the flight of large numbers of Cuban natives from Cuba, of the resettlement of Cuban refugees, and of means by which a more orderly process may be established to handle future crises of a similar nature.

[INCARCERATION AND DEPORTATION OF CERTAIN CUBANS

[SEC. 716. The Congress finds that the United States Government has already incarcerated recently arrived Cubans who are admitted criminals, are security threats, or have incited civil disturbances in Federal processing facilities. The Congress urges the Executive branch, consistent with United States law, to seek the deportation of such individuals.

[PROHIBITION ON ASSISTANCE TO THE GOVERNMENTS OF CUBA, VIETNAM, AND CAMBODIA

[SEC. 717. None of the funds authorized to be appropriated by this Act may be used to provide assistance to the Governments of Cuba, Vietnam, or Cambodia. Nothing in this section shall be construed to prohibit food assistance or humanitarian assistance which is distributed directly to the people of Cambodia.

[COOPERATION OF OTHER GOVERNMENTS IN THE BOYCOTT OF THE 1980 SUMMER OLYMPIC GAMES IN MOSCOW

[SEC. 718. In determining the levels of assistance to be provided to a foreign government with funds authorized to be appropriated by this Act, the President shall take into account the position of that government with respect to the United States proposed boycott of the 1980 summer Olympic games in Moscow.

[ELECTIONS IN UGANDA

[SEC. 719. The President shall encourage the holding of free, open elections in Uganda and shall, in considering assistance for Uganda with funds authorized to be appropriated by this Act, take into account whether such elections are held.]

INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

[SHORT TITLE

[SECTION 1. This Act may be cited as the "International Development Cooperation Act of 1979".

[TITLE I—DEVELOPMENT ASSISTANCE

[AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

[SEC. 101. (a) Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to the President for purposes of this section in addition to funds otherwise available for such purposes, $659,000,000 for the fiscal year 1980.".

[(b) Section 103(b) of such Act is amended by adding at the end thereof the following new paragraph:

["(3) The Congress recognizes that the accelerating loss of forests and tree cover in developing countries undermines and offsets efforts to improve agricultural production and nutrition and otherwise to meet the basic human needs of the poor. Deforestation results in increased flooding, reduction in water supply for agricultural capacity, loss of firewood and needed wood products, and loss of valuable plants and animals. In order to maintain and increase forest resources, the President is authorized to provide assistance under this section for forestry projects which are essential to fulfill the fundamental purposes of this section. Emphasis shall be given to community woodlots, agroforestry, reforestation, protection of watershed forests, and more effective forest management.".

[(c) Section 103 of such Act is amended by adding at the end thereof the following new subsection:

["(f) The Congress finds that the efforts of developing countries to enhance their national food security deserves encouragement as a matter of United States development assistance policy. Measures complementary to assistance for expanding food production in developing countries are needed to help assure that food becomes increasingly available on a regular basis to the poor in such countries. Therefore, United States bilateral assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, and United States participation in multilateral institutions, shall emphasize policies and programs which assist developing countries to increase their national food security by improving their food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing postharvest food losses, and improving food distribution.".

[POPULATION AND HEALTH

[SEC. 102. (a) The first sentence of section 104(g) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

["(1) $201,000,000 for the fiscal year 1980 to carry out subsection (b) of this section; and

["(2) $141,000,000 for the fiscal year 1980 to carry out subsection (c) of this section, of which amount not less than $4,000,000 shall be made available to assist in the development of the John Sparkman Center for International Public Health Education to be located at the University of Alabama at Birmingham.".

[(b) Section 104(d)(1) of such Act is amended by inserting immediately before the period at the end of the second sentence the following: ", and through community-based development programs which give recognition to people motivated to limit the size of their families".

[EDUCATION AND HUMAN RESOURCES DEVELOPMENT

[SEC. 103. (a) The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $105,000,000 for the fiscal year 1980, which are authorized to remain available until expended.".

[(b) Section 105(b) of such Act is amended by adding at the end thereof the following new sentence: "Assistance under this section shall also be provided for advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.".

[DEVELOPMENT OF INDIGENOUS ENERGY RESOURCES

[SEC. 104. (a) Section 102(b) of the Foreign Assistance Act of 1961 is amended—

[(1) in paragraph (5) by striking out "and" immediately after the last semicolon and by inserting "; and energy development and production" immediately before the period; and

[(2) in paragraph (7) by inserting "the development, production, and" immediately after "promotes".

[(b) Section 106 of such Act is amended—

[(1) in subsection (a)—

[(A) by striking out paragraph (2), and

[(B) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively;

[(2) by redesignating subsections (a) and (B) as subsections (c) and (d), respectively; and

[(3) by inserting the following new subsections (a) and (b) immediately after the section caption:

["(a)(1) The Congress finds that energy development and production are vital elements in the development process, that energy shortages in developing countries severely limit the development process in such countries, that two-thirds of the developing countries which import oil depend on it for at least 90 percent of the energy which their economies require, and that the dramatic increase in world oil prices since 1973 has resulted in considerable economic hardship for many developing countries. The Congress is concerned that the value and purpose of much of the assistance provided to developing countries under sections 103, 104, and 105 are undermined by the inability of many developing countries to satisfy their energy requirements. Unless the energy deficit of the developing countries can be narrowed by more fully exploiting indigenous sources of energy such as oil, natural gas, and coal, scrace foreign exchange will increasingly have to be diverted to oil imports, primarily to the detriment of long-term development and economic growth.

["(2) The Congress recognizes that many developing countries lack access to the financial resources and technology necessary to locate, explore, and develop indigenous energy resources.

["(3) The Congress declares that there is potential for at least a moderate increase by 1990 in the production of energy for commercial use in the developing countries which are not members of the Organization of Petroleum Exporting Countries. In addition, there is a compelling need for vigorous efforts to improve the available data on the location, scale, and commercial exploitability of potential oil, natural gas, and coal reserves in developing countries especially those which are not members of the Organization of Petroleum Exporting Countries. The Congress further declares that there are many benefits to be gained by the developing countries and by the United States and other developed countries through expanded efforts to expedite the location, exploration, and development of potential sources of energy in developing countries. These benefits include, but are not limited to, the following:

["(A) The world's energy supply would be increased and the fear of abrupt depletion would be lessened with new energy

production. This could have a positive impact upon energy prices in international markets as well as a positive effect upon the balance of payments problems of many developing countries.

[“(B) Diversification of the world’s supplies of energy from fossil fuels would make all countries, developing and developed, less susceptible to supply interruptions and arbitrary production and pricing policies.

[“(C) Even a moderate increase in energy production in the developing countries would improve their ability to expand commercial trade, foreign investment, and technology transfer possibilities with the United States and other developed countries.

[“(4) Assistance for the production of energy from indigenous resources, as authorized by subsection (b) of this section, would be of direct benefit to the poor in developing countries because of the overwhelming impact of imported energy costs upon the lives of the poor and their ability to participate in development.

[“(b)(1) In order to help developing countries alleviate their energy problems by improving their ability to use indigenous energy resources to produce the energy needed by their economies, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to enable such countries to prepare for and undertake development of their energy resources. Such assistance may include data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production.

[“(2) Of the funds made available to carry out this section, up to $7,000,000 for the fiscal year 1980 shall be used for purposes of paragraph (1) to facilitate geological and geophysical survey work to locate potential oil, natural gas, and coal reserves and to encourage exploration for potential oil, natural gas, and coal reserves in developing countries which are not members of the Organization of Petroleum Exporting Countries.”.

[(c) Section 119(a) of such Act is amended by amending the first sentence to read as follows: “The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation through research on and development and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act.”.

[TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

[SEC. 105. Section 106(d) of the Foreign Assistance Act of 1961, as so redesignated by section 104(b)(2) of this Act, is amended to read as follows:

[“(d) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $125,000,000 for the fiscal year 1980, which are authorized to remain available until expended.”.

[HUMAN RIGHTS STUDIES AND ACTIVITIES

[SEC. 106. Section 116(e) of the Foreign Assistance Act of 1961 is amended by striking out "the fiscal year 1979" and inserting in lieu thereof "the fiscal year 1980".

[RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES

[SEC. 107. (a) Section 119 of the Foreign Assistance Act of 1961 is amended by redesignating existing subsection (a) as subsection (b) and by inserting the following new subsection (a) immediately after the section caption:

["(a) The Congress finds that energy production and conservation are vital elements in the development process and that energy shortages in developing countries severely limit the development progress of such countries. Inadequate access by the poor to energy sources as well as the prospect of depleted fossil fuel reserves and higher energy prices require an enhanced effort to expand the energy resources of developing countries, primarily through greater emphasis on renewable sources. Renewable and decentralized energy technologies have particular applicability for the poor, especially in rural areas.".

[(b) Such section is further amended by redesignating existing subsection (b) as subsection (d) and by inserting the following new subsection (c) between subsections (b) and (d), as so redesignated by this subsection and subsection (a) of this section:

["(c) Such programs may include research on, and the development, demonstration, and application of suitable energy technologies (including use of wood); analysis of energy uses, needs, and resources; training and institutional development; and scientific interchange.".

[SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

[SEC. 108. Section 121(c) of the Foreign Assistance Act of 1961 is amended by inserting the following sentence immediately after the first sentence: "In addition to the amount authorized in the preceding sentence and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $25,000,000.".

[RELATIVELY LEAST DEVELOPED COUNTRIES

[SEC. 109. Section 124(c)(2) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "Amounts due and payable during fiscal year 1980 to the United States from relatively least developed countries on loans made under this part (or any predecessor legislation) are authorized to be approved for use, in accordance with the provisions of paragraph (1) of this subsection, in an amount not to exceed $18,800,000.".

[DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION

[SEC. 110. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 126. DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION.—(a) The Congress recognizes that illicit narcotics cultivation is related to overall development problems and that the vast majority of all individuals employed in the cultivation of illicit narcotics reside in the developing countries and are among the poorest of the poor in those countries and that therefore the ultimate success of any effort to eliminate illicit narcotics production depends upon the availability of alternative economic opportunities for those individuals, upon other factors which assistance under this chapter could address, as well as upon direct narcotics control efforts.

[“(b) In planning programs of assistance under this chapter for countries in which there is illicit narcotics cultivation, the agency primarily responsible for administering this part should give priority consideration to programs which would help reduce illicit narcotics cultivation by stimulating broader development opportunities.

[“(c) In furtherance of the purposes of this section, the agency primarily responsible for administering this part shall cooperate fully with, and share its expertise in development matters with, other agencies of the United States Government involved in narcotics control activities abroad.”.

[AMERICAN SCHOOLS AND HOSPITALS ABROAD

[SEC. 111. Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(c) To carry out the purposes of this section, there are authorized to be appropriated to the President $25,000,000 for the fiscal year 1980, which are authorized to remain available until expended.”.

[HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

[SEC. 112. (a) Section 222(a) of the Foreign Assistance Act of 1961 is amended—

[(1) in the second sentence by striking out “$1,180,000,000” and inserting in lieu thereof “$1,555,000,000”; and

[(2) in the third sentence by striking out “until September 30, 1980” and inserting in lieu thereof “through September 30, 1982”.

[(b)(1) Section 222A(a) of such Act is amended by striking out “five” and inserting in lieu thereof “six”.

[(2) Section 222A(c) of such Act is amended by striking out “$15,000,000” and inserting in lieu thereof “$20,000,000”.

[(3) Section 222A(h) of such Act is amended by striking out “until September 30, 1979” and inserting in lieu thereof “through September 30, 1982”.

[(c) Section 223(f) of such Act is amended—

[(1) by striking out everything after “not” in the first sentence through “exceeds” in the second sentence and inserting in lieu thereof “exceed”; and

[(2) by striking out “such Department” and inserting in lieu thereof “the Department of Housing and Urban Development”.

[(d) Section 223(j) of such Act is amended—

[(1) in the first sentence, by striking out “(1) and all that follows through “(3) and inserting in lieu thereof “are coordinated

with and complementary to any development assistance being furnished under chapter 1 of this part and which"; and

[(2) by striking out the last sentence and inserting in lieu thereof the following: "Of the total amount of housing guaranties authorized to be issued under section 222 through September 30, 1982, not less than a face amount of $25,000,000 shall be issued for projects in Israel and not less than a face amount of $25,000,000 shall be issued for projects in Israel and not less than a face amount of $25,000,000 shall be issued for projects in Egypt.".

[FAMINE PREVENTION AND FREEDOM FROM HUNGER

[SEC. 113. Section 297 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a)(3) by inserting ", in the developing countries themselves to the maximum extent practicable," immediately after "university research"; and

[(2) by amending subsection (c) to read as follows:

["(c) To the maximum extent practicable, activities under this section shall—

["(1) be directly related to the food and agricultural needs of developing countries;

["(2) be carried out within the developing countries;

["(3) be adapted to local circumstances;

["(4) provide for the most effective interrelationship between research, education, and extension in promoting agricultural development in developing countries; and

["(5) emphasize the improvement of local systems for delivering the best available knowledge to the small farmers of such countries.".

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 114. (a) Section 302(1)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $267,280,000 for the fiscal year 1980, of which not to exceed $52,000,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees, except that not more than $42,500,000 of this amount may be obligated unless the President certifies to the Congress that any contributions above this level have been matched by equivalent contributions by members of the Organization of Petroleum Exporting Countries.".

[(b) Notwithstanding any other provision of law, funds appropriated for the fiscal year 1979 to meet the annual obligations of membership of the United States in the United Nations and its specialized agencies may be made available for the furnishing of technical assistance by the United Nations and its specialized agencies.

[INTERNATIONAL DISASTER ASSISTANCE

[SEC. 115. Section 492 of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1979" and inserting in lieu thereof "$21,800,000 for the fiscal year 1980".

[ASSISTANCE FOR AFRICAN REFUGEES

[SEC. 116. Section 495F of the Foreign Assistance Act of 1961 is amended in the second sentence—

[(1) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

[(2) by striking out "$15,000,000" and inserting in lieu thereof "$14,920,000".

[COMPLETION OF PLANS AND COST ESTIMATES

[SEC. 117. Section 611(b) of the Foreign Assistance Act of 1961 is amended by striking out "Memorandum of the President dated May 15, 1962" and inserting in lieu thereof "Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973".

[REPRESENTATION OF THE DEPARTMENT OF ENERGY ON THE DEVELOPMENT COORDINATION COMMITTEE

[SEC. 118. Section 640B(a) of the Foreign Assistance Act of 1961 is amended in the third sentence by inserting "Energy," immediately after "Agriculture,".

[REIMBURSABLE DEVELOPMENT PROGRAMS

[SEC. 119. Section 661 of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$3,000,000 of the funds made available for the purposes of this Act for the fiscal year 1979" and inserting in lieu thereof "$3,800,000 of the funds made available for the purposes of this Act for the fiscal year 1980".

[OPERATING EXPENSES

[SEC. 11120. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

[(2) in paragraph (1) by striking out "$261,000,000" and inserting in lieu thereof "$263,000,000".

[REGISTRATION OF PRIVATE VOLUNTARY AGENCIES

[SEC. 121. Sections 123(b), 607(a), and 635(c) of the Foreign Assistance Act of 1961 and sections 104(f) and 202(a) of the Agricultural Trade Development and Assistance Act of 1954 are amended by striking out "Advisory Committee on Voluntary Foreign Aid" and "Advisory Committee" wherever they appear and inserting in lieu thereof "Agency for International Development".

[MISCELLANEOUS REPEALS

[SEC. 122. Section 105(c), the last sentence of section 111, sections 113 (b) and (c), and section 118(c) of the Foreign Assistance

Act of 1961 are repealed. Subsection (d) of section 113 of such Act is redesignated as subsection (b).

[MINORITY RESOURCE CENTER

[SEC. 123. Section 133 of the International Development and Food Assistance Act of 1977 is amended by adding at the end thereof the following new subsection:

[“(c)(1) Upon the enactment of the International Development Cooperation Act of 1979, the section on minority business established pursuant to subsection (a) shall be redesignated as the Minority Resource Center (hereafter in this section referred to as the ‘Center’) which shall be responsible for increasing the participation of economically and socially disadvantaged business enterprises in contract, procurement, grant, and research and development activities funded by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 (hereafter in this section referred to as the ‘agency’).

[“(2) The Center shall—

[“(A) establish, maintain, and disseminate information to, and otherwise serve as an information clearinghouse for, economically and socially disadvantaged business enterprises regarding business opportunities in development assistance programs funded by the agency;

[“(B) design and conduct programs to encourage, promote, and assist economically and socially disadvantaged business enterprises to secure direct contracts, host country contracts, operation expatriate contracts, indefinite quantity contracts, subcontracts, projects, grants, and research and development contracts in order for such enterprises to participate in such development assistance programs;

[“(C) conduct market research, planning, economic and business analyses, and feasibility studies to identify business opportunities in such development assistance programs;

[“(D) develop support mechanisms which will enable socially and economically disadvantaged businesses to take advantage of business opportunities in such development assistance programs; and

[“(E) enter into such contracts (to such extent or in such amounts as are provided in appropriation Acts), cooperative agreements, or other transactions as may be necessary in the conduct of its functions under this section.

[“(3) The Administrator of the agency and the Secretary of State shall provide the Center with such relevant information, including procurement schedules, bids, and specifications with respect to development assistance programs funded by the agency, as may be requested by the Center in connection with the performance of its functions under this section.

[“(4) There shall be a Director of the Center who shall be the chief executive officer of the Center. The Director shall be appointed by the Administrator of the agency.

[“(5)(A) For the purposes of this section, the term ‘economically and socially disadvantaged enterprise’ means a business—

[“(i) which is at least 51 percent owned by one or more socially and economically disadvantaged individuals or, in the

case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

[“(ii) whose management and daily business operations are controlled by one or more such individuals.

[“(B) Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

[“(C) Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. In determining the degree of diminished credit and capital opportunities, the Administrator of the agency shall consider, but not be limited to, the assets and net worth of the socially disadvantaged individual.

[“(6) Not later than February 1 of each year, the Administrator of the agency shall submit to the Congress a report concerning the activities of the Center during the preceding fiscal year.

[“(7) Of the funds available to the agency for operating expenses, up to $950,000 for fiscal year 1980 may be allocated to the Center to carry out its functions under this section.

[“(8) If the Administrator of the agency determines that such a consolidation would significantly further the purposes of this section and would eliminate unnecessary duplication of activity, the Administrator may consolidate the Center with the Office of Small and Disadvantaged Business Utilization established in the agency by section 15(k) of the Small Business Act. Any such consolidation shall ensure that all the functions specified in paragraph (2) of this subsection continue to be carried out. Before implementing any such consolidation, the Administrator shall submit to the Congress a detailed report setting forth the reasons for the proposed consolidation.”.

[ASSISTANCE TO LATIN AMERICAN AND CARIBBEAN COUNTRIES

[“SEC. 125. It is the sense of the Congress that the United States should place greater emphasis on public and private resources for development programs in Latin America and the Caribbean which address problems common to the Western Hemisphere. It is further the sense of the Congress that provision of such assistance to Latin American and Caribbean countries, including transitional developing countries, is consistent with the purposes of part I of the Foreign Assistance Act of 1961.

[INCREASED CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE

[SEC. 126. In recognition of the rapidly growing economic strength and ability to contribute to international development and security efforts of other nations, it is the sense of the Congress that the President should take all appropriate steps to negotiate with those nations with adequate financial resources to provide assistance to increase their contributions for development assistance through multilateral programs as well as through bilateral efforts.

[TITLE II—FOOD FOR PEACE

[INCREASING DEMAND FOR FOOD AND ENCOURAGING LOCAL FOOD PRODUCTION

[SEC. 201. Section 103(f) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

["(f) give consideration to the development and expansion of markets for United States agricultural commodities and local foodstuffs by increasing the effective demand for agricultural commodities through the support of measures to stimulate equitable economic growth in recipient countries, with appropriate emphasis on developing more adequate storage, handling, and food distribution facilities;".

[ROLE OF INDIGENOUS INSTITUTIONS AND WORKERS

[SEC. 202. Section 202(b)(2) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

["(2) In order to assure that food commodities made available under this title are used effectively and in the areas of greatest need, entities through which such commodities are distributed shall be encouraged to work with indigenous institutions and employ indigenous workers, to the extent feasible, to assess nutritional and other needs of beneficiary groups, help these groups design and carry out mutually acceptable projects, recommend ways of making food assistance available that are most appropriate for each local setting, supervise food distribution, and regularly evaluate the effectiveness of each project.".

[ALLEVIATING THE CAUSES OF THE NEED FOR TITLE II ASSISTANCE

[SEC. 203. Section 206 of the Agricultural Trade Development and Assistance Act of 1954 is amended by amending clause (3) of the first sentence to read as follows: "(3) such agreement provides that the currencies will be used for (A) alleviating the causes of the need for the assistance in accordance with the purposes and policies specified in section 103 of the Foreign Assistance Act of 1961, or (B) programs and projects to increase the effectiveness of food distribution and increase the availability of food commodities provided under this title to the neediest individuals in recipient countries.".

[INCENTIVES FOR ENTERING INTO FOOD FOR DEVELOPMENT PROGRAMS

[SEC. 204. (a) Section 301(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) in the first sentence, by inserting ", or the dollar sales value of the commodities themselves," immediately after "the local sale of such commodities"; and

[(2) in the second sentence, by striking out "of funds from the sale of such commodities in the participating country" and inserting in lieu thereof "in the participating country of funds from the sale of such commodities or of the commodities themselves".

[(b) Section 305 of such Act is amended by adding at the end thereof the following new subsection:

["(c) When agricultural commodities made available under this title are used by the participating country in development projects in accordance with the applicable Food for Development Program, the dollar sales value of such commodities shall be applied, in accordance with subsections (a) and (b) of this section, against repayment obligations of that country under this Act, with the value of the commodities so used being deemed to be disbursements made at the time of such use.".

[(c) Section 303(a) of such Act is amended by striking out "for each year such funds are to be disbursed" in the second sentence.

[PARTICIPATION OF AMERICAN AGRICULTURE IN FOOD FOR DEVELOPMENT PROGRAMS

[SEC. 205. Section 302(c) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new paragraph:

["(4) In developing and carrying out Food for Development Programs under this title, consideration shall be given to using the capability and expertise of American agriculture, in partnership with indigenous individuals and organizations, in furthering economic development and increased food production.".

[FULL FORGIVENESS OF REPAYMENT OBLIGATIONS UNDER FOOD FOR DEVELOPMENT PROGRAMS

[SEC. 206. Section 305(a) of the Agricultural Trade Development and Assistant Act of 1954 is amended by adding at the end thereof the following: "Disbursements of funds from the special account in an amount equivalent to the dollar value of the credit furnished by the Commodity Credit Corporation under section 304(a) shall be deemed to be payment of all installments of principal and interest payable thereon for the commodities purchased by the participating country for purposes of this title.".

[REPORTS UNDER TITLE III

[SEC. 207. (a) Section 306 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting in the first sentence "a detailed description of how the commodities were used or" immediately before "a specific".

[(b) The first sentence of section 307(a) of such Act is amended to read as follows: "Each year the President shall review all agreements providing for the use under this title of the proceeds from the sale of agricultural commodities, or of the commodities themselves, with respect to which there was not full disbursement during the preceding fiscal year.".

[AVOIDING INTERFERENCE WITH PRODUCTION OR MARKETING IN RECIPIENT COUNTRIES

[SEC. 208. Section 401(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended in clause (2)—

[(1) by inserting "or interference with" immediately after "to"; and

[(2) by inserting "or marketing" immediately after "production".

[DETERMINATION OF COMMODITY NEEDS AND PROGRAM BENEFICIARIES IN EACH COUNTRY

[SEC. 209. Section 404 of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

["SEC. 404. (a) The programs of assistance conducted under this Act, and the types and quantities of agricultural commodities to be made available, shall be directed in the national interest toward the attainment of humanitarian and developmental objectives as well as the development and expansion of United States and recipient country agricultural commodity markets. To the maximum extent possible, either the commodities themselves shall be used to improve the economic and nutritional status of the poor through effective and sustainable programs, or any proceeds generated from the sales of agricultural commodities shall be used to promote policies and programs that benefit the poor.

["(b) Country assessments shall be carried out whenever necessary in order to determine the types and quantities of agricultural commodities needed, the conditions under which commodities should be provided and distributed, the relationship between United States food assistance and other development resources, the development plans of that country, the most suitable timing for commodity deliveries, the rate at which food assistance levels can be effectively used to meet nutritional and developmental needs, and the country's potential as a new or expanded market for both United States agricultural commodities and recipient country foodstuffs.".

[COMMODITES FOR MULTIYEAR DEVELOPMENT PURPOSES

[SEC. 210. Title IV of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

["SEC. 413. In order to best meet the humanitarian and developmental purposes of this Act, commodities provided under this Act for developmental purposes shall be made available, to the maximum extent practicable, on a multiyear basis when necessary for the most effective accomplishment of these purposes.".

[TITLE III—PEACE CORPS

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 301. Section 3 of the Peace Corps Act is amended—

[(1) in subsection (b), by striking out the matter before the first proviso and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out the purposes of this Act for fiscal year 1980 not to exceed $105,404,000"; and

[(2) in subsection (c), by striking out "for fiscal year 1978, $1,069,000, and for fiscal year 1979" and inserting in lieu thereof "for fiscal year 1980".

[PEACE CORPS PERSONNEL

[SEC. 302. Section 7(a) of the Peace Corps Act is amended by adding at the end thereof the following new paragraph:

["(4) Until such time as the Congress enacts Foreign Service personnel reform legislation which amends or otherwise supersedes this paragraph, a person who has received a Foreign Service Reserve or staff appointment or assignment under this subsection may, not later than three years after the effective date of this paragraph or after separation from such appointment or assignment, whichever is later, be appointed to a position in any United States department, agency, or establishment—

["(A) in the competitive service under title 5, United States Code, without competitive examination and in accordance with such regulations and conditions consistent with this subsection as may be prescribed by the Director of the Office of Personnel Management, or

["(B) in an established merit system in the excepted service, if such person (i) served satisfactorily under the authority of this subsection, as certified by the President, for not less than thirty-six months on a substantially continuous basis, and (ii) is qualified for the position in question.".

[TITLE IV—INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

[STATEMENT OF POLICY

[SEC. 401. As declared by Congress in the Foreign Assistance Act of 1961, a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives. The Congress reaffirms the profound humanitarian and foreign policy concerns of the United States in the economic and social progress of the developing countries and in the alleviation of the worst physical manifestations of poverty in these countries.

[In furtherance of that objective, the Congress recognizes that developing countries require extensive scientific and technological capacity in order to deal effectively with their developmental problems, relate to the industrialized nations, and constructively participate in the shaping of a stable world order.

[It is therefore in the mutual interest of the United States and the developing countries to increase scientific and technological cooperation and jointly to support long-term research on critical problems that impede development and limit the efficient use of the world's human, natural, and capital resources.

[PURPOSES AND ESTABLISHMENT OF THE INSTITUTE

[SEC. 402. (a) To strengthen the capacity of the people of developing countries to solve their development problems through scientific and technological innovation, to foster research on problems of development, and to facilitate scientific and technological cooperation with developing countries, the President is authorized to

establish an Institute for Scientific and Technological Cooperation (hereafter in this title referred to as the "Institute"), which shall be subject to the foreign policy guidance of the Secretary of State.

[(b) The Institute shall be guided by the policies set forth in sections 101 and 102 of the Foreign Assistance Act of 1961 and shall direct a substantial share of its resources to those objectives.

[FUNCTIONS OF THE INSTITUTE

[SEC. 401. (a) In carrying out its purposes, the Institute shall—

[(1) assist developing countries to strengthen their own scientific and technological capacity in order for them to undertake the research and experimentation necessary for development;

[(2) support research, in the United States and in developing countries, on critical development problems, with emphasis on research relating to technologies which are labor-intensive or which do not generate additional unemployment or underemployment and with emphasis on those problems which are the greatest impediment to improvement in the lives of the majority of the poor;

[(3) foster the exchange of scientists and other technological experts with developing countries, and other forms of exchange and communication to promote the joint solution of problems of mutual concern to the United States and developing countries;

[(4) advise and assist other agencies of the United States Government in planning and executing policies and programs of scientific and technological cooperation with developing countries;

[(5) facilitate the participation of private United States institutions, businesses, and individuals in scientific and technological cooperation with developing countries; and

[(6) gather, analyze, and disseminate information relevant to the scientific and technological needs of developing countries.

[(b) In carrying out the functions specified in subsection (a), the Institute shall take particular care to review all of its programs, projects, and other activities to ensure that technologies which are developed, utilized, or promoted are assessed with regard to minimizing any new problems and that participants in such programs, projects, and activities are fully aware of the need for such review with respect to any technology-related activities for which they are responsible.

[(c) For purposes of carrying out the functions of the Institute, the President may utilize, in addition to authorities conferred by this title, such authority contained in the Foreign Assistance Act of 1961, the Foreign Service Act of 1980, title V of the Foreign Relations Authorization Act, Fiscal Year 1979, and title IV of the International Development and Food Assistance Act of 1978, as the President deems necessary.

[(d) The Institute shall carry out its functions in consultation and cooperation with the agencies of the United States Government, international organizations, and agencies of other governments engaged in promoting economic, social, and technological development in developing countries.

[(e) The President shall prescribe appropriate procedures to assure coordination of the activities of the Institute with other activities of the United States Government in furthering the use of science and technology in the cause of development.

[GENERAL AUTHORITIES

[SEC. 404. (a) To carry out the purposes and functions of the Institute, the President may—

[(1) make and perform contracts and other agreements with any individual, institution, corporation, or other body of persons however designated, within or outside the United States, and with governments or government agencies, domestic or foreign;

[(2) make advances, grants, and loans to any individual, institution, corporation, or other body of persons however designated, within or outside the United States, and to governments or government agencies, domestic or foreign;

[(3) employ such personnel as necessary and fix their compensation;

[(4) make provision for compensation, transportation, housing, subsistence (or per diem in lieu thereof), and health care or health and accident insurance for foreign nationals engaged in activities authorized by this title while they are away from their homes, without regard to the provisions of any other law;

[(5) accept and use money, funds, property, and services of any kind by gift, devise, bequest, grant, or otherwise in furtherance of the purposes of the Institute;

[(6) acquire by purchase, lease, loan, bequest, or gift and hold and dispose of by sale, lease, loan, or grant, real and personal property of all kinds;

[(7) prescribe, amend, and repeal such rules and regulations as may be necessary to the conduct of the business of the Institute;

[(8) utilize information, services, facilities, officers, and employees of any agency of the United States Government;

[(9) establish a principal office in the United States and such other offices within or outside the United States, as may be necessary;

[(10) make such expenditures as may be necessary for administering the provisions of this title;

[(11) adopt, alter, and use an official seal for the Institute, which shall be judicially noticed; and

[(12) take such other actions as may be necessary and incidental to carrying out the functions of the Institute.

[(b) Any authority provided by this section involving the expenditures of appropriated funds shall be effective for a fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

[DIRECTOR OF THE INSTITUTE

[SEC. 405. (a) There shall be a Director of the Institute (hereafter in this title referred to as the "Director") who shall be the chief executive officer of the Institute. The Director shall be appointed by the President, by and with the advice and consent of the

Senate, and shall receive compensation at the rate payable for level III of the Executive Schedule under section 5314 of title 5 of the United States Code.

[(b) The President may exercise any authorities conferred upon him by this title through the Director or any other agency or officer of the United States Government as he shall direct. The Director or head of any such agency or any such officer may delegate to any of his subordinates authority to perform any of such functions.

[DEPUTY DIRECTOR AND OTHER STATUTORY OFFICERS

[SEC. 406. (a) A Deputy Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director shall receive compensation at the rate payable for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code.

[(b) The Deputy Director shall perform such duties and exercise such powers as the Director may prescribe.

[(c) The President may establish up to two additional positions in the Institute to be compensated at the rate payable for level V of the Executive Schedule under section 5316 of title 5 of the United States Code.

[COUNCIL ON INTERNATIONAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION

[SEC. 407. (a) In order to further the purposes of the Institute, the President is authorized to establish a Council on International Scientific and Technological Cooperation (hereafter in this title referred to as the "Council").

[(b)(1) The Council shall—

[(A) advise the Director with respect to the policies, programs, planning, and procedures of the Institute;

[(B) make recommendations to the Director on the use of the resources available to the Institute; and

[(C) advise the Director on matters involving the activities of the Institute overseas and appropriate relationship with the private sector, within and outside the United States.

[(2) The Council shall prepare an annual report setting forth the major recommendations made and advice given pursuant to paragraph (1) of this subsection.

[(c) The Director shall seek the advice of the Council before making any decision with respect to the selection or termination of, or any significant change in, the areas and issues in which the Institute conducts its activities, and with respect to the transfer of specific programs and projects from any other Government agency to the Institute. The Council shall have the authority to review all new programs and initiatives before their implementation and to make recommendations with regard to the approval or disapproval of new programs and initiatives having a cost in excess of $500,000 or a duration greater than two years.

[(d) The Council shall consist of up to twenty-five members appointed by the President, one of whom the President shall designate as Chairman. The members of the Council shall be appointed for terms for four years, except that the members first appointed shall be appointed for terms of one, two, three, or four

years, as designated by the President at the time of their appointment, so that the terms of approximately one-fourth of the members of the Council expire in any year. The members of the Council shall be selected from among—

[(1) citizens of the United States who are widely recognized for their broad knowledge of, or expertise in, science and technology, or their interest in the scientific and technological problems of developing countries;

[(2) citizens of foreign countries who by their knowledge and expertise are capable of providing advice and guidance to the Institute on the application of science and technology to the problems of developing countries, except that not more than one-third of the membership of the Council shall consist of members who are citizens of foreign countries; and

[(3) officials of the United States Government, except that not to exceed five members of the Council may be appointed under this paragraph, one of whom shall be the Secretary of State or his designee.

[(e) Members of the Council who are not officials of the United States Government shall be entitled to compensation, not to exceed the daily equivalent of the highest rate which may be paid by an employee under the General Schedule established by section 5332 of title 5 of the United States Code, while in the performance of their duties under this title, and to reimbursement for expenses and per diem in lieu of subsistence while away from their homes or regular places of business in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code. Members of the Council who are not officials of the United States Government shall not be deemed officers, employees, or otherwise in the service or employment of the United States Government for any purpose, except that members of the Council who are United States citizens shall be deemed Government employees for the purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

[(f) The Council may appoint from among its members an Executive Committee, and such other committees it deems necessary, to assist it in exercising its power and functions. The Executive Committee shall consist of seven members, one of whom shall be the Chairman of the Council and not more than three of whom shall be employees of the United States Government. The Executive Committee shall exercise such powers and functions as are delegated to it by the Council.

[INSTITUTE FELLOWSHIPS

[Sec. 408. (a) The President is authorized to award up to twenty fellowships annually for periods up to two years, such awards to be renewable for an additional period not to exceed two years, to individuals who have demonstrated exceptional competence and ability in the fields of scientific, technological, economic, or social endeavor selected by the Institute for concentration. The awards shall be made so as to encompass a wide diversity of disciplines and backgrounds, and shall be made on the basis of criteria established by the President upon the advice of the Council. Up to ten of the

awards in any year may be made to citizens of countries other than the United States. Individuals awarded fellowships shall be designated as Institute Fellows.

[(b) The President may assign Institute Fellows to undertake such activities, in the United States or abroad, as will further the purposes of the Institute.

[(c) The amount of the awards made pursuant to this section shall be established by the President, but shall not in any case exceed the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code. In addition, where appropriate, the President may make provisions for transportation, housing (when assigned outside country of residence), subsistence (or per diem in lieu thereof), and health care or health or accident insurance for Institute Fellows and their dependents while engaged in activities authorized by this title.

[(d) Except as provided otherwise in this section, Institute Fellows shall not be deemed employees or otherwise in the service or employment of the United States Government. Institute Fellows shall be considered employees for purposes of compensation of injuries under chapter 81 of title 5 of the United States Code and the tort claim provisions of chapter 171 of title 28 of the United States Code. In addition, Institute Fellows who are United States citizens shall be considered Government employees for purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

[(e) Alien participants in any program of the Institute, including Institute Fellows and their dependents, may be admitted to the United States, if otherwise qualified as non-immigrants under section 101(a)(150 of the Immigration and Nationality Act, for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

[CONFLICT OF INTEREST

[SEC. 409. Members of the Council and Institute Fellows shall avoid any action, in their activities with respect to the Institute, which might result in, or create the appearance of, a conflict of interest, including but not limited to—

[(1) using their office or position for private gain;

[(2) giving preferential treatment to any person;

[(3) making recommendations or decisions relating to any activity authorized by this title in other than an impartial and independent manner;

[(4) mussing Government property or official information obtained through their office or position which has not been made available to the general public; or

[(5) affecting adversely the confidence of the public in the integrity of the Institute.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 410. There are authorized to be appropriated to the President to carry out this title, in addition to funds otherwise available for such purpose, $12,000,000 for the fiscal year 1981. Funds ap-

propriated under this section are authorized to remain available until expended.

[CONFORMING AMENDMENTS

SEC. 412. (a) Section 5314 of title 5 of the United States Code, relating to level III of the Executive Schedule, is amended by adding at the end thereof the following:

[“(70) Director, Institute for Scientific and Technological Cooperation.”

[(b) Section 5315 of title 5 of the United States Code, relating to level IV of the Executive Schedule, is amended by adding at the end thereof the following:

[“(128) Deputy Director, Institute for Scientific and Technological Cooperation.”.

[(c) Section 5316 of title 5 of the United States Code, relating to level V of the Executive Schedule, is amended by adding at the end thereof the following:

[“(152 Additional officers, Institute for Scientific and Technological Cooperation (2).”.

[ESTABLISHMENT IN INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

[SEC. 413. Upon the establishment of the United States International Development Cooperation Agency pursuant to Reorganization Plan Numbered 2 of 1979, the Institute shall be established within such Agency.

[EXPIRATION OF AUTHORITIES

[SEC. 414. The authorities contained in this title shall expire on September 30, 1984.

[TITLE V—MISCELLANEOUS PROVISIONS

[EARMARKING FOR LEBANON OF UNOBLIGATED BALANCES IN THE MIDDLE EAST SPECIAL REQUIREMENTS FUND

[SEC. 501. Of the funds continued available for the fiscal year 1979 for the Middle East Special Requirements Fund by section 103 of the Foreign Assistance and Related Programs Appropriations Act, 1979, which are unobligated on the date of enactment of this Act, $5,000,000 shall be available only for Lebanon and may hereafter be continued available for such country.

[MILITARY ASSISTANCE TO SUDAN

[SEC. 502. In addition to the amount authorized to be appropriated for grant military assistance for the fiscal year 1980 by section 504(a)(1) of the Foreign Assistance Act of 1961, there is authorized to be appropriated to carry out the purposes of chapter 2 of part II of that Act for the fiscal year 1980 $1,700,000. Not more than $1,700,000 of the funds available to carry out that chapter for the fiscal year 1980 may be allocated and made available for assistance for Sudan. For purposes of the last sentence of section 504(a)(1) and for purposes of section 515(b)1) of the Foreign Assist-

ance Act of 1961, this section shall be deemed to be part of such section 504(a)(1).

[UNIFIED PERSONNEL SYSTEM

[SEC. 503. (a) Section 401(a) of the International Development and Food Assistance Act of 1978 is amended by striking out "March 15" and inserting in lieu thereof "May 1".

[(b) The amendment made by subsection (a) shall be effective as of March 15, 1979.

[HUMAN RIGHTS REPORTS

[SEC. 504. (a) Paragraph (1) of section 116(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(1) the status of internationally recognized human rights, within the meaning of subsection (a)—

["(A) in countries that receive assistance under this part, and

["(B) in all other foreign countries which are members of the United Nations and which are not otherwise the subject of a human rights report under this Act; and".

[(b) Not later than November 15, 1979, the Secretary of State shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report on the impact on the foreign relations of the United States of the reports required by the Foreign Assistance Act of 1961 on the human rights practices of foreign governments.

[PROHIBITION ON ASSISTANCE TO AFGHANISTAN

[SEC. 505. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 620D. PROHIBITION ON ASSISTANCE TO AFGHANISTAN.—(a) None of the funds authorized to be appropriated under this Act may be used to furnish assistance to Afghanistan nor may funds authorized to be appropriated under the Act before October 1, 1979, be expended for assistance to Afghanistan until the President certifies to the Congress that—

["(1) the Government of Afghanistan has apologized officially and assumes responsibility for the death of Ambassador Adolph Dubs; and

["(2) the Government of Afghanistan agrees to provide adequate protection for all personnel of the United States Government in Afghanistan.

["(b) The provisions of subsection (a) shall not apply if the President determines that such assistance is in the national interest of the United States because of substantially changed circumstances in Afghanistan.".

[NONPROLIFERATION OF NUCLEAR WEAPONS

[SEC. 507. (a) In accordance with the Nuclear Non-Proliferation Act of 1978, the Congress strongly urges all nations which are not parties to the Treaty on Non-Proliferation of Nuclear Weapons to become parties to that treaty.

[ACCELERATED LOAN REPAYMENTS

[SEC. 508. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by section 110 of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 127. ACCELERATED LOAN REPAYMENTS.—The Administrator of the agency primarily responsible for administering this part shall conduct an annual review of bilateral concessional loan balances and shall determine and identify those countries whose financial resources make possible accelerated loan repayments. In particular, European countries that were recipients of concessional loans by predecessor agencies to the agency primarily responsible for administering this part shall be contacted to negotiate accelerated repayments. The criteria used by the Administrator in making these determinations shall be established in conjunction with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.".

[REFUGEE CRISIS IN SOUTHEAST ASIA

[SEC. 509. (a)(1) The refugee crisis in Indochina is unfolding as one of the great human tragedies of our time.

[(2) At least seven hundred and fifty thousand human beings have fled Vietnam, Kampuchea, and Laos since the spring of 1975.

[(3) Approximately three hundred thousand human beings currently remain in refugee camps throughout Southeast Asia.

[(4) As many as two hundred and fifty thousand human beings may have perished in their attempts to reach freedom and many thousands more face death should the present situation continue.

[(5) The international borders are closing to the refugees fleeing from Indochina.

[(6) The international community has failed to respond adequately to the crisis, despite the existence of adequate mechanisms to respond.

[(b) It is the sense of the Congress that the President should continue to support the efforts of the Secretary General of the United Nations to use appropriate fora to deal with the refugee crisis in Southeast Asia.

[CERTAIN TRAVEL EXPENSES

[SEC. 510. Section 5924(4)(B) of title 5, United States Code, is amended by striking out "one annual trip each way for each dependent of an employee of the Department of State or the United States Information Agency, or" and inserting in lieu thereof "(i) in the case of dependents traveling to obtain secondary education, one annual trip, or in the case of dependents traveling to obtain undergraduate college education, two annual trips, each way for each dependent of an employee of the Department of State, of the International Communication Agency, or of the Agency for International Development, or (ii)".

[HUMAN RIGHTS

[SEC. 511. Section 502B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(e) Notwithstanding any other provision of law, funds authorized to be appropriated under part I of this Act may be made available for the furnishing of assistance to any country with respect to which the President finds that such a significant improvement in its human rights record has occurred as to warrant lifting the prohibition on furnishing such assistance in the national interest of the United States.”.

[EFFECTIVE DATES

[SEC. 512. (a) Except as provided in subsection (b) of this section and in section 503(b), this Act shall take effect on October 1, 1979.

[(b) Sections 114(b), 123, 501, and 509 of this Act shall take effect on the date of enactment of this Act.]

INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

AN ACT To amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1980, and for other purposes

Be it enacted by the Senate and House Representatives of the United States of America in Congress assembled,

[SHORT TITLE

[SECTION 1. This Act may be cited as the “International Security Assistance Act of 1979”.

[CONTINGENCIES

[SEC. 2. (a) The heading for chapter 5 of part I of the Foreign Assistance Act of 1961 is amended by striking out “CONTINGENCY FUND” and inserting in lieu thereof “CONTINGENCIES”.

[(b) Section 451 of such Act is amended—

[(1) by striking out “CONTINGENCY FUND” and inserting in lieu thereof “CONTINGENCIES”; and

[(2) by amending subsection (a) to read as follows:

[“(a)(1) Notwithstanding any other provision of law, the President is authorized to use not to exceed $10,000,000 of funds made available in any fiscal year to carry out any provision of this Act (other than the provisions of chapter 1 of this part) in order to provide, for any emergency purposes, assistance authorized by this part in accordance with the provisions applicable to the furnishing of such assistance.

[“(2) The President shall report promptly to the Speaker of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate each time he exercises the authority contained in this subsection.”.

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 3.(a) Section 482(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $51,758,000 for the fiscal year 1980.

[“(2) Of the amount authorized to be appropriated for the fiscal year 1980 by paragraph (1), $16,000,000 shall be available only for

the Republic of Colombia for the interdiction of drug traffic. Such funds may be used only (A) for helicopters, patrol vessels, fixed radar equipment, transport vehicles, and fuel, which will be used exclusively for interdicting drug traffic, and (B) for training personnel with respect to the interdiction of drug traffic.

[“(3) Funds appropriated under this subsection for the fiscal year 1980 may not be used for a contribution to the United Nations Fund for Drug Abuse Control in an amount which exceeds the lesser of $3,000,000 or 25 percent of the total contributions by all countries to such Fund for the calendar year with respect to which the United States contribution is made.

[“(4) Amounts appropriated under this subsection are authorized to remain available until expended.”.

[(b) Section 481(d)(1) of such Act is amended by striking out “or used for any program involving” and inserting in lieu thereof “for the purpose of”.

[HUMAN RIGHTS

[SEC. 4. Section 502B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the follow new subsection:

[“(f) In allocating the funds authorized to be appropriated by this Act and the Arms Export Control Act, the President shall take into account significant improvements in the human rights records of recipient countries, except that such allocations may not contravene any other provision of law.”.

[MILITARY ASSISTANCE

[SEC. 5. (a) Section 504(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $110,200,000 for the fiscal year 1980. Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1980:

[“Country	*Amount*
Portugal	$30,000,000
Spain	3,800,000
Jordan	30,000,000
Philippines	25,000,000

The amount specified in this paragraph for military assistance to any such country may be increased by not more than 10 percent of such amount if the President deems such increase necessary for the purposes of this chapter.”.

[(b) Section 506 of such Act is amended to read as follows:

[“SEC. 506. SPECIAL AUTHORITY.—(a) If the President determines and reports to the Congress in accordance with section 652 of this Act that—

[“(1) an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization; and

[“(2) the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except this section;

he may direct, for the purposes of this part, the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not to exceed $10,000,000 in any fiscal year.

[“(b)(1) The authority contained in this section shall be effective for any such emergency only upon prior notification to the Committee on Foreign Affairs of the House of Representatives, the Committee on Foreign Relations of the Senate, and the Committee on Appropriations of each House of Congress.

[“(2) The President shall keep the Congress fully and currently informed of all defense articles, defense services, and military education and training provided under this section.

[“(c) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for defense articles, defense services, and military education and training provided under this section.”.

[(c) Section 516(a) of such Act is amended by striking out “until September 30, 1981,” and all that follows thereafter and inserting in lieu thereof “shall remain available for a period of three fiscal years next following any fiscal year after the fiscal year 1977 for which assistance under this chapter has been authorized for a country, to the extent necessary to carry out obligations incurred under this chapter with respect to such assistance for such country on or before September 30 of such fiscal year.”.

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

[SEC. 6 (a) Section 514 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (b)(2), by striking out “$90,000,000 for the fiscal year 1979” and inserting in lieu thereof “$95,000,000 for the fiscal year 1980”; and

[(2) in subsection (c), by inserting “the Republic of Korea or” immediately after “stockpiles located in”.

[INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

[SEC. 7. Section 515 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (b)(1)—

[(A) by striking out “fiscal year 1979” and inserting in lieu thereof “fiscal year 1980”; and

[(B) by inserting “Greece,” immediately after “Panama,”; and

[(2) in subsection (f), by striking out “December 31, 1997” and inserting in lieu thereof “December 31, 1978”.

[ECONOMIC SUPPORT FUND

[SEC. 8. (a) Section 531(b)(1) of the Foreign Assistance Act of 1961 is amended by striking out “for the fiscal year 1979, $1,902,000,000” and inserting in lieu thereof “for the fiscal year 1980, $1,935,000,000”.

[(b) Section 532 of such Act is amended by striking out subsection (b) and inserting in lieu thereof the following:

["(b)(1) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, not less than $785,000,000 shall be available only for Israel and not less than $750,000,000 shall be available only for Egypt. Not less than two-thirds of such funds shall be provided on a grant basis to each such country.

["(2) The total amount of funds allocated for Israel under this chapter for the fiscal year 1980 may be made available as a cash transfer. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfers made to Israel does not cause an adverse impact on the total amount of nonmilitary exports from the United States to Israel.

["(c) It is the sense of the Congress that programs which stress regional development or regional scientific and technical cooperation in the Middle East can contribute in an important way to the mutual understanding that must serve as the basis for permanent peace in the Middle East.

["(d) It is the sense of the Congress that—

["(1) funds made available under this chapter for countries in the Middle East are designed to promote progress toward a comprehensive peace settlement in the Middle East; and

["(2) for Syria and Jordan to continue to receive funds under this chapter, it should be judged by the President that they are acting in good faith to achieve further progress toward a comprehensive peace settlement and that the expenditure of the funds will serve the process of peace in the Middle East.

["(e) None of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1980 may be used to provide assistance for Syria, unless the President determines, and so reports to the Congress, that assistance for Syria is in the national interest of the United States.".

[(c) Section 533 of such Act is amended to read as follows:

["SEC. 533. SOUTHERN AFRICA PROGRAMS.—(a) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, $68,000,000 shall be available for the countries of southern Africa and for a southern Africa regional refugee support, training, and economic planning program to address the problems caused by the economic dislocation resulting from the conflict in that region and for education and job training assistance. Such funds may be used for education and job training assistance. Such funds may be used to provide humanitarian assistance to Africa refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts, and to provide support to countries in that region.

["(b) No assistance may be furnished under this section to Mozambique, Angola, Tanzania, or Zambia, except that the President may waive this prohibition with respect to any such country if he determines, and so reports to the Congress, that furnishing such assistance to such country would further the national interests of the United States.".

[(d) Section 534 of such Act is amended to read as follows:

[“SEC. 534. TURKEY AND CYPRUS PROGRAMS.—(a) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, $15,000,000 shall be available only for Cyprus for refugee relief, reconstruction, or other activities consistent with a reconciliation on Cyprus.

[“(b) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, not more than $98,000,000 shall be available for Turkey.”.

[(e) Chapter 4 of part II of such Act is amended by adding at the end thereof the following new section:

[“SEC. 535. SUDAN PROGRAM.—Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, not less than $40,000,000 shall be available for Sudan.”.

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 9. Section 542 of the Foreign Assistance Act of 1961 is amended by striking out “$31,800,000 for the fiscal year 1979” and inserting in lieu thereof “$31,800,000 for the fiscal year 1980, except that no part of such amount may be made available for Inter-American regional programs unless the foreign countries participating in such programs collectively contribute an equivalent amount to carry out the purposes of such programs”.

[PEACEKEEPING OPERATIONS

[SEC. 10. (a) Section 552(a) of the Foreign Assistance Act of 1961 is amended by striking out “$30,900,000 for the fiscal year 1979” and inserting in lieu thereof “$21,100,000 for the fiscal year 1980”.

[(b) Section 551 of such Act is amended by adding at the end thereof the following new sentence: “Such assistance may include reimbursement to the Department of Defense for expenses incurred pursuant to section 7 of the United Nations Participation Act of 1945, except that such reimbursements may not exceed $5,000,000 in any fiscal year unless a greater amount is specifically authorized by this section.”.

[(c) Section 552 of such Act is amended by adding at the end thereof the following new subsection:

[“(c) If the President determines that, as the result of an unforeseen emergency, the provision of assistance under this chapter in amounts in excess of funds otherwise available for such assistance is important to the national interests of the United States, the President may exercise the authority of section 610(a) of this Act to transfer funds available to carry out chapter 4 of this part for use under this chapter without regard to the 20-percent increase limitation contained in such section, except that (1) the total amount so transferred in any fiscal year may not exceed $10,000,000, and (2) earmarked funds may not be transferred.”.

[COOPERATIVE CROSS SERVICING AND LEAD-NATION PROCUREMENT ARRANGEMENTS WITHIN THE NORTH ATLANTIC TREATY ORGANIZATION

[SEC. 11. Subparagraph (C) of section 3(d)(3) of the Arms Export Control Act is amended to read as follows:

[“(C) to arrangements among members of the North Atlantic Treaty Organization or between the North Atlantic Treaty Organization and any of its member countries—

[“(i) for cooperative cross servicing, or

[“(ii) for lead-nation procurement if the certification transmitted to the Congress pursuant to section 36(b) of this Act with regard to such lead-nation procurement identified the transferees on whose behalf the lead-nation procurement was proposed.”.

[RECIPROCAL QUALITY ASSURANCE, INSPECTION, AND CONTRACT AUDIT SERVICES

[SEC. 12. Section 21 of the Arms Export Control Act is amended—

[(1) by redesignating subsection (h) as subsection (i); and

[(2) by inserting the following new subsection (h) immediately after subsection (g):

[“(h) The President is authorized to provide (without charge) quality assurance, inspection, and contract audit defense services under this section—

[“(1) in connection with the placement or administration of any contract or subcontract for defense articles or defense services entered into after the date of enactment of this subsection by, or under this Act on behalf of, a foreign government which is a member of the North Atlantic Treaty Organization, if such government provides such services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government; or

[“(2) in connection with the placement or administration of any contract or subcontract for defense articles or defense services pursuant to the North Atlantic Treaty Organization Infrastructure Program in accordance with an agreement under which the foreign governments participating in such program provide such services, without charge, in connection with similar contracts or subcontracts.”.

[MODIFICATION OF THE ANNUAL ARMS SALES PROPOSAL

[SEC. 13. Section 25(d) of the Arms Export Control Act is amended—

[(1) by inserting “weapons or weapons-related” immediately after “major”;

[(2) by striking out “defense articles or defense services” and inserting in lieu thereof “weapons or weapons-related defense equipment”;

[(3) by adding at the end thereof the following new sentence: “Sales deemed most likely actually to result in the issuance of a letter of offer during such fiscal year shall be appropriately so identified in the reports submitted pursuant to this paragraph and paragraph (2) of this subsection.”; and

[(4) by inserting “(1)” immediately after “(d)” and by adding at the end thereof the following new paragraph:

[“(2) The President shall notify the Congress in writing at intervals of six months of any charges in the Arms Sales Proposal for such fiscal year, together with the reasons therefor.”.

[MULTILATERAL ARMS SALES INFORMATION

[SEC. 14. Section 25 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

[“(e) The President shall transmit to the Congress, at the time of the transmittal of each Arms Sales Proposal required by subsection (d)(1), a classified report detailing the executive branch’s best estimates with regard to the international volume of arms traffic. The report shall include estimates on an annual basis of the sale and delivery of weapons and weapons-related defense equipment by all major arms suppliers to all major recipient countries during the preceding three years.”.

[NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS

[SEC. 15. Chapter 2 of the Arms Export Control Act is amended by adding at the end thereof the following new section:

[“SEC. 27. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS.—(a) For purposes of this section, the term ‘cooperative project’ means a project described in an agreement, entered into after the date of enactment of this section, under which—

[“(1) the North Atlantic Treaty Organization, or one or more member countries thereof, agrees to share with the United States the costs of research on and development, testing, and evaluation of certain defense articles, and the costs of any agreed joint production ensuing therefrom, in order to further the objectives of standardization and interoperability of the armed forces of North Atlantic Treaty Organization member countries; or

[“(2) the North Atlantic Treaty Organization, or one or more member countries thereof other than the United States, agrees to bear the costs of research on and development, testing, and evaluation of certain defense articles (or categories of defense articles) and to have such articles produced for sale to, and licensed for production within, other participant member countries including the United States, and the United States agrees to bear the costs of research on and development, testing, and evaluation of other defense articles (or categories of defense articles) and to have such defense articles produced for sale to, and licensed for production within, other participant member countries in order to further the objectives of rationalization of the industrial and technological resources within the North Atlantic Treaty area.

[“(b)(1) The President may reduce or waive the charge or charges which would otherwise be considered appropriate under section 21(e) of this Act (and, in the case of agreements described in subsection (a)(2) of this section, may reduce or waive the charges for reimbursement of the costs of officers and employees of the United States Government which would otherwise be required) in connection with sales under section 21 and section 22 of this Act in furtherance of cooperative projects. Notwithstanding the provisions of section 21(e)(1)(A) and section 43(b) of this Act, administrative surcharges shall not be increased on other sales made under this Act in order to compensate for reductions or waivers of such surcharges under this section. Funds received pursuant to such other sales

shall not be available to reimburse the costs incurred by the United States Government for which reduction or waiver is approved by the President under this section.

[“(2) The provisions of paragraph (1) shall apply only if for each cooperative project the other countries which participate in such cooperative project reciprocate by waiving comparable charges for their sales related to such cooperative project and if the President determines that the magnitude of the contribution of a member country of the North Atlantic Treaty Organization to such cooperative project would help the United States conserve defense resources and promote a stronger alliance.

[“(c)(1) Not less than thirty days prior to signature on behalf of the United States of an agreement for a cooperative project, the President shall transmit to the Speaker of the House of Representatives, the chairman of the Committee on Foreign Relations of the Senate, and the chairman of the Committee on Armed Services of the Senate, a numbered certification with respect to such proposed agreement, setting forth—

[“(A) a detailed description of the cooperative project with respect to which the certification is made;

[“(B) an estimate of the amount of sales and exports expected to be made or approved under this Act in furtherance of such cooperative project;

[“(C) an estimate of the dollar value of any charges expected to be reduced or waived under this section in connection with such cooperative project, such dollar value to consist of expenses that will be charged against Department of Defense funds without reimbursement and amounts not to be recovered and deposited to the General Fund of the Treasury;

[“(D) an estimate of the dollar value of the costs to be borne by the North Atlantic Treaty Organization or by the member countries thereof in connection with such cooperative project; and

[“(E) a statement of the foreign policy and national security benefits anticipated to be derived from such cooperative project.

[“(2) The provisions of subsection (b) of section 36 of this Act shall not apply to sales made under section 21 or section 22 of this Act, and the provisions of subsection (c) of section 36 of this Act shall not apply to the issuance of licenses or other approvals under section 38 of this Act, if such sales are made, or such licenses or approvals are issued, in furtherance of a cooperative project.”.

[REPORTS ON PRICE AND AVAILABILITY ESTIMATES

[SEC. 16. (a) Chapter 2 of the Arms Export Control Act, as amended by section 15 of this Act, is further amended by adding at the end thereof the following new section:

[“SEC. 28. REPORTS ON PRICE AND AVAILABILITY ESTIMATES.—(a) The President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, within five days after the end of each calendar quarter, a report listing each price and availability estimate provided by the United States Government during such quarter to a foreign country with respect to a possible sale under this Act of

major defense equipment for $7,000,000 or more or of any other defense articles or defense services for $25,000,000 or more. Each such listing shall specify the name of the country to which the estimate was provided, the defense articles or services involved, the quantity involved, and the price estimate provided.

[“(b) Such reports shall also list each request received by the United States Government from a foreign country, during the quarter in question, for the issuance of a letter of offer to sell defense articles or defense services if (1) the proposed sale has not been the subject of a listing pursuant to subsection (a) of this section, and (2) the issuance of a letter of offer in accordance with such request would be subject to the requirements of section 36(b) of this Act. Each such listing shall include the name of the country making the request, the date of the request, the defense articles or services involved, the quantity involved, and the price and availability terms requested.”.

[(b) Section 36(b) of such Act is amended by adding at the end thereof the following new paragraph:

[“(4) In addition to the other information required to be contained in a certification submitted to the Congress under this subsection, each such certification shall cite any quarterly report submitted pursuant to section 28 of this Act which listed a price and availability estimate, or a request for the issuance of a letter of offer, which was basis for the proposed sale which is the subject of such certification.”.

[AUTHORIZATION AND AGGREGATE CEILING FOR FOREIGN MILITARY SALES CREDITS

[SEC. 17. (a) Section 31 of the Arms Export Control Act is amended—

[(1) in subsection (a), by striking out “$682,000,000 for the fiscal year 1978 and $674,300,000 for the fiscal year 1979” and inserting in lieu thereof “$673,500,000 for the fiscal year 1980”;

[(2) in subsection (b), by striking out “$2,152,350,000 for the fiscal year 1978 and $2,085,500,000 for the fiscal year 1979, of which amount for each such year” and inserting in lieu thereof “$2,235,000,000 for the fiscal year 1980, of which”;

[(3) in subsection (c), by striking out “fiscal year 1979” and inserting in lieu thereof “fiscal year 1980”; and

[(4) in subsection (d), by striking out “$150,000,000” and inserting in lieu thereof “$250,000,000”.

[(b) Of the principal amount of loans guaranteed for the fiscal year 1980 under section 24 of the Arms Export Control Act—

[(1) with respect to Turkey, not to exceed $50,000,000,

[(2) with respect to Greece, not to exceed $42,000,000, and

[(3) with respect to Sudan, not to exceed $25,000,000,

shall be repaid in not less than 20 years, following a grace period of 10 years on repayment of principal.

[RESTRAINT IN ARMS SALES TO SUB-SAHARAN AFRICA

[SEC. 18. Section 33 of the Arms Export Control Act is amended to read as follows:

[“SEC. 33. RESTRAINT IN ARMS SALES TO SUB-SAHARAN AFRICA.—It is the sense of the Congress that the problems of Sub-Saharan

Africa are primarily those of economic development and that United States policy should insist in limiting the development of costly military conflict in that region. Therefore, the President shall exercise restraint in selling defense articles and defense services, and in providing financing for sales of defense articles and defense services, to countries in Sub-Saharan Africa.".

[REPORTS TO THE CONGRESS

[SEC. 19. (a) Section 36(a) of the Arms Export Control Act is amended—

[(1) by striking out "thirty" in the text preceding paragraph (1) and inserting in lieu thereof "sixty";

[(2) by inserting "and" immediately after the semicolon at the end of paragraph (7);

[(3) by striking out "; and " at the end of paragraph (8) and inserting in lieu thereof a period; and

[(4) by striking out paragraph (9).

[(b) Section 43 of such Act is amended by adding at the end thereof the following new subsection:

["(c) Not later than January 15 of each year, the President shall submit to the Congress a report containing an analysis and description of the services performed during the preceding fiscal year by officers and employees of the United States Government carrying out functions on a full-time basis under this Act for which reimbursement is provided under subsection (b) of this section or under section 21(a) of this Act. Such reports shall specify the number of personnel involved in performing such services.".

[(c) Section 36(b)(1) of such Act is amended by adding at the end thereof the following: "If the President states in his certification that an emergency exists which requires the proposed sale in the national security interest of the United States, thus waiving the congressional review requirements of this subsection, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate insurance of the letter of offer and a discussion of the national security interests involved".

[NATIONAL DISCLOSURE POLICY FOR SENSITIVE WEAPONS TECHNOLOGY

[SEC. 20.

[(b) Section 36(b)(1) of the Arms Export Control Act is amended by inserting after the first sentence the following: "Such numbered certifications shall also contain an item, classified if necessary, identifying the sensitivity of technology contained in the defense articles or defense services proposed to be sold."

[CEILING ON COMMERCIAL ARMS SALES

[SEC. 21. Section 38(b)(3) of the Arms Export Control Act is amended by striking out "$25,000,000" and inserting in lieu thereof "$35,000,000".

[DEFINITIONS

[SEC. 22. Section 644(b) of the Foreign Assistance Act of 1961 and section 47(3) of the Arms Export Control Act are each amended by inserting "(except uranium depleted in the isotope 235 which is incorporated in defense articles solely to take advantage of high density or pyrophoric characteristics unrelated to radioactivity)" immediately after "source material".

[TRANSFER OF WAR RESERVE MATERIEL AND OTHER PROPERTY TO TAIWAN

[SEC. 23. (a) Notwithstanding any other provision of law, during the calendar year 1980 the President is authorized to transfer to Taiwan, under such terms and conditions as he may deem appropriate, such United States war reserve materiel that was located on Taiwan on January 1, 1979, as he may determine.

[(b) Notwithstanding any other provision of law, during the calendar years 1979 and 1980 the President is authorized to transfer to Taiwan, under such terms and conditions as he may deem appropriate, such rights of the United States in property (other than war reserve materiel) that was located on Taiwan on January 1, 1979, as he may determine.

[AMMUNITION SOLD TO THAILAND

[SEC. 24. The Royal Thai Government shall be released from its contractual obligation to pay to the United States Government such amount as is due on or before October 30, 1979, as a condition precedent under the letter of offer accepted by the Royal Thai Government on April 12, 1977, to the transfer of title to the last increment of United States ammunition stocks sold to the Royal Thai Government under such letter of offer pursuant to the Memorandum of Agreement of March 22, 1977, relating to the storage of ammunition in Thailand.

[SHABA AIRLIFT

[SEC. 26. Notwithstanding any other provision of law, the President is authorized to make available the services of the Department of Defense for the purpose of facilitating the removal from Zaire of those foreign armed forces which were transported to Zaire by the United States at the time of the crisis in Shaba Province in 1978.

[FISCAL YEAR 1979 SUPPLEMENTAL AUTHORIZATION FOR TURKEY

[SEC. 27. (a) It is hereby determined that the national interests of the United States would be served by the furnishing of additional economic support fund assistance to Turkey in order to promote the economic and political stability of that country, and to strengthen its ability to fulfill its responsibilities as a member of the North Atlantic Treaty Organization.

[(b) In furtherance of subsection (a) of this section, and in addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President to carry out the purposes of chapter 4 of part II of the Foreign Assistance Act of 1961

$100,000,000 for the fiscal year 1979, which amount shall be available only for Turkey.

[(c) Amounts appropriated under this section may be made available until expended.

[(d) Notwithstanding any assistance authorized for Turkey under this Act, it remains the policy of the United States that all foreign troops in Cyprus, except those stationed in Cyprus under the auspices of the United Nations, should be withdrawn from Cyprus.

[(e) It is the sense of the Congress that the recent announcement by the leaders of the Greek Cypriots and the Turkish Cypriots to resume intercommunal negotiations is an encouraging recognition by the parties that the human rights and fundamental freedoms of all the citizens of the Republic of Cyprus will be respected. The Congress urges all parties to the negotiations to demonstrate good faith in the negotiations and to move promptly toward a full, just, and lasting settlement.]

THE SPECIAL INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

[SHORT TITLE

[SECTION 1. This Act may be cited as the "Special International Security Assistance Act of 1979".

[STATEMENT OF POLICY AND FINDINGS

[SEC. 2. (a) It is the policy of the United States to support the peace treaty concluded between the Government of Egypt and the Government of Israel on March 26, 1979. This treaty is a significant step toward a full and comprehensive peace in the Middle East. The Congress urges the President to continue to exert every effort to bring about a comprehensive peace and to seek an end by all parties to the violence which could jeopardize this peace.

[(b) The peace treaty between Egypt and Israel having been ratified, the Congress finds that the national interests of the United States are served—

[(1) by authorizing the President to construct air bases in Israel to replace the Israeli air bases on the Sinai peninsula that are to be evacuated:

[(2) by authorizing additional funds to finance procurements by Egypt and Israel through the fiscal year 1982 of defense articles and defense services for their respective security requirements; and

[(3) by authorizing additional funds for economic assistance for Egypt in order to promote the economic stability and development of that country and to support the peace process in the Middle East.

[(c) The authorities contained in this Act to implement certain arrangements in support of the peace treaty between Egypt and Israel do not signify approval by the Congress of any other agreement, understanding, or commitment made by the executive branch.

[CONSTRUCTION OF AIR BASES IN ISRAEL

[SEC. 3. Part II of the Foreign Assistance Act of 196 is amended by adding at the end thereof the following new chapter:

[“CHAPTER 7—AIR BASE CONSTRUCTION IN ISRAEL

“SEC. 561. GENERAL AUTHORITY.—The President is authorized—

[“(1) to construct such air bases in Israel for the Government of Israel as may be agreed upon between the Government of Israel and the Government of the United States to replace the Israeli air bases located at Etzion and Etam on the Sinai peninsula that are to be evacuated by the Government of Israel; and

[“(2) for the purposes of such construction, to furnish as a grant to the Government of Israel, on such terms and conditions as the President may determine, defense articles and defense services, which he may acquire from any source, of a value not to exceed the amount appropriated pursuant to section 562(a).

[“SEC. 562. AUTHORIZATION AND UTILIZATION OF FUNDS.—(a) There is authorized to be appropriated to the President to carry out this chapter not to exceed $800,000,000, which may be made available until expended.

[“(b) Upon agreement by the Government of Israel to provide to the Government of the United States funds equal to the difference between the amount required to complete the agreed construction work and the amount appropriated pursuant to subsection (a) of this section, and to make those funds available, in advance of the time when payments are due, in such amounts and at such times as may be required by the Government of the United States to meet those additional costs of construction, the President may incur obligations and enter into contracts to the extent necessary to complete the agreed construction work, except that this authority shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

[“(c) Funds made available by the Government of Israel pursuant to subsection (b) of this section may be credited to the appropriation account established to carry out the purposes of this section for the payment of obligations incurred and for refund to the Government of Israel if they are unnecessary for that purpose, as determined by the President. Credits and the proceeds of guaranteed loans made available to the Government of Israel pursuant to the Arms Export Control Act, as well as any other source of financing available to it, may be used by Israel to carry out its undertaking to provide such additional funds.

[“SEC. 563. WAIVER AUTHORITIES.—(a) It is the sense of the Congress that the President should take all necessary measures consistent with law to insure the efficient and timely completion of the construction authorized by this chapter, including the exercise of authority vested in him by section 633(a) of this Act.

[“(b) The provisions of paragraph (3) of section 636(a) of this Act shall be applicable to the use of funds available to carry out this chapter, except that no more than sixty persons may be engaged

at any one time under that paragraph for purposes of this chapter.''.

[SUPPLEMENTAL AUTHORIZATION OF FOREIGN MILITARY SALES LOAN GUARANTIES FOR EGYPT AND ISRAEL

[SEC. 4. (a) The Congress finds that the legitimate defense interests of Israel and Egypt require a one time extraordinary assistance package due to Israel's phased withdrawal from the Sinai and Egypt's shift from reliance on Soviet weaponry. The authorizations contained in this section do not, however, constitute Congressional approval of the sale of any particular weapons system to either country. These sales will be reviewed under the normal procedures set forth in section 36(b) of the Arms Export Control Act.

[(b) In addition to amounts authorized to be appropriated for the fiscal year 1979 by section 31(a) of the Arms Export Control Act, there is authorized to be appropriated to the President to carry out that Act $370,000,000 for the fiscal year 1979.

[(c) Funds made available pursuant to subsection (b) of this section may be used only for guaranties for Egypt and Israel pursuant to section 24(a) of the Arms Export Control Act. The principal amount of loans guaranteed with such funds may not exceed $3,700,000,000 of which $2,200,000,000 shall be available only for Israel and $1,500,000,000 shall be available only for Egypt. The principal amount of such guaranteed loans shall be in addition to the aggregate ceiling authorized for the fiscal year 1979 by section 31(b) of the Arms Export Control Act.

[(d) Loans guaranteed with funds made available pursuant to subsection (b) of this section shall be on terms calling for repayment within a period of not less than thirty years, including an initial grace period of ten years on repayment of principal.

[(e)(1) The Congress finds that the Governments of Israel and Egypt each have an enormous external debt burden which may be made more difficult by virtue of the financing authorized by this section. The Congress further finds that, as a consequence of the impact of the debt burdens incurred by Israel and Egypt under such financing, it may become necessary in future years to modify the terms of the loans guaranteed with funds made available pursuant to this section.

[SUPPLEMENTAL AUTHORIZATION OF ECONOMIC SUPPORT FOR EGYPT

[SEC. 5. There is authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $300,000,000 for the fiscal year 1979 for Egypt, in addition to amounts otherwise authorized to be appropriated for such chapter for the fiscal year 1979. The amounts appropriated pursuant to this section may be made available until expended.

[TRANSFER OF FACILITIES OF THE SINAI FIELD MISSION TO EGYPT

[SEC. 6. The President is authorized to transfer to Egypt, on such terms and conditions as he may determine, such of the facilities and related property of the United States Sinai Field Mission as he may determine, upon the termination of the activities of the

Sinai Field Mission in accordance with the terms of the peace treaty between Egypt and Israel.

[CONTRIBUTIONS BY OTHER COUNTRIES TO SUPPORT PEACE IN THE MIDDLE EAST

[SEC. 7. (a) It is the sense of the Congress that other countries should give favorable consideration to providing support for the implementation of the peace treaty between Egypt and Israel. Therefore, the Congress requests that the President consult with other countries in order to (1) promote and develop an agreement for the establishment of a peace development fund whose purpose would be to underwrite the costs of implementing a Middle East peace, and (2) encourage investments in Israel and Egypt and other countries in the region should they join in Middle East peace, and (2) encourage investments in Israel and Egypt and other countries in the region should they join in Middle East peace agreements.

[PLANNING FOR TRILATERAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION BY EGYPT, ISRAEL, AND THE UNITED STATES

[SEC. 8. (a) It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should be prepared to participate, at an appropriate time, in trilateral cooperative projects of a scientific and technological nature involving Egypt, Israel, and the United States.

[(b) Therefore, the President shall develop a plan to guide the participation of both United States Government agencies and private institutions in such projects. This plan shall identify—

[(1) potential projects in a variety of areas appropriate for scientific and technological cooperation by the three countries, including agriculture, health, energy, the environment, education, and water resources;

[(2) the resources which are available or which would be needed to implement such projects; and

[(3) the means by which such projects would be implemented.

[NON-PROLIFERATION OF NUCLEAR WEAPONS

[SEC. 10. In accordance with the Nuclear Non-Proliferation Act of 1978, the Congress strongly encourages all countries in the Middle East which are not parties to the Treaty on the Non-Proliferation of Nuclear Weapons to become parties to that Treaty.]

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1978

AN ACT To amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that Act and the Agricultural Trade Development and Assistance Act of 1954, to improve coordination and administration of United States development-related policies and programs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SHORT TITLE

[SECTION 1. This Act may be cited as the "International Development and Food Assistance Act of 1978".

[TITLE I—DEVELOPMENT ASSISTANCE

[DEVELOPMENT ASSISTANCE POLICY

[SEC. 101. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by striking out section 102 and inserting in lieu thereof the following new sections:

["SEC. 101. GENERAL POLICY.—(a) The Congress finds that fundamental political, economic, and technological changes have resulted in the interdependence of nations. The Congress declares that the individual liberties, economic prosperity, and security of the people of the United States are best sustained and enhanced in a community of nations which respect individual civil and economic rights and freedoms and which work together to use wisely the world's limited resources in an open and equitable international economic system. Furthermore, the Congress reaffirms the traditional humanitarian ideals of the American people and renews its commitment to assist people in developing countries to eliminate hunger, poverty, illness, and ignorance.

["Therefore, the Congress declares that a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives.

["United States development cooperation policy should emphasize four principal goals:

["(1) the alleviation of the worst physical manifestations of poverty among the world's poor majority;

["(2) the promotion of conditions enabling developing countries to achieve self-sustaining economic growth with equitable distribution of benefits;

["(3) the encouragement of development processes in which individual civil and economic rights are respected and enhanced; and

["(4) the integration of the developing countries into an open and equitable international economic system.

["The Congress declares that pursuit of these goals requires that development concerns be fully reflected in United States foreign policy and that United States development resources be effectively and efficiently utilized.

["(b) Under the policy guidance of the Secretary of State, the agency primarily responsible for administering this part should have the responsibility for coordinating all United States development-related activities.

["SEC. 102. DEVELOPMENT ASSISTANCE POLICY.—(a) The Congress finds that the efforts of developing countries to build and maintain the social and economic institutions necessary to achieve self-sustaining growth and to provide opportunities to improve the quality of life for their people depend primarily upon successfully

marshalling their own economic and human resources. The Congress recognizes that the magnitude of these efforts exceeds the resources of developing countries and therefore accepts that there will be a long-term need for wealthy countries to contribute additional resources for development purposes. The United States should take the lead in concert with other nations to mobilize such resources from public and private sources.

[“Provision of development resources must be adapted to the needs and capabilities of specific developing countries. United States assistance to countries with low per capita incomes which have limited access to private external resources should primarily be provided on concessional terms. Assistance to other developing countries should generally consist of programs which facilitate their access to private capital markets, investment, and technical skills, whether directly through guarantee or reimbursable programs by the United States Government or indirectly through callable capital provided to the international financial institutions.

[“Bilateral assistance and United States participation in multilateral institutions shall emphasize programs in support of countries which pursue development strategies designed to meet basic human needs and achieve self-sustaining growth with equity.

[“The Congress declares that the principal purpose of United States bilateral development assistance is to help the poor majority of people in developing countries to participate in a process of equitable growth through productive work and to influence decisions that shape their lives, with the goal of increasing their incomes and their access to public services which will enable them to satisfy their basic needs and lead lives of decency, dignity, and hope. Activities shall be emphasized that effectively involve the poor in development by expanding their access to the economy through services and institutions at the local level, increasing their participation in the making of decisions that affect their lives, increasing labor-intensive production and the use of appropriate technology, expanding productive investment and services out from major cities to small towns and rural areas, and otherwise providing opportunities for the poor to improve their lives through their own efforts. Participation of the United States in multilateral institutions shall also place appropriate emphasis on these principles.

[“(b) Assistance under this chapter should be used not only for the purpose of transferring financial resources to developing countries, but also to help countries solve development problems in accordance with a strategy that aims to insure wide participation of the poor in the benefits of development on a sustained basis. Moreover, assistance shall be provided in a prompt and effective manner, using appropriate United States institutions for carrying out this strategy. In order to achieve these objectives and the broad objectives set forth in section 101 and in subsection (a) of this section, bilateral development assistance authorized by this Act shall be carried out in accordance with the following principles:

[“(1) Development is primarily the responsibility of the people of the developing countries themselves. Assistance from the United States shall be used in support of, rather than substitution for, the self-help efforts that are essential to successful development programs and shall be concentrated in those

countries that take positive steps to help themselves. Maximum effort shall be made, in the administration of this part, to stimulate the involvement of the people in the development profess through the encouragement of democratic participation in private and local governmental activities and institution building appropriate to the requirements of the recipient countries.

[“(2) Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

[“(3) United States bilateral development assistance should give high priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries, while also helping such governments enhance their planning, technical, and administrative capabilities needed to insure the success of such undertakings.

[“(4) Development assistance provided under this chapter shall be concentrated in counties which will make the most effective use of such assistance to help satisfy basic human needs of poor people through equitable growth, especially in those countries having the greatest need for outside assistance. In order to make possible consistent and informed judgments in this respect, the President shall assess the commitment and progress of countries in moving toward the objectives and purposes of this chapter by utilizing criteria, including but not limited to the following:

[“(A) increase in agricultural productivity per unit of land through small-farm, labor-intensive agriculture;

[“(B) reduction of infant mortality;

[“(C) control of population growth;

[“(D) promotion of greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers;

[“(E) reduction of rates of unemployment and underemployment; and

[“(F) increase in literacy.

[“(5) United States development assistance should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries; food production and nutrition; rural development and generation of gainful employment; population planning and health; environment and natural resources; and education, development administration, and human resource development.

[“(6) United States assistance shall encourage and promote the participation of women in the national economies of developing countries and the improvement of women’s status as an important means of promoting the total development effort.

[“(7) United States bilateral assistance shall recognize that the prosperity of developing countries and effective development efforts require the adoption of an overall strategy that promotes efficient utilization of energy and, therefore, consideration shall be given the full implications of such assistance on

the price, availability, and consumption of energy in recipient countries.

[“(8) United States cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, free labor unions, and private and voluntary agencies.

[“(9) To the maximum extent practicable, United States private investment should be encouraged in economic and social development programs to which the United States lends support.

[“(10) Assistance shall be planned and utilized to encourage regional cooperation by developing countries in the solution of common problems and the development of shared resources.

[“(11) Assistance efforts of the United States shall be planned and furnished to the maximum extent practicable in coordination and cooperation with assistance efforts of other countries, including the planning and implementation of programs and projects on a multilateral and multidonor basis.

“(12) United States bilateral development assistance should be concentrated on projects which do not involve large-scale capital transfers. However, to the extent that such assistance does involve large-scale capital transfers, it should be furnished in association with contributions from other countries working together in a multilateral framework.

[“(c) The Congress, recognizing the desirability of overcoming the worst aspects of absolute poverty by the end of this century by, among other measures, substantially lowering infant mortality and birth rates, and increasing life expectancy, food production, literacy, and employment, encourages the President to explore with other countries, through all appropriate channels, the feasibility of a worldwide cooperative effort to overcome the worst aspects of absolute poverty and to assure self-reliant growth in the developing countries by the year 2000.”.

[DEVELOPMENT ASSISTANCE AUTHORITIES

[SEC. 102. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

[“SEC. 122. GENERAL AUTHORITIES.—(a) In order to carry out the purposes of this chapter, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to countries and areas through programs of grant and loan assistance, bilaterally or through regional, multilateral, or private entities.”.

[(b)(1) Part I of such Act is further amended—

[(A) by striking out “less developed friendly” in the first sentence in subsection (b) of section 201;

[(B) by striking out everything after the first sentence in subsection (b) of section 201 through “herein) be loaned” in subsection (d) of such section and inserting in lieu thereof the following:

[“The President shall determine the interest payable on any loan. In making loans under this chapter, the President shall consider the economic circumstances of the borrower and other rel-

evant factors, including the capacity of the recipient country to repay the loan at a reasonable rate of interest, except that loans may not be made"; and

[(C) by inserting subsection (b) of section 201, as amended by subparagraphs (A) and (B) of this paragraph, immediately after section 122(a), as added by subsection 9a) of this section.

[(2)(A) Section 301(a) of such Act is amended by striking out "201(d)" and inserting in lieu thereof "122(b)".

[(B) Section 103(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "201" and inserting in lieu thereof "122".

[(C) Section 106(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended in the second sentence by striking out "201" and inserting in lieu thereof "122(b)".

[(c)(1) Section 122 of the Foreign Assistance Act of 1961, as added by subsection (a) of this section and as amended by subsection (b)(1) of this section, is amended by adding at the end thereof the following new subsections:

["(c) Dollar receipts paid during any fiscal year from loans made under this part or from loans made under predecessor foreign assistance legislation shall be deposited in the Treasury as miscellaneous receipts.

["(d) Not to exceed $10,000,000 of the funds made available each fiscal year for the purposes of this chapter may be used for assistance, on such terms and conditions as the President may determine, to research and educational institutions in the United States for the purpose of strengthening their capacity to develop and carry out programs concerned with the economic and social development of developing countries.".

[(2) Section 299(a) of such Act is amended by striking "110(b), 211(a), and 211(d)" and inserting in lieu thereof "110(b) and 122(d)".

[(d) Part I of such Act is further amended—

[(1) in section 204—

[(A) by striking out "SEC. 204. DEVELOPMENT LOAN COMMITTEE.—" and inserting in lieu thereof "(e)"; and

[(B) by striking out "title" and inserting in lieu thereof "chapter"; and

[(2) by inserting such section, as so redesignated and amended, at the end of section 122, as added and amended by subsections (a) through (c) of this section.

[(e) Chapter 1 of part I of such Act, as amended by subsections (a) through (d) of this section, is further amended by adding at the end thereof the following new section;

["SEC. 123. PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES IN OVERSEAS DEVELOPMENT.—(a) The Congress finds that the participation of rural and urban poor people in their countries' development can be assisted and accelerated in an effective manner through an increase in activities planned and carried out by private and voluntary organizations and cooperatives. Such organizations and cooperatives, embodying the American spirit of self-help and assistance to others to improve their lives and incomes, constitute an important means of mobilizing private American financial and human resources to benefit poor people in devel-

oping countries. The Congress declares that it is in the interest of the United States that such organizations and cooperatives expand their overseas development efforts without compromising their private and independent nature. The Congress further declares that the financial resources of such organizations and cooperatives should be supplemented by the contribution of public funds for the purpose of undertaking development activities in accordance with the principles set forth in section 102. The Congress urges the Administrator of the agency primarily responsible for administering this part, in implementing programs authorized under this part, to draw on the resource of private and voluntary organizations and cooperatives to plan and carry out development activities.

[“(b) In order to further the efficient use of United States voluntary contributions for development, relief, and rehabilitation of friendly peoples, the President is authorized to use funds made available for the purposes of this chapter to pay transportation charges on shipments by the American National Red Cross and by United States voluntary agencies registered with the Advisory Committee on Voluntary Foreign Aid.

[“(c) Reimbursement under this section may be provided for transportation charges on shipments from United States ports, or in the case of excess or surplus property supplied by the United States from foreign ports, to ports of entry abroad or to points of entry abroad in cases (1) of landlocked countries, (2) where ports cannot be used effectively because of natural or other disturbances, (3) where carriers to a specified country are unavailable, or (4) where a substantial savings in costs or time can be effected by the utilization of points of entry other than ports.

[“(d) Where practicable, the President shall make arrangements with the receiving country for free entry of such shipments and for the making available by the country of local currencies for the purpose of defraying the transportation costs of such shipments from the port or point of entry of the receiving country to the designated shipping point of the consignee.”.

[“(f) Section 15 of such Act is repealed.

[“(g)(1) Chapter 2 of part I of such Act, as amended by this section, is further amended—

[“(A) by repealing title I (except sections 206 and 209), title II except sections 214 and 219), title VI, title VII, and title VIII;

[“(B) by amending the chapter heading to read as follows: “CHAPTER 2—OTHER PROGRAMS”;

[“(C) by inserting the following new title heading immediately before section 206: “TITLE I—MULTILATERAL AND REGIONAL DEVELOPMENT PROGRAMS”; and

[“(D) by inserting the following new title heading immediately before section 214: “TITLE II—AMERICAN SCHOOLS AND HOSPITALS ABROAD; PROTOTYPE DESALTING PLANT”.

[(B) Section 601(b)(5) of such Act is amended by striking out “201” and inserting in lieu thereof “122”.

[(C) Section 608(a) of such Act is amended by striking out “section 212” and inserting in lieu thereof “chapter 1 of part I”.

[(D) Section 611(a) of such Act is amended by striking out “titles I, II, and VI of chapter 2 and chapter 4 of part I” and inserting

in lieu thereof "chapter 1 of part I, title II of chapter 2 of part I, or chapter 4 of part II".

[(E) Section 611(e) of such Act is amended by striking out "titles I, II, or VI of chapter 2 or chapter 4 of part I of this Act" and inserting in lieu thereof "chapter 1 of part I, title II of chapter 2 of part I, or chapter 4 of part II".

[(F) Section 620(d) of such Act is amended by striking out "under section 201" and inserting in lieu thereof "on a loan basis under chapter 1 of part I".

[(G) Section 635(h) of such Act is amended by striking out "titles II, V, and VI (except development loans)" and inserting in lieu thereof "chapter 1 (except development loans) and title II".

[(H) Section 636(c) of such Act is amended by striking out "(other than title I of chapter 2 of part I)" both places it appears.

[(I) Section 636 (d) and (e) of such Act are each amended by striking out "(other than title I of chapter 2 of part I)".

[(J) Section 636(f) of such Act is amended—

[(i) by striking out "section 212" and inserting in lieu thereof "chapter 1 of part I"; and

[(ii) by striking out "title I of chapter 2" and inserting in lieu thereof "chapter 1".

[(K)(i) Section 108 of such Act is repealed.

[(ii) Section 109 of such Act is amended by striking out "Notwithstanding section 108 of this Act, whenever" and inserting in lieu thereof "Whenever".

[AGRICULTURE, RURAL, DEVELOPMENT, AND NUTRITION

[SEC. 103. (a) Section 103 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 103. AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION.—(a)(1) In recognition of the fact that the great majority of the people of developing countries live in rural areas and are dependent on agriculture and agricultural-related pursuits for their livelihood, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition—

["(A) to alleviate starvation, hunger, and malnutrition;

["(B) to expand significantly the provision of basic services to rural poor people to enhance their capacity for self-help; and

["(C) to help create productive farm and off-farm employment in rural areas to provide a more viable economic base and enhance opportunities for improved incomes, living standards, and contributions by rural poor people to the economic and social development of their countries.

["(2) There is authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $665,231,000 for the fiscal year 1979. Amounts appropriated under this section are authorized to remain available until expended.

["(b)(1) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial in-

stitutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansion of rural infrastructure and utilities such as farm-to-market roads, water management systems, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, forestry, soil conservation, and improved seed, in ways which assure access to them by small farmers.

[“(2) In circumstances where development of major infrastructure is necessary to achieve the objectives set forth in this section, assistance for that purpose should be furnished under this chapter in association with significant contributions from other countries working together in a multilateral framework. Infrastructure projects so assisted should be complemented by other measures to ensure that the benefits of the infrastructure reach the poor.

[“(c) The Congress finds that the greatest potential for significantly expanding availability of food for people in rural areas and augmenting world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the agricultural producers in developing countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice and a principal element contributing to broadly based economic growth, as well as an important factor in alleviating inflation in the industrialized countries. In the allocation of funds under this section, special attention shall be given to increasing agricultural production in countries which have been designated at ‘least developed’ by the United Nations General Assembly.

[“(d) Assistance provided under this section shall also be used in coordination with programs carried out under section 104 to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people. In particular, the President is encouraged—

[“(1) to devise and carry out in partnership with developing countries a strategy for programs of nutrition and health improvement for mothers and children, including breast feeding; and

[“(2) to provide technical, financial, and material support to individuals or groups at the local level for such programs.

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

[(b) Section 644 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

[(o) ‘Agriculture’ includes aquaculture and fisheries.

[(p) 'Farmers' includes fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.".

[(c) Sections 117 and 296 (f) and (g) of such Act are repealed.

[(d) Section 103A of such Act is amended by inserting "environmental," immediately after "social," in clause (2) of the first sentence.

[POPULATION AND HEALTH

[SEC. 104. (a) Section 104 of the Foreign Assistance Act of 1961 is amended to read as follows:

[SEC. 104. POPULATION AND HEALTH.—(a) FINDINGS.—The Congress recognizes that poor health conditions and uncontrolled population growth can vitiate otherwise successful development efforts.

["Large families in developing countries are the result of complex social and economic factors which change relatively slowly among the poor majority least affected by economic progress, as well as the result of a lack of effective birth control. Therefore, effective family planning depends upon economic and social change as well as the delivery of services and is often a matter of political and religious sensitivity. While every country has the right to determine its own policies with respect to population growth, voluntary population planning programs can make a substantial contribution to economic development, higher living standards, and improved health and nutrition.

["Good health conditions are a principal element in improved quality of life and contribute to the indiviual's capacity to participate in the development process, while poor health and debilitating disease can limit productivity.

["(b) ASSISTANCE FOR POPULATION PLANNING.—In order to increase the opportunities and motivation for family planning and to reduce the rate of population growth, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for voluntary population planning. In addition to the provision of family planning information and services and the conduct of directly relevant demographic research, population planning programs shall emphasize motivation for small families.

["(c) ASSISTANCE FOR HEALTH AND DISEASE PREVENTION.—In order to contribute to improvements in the health of the greatest number of poor people in developing countries, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for health programs. Assistance under this subsection shall be used primarily for basic integrated health services, safe water and sanitation, disease prevention and control, and related health planning and research. This assistance shall emphasize self-sustaining community-based health programs by means such as training of health auxiliary and other appropriate personnel, support for the establishment and evaluation of projects that can be replicated on a broader scale, measures to improve management of health programs, and other services and supplies to support health and disease prevention programs.

[(d) INTEGRATION OF ASSISTANCE PROGRAMS.—(1) Assistance under this chapter shall be administered so as to give particular attention to the interrelationship between (A) population growth

and (B) development and overall improvement in living standards in developing countries, and to the impact of all programs, project, and activities on population growth. All appropriate activities proposed for financing under this chapter shall be designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families, in programs such as education in and out of school, nutrition, disease control, maternal and child health services, imporvenments in the status and employment of women, agricultural production, rural development, and assistance to the urban poor. Population planning programs shall be coordinated with other programs aimed at reducing the infant mortality rate, providing better nutrition for pregnant women and infants, and raising the standard of living of the poor.

[“(2) Since the problems of malnutrition, disease, and rapid population growth are closely related, planning for assistance to be provided under subsections (b) and (c) of this section and under section 13 shall be coordinated to the maximum extent practicable.

[“(3) Assistance provided under this section shall emphasize low-cost integrated delivery systems for health, nutrition, and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

[“(e) RESEARCH AND ANALYSIS.—(1) Health and population research and analysis carried out under this Act shall—

[“(A) be undertaken to the maximum extent practicable in developing countries by developing country personnel, linked as appropriate with private and governmental biomedical research facilities within the United States;

[“(B) take account of the special needs of the poor people of developing countries in the determination of research priorities; and

[“(C) make extensive use of field testing to adapt basic research to local conditions.

[“(2) The President is authorized to study the complex factors affecting population growth in developing countries and to identify factors which might motivate people to plan family size or to space their children.

[“(f) PROHIBITION ON USE OF FUNDS FOR ABORTIONS AND INVOLUNTARY STERILIZATIONS.—(1) None of the funds made available to carry out this part may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

[“(2) None of the funds made available to carry out this part may be used to pay for the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations.

[“(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

[“(1) $224,745,000 for the fiscal year 1979 to carry out subsection (b) of this section; and

[“(2) $148,494,000 for the fiscal year 1979 to carry out subsection (c) of this section.

Funds appropriated under this subsection are authorized to remain available until expended.”.

[(b) Section 114 of title X of chapter 2 of part I of such Act are repealed.

[EDUCATION AND HUMAN RESOURCES DEVELOPMENT

[SEC. 105. Section 105(a) of the Foreign Assistance Act of 1961 is amended in the second sentence by striking out “$101,800,000 for the fiscal year 1977 and $84,900,000 for the fiscal year 1978, which amounts are” and inserting in lieu thereof “$109,036,000 for the fiscal year 1979, which amount is”.

[TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

[SEC. 106. Section 106(b) of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out “$104,500,000 for the fiscal year 1977 and $105,000,000 for the fiscal year 1978, which amounts are” and inserting in lieu thereof “$126,244,000 for the fiscal year 1979, which amount is”.

[APPROPRIATE TECHNOLOGY

[SEC. 107. Section 107 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 107. APPROPRIATE TECHNOLOGY.—(a) In carrying out activities under this chapter, the President shall place special emphasis on the use of relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.

[“(b) Funds made available to carry out this chapter should be used to the extent practicable for activities in the field of appropriate technology, including support of an expanded and coordinated private effort to promote the development and dissemination of appropriate technology in developing countries.”.

[WOMEN IN DEVELOPMENT

[SEC. 108. Section 113 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(d)(1) Up to $10,000,000 of the funds made available each fiscal year under this chapter shall be used, in addition to funds otherwise available for such purposes, for assistance on such terms and conditions as the President may determine to encourage and promote the participation and integration of women as equal partners in the development process in the developing countries. These funds shall be used primarily to support activities which will increase the economic productivity and income earning capacity of women.

[“(2) Nothing in this section shall be construed to authorize the establishment of a separate development assistance program for women.”.

[HUMAN RIGHTS ACTIVITIES

[SEC. 109. Section 116(e) of the Foreign Assistance Act of 1961 is amended in the first sentence—

[(1) by striking out "Of" and inserting in lieu thereof "The President is authorized and encouraged to use not less than $1,500,000 of"; and

[(2) by striking out "1978, not less than $750,000 may be used only" and inserting in lieu thereof "1979".

[ENVIRONMENT AND NATURAL RESOURCES

[SEC. 110. Section 118 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(a)" immediately after the section caption; and

[(2) by adding at the end thereof the following new subsections;

["(b) In carrying out programs under this chapter, the President shall take into consideration the environmental consequences of development actions.

["(c) In furtherance of the purposes of this section, the President shall carry out studies to identify the major environment and natural resource problems, and the institutional capabilities to solve those problems, which exist in developing countries. The results of these studies shall be reported to the Congress by March 1, 1979.".

[RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES

[SEC. 111. Section 119 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 119. RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES.—(a) The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation, with particular emphasis on programs in research and development, and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act. Such programs shall also be directed toward the earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain, and are transferable from one region of the world to another.

["(b) The agency primarily responsible for administering this part shall coordinate with the Department of Energy, to the maximum extent possible, the planning and implementation of energy programs authorized under this chapter, including section 107, and shall consult with the Department of Energy on such planning and implementation.".

[RELATIVELY LEAST DEVELOPED COUNTRIES

[SEC. 112. (a)(1) Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by section 102 of this Act, is further amended by inserting the following new section 124 immediately after section 123:

[“SEC. 124. RELATIVELY LEAST DEVELOPED COUNTRIES.—(a) Relatively least developed countries (as determined on the basis of criteria comparable to those used for the United Nations General Assembly list of ‘least developed countries’) are characterized by extreme poverty, very limited infrastructure, and limited administrative capacity to implement basic human needs growth strategies. In such countries special measures may be necessary to insure the full effectiveness of assistance furnished under this part.

[“(b) For the purpose of promoting economic growth in these countries, the President is authorized and encouraged to make assistance under this chapter available on a grant basis to the maximum extent that is consistent with the attainment of United States development objectives.

[“(c)(1) The Congress recognizes that the relatively least developed countries have virtually no access to private international capital markets. Insofar as possible, prior assistance terms should be consistent with present grant assistance terms for relatively least developed countries. Therefore, notwithstanding section 620(r) of this Act and section 321 of the International Development and Food Assistance Act of 1975 but subject to paragraph (2) of this subsection, the President on a case-by-case basis, taking into account the needs of the country for financial resources and the commitment of the country to the development objectives set forth in sections 101 and 102—

[“(A) may permit a relatively least developed country to place amounts, which would otherwise be paid to the United States as payments on principal or interest on liability incurred by that country under this part (or any predecessor legislation) into local currency accounts (in equivalent amounts of local currencies as determined by the official exchange rate for United States dollars) for use by the relatively least developed country, with the concurrence of the Administrator of the agency primarily responsible for administering this part, for activities which are consistent with section 102; and

[“(B) may waive interest payments on liability incurred by a relatively least developed country under this part (or any predecessor legislation) if the President determines that that country would be unable to use for development purposes the equivalent amounts of local currencies which could be made available under subparagraph (A).

[“(2) The aggregate amount of interest waived and interest and principal paid into local currency accounts under this subsection in any fiscal year may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this chapter for that fiscal year, which amount may not exceed the amount authorized to be so approved by the annual authorizing legislation for development assistance programs.

[“(3) In exercising the authority granted by this subsection, the President should act in concert with other creditor countries.

[“(d) The President may on a case-by-case basis waive the requirement of section 110(a) for financial or “in kind” contributions in the case of programs, projects, or activities in relatively least developed countries.

[“(e) Section 110(b) shall not apply with respect to grants to relatively least developed countries.”.

[(2) The authority granted by section 124(c) of the Foreign Assistance Act of 1961 shall not become effective until October 1, 1979.

[(b)(1) Section 110(a) of such Act is amended by striking out “and except that” and all that follows through the end of the sentence and inserting in lieu thereof a period.

[(2) Section 110(b) of such Act is amended by striking out “Except” and all that follows through “no” and inserting in lieu thereof “No”.

[PROJECT AND PROGRAM EVALUATION

[SEC. 113. Chapter 1 of part I of the Foreign Assistance Act, as amended by sections 102 and 112 of this Act, is further amended by inserting the following new section 125 immediately after section 124:

[“SEC. 125. PROJECT AND PROGRAM EVALUATION.—(a) The Administrator of the agency primarily responsible for administering this part is directed to improve the assessment and evaluation of the programs and projects carried out by that agency under this chapter. The Administrator shall consult with the appropriate committees of the Congress in establishing standards for such evaluations.

[“(b) The President shall report on actions taken by the international financial institutions and the United Nations Development Program to improve the evaluation of projects and programs conducted by those institutions. The report required by this subsection shall be submitted as a part of the report required by section 634.”.

[AMERICAN SCHOOLS AND HOSPITALS ABROAD

[SEC. 114. Section 214 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (c) by striking out “for the fiscal year 1977, $25,000,000, and for the fiscal year 1978, $25,000,000, which amounts are” and inserting in lieu thereof “$25,000,000 for the fiscal year 1979, which amount is”; and

[(2) by striking out subsections (d) and (e) and by redesignating subsection (f) as subsection (d).

[HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

[SEC. 115. (a) Sections 221 and 222 of the Foreign Act of 1961 are amended to read as follows:

[“SEC. 221. HOUSING GUARANTIES.—The Congress recognizes that shelter requirements are among the most fundamental of human needs. Shelter for most people in the developing countries consists largely of domestic materials assembled by local labor. While recognizing that most financing for such housing must come from domestic resources, the Congress finds that carefully designed programs involving United States capital and expertise can increase the availability of domestic financing for improved housing and related services for low-income people by demonstrating to local entrepreneurs and institutions that providing low-cost hous-

ing can be financially viable. The Congress reaffirms, therefore, that the United States should continue to assist developing countries in marshalling resources for low-cost housing. Particular attention should be given to programs which will support pilot projects for low-cost shelter or which will have a maximum demonstration impact on local institutions and national policy. The congress declares that the long run goal of all such programs should be to develop domestic construction capabilities and to stimulate local credit institutions to make available domestic capital and other management and technological resources required for effective low-cost shelter programs and policies.

[“SEC. 222. AUTHORIZATION.—(a) To carry out the policy of section 221, the President is authorized to issue guaranties to eligible investors (as defined in section 238(c)) assuring against losses incurred in connection with loans made for projects meeting the criteria set forth in section 221. The total principal amount of guaranties issued under this title or heretofore issued under prior housing guaranty authorities, which are outstanding at any one time, shall not exceed $1,180,000,000. The authority of this section shall continue until September 30, 1980. The President may issue regulations from time to time with regard to the terms and conditions upon which such guaranties shall be issued and the eligibility of lenders.

[“(b) Activities carried out under this section shall emphasize

[“(1) projects which provide improved home sites to poor families on which to build shelter, and related services;

[“(2) projects comprised of expandable core shelter units on service sites;

[“(3) slum upgrading projects designed to conserve and improve existing shelter;

[“(4) shelter projects for low income people designed for demonstration or institution building purposes; and

[“(5) community facilities and services in support of projects authorized under this section to improve the shelter occupied by the poor.

[“(c) In issuing guaranties under this section with respect to projects in a country which require the use or conservation of energy, the President shall give consideration to the use of solar energy technologies, where such technologies are economically and technically feasible. Technologies which may be used include solar hot water systems, solar heating and cooling, passive solar heating, biomass conversion, photovoltaic and wind applications, and community-scale thermal applications.”.

[“(b) Section 222A(h) of such Act is amended by striking out “September 30, 1978” and inserting in lieu thereof “September 30, 1979”.

[“(c) Section 223(a) of such Act is amended by striking out “221, 222,” and inserting in lieu thereof “222”.

[“(d) Section 223(b) of such Act is amended in the first sentence—

[“(1) by striking out “221 or” the first place it appears;

[“(2) by striking out “221 and section 222 and of” and inserting in lieu thereof “222 and administering housing guaranties heretofore authorized under this title and under”;

[“(3) by striking out “section 221 or” the second place it appears; and

[“(4) by inserting “this title or” immediately after “heretofore pursuant to”.

[(e) Section 223(c) of such Act is amended by striking out “section 221 or” and by inserting “under this title or” immediately after “heretofore”.

[(f) Section 223(d) of such Act is amended—

[“(1) by striking out “221, 222, 222A,” and inserting in lieu thereof “222 or 222A”; and

[(2) by inserting “under this title or” immediately after “heretofore”.

[(g) Section 223(f) of such Act is amended in the first sentence by striking out “section 221 or”.

[(h) Section 223(g) of such Act is amended by inserting “heretofore under this title or” immediately after “outstanding”.

[(i) Section 223(i) of such Act is repealed.

[(j) Section 223(j) of such Act is amended by striking out “sections 221 and” in the first sentence and inserting in lieu thereof “section”.

[(k) Section 620(l) of such Act is amended by striking out “221(b)(1)” both places it appears and inserting in lieu thereof “234(a)(1)”.

[ASSISTANCE FOR CERTAIN DISADVANTAGED CHILDREN IN ASIA

[SEC. 116. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by striking out the title heading for title V and inserting in lieu thereof the following:

[“TITLE V—DISADVANTAGED CHILDREN IN ASIA

[SEC. 241. ASSISTANCE TO CERTAIN DISADVANTAGED CHILDREN IN ASIA.—(a) The Congress recognizes the humanitarian needs of disadvantaged children in Asian countries where there has been or continues to be a heavy presence of United States military and related personnel in recent years. Moreover, the Congress finds that inadequate provision has been made for the care and welfare of such disadvantaged children, particularly those fathered by the United States citizens.

[“(b) Accordingly, the President is authorized to expend up to $2,000,000 of funds made available under chapter 1 of this part, in addition to funds otherwise available for such purposes, to help meet the needs of these disadvantaged children in Asia by assisting in the expansion and improvement of orphanages, hostels, day care centers, school feeding programs, and health, education, and welfare programs. Assistance provided under this section shall be furnished under the auspices of and by international organizations or private voluntary agencies operating within, and in cooperation with, the countries of Asia where these disadvantaged children reside.”.

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 117. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out “for the fiscal

year 1977, $219,900,000 and for the fiscal year 1978, $252,000,000" and inserting in lieu thereof $285,450,000 for the fiscal year 1979 of which not to exceed $300,000 shall be available for contribution to the United Nations Trust Fund on South Africa".

[(b)(1) Section 302(a)(1) of such Act is further amended—

[(A) by striking out "$42,500,000" in the third sentence and inserting in lieu thereof $52,000,000"; and

[(B) by inserting immediately after the third sentence the following: "Of the funds authorized to be appropriated under this subsection for the fiscal year 1979, not to exceed $52,000,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees, except that not more than $42,500,000 of this amount may be obligated unless the President certifies to the Congress that any contributions above this level have been matched by equivalent contributions by members of the Organization of Petroleum Exporting Countries.".

[(c) Section 302(a) of such Act is amended by adding at the end thereof the following new paragraph:

["(3) None of the funds made available under this subsection for the fiscal year 1979 may be used for the United Nations for Institute for Namibia unless the President determines that such funds will not be used to support the military or paramilitary activities of the Southwest African Peoples Organization.".

[(d) Section 301 of such Act is amended by adding at the end thereof the following new subsection:

["(g) It is the sense of the Congress that the President should instruct the appropriate representatives of the United States to the United Nations to encourage the specialized agencies of the United Nations to transfer the funding of technical assistance programs carried out by such agencies to the United Nations Development Program.".

[(e) In addition to amounts otherwise available for such purpose, there are authorized to be appropriated to the President not to exceed $1,000,000 for contributions to the World Assembly on Aging to be convened under the auspices of the United Nations, except that the amount so contributed may not exceed 25 percent of the expenditures of such Assembly. Amounts appropriated under this subsection be authorized to remain available until expended.

[INTERNATIONAL DISASTER ASSISTANCE

[SEC. 118. (a) Section 491(b) of the Foreign Assistance Act of 1961 is amended by striking "or international organization" and inserting in lieu thereof ", international organization, or private voluntary organization,".

[(b) Section 492 of such act is amended—

[(1) in the first sentence by striking out "each of the fiscal years 1977 and 1978" and inserting in lieu thereof "the fiscal year 1979"; and

[(2) by striking out the third sentence.

[ASSISTANCE FOR AFRICAN REFUGEES

[SEC. 119. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended—

[(1) by redesignating section 495D, as added by section 121 of the International Development and Food Assistance Act of 1977, as section 495E; and

[(2) by adding at the end thereof the following new section:

["SEC. 495F. ASSISTANCE TO AFRICAN REFUGEES.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, exclusively for the relief and rehabilitation of African refugees and other needy people located in Africa. There is authorized to be appropriated for the fiscal year 1979 for purposes of this section, in addition to amounts otherwise available for such purposes, $15,000,000, which amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with policies and general authorities contained in section 491.".

[LOCUST PLAGUES CONTROL IN AFRICA

[SEC. 120. In order to assist in attempts to control locust plagues in Africa, especially in the Horn of Africa, there is authorized to be appropriated to the President, in addition to amounts otherwise authorized for disaster relief purposes, $2,000,000, which amount is authorized to remain available until expended.

[REIMBURSABLE DEVELOPMENT PROGRAMS

[SEC. 121. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out "$2,000,000" the first place it appears and all that follows through "1978," and inserting in lieu thereof "$3,000,000 of the funds made available for the purposes of this Act for the fiscal year 1979".

[AFRICAN DEVELOPMENT FOUNDATION

[SEC. 122. (a) The Congress declares that the United States should place higher priority on the formulation and implementation of policies and programs to enable the people of African nations to develop their potential, fulfill their aspirations, and enjoy better, more productive lives. In furtherance of these objectives, the Congress finds that additional support is needed for community-based self-help activities in Africa and that an African Development Foundation, organized to further the purposes set forth in section 123 of the Foreign Assistance Act of 1961, can complement current United States development programs in Africa.

[TITLE II—FOOD FOR PEACE

[TRANSPORTATION COSTS FOR FOOD FOR DEVELOPMENT PROGRAMS

[SEC. 202. Section 304 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new subsection:

["(d) The Commodity Credit Corporation may pay, with respect to commodities made available under this title to a country on the United Nations Conference on Trade and Development list of relatively least developed countries, freight charges from United States ports to designated ports of entry abroad or to designated points of entry abroad in the case of landlocked countries.".

[APPLICATION OF FOOD FOR DEVELOPMENT PROCEEDS TO REPAYMENT OBLIGATIONS

[SEC. 203. Section 305 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting "(a)" immediately after "SEC. 305."; and

[(2) by adding at the end thereof the following new subsection:

["(b) Such disbursements shall be deemed to be payments with respect to the credit furnished pursuant to the agreement or if, in the case of a country on the United Nation's Conference on Trade and Development list of relatively least developed countries, the disbursements in a fiscal year are greater than the amount of the annual repayment obligation which that country would have to meet for that fiscal year under the agreement but for the disbursements in accordance with the Food for Development Program, then the disbursements which are in excess of the amount of that annual repayment obligation may, to the extent provided in the agreement, be considered as payments with respect to the annual repayment obligations of that country for that fiscal year under other financing agreements under this Act.".

[TITLE III—COORDINATION AND ADMINISTRATION OF THE DEVELOPMENT-RELATED PROGRAMS AND POLICIES OF THE UNITED STATES

[DECLARATION OF OBJECTIVES

[SEC. 301. The Congress declares that the United States Government should place higher priority, in the formulation and implementation of governmental policies, on efforts to help meet the legitimate needs of poor countries for improving the quality of the lives of their populations. The Congress also declares that greater effectiveness and efficiency of United States assistance to such countries can be achieved through improved coordination and administrative consolidation.

[IMPLEMENTATION OF OBJECTIVES

[SEC. 302. In furtherance of the objectives set forth in section 301 the Congress directs the President to institute a strengthened system of coordination of all United States economic policies which impact on the developing countries of the world, including but not limited to policies concerning international trade, commodity agreements, investment, debt, international financial institutions, international and multilateral development agencies and programs, and concessional and grant food assistance, in addition to policies concerning United States bilateral economic development assistance.

[TITLE IV—UNIFIED PERSONNEL SYSTEM

[ESTABLISHMENT OF A UNIFIED PERSONNEL SYSTEM

[SEC. 401. (a) Not later than May 1, 1979, the President shall submit to the Congress, and publish in the Federal Register, regulations establishing a unified personnel system for all employees of the agency primarily responsible for administering part I of the

Foreign Assistance Act of 1961. In preparing such regulations, the President shall keep the appropriate committees of the Congress fully and currently informed, and shall consult with them on a regular basis, concerning the nature of the unified personnel system to be established.

[(b) The regulations submitted to the Congress pursuant to subsection (a)—

[(1) may not become effective until after the end of the 90-day period beginning on the date of such submission in order to provide the appropriate committees of the Congress an opportunity to review them; and

[(2) shall not become effective then if, during such 90-day period, either House of Congress adopts a resolution stating in substance that it disapproves the personnel system proposed to be established by the regulations.

[(c) Regulations which take effect pursuant to this section shall have the force and effect of law and shall apply with respect to the personnel of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, notwithstanding and inconsistent provision of law unless that provision of law specifically states that it supersedes regulations issued under this section.

[TITLE V—ADMINISTRATIVE PROVISIONS

[USE OF COMPETITIVE SELECTION PROCEDURES

[SEC. 501. Section 601 of the Foreign Assistance Act of 1961 is amended by adding the following new subsection at the end thereof:

["(e)(1) The Congress finds that significantly greater effort must be made in carrying out programs under part I of this Act to award contracts on the basis of competitive selection procedures. All such contracts should be let on the basis of competitive selection procedures except in those limited cases in which the procurement regulations governing the agency primarily responsible for administering part I of this Act allow noncompetitive procedures to be used.

["(2) In order to provide the Congress with information to assist it in assessing the efforts of the agency primarily responsible for administering part I of this Act to make the maximum possible use of competitive selection procedures, the Administrator of that agency—

["(A) when submitting the congressional presentation materials for developing assistance for fiscal year 1980, shall also submit to the Congress a report identifying and describing each contract in an amount in excess of $100,000 which the agency entered into without competitive procedures during the period April 1, 1978, to September 30, 1978, and explaining why each such contract was not the subject of competitive selection procedures; and

["(B) when submitting the congressional presentation materials for development assistance for fiscal year 1981, shall also submit to the Congress a report identifying and describing each contract in an amount in excess of $100,000 which the agency entered into without competitive selection procedures

during the fiscal year 1979 and explaining why each such contract was not the subject of competitive selection procedures.''.

[ANNUAL FOREIGN ASSISTANCE REPORT

[SEC. 502. (a) Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out ''(c)'' in section 634(c) and inserting in lieu thereof ''SEC. 633A. FURNISHING INFORMATION.—'' and by inserting such redesignated section immediately after section 633; and

[(2) by striking out the remaining provisions of section 634 and inserting in lieu thereof the following:

[''SEC. 634. ANNUAL REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding United States development policy, including the amounts and effectiveness of assistance provided by the United States Government to developing countries and international organizations, the Chairman of the Development Coordination Committee shall transmit to the Congress not later than February 1 of each year a report on foreign assistance for the fiscal year ending the previous September 30. The report shall include—

[''(1)(A) a comprehensive and coordinated review of all United States policies and programs having a major impact on the development of developing countries, including but not limited to bilateral and multilateral assistance, trade, debt, employment, food, energy, technology, population, oceans, environment, human settlements, natural resources, and participation in international agencies concerned with development;

[''(B) an assessment of the impact of such policies and programs on the well-being of the poor majority in developing countries in accordance with the policy objectives of chapter 1 of part I, including the progress developing countries are making toward achieving those objectives which are indicative of improved well-being of the poor majority, which objectives shall include but not be limited to increasing life expectancy and literacy, lowering infant mortality and birth rates, and increasing food production and employment; and

[''(C) an assessment of the impact of such policies and programs on economic conditions in the United States, including but not limited to employment, wages, and working conditions;

[''(2) the dollar value of all foreign assistance and guaranties by category and by country provided or made by the United States Government by any means to all foreign countries and international organizations—

[''(A) from 1946 to the fiscal year immediately preceding the fiscal year for which the report is required;

[''(B) as presented to Congress for the immediate preceding fiscal year;

[''(C) as obligated during the immediately preceding fiscal year;

[''(D) as planned for the fiscal year in which the report is presented; and

[''(E) as proposed for the fiscal year following the year in which the report is presented;

[“(3) a summary of repayments, by country, to the United States from previous foreign assistance loans;

[“(4) the status of each loan and each contract of guaranty or insurance theretofore made under this Act, predecessor Acts, or any Act authorizing international security assistance, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each extension of credit for the procurement of defense articles or defense services, and of each contract of guarantee in connection with any such procurement, therefore made under the Arms Export Control Act with respect to which their remains outstanding any unpaid obligation or potential liability; the status of each sale of agricultural commodities on credit terms, theretofore made under the Agricultural Trade Development and Assistance Act of 1954 with respect to which there remains outstanding any unpaid obligation; and the status of each transaction with respect to which a loan, contract or guarantee of insurance, or extension of credit (of participation therein) was theretofore made under the Export-Import Bank Act of 1945 with respect to which there remains outstanding any unpaid obligation or potential liability; except that such report shall include individually only any loan, contract, sale, extension of credit, or other transaction listed in this paragraph which is in excess of $1,000,000;

[“(5)(A) the status of the debt servicing capacity of each country receiving assistance under this Act;

[“(B) all forms of debt relief granted by the United States with respect to such countries, together with a detailed statement of the specific debt relief granted with respect to each such country and the purpose for which it was granted; and

[“(C) a summary of the net aid flow from the United States to such countries, taking into consideration the debt relief granted by the United States; and

[“(6) such other matters relating to foreign assistance provided by the United States Government under part I as the Chairman of the Development Coordination Committee considers appropriate.

[“(b) For purposes of this section—

[“(1) ‘foreign assistance’ means any tangible or intangible item provided by the United States Government to a foreign country or international organization under this or any other Act, including but not limited to any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies of any foreign country which are owned by the United States Government; and

[“(2) ‘provided by the United States Government’ includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit, or guaranty.”.

[(b) Part III of the Foreign Assistance Act of 1961 is amended by redesignating section 671 as section 634A and by inserting such redesignated section immediately after section 634.

[(c) Part III of such Act, as amended by subsection (b) of this section, is further amended by adding the following new section immediately after new section 634A:

["SEC. 634B. CLASSIFICATION OF REPORTS.—All information contained in any report transmitted under this Act shall be public information. However, in the case of any item of information be included in any such report that the President, on an extraordinary basis, determines is clearly determental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplemental report shall be transmitted to the Congress at the time the report is transmitted.".

[(d)(1) Title XI of chapter 2 of part I and sections 120(d), 222A (j), 495C(e), 620(w), 621A(c), 640B(d), and 657 of the Foreign Assistance Act of 1961 are repealed.

[(2) Section 640B(g) of such Act is amended by striking out "subsection (d), the President" and inserting in lieu thereof "section 634, the Chairman of the Committee".

[REIMBURSABLE TECHNICAL ASSISTANCE

["SEC. 503. Section 607 of the Foreign Assistance Act of 1961 is amended by redesignating subsection (b) as subsection (c) and by inserting the following new subsection (b) immediately after subsection (a):

["(b) When any agency of the United States Government provides services on an advance-of-funds or reimbursable basis under this section, such agency may contract with individuals for personal service abroad or in the United States to perform such services or to replace officers or employees of the United States Government who are assigned by the agency to provide such services. Such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Civil Service Commission.".

[AUDITOR GENERAL

["SEC. 504. Section 624 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(g)(1) In addition to the officers provided for in subsection (a) of this section, there shall be an Auditor General who shall be appointed by the Administrator of the agency primarily responsible for administering part I of this Act. The Auditor General shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code.

["(2) The Auditor General shall report to and be under the direct supervision of the Administrator.

["(3) The Auditor General shall, with respect to the duties and responsibilities of the agency primarily responsible for administering part I of this Act and subject to the authority of the Administrator of such agency, supervise, direct, and control all audit and investigative activities relating to the programs and operations of the agency.

["(4) The Auditory General shall submit an annual report to the Administrator. This report shall be provided to the Congress with-

out further clearance or approval as part of the annual report required by section 634 of this Act.

[“(5) In the execution of the responsibilities and duties assigned in paragraph (3) of this subsection, the Auditor General shall have (A) access to all records, reports, papers, and documents of the agency and its administrative subdivisions, and (B) authority to request such information or assistance as necessary for carrying out the duties set forth in this subsection from any Federal, State, or local governmental agency or unit thereof, and from contractors, grantees, and loan recipients of the agency.”.

[MOTOR VEHICLES

[SEC. 505. Section 636(a)(5) of the Foreign Assistance Act of 1961 is amended by striking “$3,500” and inserting in lieu thereof “the current market price in the United States of a mid-sized sedan or station wagon meeting the requirements established by the General Services Administration for a Class III vehicle of United States manufacture (or, if the replacement vehicle is a right-hand drive vehicle, 120 percent of that price)”.

[OPERATING EXPENSES

[SEC. 506. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

[(1) in the text preceding paragraph (1) by striking out “1978” and inserting in lieu thereof “1979”; and

[(2) in paragraph (12) by striking out “$220,200,000’ and inserting in lieu thereof “$261,000,000”.

[TITLE VI—MISCELLANEOUS PROVISIONS

[REDUCTION OF AUTHORIZATION

[SEC. 601. The total funds authorized to be appropriated in this Act (excluding funds authorized to be appropriated to carry out section 214 of the Foreign Assistance Act of 1961) shall be reduced by 5 percent.

[PROHIBITION ON ASSISTANCE TO VIETNAM, CAMBODIA, AND CUBA

[SEC. 602. Notwithstanding any other provision of law or of this Act, funds authorized to be appropriated in this Act shall not be used for any form of aid, either by monetary payment or by the sale or transfer of any goods of any nature, to the Socialist Republic of Vietnam, Cambodia, or Cuba.

REPORTS TO CONGRESS ON DEBT RELIEF AGREEMENTS

[(2) the Secretary of State shall transmit to such committees a copy of the text of any agreement with any foreign government which would result in any such debt relief no less than thirty days prior to its entry into force, together with a detailed justification of the interest of the United States in the proposed debt relief. The requirements of this paragraph shall not apply with respect to an agreement if a statutory requirement exists that the amount of the debt relief provided by the agreement may not exceed the amount approved for such purposes in advance in an appropriation Act.

[(b) Section 4 of the Foreign Disaster Assistance Act of 1974 is repealed.

[MISCELLANEOUS REPEALS

[SEC. 604. Sections 302(d), 302(e), 302(f), 302(g), 302(h), 304, 494A, 495A, 618, 619, 637(a), 649, 651, 655, 656, 658, and 665, and chapters 6 and 7 of part I, of the Foreign Assistance Act of 1961 are repealed.

EFFECTIVE DATE

[SEC. 605. The amendments made by this Act shall take effect on October 1, 1978.]

INTERNATIONAL SECURITY ASSISTANCE ACT OF 1978

[SHORT TITLE

[SECTION 1. This Act may be cited as the "International Security Assistance Act of 1978".

[CONTINGENCY FUND

[SEC. 2. Section 451(a) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1978 not to exceed $5,000,000" and inserting in lieu thereof "fiscal year 1979 not to exceed $5,000,000".

[INVOLVEMENT OF UNITED STATES PERSONNEL IN NARCOTICS CONTROL ENFORCEMENT ACTIVITIES ABROAD

[SEC. 3. Section 481(c)(1) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentences: "No such officer or employee may interrogate or be present during the interrogation of any United States person arrested in any foreign country with respect to narcotics control efforts without the written consent of such person. The provisions of this paragraph shall not apply to the activities of the United States Armed Forces in carrying out their responsibilities under applicable Status of Forces arrangements.".

[USE OF HERBICIDES TO ERADICATE MARIHUANA

[SEC. 4. Section 481 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(d)(1) Assistance authorized by this chapter may not be made available or used for any program involving the spraying of a herbicide to eradicate marihuana plants if the use of that herbicide is likely to cause serious harm to the health of persons who may use or consume the sprayed marihuana. This prohibition shall not apply if the herbicide is used in conjunction with another substance that will clearly and readily warn potential users and consumers of the sprayed marihuana that a herbicide has been used on it.

["(2) The Secretary of State shall inform the Secretary of Health, Education, and Welfare of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a program receiving assistance under this chapter. The

Secretary of Health, Education, and Welfare, on the basis of scientific information and testing and after receiving comments from the Secretary of Agriculture and the Administrator of the Environmental Protection Agency, shall promptly advise the Secretary of State if the use of that herbicide is likely to cause serious harm to the health of persons who may use or consume marihuana sprayed with that herbicide. If the Secretary of State is so advised with respect to any herbicide, the prohibition contained in paragraph (1) shall apply with respect to the use of that herbicide.

[“(3) The Secretary of State shall submit a comprehensive report to the Congress not later than January 1 of each year explicitly detailing all efforts he has taken to ensure compliance with the requirements of this subsection and to prevent the spraying of marihuana with herbicides that are likely to cause serious harm to human health.”.

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 5. (a) Section 482 of the Foreign Assistance Act of 1961 is amended by striking out “$39,000,000 for the fiscal year 1978” and inserting in lieu thereof “$40,000,000 for the fiscal year 1979”.

[(b) Such section is further amended—

[(1) by inserting “(a)” immediately before “To carry out”; and

[(2) by adding at the end of the section the following new subsection:

[“(b) Funds authorized to be appropriated by this section shall not be made available for the procurement of weapons or ammunition under this chapter.”.

[HUMAN RIGHTS

[SEC. 6. (a) Paragraph (1) of section 502B(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(1) The United States shall, in accordance with its international obligations as set forth in the Charter of the United Nations and in keeping with the constitutional heritage and traditions of the United States, promote and encourage increased respect for human rights and fundamental freedoms throughout the world without distinction as to race, sex, language, or religion. Accordingly, a principal goal of the foreign policy of the United States shall be to promote the increased observance of internationally recognized human rights by all countries.”.

[(b) Paragraph (2) of such section is amended by striking out “It is further the policy of the United States that, except” and inserting in lieu thereof “Except”.

[(c) Paragraph (3) of such section is amended by striking out “the foregoing policy” and inserting in lieu thereof “paragraphs (1) and (2),”.

[(d)(1) Paragraph (2) of such section is amended by adding at the end thereof the following new sentence: “Security assistance may not be provided to the police, domestic intelligence, or similar law enforcement forces of a country, and licenses may not be issued under the Export Administration Act of 1969 for the export of crime control and detection instruments and equipment to a country, the government of which engages in a consistent pattern of gross violations of internationally recognized human rights unless

the President certifies in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that extraordinary circumstances exist warranting provision of such assistance and issuance of such licenses.".

[(2) Section 4 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new subsection:

["(m)(1) Crime control and detection instruments and equipment shall be approved for export by the Secretary of Commerce only pursuant to a validated export license.

["(2) The provisions of this subsection shall not apply with respect to exports to countries which are members of the North Atlantic Treaty Organization or to Japan, Australia, or New Zealand.".

[(e) Section 502B(a)(2) of the Foreign Assistance Act of 1961, as amended by section (d)(1) of this section, is further amended by adding at the end thereof the following new sentence: "Assistance may not be provided under chapter 5 of this part to a country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights unless the President certifies in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that extraordinary circumstances exist warranting provision of such assistance.".

[MILITARY ASSISTANCE

[SEC. 7. (a) Subsection (a)(1) of section 504 of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) There is authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $133,500,000 for the fiscal year 1979. Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1979:

["Portugal	$27,900,000
["Spain	41,000,000
["Jordan	45,000,000
["Philippines	17,100,000
["Greece	35,000,000

The amount specified in this paragraph for military assistance to any such country for the fiscal year 1979 may be increased by not more than 10 percent of such amount if the President deems such increase necessary for the purposes of this chapter.".

[(b) Section 516(a) of such Act is amended by inserting immediately before the period at the end thereof ", and until September 30, 1981, to the extent necessary to carry out obligations incurred under this chapter during the fiscal year 1978 with respect to Indonesia and Thailand".

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

[SEC. 8. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$270,000,000 for the fiscal year 1978" and inserting in lieu thereof "$90,000,000 for the fiscal year 1979".

[INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

[SEC. 9. (a) Section 515 of the Foreign Assistance Act of 1961 is amended in the first sentence of subsection (b)(1)—

[(1) by striking out "fiscal year 1978" and inserting in lieu thereof "fiscal year 1979"; and

[(2) by striking out "Brazil" and inserting in lieu thereof "Turkey, Indonesia, Thailand".

[(b) Such section is amended in subsection (d) by striking out "may not exceed 865 for the fiscal year 1978" and inserting in lieu thereof ", including any such members serving on a reimbursable basis pursuant to subsection (b)(3), may not exceed 790 for the fiscal year 1979".

[(c) Such section is amended in subsection (f) by striking out "1976" in the last sentence and inserting in lieu thereof "1977, except that the President may assign an aggregate total of not to exceed eight additional defense attachés to such countries in order to perform overseas management functions under this subsection".

[(d) Such section is amended in subsection (g) by inserting "for fixed" immediately before "periods of time" in the second sentence.

[(e) Such section is amended by adding at the end thereof the following new subsection:

["(h) The President shall continue to instruct United States diplomatic and military personnel in United States missions abroad that they should not encourage, promote, or influence the purchase by any foreign country of United States-made military equipment, unless they are specifically instructed to do so by an appropriate official of the executive branch.".

[ECONOMIC SUPPORT FUND

[SEC. 10. (a) Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended to read as follows:

["CHAPTER 4—ECONOMIC SUPPORT FUND

["SEC. 531. AUTHORITY.—(a)(1) The Congress recognizes that under special economic, political, or security conditions the national interests of the United States may require economic support for countries or in amounts which could not be justified solely under chapter 1 of part I. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. In planning assistance intended for economic development under this chapter, the President shall take into account, to the maximum extent feasible, the policy direction of section 102.

["(2) The Secretary of State shall be responsible for policy decisions and justifications for economic support programs under this chapter, including determinations of whether there will be an economic support program for a country and the amount of the program for each country. The Secretary shall exercise this responsibility in cooperation with the Administrator of the agency primarily responsible for administering part I.

[“(b)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1979, $1,902,000,000.

[“(2) Amounts appropriated to carry out this chapter are authorized to remain available until expended.

[“(c) Amounts appropriated to carry out this chapter shall be available for economic programs only and may not be used for military or paramilitary purposes.

[“SEC. 532. MIDDLE EAST PROGRAM.—(a) The Congress recognizes that a peaceful and lasting resolution of the divisive issues that have contributed to tension and conflict between countries in the Middle East is essential to the security of the United States and the cause of world peace. The Congress declares and finds that the United States can and should play a constructive role in securing a just and durable peace in the Middle East by facilitating increased understanding between the Arab countries and Israel and by assisting the countries in the region in their efforts to achieve economic progress and political stability, which are the essential foundations for peace. It is the sense of the Congress that United States assistance programs in the Middle East should be designed to promote mutual respect and security among the countries in the region and to foster a climate conducive to increased economic development, thereby contributing to a community of free, secure, and prospering countries in the Middle East.

[“(b)(1) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, not less than $785,000,000 shall be available only for Israel, not less than $750,000,000 shall be available only for Egypt, and not less than $93,000,000 shall be available only for Jordan.

[“(2) The total amount of funds allocated for Israel under this chapter for the fiscal year 1979 may be made available as a cash transfer. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfers made to Israel does not cause an adverse impact on the total amount of nonmilitary exports from the United States to Israel.

[“(3) Not less than two-thirds of the assistance furnished to Israel, and not less than two-thirds of the assistance furnished to Egypt, under this chapter for the fiscal year 1979 shall be provided on a grant basis.

[“(4) The President is requested to provide that at least $65,000,000 of the funds allocated for Egypt under this chapter for the fiscal year 1979 shall be available for the development and encouragement of private enterprise in Egypt. Programs financed under this paragraph shall be developed in close consultation with the Overseas Private Investment Corporation. It is the intent of the Congress that the funds made available under this paragraph should be used, to the maximum extent feasible, to encourage other donors, especially the Arab countries that are members of the Organization of Petroleum Exporting Countries, to participate in private enterprise development in Egypt. Funds made available under this paragraph may be used, among other things, for lending to Egyptian private business enterprise, to provide necessary surveys, services, and programs to encourage and support private enterprise development, and to contract for personnel to assist such programs.

[“(5) It is the sense of the Congress that programs which stress regional development or regional scientific and technical cooperation between Israel and its Arab neighbors can contribute in an important way to the mutual understanding that must serve as the basis for permanent peace in the Middle East. Of the amount authorized to be appropriate to carry out this chapter for the fiscal year 1979, not less than $5,000,000 shall be available only to fund regional programs which stress development or scientific and technical cooperation between Israel and its Arab neighbors or programs which would be used for Arab-Israeli cooperation once normalization of relations between Israel and the Arab nations occurs.

[“(6)(A) Funds appropriated to carry out this chapter for the fiscal year 1979 may not be expended for construction of the proposed potash production facility in Jordan until the President has determined, and has reported his determination to the Congress, that Jordan has obtained firm commitments from other sources for the financing, in addition to the proposed United States contribution, which will be required for that project.

[“(B) Funds appropriated to carry out this chapter for the fiscal year 1979 may not be expended for construction of the proposed Maqarin Dam and Jordan Valley Irrigation System until the President has determined, and has reported his determination to the Congress, that Jordan has obtained firm commitments from other sources for the financing, in addition to the proposed United States contribution, which will required for that project.

[“SEC. 533. SOUTHERN AFRICA PROGRAM.—(a) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, $60,000,000 shall be available only for the countries of southern Africa to address the problems caused by the economic dislocation resulting from the conflict in that region and for education and job training assistance. Such funds may be used to provide humanitarian assistance to African refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts, and to provide economic support to countries in the region.

[“(b) No assistance may be furnished under this section to Mozambique, Angola, Tanzania, or Zambia, except that the President may waive this prohibition with respect to any such country if he determines, and so reports to the Congress, that furnishing such assistance to such country would further the foreign policy interests of the United States.

[“SEC. 534. TURKEY AND CYPRUS PROGRAMS.—(a) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, not less than $15,000,000 shall be available only for refugee relief and reconstruction of Cyprus.

[“(b) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, not less than $50,000,000 shall be available only for Turkey.”.

[“(b)(1) Section 502B(d)(2)(A) of the Foreign Assistance Act of 1961 is amended by striking out “security supporting assistance” and inserting in lieu thereof “economic support fund”.

[“(2) The second sentence of section 610(b) of such Act is repealed.

[“(3) Section 653(b) of such Act is amended by striking out “security supporting assistance” each of the three places it appears and inserting in lieu thereof “assistance under chapter 4 of part II of this Act”.

[“(4) Section 669(a) and 670(a) of such Act are each amended by inserting “(including assistance under chapter 4 of part II)” immediately after “economic assistance” and by striking out “or security supporting”.

[“(5) Section 406(a) of the International Security Assistance and Arms Export Control Act of 1976 is amended by striking out “or security supporting assistance” and inserting in lieu thereof “assistance, no assistance under chapter 4 of part II,”.

[“(6) After September 30, 1978, any reference in any law to security support assistance shall be deemed to be a reference to assistance under chapter 4 of part II of the Foreign Assistance Act of 1961.

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 11. (a) Section 542 of the Foreign Assistant Act of 1961 is amended by striking out “$31,000,000 for the fiscal year 1978” and inserting in lieu thereof “$31,800,000 for the fiscal year 1979”.

[(b) Section 543 of such Act is amended)

[(1) by striking out “and” at the end of paragraph (1);

[(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon and “and”; and

[(3) by adding at the end thereof the following new paragraph:

[“(3) to increase the awareness of nationals of foreign countries participating in such activities of basic issues involving internationally recognized human rights.”.

[ASSISTANCE FOR PEACEKEEPING OPERATIONS

[SEC. 12. (a) Part II of the Foreign Assistant Act of 1961 is amended by adding at the end thereof the following new chapter:

[“CHAPTER 6—PEACEKEEPING OPERATIONS

[“SEC. 551. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries and international organizations, on such terms and conditions as he may determine, for peacekeeping operations and other programs carried out in furtherance of the national security interests of the United States.

[“SEC. 552. AUTHORIZATION OF APPROPRIATIONS.—(a) There is authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, $30,900,000 for the fiscal year 1979.

[“(b) Amounts appropriated under this section are authorized to remain available until expended.

[SEC. 553. MIDDLE EAST SPECIAL REQUIREMENTS FUND.—(a) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, $3,500,000 may be used only for special requirements related to international peacekeeping in the Middle East.

[“(b) The President may obligate or expend funds under this section for a foreign country or international organization only if—

[“(1) he has transmitted to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations and the chairman of the Committee on Appropriations of the Senate a report setting forth—

[“(A) the name of such country or organization;

[“(B) the amount of such funds to be made available to such country or organization;

[“(C) the purpose for which such funds are to be made available to such country or organization; and

[“(D) the reasons why it is in the national interest to use funds under this section for such purpose rather than—

[“(i) using other available funds; or

[“(ii) if no other funds are available for such purpose, awaiting the enactment of legislation making funds specifically available for such purpose;

[“(2) a period of 30 calendar days has elapsed since the Congress received such report; and

[“(3) the Congress did not adopt, during such 30-day period, a concurrent resolution stating in substance that the Congress does not approve the proposed use of funds described in such report.

[SEC. 554. ADMINISTRATIVE AUTHORITIES.—Except where expressly provided to the contrary, any reference in any law to part I of this Act shall be deemed to include reference to this chapter and any reference in any law to part II of this Act shall be deemed to exclude reference to this chapter.”.

[(b) Section 502B(d)(2)(A) of such Act is amended—

[(1) by inserting “or chapter 6 (peacekeeping operations)” immediately after “and training)”; and

[(2) by striking out “or part VI (assistance to the Middle East) of this Act”.

[(c)(1) Section 620B of such Act is amended in paragraph (1) by striking out “or 5” and inserting in lieu thereof “5, or 6”.

[(2) Section 653(b) of such Act is amended—

[(A) by striking out “part V” both places it appears and inserting in lieu thereof “chapter 6 of part II”; and

[(B) by inserting immediately before the comma in paragraph (2) “or assistance under chapter 6 of part II”.

[(3) Section 669(a) and 670(a) of such Act are each amended by inserting “providing assistance under chapter 6 of part II,” immediately after “training,”.

[(4) Part VI of such Act is repealed.

[(5) Section 406(a)(1) of the International Security Assistance and Arms Export Control Act of 1976 is amended by inserting “no assistance under chapter 6 of part II,” immediately before “and no military” in the first sentence.

[UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN

[SEC. 13. (a) Section 620(x) of the Foreign Assistance Act of 1961 shall be of no further force and effect upon the President’s determination and certification to the Congress that the resumption of

full military cooperation with Turkey is in the national interest of the United States and in the interest of the North Atlantic Treaty Organization and that the Government of Turkey is acting in good faith to achieve a just and peaceful settlement of the Cyprus problem, the early peaceable return of refugees to their homes and properties, and continued removal of Turkish military troops from Cyprus in the context of a solution to the Cyprus problem, and the early serious resumption of inter-communal talks aimed at a just, negotiated settlement.

[(b) The Foreign Assistance Act of 1961 is amended by inserting immediately after section 620B the following new section:

[“SEC. 620C. UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN.—(a) The Congress declares that the achievement of a just and lasting Cyprus settlement is and will remain a central objective of United States foreign policy. The Congress further declares that any action of the United States with respect to section 620(x) of this Act shall not signify a lessening of the United States commitment to a just solution to the conflict on Cyprus but is authorized in the expectation that this action will be conducive to achievement of a Cyprus solution and a general improvement in relations among Greece, Turkey, and Cyprus and between those countries and the United States. The Congress finds that—

[“(1) a just settlement on Cyprus must involve the establishment of a free and independent government on Cyprus and must guarantee that the human rights of all of the people of Cyprus are fully protected;

[“(2) a just settlement on Cyprus must include the withdrawal of Turkish military forces from Cyprus;

[“(3) the guidelines for inter-communal talks agreed to in Nicosia in February 1977 and the United Nations resolutions regarding Cyprus provide a sound basis for negotiation of a just settlement of Cyprus;

[“(4) serious negotiations, under United Nations auspices, will be necessary to achieve agreement on, and implementation of, constitutional and territorial terms within such guidelines; and

[“(5) the recent proposals by both Cypriot communities regarding the return of refugees to the city of New Famagusta (Varosha) constitute a positive step and the United States should actively support the efforts of the Secretary General of the United Nations with respect to this issue.

[“(b) United States policy regarding Cyprus, Greece, and Turkey shall be directed toward the restoration of a stable and peaceful atmosphere in the Eastern Mediterranean region and shall therefore be governed by the following principles:

[“(1) The United States shall actively support the resolution of differences through negotiations and internationally established peaceful procedures, shall encourage all parties to avoid provocative actions, and shall strongly oppose any attempt to resolve disputes through force or threat of force.

[“(2) The United States will accord full support and high priority to efforts, particularly those of the United Nations, to bring about a prompt, peaceful settlement on Cyprus.

[“(3) All defense articles furnished by the United States to countries in the Eastern Mediterranean region will be used only in accordance with the requirements of this Act, the Arms Export Control Act, and the agreements under which those defense articles were furnished.

[“(4) The United States will furnish security assistance for Greece and Turkey only when furnishing that assistance is intended solely for defensive purposes, including when necessary to enable the recipient country to fulfill its responsibilities as a member of the North Atlantic Treaty Organization, and shall be designed to ensure that the present balance of military strength among countries of the region, including between Greece and Turkey, is preserved. Nothing in this paragraph shall be construed to prohibit the transfer of defense articles to Greece or Turkey for legitimate self defense or to enable Greece or Turkey to fulfill their North Atlantic Treaty Organization obligations.

[“(5) The United States shall use its influence to ensure the continuation of the ceasefire on Cyprus until an equitable negotiated settlement is reached.

[“(6) The United States shall use its influence to achieve the withdrawal of Turkish military forces from Cyprus in the context of a solution to the Cyprus problem.

[“(c) Because progress toward a Cyprus settlement is a high priority of United States policy in the Eastern Mediterranean, the President and the Congress shall continually review that progress and shall determine United States policy in the region accordingly. To facilitate such a review the President shall, within 60 days after the date of enactment of this section and at the end of each succeeding 60-day period, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report on progress made toward the conclusion of a negotiated solution of the Cyprus problem. Such transmissions shall include any relevant reports prepared by the Secretary General of the United Nations for the Security Council.

[“(d) In order to ensure that United States assistance is furnished consistent with the policies established in this section, the President shall, whenever requesting any funds for security assistance under this Act or the Arms Export Control Act for Greece and Turkey, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate his certification, with a full explanation thereof, that the furnishing of such assistance will be consistent with the principles set forth in subsection (b). The President shall also submit such a certification with any notification to the Congress, pursuant to section 35(b) of the Arms Export Control Act, of a proposed sale of defense articles or services to Greece or Turkey.”.

[ANNUAL MILITARY ASSISTANCE REPORT

[SEC. 14. Chapter 3 of part III of the Foreign Assistant Act of 1961, as amended by the International Development and Food Assistance Act of 1978, is amended by inserting immediately after section 654 the following new section:

[“SEC. 657. ANNUAL REPORT ON MILITARY ASSISTANCE AND MILITARY EXPORTS.—Not later than February 1 of each year, the President shall transmit to the Congress an annual report for the fiscal year ending the previous September 30, showing the aggregate dollar value and quantity of defense articles and defense services, and of military education and training, furnished by the United States to each foreign country and international organization, by category, specifying whether they were furnished by grant under chapter 2 or chapter 5 of part II of this Act, by sale under chapter 2 of the Arms Export Control Act, by commercial sale licensed under section 38 of that Act, or by other authority.”.

[ARMS TRANSFER POLICY

[SEC. 15. (a) Section 1 of the Arms Export Control Act is amended by adding at the end thereof the following new paragraph:

[“It is the sense of the Congress that the President maintain adherence to a policy of restraint in conventional arms transfers and that, in implementing this policy worldwide, a balanced approach should be taken and full regard given to the security interests of the United States in all regions of the world and that particular attention should be paid to controlling the flow of conventional arms to the nations of the developing world. To this end, the President is encouraged to continue discussions with other arms suppliers in order to restrain the flow of conventional arms to less developed countries.”.

[SALES FROM STOCK

[SEC. 16. Section 21(e)(1) of the Arms Export Control Act is amended—

[(1) by striking out “and” at the end of subparagraph (b);

[(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon and “and”; and

[(c) by adding at the end thereof the following new subparagraph:

[“(D) the recovery of ordinary inventory losses associated with the sale from stock of defense articles that are being stored at the expense of the purchaser of such articles.”.

[RENEGOTIATION ACT OF 1951

[SEC. 17. Section 22 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

[“(c) The provisions of the Renegotiation Act of 1951 do not apply to contracts for the procurement of defense articles and defense services heretofore or hereafter entered into under this section or predecessor provisions of law.”.

[ANNUAL ARMS SALES PROPOSAL

[SEC. 18. (a) Section 25 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

[“(d) On or before November 15 of each year, the President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate the

Arms Sales Proposal covering all sales under this Act (other than sales to members of the North Atlantic Treaty Organization, Japan, Australia, and New Zealand) of major defense equipment for $7,000,000 or more, or of any other defense articles or defense services for $25,000,000 or more, which are considered eligible for approval during the fiscal year beginning on October 1 of such year.".

[(b) Subsection (c) of such section is amended by striking out "this section" and inserting in lieu thereof "subsection (a) or (b)".

[DEFENSE REQUIREMENT SURVEYS

[SEC. 19. Chapter 2 of the Arms Export Control Act is amended by adding at the end thereof the following new section:

["SEC. 26. DEFENSE REQUIREMENT SURVEYS.—(a) The Congress finds that defense requirement surveys prepared by the United States for foreign countries have had a significant impact on subsequent military procurement decisions of those countries. It is the policy of the United States that the results of defense requirement surveys conducted by the United States clearly do not represent a commitment by the United States to provide any military equipment to any foreign country. Further, recommendations in such surveys should be consistent with the arms export control policy provided for in this Act.

["(b) As part of the quarterly report required by section 36(a) of this Act, the President shall include a list of all defense requirement surveys authorized during the preceding calendar quarter, specifying the country with respect to which the survey was or will be conducted, the purpose of the survey, and the number of United States Government personnel who participated or will participate in the survey.

["(c) Upon a request of the chairman of the Committee on International Relations of the House of Representatives or the chairman of the Committee on Foreign Relations of the Senate, the President shall grant that committee access to defense requirement surveys conducted by United States Government personnel.".

[FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

[SEC. 20. (a) Section 31(a) of the Arms Export Control Act is amended by striking out "$677,000,000 for the fiscal year 1978" and inserting in lieu thereof "$682,000,000 for the fiscal year 1978 and $674,300,000 for the fiscal year 1979".

[(b) Section 31(b) of such Act is amended by striking out "$2,102,350,000 for the fiscal year 1978, of which" and inserting in lieu thereof "$2,152,350,000 for the fiscal year 1978 and $2,085,500,000 for the fiscal year 1979, of which amount for each such year".

[(c) Section 31(c) of such Act is amended by striking out "fiscal year 1978" and inserting in lieu thereof "fiscal year 1979".

[(d) Section 31(d) of such Act is amended by striking out "$100,000,000" and inserting in lieu thereof "$150,000,000".

[FULL DISCLOSURE REPORTS

[SEC. 21. Section 36(b)(1) of the Arms Export Control Act is amended—

[(1) by amending subparagraph (D) to read as follows:

["(D) an evaluation, prepared by the Director of the Arms Control and Disarmament Agency in consultation with the Secretary of State and the Secretary of Defense, of the manner, if any, in which the proposed sale would—

["(i) contribute to an arms race;

["(ii) increase the possibility of an outbreak or escalation of conflict;

["(iii) prejudice the negotiation of any arms controls; or

["(iv) adversely affect the arms control policy of the United States;";

[(2) by striking out "and" at the end of subparagraph (L);

[(3) by striking out the period at the end of subparagraph (M) and inserting in lieu thereof a semicolon; and

[(4) by inserting immediately after subparagraph (M) the following new subparagraphs:

["(N) the projected delivery dates of the dense articles to be offered;

["(O) a detailed description of weapons and levels of munitions that may be required as support for the proposed sale; and

["(P) an analysis of the relationship of the proposed sale to projected procurements of the same item.".

[USE OF FOREIGN CURRENCY

[SEC. 22. (a) Section 502(b) of the Mutual Security Act of 1954 is amended to read as follows:

["(b)(1)(A) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provisions of law—

["(i) local currencies owned by the United States which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961 and of the requirements of the United States Government in payment of its obligations outside of the United States, as such requirements may be determined from time to time by the President; and

["(ii) any other local currencies owned by the United States in amounts not to exceed the equivalent of $75 per day per person or the maximum per diem allowance established under the authority of subchapter I of chapter 57 of title 5 of the United States Code for employees of the United States Government while traveling in a foreign country, whichever is greater, exclusive of the actual cost of transportation;

shall be made available to Members and employees of the Congress for their local currency expenses when authorized as provided in subparagraph (B).

["(B) The authorization required for purposes of subparagraph (A) may be provided—

["(i) by the Speaker of the House of Representatives in the case of a Member or employee of the House;

[“(ii) by the chairman of a standing or select committee of the House of Representatives in the case of a member or employee of that committee;

[“(iii) by the President of the Senate, the President pro tempore of the Senate, the Majority Leader of the Senate, or the Minority Leader of the Senate, in the case of a Member or employee of the Senate;

[“(iv) by the chairman of a standing, select, or special committee of the Senate in the case of a member or employee of that committee or of an employee of a member of that committee; and

[“(v) by the chairman of a joint committee of the Congress in the case of a member or employee of that committee.

[“(C) Whenever local currencies owned by the United States are not otherwise available for purposes of this subsection, the Secretary of the Treasury shall purchase such local currencies as may be necessary for such purposes, using any funds in the Treasury not otherwise appropriated.

[“(2) On a quarterly basis, the chairman of each committee of the House of Representatives or the Senate and of each joint committee of the Congress (A) shall prepare a consolidated report (i) which itemizes the amounts and dollar equivalent values of each foreign currency expended and the amounts of dollar expenditures from appropriated funds in connection with travel outside the United States, stating the purposes of the expenditures including per diem (lodging and meals), transportation, and other purposes, and (ii) which shows the total itemized expenditures, by such committee and by each member or employee of such committee (including in the case of a committee of the Senate, each employee of a member of the committee who received an authorization under paragraph (1) from the chairman of the committee); and (B) shall forward such consolidated report to the Clerk of the House of Representatives (if the committee is a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Secretary of the Senate (if the committee is a committee of the Senate or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such consolidated report shall be open to public inspection and shall be published in the Congressional Record within ten legislative days after the report is forwarded pursuant to this paragraph. In the case of the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives, such consolidated report may, in the discretion of the chairman of the committee, omit such information as would identity the foreign countries in which members and employees of that committee traveled.

[“(3)(A) Each Member or employee who receives an authorization under paragraph (1) from the Speaker of the House of Representatives, the President of the Senate, the President pro tempore of the Senate, the Majority Leader of the Senate, or the Minority Leader of the Senate, shall within thirty days after the completion of the travel involved, submit a report setting forth the information specified in paragraph (2), to the extent applicable, to the Clerk of the House of Representatives (in the case of a Member of the House

or an employee whose salary is disbursed by the Clerk of the House) or the Secretary of the Senate (in the case of a Member of the Senate or an employee whose salary is disbursed by the Secretary of the Senate). In the case of an authorization for a group of Members or employees, such reports shall be submitted for all Members of the group by its chairman, or if there is no designated chairman, by the ranking Member or if the group does not include a Member, by the senior employee in the group. Each report submitted pursuant to this subparagraph shall be open to public inspection.

[“(B) On a quarterly basis, the Clerk of the House of Representatives and the Secretary of the Senate shall each prepare a consolidation of the reports received by them under this paragraph with respect to expenditures during the preceding quarter by each Member and employee or by each group in the case of expenditures made on behalf of a group which are not allocable to individual members of the group. Each such consolidation shall be open to public inspection and shall be published in the Congressional Record within ten legislative days after its completion.”.

[(b) Notwithstanding section 30 of this Act, the amendment made by subsection (a) of this section shall take effect on the date of enactment of this Act.

[SPECIAL SECURITY ASSISTANCE PROGRAM FOR THE MODERNIZATION OF THE ARMED FORCES OF THE REPUBLIC OF KOREA

[SEC. 23. (a)(1) The President is authorized until December 31, 1982—

[(A) to transfer, without reimbursement, to the Republic of Korea, only in conjunction with the withdrawal of the 2d Infantry Division and support forces from Korea, such United States Government-owned defense articles as he may determine which are located in Korea in the custody of units of the United States Army scheduled to depart from Korea; and

[(B) to furnish to the Republic of Korea, without reimbursement, defense services (including technical and operational training) in Korea directly related to the United States Government-owned defense articles transferred to the Republic of Korea under this subsection.

[(2) Any transfer under the authority of this section shall be made in accordance with all the terms and conditions of the Foreign Assistance Act of 1961 applicable to the furnishing of defense articles and defense services under chapter 2 of part II of that Act, except that no funds heretofore or hereafter appropriated under that Act shall be available to reimburse any agency of the United States Government for any such transfer or related services.

[(b) In order that transfers of defense articles under subsection (a) will not cause significant adverse impact on the readiness of the Armed Forces of the United States, the President is authorized, in lieu of such transfers, to transfer additional defense articles from the stocks of the Department of Defense, wherever located, to the Republic of Korea to compensate for the military capability of defense articles withdrawn from Korea in any case where he determines that—

[(1) the transfer of specific defense articles located in Korea would have a significant adverse impact on the readiness of the United States Armed Forces;

[(2) the defense capability provided by those defense articles is needed by the Armed Forces of the Republic of Korea in order to maintain the military balance on the Korean peninsula; and

[(3) a comparable defense capability could be provided by less advanced defense articles in the stocks of the Department of Defense which could be transferred without significant adverse impact on the readiness of the United States Armed Forces.

The President shall report to the Congress each determination made under this subsection prior to the transfer of the defense articles described in such determination.

[(c) The President shall transmit to the Congress, together with the presentation materials for security assistance programs proposed for each fiscal year through and including the fiscal year 1983, a report describing the types, quantities, and value of defense articles furnished or intended to be furnished to the Republic of Korea under this section.

[(e)(1) It is the sense of the Congress that further withdrawals of ground forces of the United States from the Republic of Korea may seriously risk upsetting the military balance in that region and requires full advance consultation with the Congress.

[UNITED STATES-REPUBLIC OF CHINA MUTUAL DEFENSE TREATY

[SEC. 26. (a) The Congress finds that—

[(1) the continued security and stability of East Asia is a matter of major strategic interest to the United States;

[(2) the United States and the Republic of China have for a period of twenty-four years been linked together by the Mutual Defense Treaty of 1954;

[(3) the Republic of China has during that twenty-four-year period faithfully and continually carried out its duties and obligations under that treaty; and

[(4) it is the responsibility of the Senate to give its advice and consent to treaties entered into by the United States.

[(b) It is the sense of the Congress that there should be prior consultation between the Congress and the executive branch on any proposed policy changes affecting the continuation in force of the Mutual Defense Treaty of 1954.

[NEGOTIATIONS BETWEEN ISRAEL AND EGYPT

[SEC. 28. (a) The Congress finds that—

[(1) a lasting settlement of the Arab-Israel conflict is vital to United States national interests as well as to the interests of the countries of the region;

[(2) support for a strong and secure Israel and the maintenance for this purpose of Israel's effective defense capabilities as essential to peace remains a fundamental tenet of United States foreign policy;

[(3) direct, face-to-face negotiations between Israel and Egypt without preconditions is an historic opening for peace,

and the support of such negotiations by other moderate Arab countries, can best promote a peace settlement based on mutual concessions and accommodations;

[(4) the establishment of secure, recognized, and defensible borders between Israel and its neighbors will discourage hostilities; and

[(5) full, normalized relations between Israel and its Arab neighbors, including trade, travel, tourism, communications, and diplomatic relations are vital for peace.

[(b) It is the sense of the Congress that the Government of the United States should continue to promote direct negotiations between Israel and Egypt and to encourage other Arab countries to enter into negotiations leading to peace treaties with Israel.

[(c) It is further the sense of the Congress that the United States should be responsive to Israel's economic needs and defense requirements, including the provision of additional advanced aircraft, in order to maintain Israel's defense capability which is essential to peace.

[REPORTS TO CONGRESS

[SEC. 29. (a) Section 8(d) of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971, is amended in the second sentence by striking out "Additionally, the President shall also submit a quarterly report to the Congress" and inserting in lieu thereof "The annual presentation materials for security assistance programs shall include a table".

[(b) Section 408(b) of the International Security Assistance and Arms Export Control Act of 1976 is amended by striking out "(1)" and by repealing paragraph (2).

[(c)(1) The International Security Assistance and Arms Export Control Act of 1976 is amended—

[(A) in section 202, by striking out "(a)" immediately after "SEC. 202." and by repealing subsection (b);

[(B) by repealing section 217;

[(C) by repealing section 218; and

[(D) in section 407, by striking out "(a)" and by repealing subsection (b).

[(2) The International Security Assistance Act of 1977 is amended—

[(A) in section 9—

[(i) by striking out "REVIEW OF" in the section heading;

[(ii) by striking out "(a)" immediately after "SEC. 9."; and

[(iii) by repealing subsections (b) through (e); and

[(B) by repealing section 23.

[(3) Section 5 of the Emergency Security Assistance Act of 1973 is repealed.

[(4) Section 17 of the Foreign Assistance Act of 1974 is repealed.

[SAVINGS PROVISION

[SEC. 30. Enactment of this Act shall not affect the authorizations of appropriations and limitations of authority to the fiscal year 1978 which are contained in provisions of law amended by

this Act (other than sections 31 (a), (b), and (d) of the Arms Export Control Act).]

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1977

AN ACT To amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1978, to amend the Agricultural Trade Development and Assistance Act of 1954 to make certain changes in the authorities of that Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SHORT TITLE

[SECTION 1. This Act may be cited as the "International Development and Food Assistance Act of 1977".

[TITLE I—INTERNATIONAL DEVELOPMENT ASSISTANCE

[DEVELOPMENT ASSISTANCE POLICY

[SEC. 101. (a) Subsection (d) of section 102 of the Foreign Assistance Act of 1961 is amended to read as follows:

["(d)(1) Development assistance furnished under this chapter shall be increasingly concentrated in countries which will make the most effective use of such assistance to help the poor toward a better life (especially such countries which are suffering from the worst and most widespread poverty and are in greatest need of outside assistance). In order to make possible consistent and informed judgments concerning which countries will make the most effective use of such assistance, the President shall propose appropriate criteria and factors to assess the commitment and progress of countries in meeting the objectives set forth in subsection (c) of this section and in other sections of this chapter. In developing such criteria and factors, the President shall specifically take into account their value in assessing countries' actions which demonstrate genuine concern and effective action for materially improving the lives of the poor and their ability to participate in development, including but not limited to efforts to—

["(A) increase agricultural productivity per unit of land through small-farm, labor-intensive agriculture;

["(B) reduce infant mortality;

["(C) control population growth;

["(D) promote greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers; and

["(E) reduce rates of unemployment and underemployment. A report on such proposed criteria and factors shall be transmitted to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate by January 31, 1978.

["(2) The President shall endeavor to bring about the adoption of similar criteria and factors by international development organizations in which the United States participates.

["(3) Presentation materials, submitted to the Congress with respect to assistance under this chapter, beginning with fiscal year

1977, shall contain detailed information concerning the steps being taken to implement this subsection.".

[(b) Such section 102 is amended by adding at the end thereof the following new subsection:

["(e) For the purpose of promoting economic growth in the poorest countries, the President is authorized, notwithstanding any other provision of law, to make assistance under this chapter available to the relatively least developed countries on a grant basis to the maximum extent that is consistent with the attainment of United States development objectives.".

[FOOD AND NUTRITION

[SEC. 102. (a) Subsection (a) of section 103 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "$291,000,000" and all that follows through "1976 and"; and

[(2) by inserting "and $580,000,000 for the fiscal year 1978" immediately after "1977".

[(b) Such section 103 is amended by adding at the end thereof the following new subsection:

["(h) of the funds authorized to be appropriated by this section for the fiscal year 1978, the President is requested to commit up to $60,000,000 for the purposes of assisting India with foreign exchange costs incurred in connection with the construction of grain storage facilities or other purposes specified in this section.".

[POPULATION PLANNING AND HEALTH

[SEC. 103. (a) Section 104 of the Foreign Assistance Act of 1961 is amended by striking out subsection (a) and inserting in lieu thereof the following new subsections:

["(a) In order to increase the opportunities and motivation for family planning and to reduce the rate of population growth, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for population planning. There are authorized to be appropriated to the President for the purposes of this subsection, in addition to funds otherwise available for such purposes, $167,000,000 for the fiscal year 1978, which amount is authorized to remain available until expended.

["(b) In order to prevent and combat disease and to help provide health services for the great majority, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for health, disease prevention, and environmental sanitation. There are authorized to be appropriated to the President for the purposes of this subsection, in addition to funds otherwise available for such purposes, $107,700,000 for the fiscal year 1978, which amount is authorized to remain available until expended.".

[(b) Subsection (b) of such section 104 is redesignated as subsection (c).

[(c) Such section 104 is amended by adding at the end thereof the following new subsection:

["(d)(1) Assistance under this chapter shall be administered so as to give particular attention to the interrelationship between (A) population growth, and (B) development and overall improvement in living standards in developing countries, and to the impact of all

programs, projects, and activities on population growth. All appropriate activities proposed for financing under this chapter shall be designed to build motivation for smaller families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to the urban poor.

[“(2) The President is authorized to study the complex factors affecting population growth in developing countries and to identify factors which might motivate people to plan family size or space their children.”.

[(d) The amendment made by subsection (a) of this section shall take effect on October 1, 1977.

[EDUCATION AND HUMAN RESOURCE DEVELOPMENT

[SEC. 104. (a) Subsection (a) of section 105 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “$90,000,000” and all that follows through “1976 and”; and

[(2) by inserting “and $84,900,000 for the fiscal year 1978” immediately after “1977”.

[(b) Subsection (c) of such section is amended by inserting “for the fiscal year 1977, and not less than $1,647,000 shall be available for the fiscal year 1978,” immediately after “shall be available”.

[TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

[SEC. 105. Section 106(b) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “$99,550,000 for the fiscal year 1976 and”; and

[(2) by inserting “and $105,000,000 for the fiscal year 1978” immediately after “fiscal year 1977”.

[COST-SHARING AND FUNDING LIMITS

[SEC. 106. Section 110 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a) by striking out “107” and inserting in lieu there of “106”; and

[(2) in subsection (b)—

[(A) by striking out “No” and inserting in lieu there of “Except for grants to countries determined to be relatively least developed based on the United Nations Conference on Trade and Development list of ‘relatively least developed countries’, no”; and

[(B) by striking out “107” and inserting in lieu thereof “106”.

[DEVELOPMENT AND USE OF COOPERATIVES

[SEC. 107. (a) Section 111 of the Foreign Assistance Act of 1961 is amended—

[(1) in the first sentence by striking out “assistance in the development” and inserting in lieu thereof “technical and capital assistance in the development and use”; and

[(2) by amending the second sentence to read as follows: "Not less than $10,000,000 of the funds made available under this Act for the fiscal year 1978 may be used only for technical assistance to carry out the purposes of this section.".

[(b) The amendments made by subsection (a) shall take effect on October 1, 1977.

[INTEGRATING WOMEN INTO NATIONAL ECONOMIES

[SEC. 108. Section 113 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 113. INTEGRATING WOMEN INTO NATIONAL ECONOMIES.—(a) In recognition of the fact that women in developing countries play a significant role in economic production, family support, and the overall development process of the national economies of such countries, this part shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of developing countries, thus improving their status and assisting the total development effort.

["(b) The President shall transmit to the Speaker of the House of Representatives and to the committee on Foreign Relations of the Senate a report on the impact of development programs, projects, and activities on the integration of women into the developing economies of countries receiving assistance under this part. The report shall include—

["(1) an evaluation of progress toward developing an adequate data base on the role of women in the national economies of recipient countries;

["(2) a specific description of the efforts undertaken to implement subsection (a); and

["(3) an evaluation of the effectiveness of such efforts.

["(c) The report required by subsection (b) shall be transmitted not later than one year after the date of enactment of this subsection.".

[PROHIBITION ON USE OF FUNDS FOR INVOLUNTARY STERILIZATIONS

[SEC. 109. Section 114 of the Foreign Assistance Act of 1961 is amended—

["(1) by striking out "ABORTIONS.—" and inserting in lieu thereof "ABORTIONS OR INVOLUNTARY STERILIZATIONS.—(a) "; and

["(2) by adding at the end thereof the following new subsection:

["(b) None of the funds made available to carry out this part shall be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to practice sterilizations.".

[LIMITATIONS ON DEVELOPMENT ASSISTANCE

[SEC. 110. Section 115(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a) None of the funds made available to carry out this chapter may be used in any fiscal year for any country to which assistance

is furnished in such fiscal year under chapter 4 of part II (security supporting assistance) or under part VI (assistance for Middle East peace) unless the Congress has specifically authorized such use of those funds. The specific authorization requirement of this subsection shall be deemed to be satisfied if the purpose for which funds are to be used is described in the presentation materials submitted to the Congress on proposed development assistance programs for the fiscal year in question and the Congress indicates its approval of such use in the legislation authorizing development assistance programs for such fiscal year.".

[HUMAN RIGHTS

[SEC. 111. (a) Subsections (c) and (d) of section 116 of the Foreign Assistance Act of 1961 are amended to read as follows:

[“(c) In determining whether or not a government falls within the provisions of subsection (a) and in formulating development assistance programs under this part, the Administrator shall consider, in consultation with the Coordinator for Human Rights and Humanitarian Affairs—

[“(1) the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organization of American States; and

[“(2) specific actions which have been taken by the President or the Congress relating to multilateral or security assistance to a less developed country because of the human rights practices or policies of such country.

[“(d) The Secretary of State shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, by January 31 of each year, a full and complete report regarding—

[“(1) the status of internationally recognized human rights, within the meaning of subsection (a), in countries that receive assistance under this part; and

[“(2) the steps the Administrator has taken to alter United States programs under this part in any country because of human rights considerations.".

[(b) Such section 116 is amended by adding at the end thereof the following new subsection:

[“(e) Of the funds made available under this chapter for the fiscal year 1978, not less than $750,000 may be used only for studies to identify, and for openly carrying out, programs and activities which will encourage or promote increased adherence to civil and political rights, as set forth in the Universal Declaration of Human Rights, in countries eligible for assistance under this chapter. None of these funds may be used, directly or indirectly, to influence the outcome of any election in any country.".

[INFANT NUTRITION

[SEC. 112. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 117. INFANT NUTRITION.—The President is encouraged (1) to devise and carry out in partnership with developing nations a strategy for programs of nutrition and health improvement for mothers and children, including breast-feeding, and (2) to provide technical, financial, and material support to individuals or groups at the local level for such programs.".

[ENVIRONMENT AND NATURAL RESOURCES

[SEC. 113. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by section 112 of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 118. ENVIRONMENT AND NATURAL RESOURCES.—The President is authorized to furnish assistance under this part for developing and strengthening the capacity of less developed countries to protect and manage their environment and natural resources. Special efforts shall be made to maintain and where possible restore the land, vegetation, water, wildlife, and other resources upon which depend economic growth and human well-being, especially that of the poor.".

[(b) Section 102 of such Act is amended—

[(1) by inserting in the seventh paragraph of subsection (a) "environment and natural resources," immediately after "decent housing,"; and

[(2) by inserting in subsection (b)(2) "environment and natural resources;" immediately after "health;".

[RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES

[SEC. 114. Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by sections 112 and 113 of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 119. RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES.—(a)(1) The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation, with particular emphasis on programs in research, development, and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act. Programs under this subsection shall be undertaken, whenever appropriate, in cooperation with the Energy Research and Development Administration or its successor and shall be carried out, to the greatest extent possible, through and in conjunction with activities under section 107 of this Act. These programs shall be directed toward the earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain, and are transferable from one region of the world to another.

[“(2) Of the funds made available to carry out this chapter for the fiscal year 1978, up to $18,000,000 are to be used for carrying out this subsection.

[“(b)(1) In furtherance of the purposes of this section, the President is authorized to carry out studies to identify the energy needs, uses, and resources which exist in developing countries. The results of the studies conducted under this subsection shall be reported to the Congress by March 1, 1978.

[“(2) The Agency for International Development, in cooperation with the Energy Research and Development Administration or its successor, shall conduct a review of the options for implementing the purposes of this section, one of which shall be a proposal for a nonprofit Government corporation (which would be designated as the International Energy Institute) outside the Agency for International Development. The President shall submit a comprehensive report on such review to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate by January 31, 1978, together with his recommendations as to which option should be implemented.”.

[SAHEL DEVELOPMENT PROGRAM

[SEC. 115. Part I of the Foreign Assistance Act of 1961 is amended—

[(1) by redesignating section 494B as section 120 and inserting such redesignated section at the end of chapter 1 of such part, as amended by sections 112, 113, and 114 of this Act;

[(2) by amending the section caption of such redesignated section to read “SAHEL DEVELOPMENT PROGRAM—PLANNING”; and

[(3) by inserting the following new section immediately after such redesignated section:

[“SEC. 121. SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may determined, for the long-term development of the Sahelian region. Assistance furnished under this section shall be in accordance with a long-term, multidonor development plan which calls for equitable burdensharing with other donors and shall be furnished, whenever appropriate, in cooperation with an international coordinating mechanism.

[“(b) The President shall prepare an annual report on the Sahel Development Program concerning the allocation of the United States contribution to the Program, the extent of the contributions from other donor countries, the effectiveness of the integrated effort through the Club des Amis du Sahel, and the progress made in achieving the objective of the Program.

[“(c) There are authorized to be appropriated to the President for purposes of this section beginning in the fiscal year 1978, in addition to funds otherwise available for such purposes, $200,000,000, except that not to exceed $50,000,000 may be appropriated under this section for the fiscal year 1978. Amounts appropriated under this section are authorized to remain available until expended.”.

[AMERICAN SCHOOLS AND HOSPITALS ABROAD

[SEC. 116. (a) Section 214 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (c)—

[(A) by striking out "each of the fiscal years 1974" and all that follows through "1976 and" and inserting in lieu thereof "the fiscal year"; and

[(B) by inserting "and for the fiscal year 1978, $25,000,000, immediately after "$25,000,000,";

[(2) in subsection (d)—

[(A) by striking out "1974" and all that follows through "1976 and"; and

(B) by inserting "and 1978" immediately after "1977"; and

[(3) by adding at the end thereof the following new subsection:

["(f) Notwithstanding the provisions of subsection (b), funds appropriated under this section may be used for assistance to centers for pediatric plastic and reconstructive surgery established by Children's Medical Relief International, except that assistance may not be furnished for the domestic operations of any such center located in the United States, its territories or possessions.".

[(b) The amendment made by subsection (a)(3) shall not apply to funds appropriated before the date of enactment of this Act.

[HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

[SEC. 117. (a)(1) Section 221 of the Foreign Assistance Act of 1961 is amended—

[(A) by striking out the second sentence; and

[(B) in the last sentence, by inserting ", section 222(c)," immediately after "222(b)".

[(2) Section 222(c) of such Act is amended—

[(A) by inserting "or under section 221" immediately after "1969"; and

[(B) by striking out "$600,000,000" and inserting in lieu thereof "$1,030,000,000".

[(3) Section 223(i) of such Act is amended by striking out "1978" and inserting in lieu thereof "1979".

[(b)(1) Section 222A(h) of such Act is amended by striking out "December 31, 1977" and inserting in lieu thereof "September 30, 1978".

[(2) Section 223(b) of such Act is amended—

[(A) by striking out "hereunder" and inserting in lieu thereof "under section 221 or 222 or under prior housing guaranty authorities"; and

[(B) by adding at the end thereof the following new sentence: "Fees collected in connection with guaranties issued under section 222A shall likewise be available to meet similar expenses, costs, or liabilities incurred in connection with the programs authorized by that section.".

[(c) Section 223(j) of such Act is amended in the last sentence—

[(1) by striking out "1977" and inserting in lieu thereof "1978"; and

[(2) by striking out "$50,000,000", "$20,000,000", and "$15,000,000", and inserting in lieu thereof "$75,000,000", "$30,000,000", and "$30,000,000", respectively.

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 118. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "for the fiscal year 1974," and all that follows through "$194,500,000 and";

[(2) by inserting immediately before the period at the end of the first sentence "and for the fiscal year 1978, $252,000,000"; and

[(3) by adding at the end thereof the following new sentence: "Of the funds authorized to be appropriated under this subsection for the fiscal year 1978, not to exceed $42,500,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees.".

[(b) Section 305 of such Act is amended by adding at the end thereof the following new sentence: "The President is further requested, in making United States contributions to such organizations, to take into account the progress, or lack of progress, of such organizations in adopting and implementing policies and practices which encourage and promote the integration of women into the national economies of member and recipient countries, and into professional and policymaking positions within such organizations, in accordance with the World Plan of Action of the Decade for Women.".

[INTERNATIONAL DISASTER ASSISTANCE

[SEC. 119. The first sentence of section 492 of the Foreign Assistance Act of 1961 is amended by striking out "1976 and 1977" and inserting in lieu thereof "1977 and 1978".

[ITALIAN RELIEF, REHABILITATION, AND RECONSTRUCTION

[SEC. 120. Section 495B of the Foreign Assistance Act of 1961 is amended—

[(1) by redesignating subsection (b) as subsection (c); and

[(2) by inserting immediately after subsection (a) the following new subsection:

["(b) There are authorized to be appropriated to the President $30,000,000 for the fiscal year 1978 for relief, rehabilitation, and reconstruction assistance, in accordance with the provisions of section 491 and on such terms and conditions as he may determine, for the people who have been victimized by the recent earthquakes in Italy. Amounts appropriated under this subsection are authorized to remain available until expended.".

[TURKEY RELIEF, REHABILITATION, AND RECONSTRUCTION

[SEC. 121. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 495D. TURKEY RELIEF, REHABILITATION, AND RECONSTRUCTION.—The President is requested to use up to $10,000,000

of the funds made available under section 492 of this Act to provide relief, rehabilitation, and reconstruction assistance to the victims of the recent earthquakes in Turkey.".

[USE OF FOREIGN VOLUNTARY NONPROFIT AGENCIES

[SEC. 122. (a) Section 607 of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end of the first sentence "(including foreign voluntary nonprofit relief agencies so registered and approved when no United States voluntary nonprofit relief agency is available)".

[(b) For purposes of implementing the amendment made by subsection (a), the President shall issue regulations governing registration with and approval by the Advisory Committee on Voluntary Foreign Aid of Foreign voluntary nonprofit agencies.

[REPEAL OF PROHIBITIONS ON AID TO COUNTRIES ASSISTING OR TRADING WITH CUBA OR VIETNAM

[SEC. 123. (a) Section 620(a) of the Foreign Assistance Act of 1961 is amended—

[(1) in the first sentence of paragraph (1) by striking out the semicolon and all that follows through "States"; and

[(2) by striking out paragraph (3).

[(b) Section 620(n) of such Act is repealed.

[(c) Section 664 of such Act is repealed.

[INSPECTOR GENERAL, FOREIGN ASSISTANCE

[SEC. 124. (a)(1) Section 624(d) of the Foreign Assistance Act of 1961 is repealed.

[(b) Section 5315 of title 5, United States Code, is amended by repealing paragraphs (52) and (53).

[(c) The amendments made by this section shall take effect on July 1, 1978.

[FOREIGN SERVICE OFFICERS

[SEC. 125. The last proviso of section 625(d)(2) of the Foreign Assistance Act of 1961 is amended by striking out the semicolon and "however, the authority contained in this proviso may not be exercised with respect to the assignment to such duty of more than fifty persons at any time".

[DOUBLE DIPPING

[SEC. 126. Section 626(b) of the Foreign Assistance Act of 1961 is amended by striking out "sections 3323(a) and 8344 of title 5 of the United States Code, section 872 of the Foreign Service Act of 1946, as amended, or any other law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities, subject to section 5532" and inserting in lieu thereof "section 3323(a)".

[COORDINATION OF UNITED STATES INTERNATIONAL DEVELOPMENT POLICIES AND PROGRAMS

[SEC. 127. (a) Subsection (a) of section 640B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the

following new sentence: "The Committee shall advise the President concerning the degree to which bilateral and multilateral development assistance should focus on critical problems in those functional sectors which affect the lives of the majority of people in the developing countries: food production; rural development and nutrition; population planning and health; and education, public administration, and human resource development.".

[(b) Subsection (d) of such section is amended to read as follows:

["(d) The President shall report to the Congress during the first quarter of each calendar year on United States actions affecting the development of less developed countries. The report shall include (1) a comprehensive and coordinated review of all United States policies and programs having a major impact on the development of such countries, including but not limited to the areas of bilateral and multilateral assistance, trade, commodities, monetary affairs, private investment, debt, employment, food, energy, technology, population, oceans, environment, human settlements, natural resources, and participation in international agencies concerned with development; and (2) an assessment of the impact of such policies and programs on (A) national employment, wages, and working conditions in the United States, as well as other aspects of the United States economy, and (B) the well-being of the poor in the less developed countries in accordance with the approach to development outlined in subsections (c) and (d) of section 102 of this Act.".

[(c) Such section 640B is amended by adding at the end thereof the following new subsections:

["(e) The head of any of the departments or agencies referred to in subsection (a) may temporarily assign, upon the request of the Chairman, any employee from such department or agency to the staff of the Committee.

["(f) To carry out the purposes of subsection (a), the Committee shall—

["(1) prepare studies on various development problems;

["(2) devise implementation strategies on developmental problems appropriate to each such department or agency;

["(3) monitor and evaluate the results of the development activities of each such department or agency; and

["(4) arrange for the exchange of information and studies between such agencies and departments.

["(g) In his annual report to the Congress pursuant to subsection (d), the President shall include a report on the Committee's operations pursuant to subsection (f).".

[REIMBURSABLE DEVELOPMENT PROGRAMS

[SEC. 128. Section 661 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "up to $1,000,000" and all that follows through "1976, and";

[(2) by inserting "of the funds made available for the purposes of this Act" immediately after "$2,000,000" the second place it appears; and

[(3) by inserting "and $2,000,000 of the funds made available for the purposes of this Act in the fiscal year 1978" immediately after "1977".

[OPERATING EXPENSES

[Sec. 129. (a) Section 667 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 667. OPERATING EXPENSES.—(a) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes, for the final year 1978—

["(1) $220,200,000 for necessary operating expenses of the agency primarily responsible for administering part I of this Act; and

["(2) such amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs of such agency.

["(b) Amounts appropriated under this section are authorized to remain available until expended.".

[(b) Section 109 of such Act is amended by inserting immediately before the period in the last sentence a comma and the following: "except that the authority of such sections may be used to transfer for the purposes of section 667 not to exceed five per centum of the amount of funds made available for section 667(a)(1)".

[NOTIFICATION OF PROGRAM CHANGES

[SEC. 130. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 671. NOTIFICATION OF PROGRAM CHANGES.—None of the funds appropriated to carry out the purposes of this Act (except for programs under title III or title IV of chapter 2 of part I, chapter 5 of part I, and programs of disaster relief and rehabilitation) may be obligated for any activities, programs, projects, types of materiel assistance, countries, or other operations not justified, or in excess of the amount justified, to the Congress for obligation under this Act for any fiscal year unless the Committee on Foreign Relations of the Senate, the Committee on International Relations of the House of Representatives, and the Committee on Appropriations of each House of the Congress are notified fifteen days in advance of such obligation.".

[FUTURE UNITED STATES DEVELOPMENT ASSISTANCE

[SEC. 131. It is the sense of the Congress that the United States should increase substantially its assistance for self-help development among the world's poorest people. Such assistance should be provided in accordance with the general policies and principles of chapter 1 of part I of the Foreign Assistance Act of 1961, with particular emphasis on encouraging and supporting more equitable patterns of economic growth, especially in the poorest countries, and should be coordinated with similar expanded efforts by international organizations, donor nations, and the recipient countries themselves.

[LIMITATION ON USE OF FUNDS; MISSING IN ACTION IN VIETNAM

[SEC. 132. (a) * * *

[(b) The President shall continue to take all possible steps obtain a final accounting of all Americans missing in action in Vietnam.

[PLAN FOR INCREASED MINORITY BUSINESS PARTICIPATION IN FOREIGN ASSISTANCE ACTIVITIES

[SEC. 133. (a) The Administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall prepare and transmit to the Congress, not later than 30 days after the date of enactment of this Act, a detailed plan for the establishment of a section on minority business within such agency.

[(b) Such plan shall include, but shall not be limited to—

[(1) a description of where the section on minority business will be located in such agency's organizational structure and what relevant lines of authority will be established;

[(2) a listing of the specific responsibilities that will be assigned to the section on minority business to enable it to increase, in a rational and effective manner, participation of minority business enterprises in activities funded by such agency;

[(3) a design for a time-phase system for bringing about expanded minority business enterprise participation, including specific recommendations for percentage allocations of contracts by such agency to minority business enterprises;

[(4) a proposed reporting system that will permit objective measuring of the degree of participation of minority business enterprises in comparison to the total activities funded by such agency;

[(5) a detailed projection of the administrative budgetary impact of the establishment of the section on minority business; and

[(6) a detailed set of objective criteria upon which determinations will be made as to the qualifications of minority business enterprises to receive contracts funded by such agency.

[(c)(1) Upon the enactment of the International Development Cooperation Act of 1979, the section on minority business established pursuant to subsection (a) shall be redesignated as the Minority Resource Center (hereafter in this section referred to as the "Center") which shall be responsible for increasing the participation of economically and socially disadvantaged business enterprises in contract, procurement, grant, and research and development activities funded by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 (hereafter in this section referred to as the "agency").

[(2) The Center shall—

[(A) establish, maintain, and disseminate information to, and otherwise serve as an information clearinghouse for, economically and socially disadvantaged business enterprises regarding business opportunities in development assistance programs funded by the agency;

[(B) design and conduct programs to encourage, promote, and assist economically and socially disadvantaged business

enterprises to secure direct contracts, host country contracts, operation expatriate contracts, indefinite quantity contracts, subcontracts, projects, grants, and research and development contracts in order for such enterprises to participate in such development assistance programs;

[(C) conduct market research, planning, economic and business analyses, and feasibility studies to identify business opportunities in such development assistance programs;

[(D) develop support mechanisms which will enable socially and economically disadvantaged businesses to take advantage of business opportunities in such development assistance programs; and

[(E) enter into such contracts (to such extent or in such amounts as are provided in appropriation Acts), cooperative agreements, or other transactions as may be necessary in the conduct of its functions under this section.

[(3) The Administrator of the agency and the Secretary of State shall provide the Center with such relevant information, including procurement schedules, bids, and specifications with respect to development assistance programs funded by the agency, as may be requested by the Center in connection with the performance of its functions under this section.

[(4) There shall be a Director of the Center who shall be the chief executive officer of the Center. The Director shall be appointed by the Administrator of the agency.

[(5)(A) For the purposes of this section, the term "economically and socially disadvantaged enterprise" means a business—

[(i) which is at least 51 percent owned by one or more socially and economically disadvantaged individuals or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

[(ii) whose management and daily business operations are controlled by one or more such individuals.

[(B) Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identify as a member of a group without regard to their individual qualities.

[(C) Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. In determining the degree of diminishing credit and capital opportunities, the Administrator of the agency shall consider, but not be limited to, the assets and net worth of the socially disadvantaged individual.

[(7) Of the funds available to the agency for operating expenses, up to $950,000 for fiscal year 1980 may be allocated to the Center to carry out its functions under this section.

[(8) If the Administrator of the agency determines that such a consolidation would significantly further the purposes of this section and would eliminate unnecessary duplication of activity, the Administrator may consolidate the Center with the Office of Small and Disadvantaged Business Utilization established in the agency

by section 15(k) of the Small Business Act. Any such consolidation shall ensure that all the functions specified in paragraph (2) of this subsection continue to be carried out. Before implementing any such consolidation, the Administrator shall submit to the Congress a detailed report setting forth the reasons for the proposed consolidation.

[TITLE II—FOOD FOR PEACE

[REPEAL OF CERTAIN PROHIBITIONS ON TITLE I FINANCING

[SEC. 201. (a) Section 102 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out ": *Provided,*" and all that follows through the end of the section and inserting in lieu thereof a period.

[(b) Section 103(d) of such Act is amended by striking out ", or (3)" and all that follows through "United Arab Republic under title I of this Act".

[ALLOCATION OF TITLE I AGREEMENTS

[SEC. 202. Section 111 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out the first three sentences and inserting in lieu thereof the following: "Not more than 25 per centum of the food aid commodities provided under this title in each fiscal year shall be allocated and agreed to be delivered to countries other than those which meet the poverty criterion established for International Development Association financing and which are affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that (1) the use of such food assistance is required for humanitarian food purposes, or (2) the quantity of commodities which would be required to be allocated under this section to countries which meet the International Development Association poverty criterion could not be used effectively to carry out the humanitarian or development purposes of this title. A reduction below 75 per centum in the proportion of food aid allocated and agreed to be delivered to countries which meet the International Development Association poverty criterion and which are affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad which results from significantly changed circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section.".

[HUMAN RIGHTS

["Sec. 203. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

["SEC. 112. (a) No agreement may be entered into under this title to finance the sale of agricultural commodities to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the

right to life, liberty, and the security of person, unless such agreement will directly benefit the needy people in such country. An agreement will not directly benefit the needy people in the country for purposes of the preceding sentence unless either the commodities themselves or the proceeds from their sale will be used for specific projects or programs which the President determines would directly benefit the needy people of that country. The agreement shall specify how the projects or programs will be used to benefit the needy people and shall require a report to the President on such use within 6 months after the commodities are delivered to the recipient country.

[“(b) To assist in determining whether the requirements of subsection (a) are being met, the Committee on Agriculture, Nutrition, and Forestry of the Senate or the Committee on International Relations of the House of Representatives may require the President to submit in writing information demonstrating that an agreement will directly benefit the needy people in a country.

[“(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organization of American States.

[“(d) The President shall transmit to the Speaker of the House of Representatives, the President of the Senate, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, in the annual presentation materials on planned programing of assistance under this Act, a full and complete report regarding the steps he has taken to carry out the provisions of this section.”.

[FINANCING THE SALE OF FOOD AND FIBER COMMODITIES

[SEC. 204. Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended by sections 203 of this Act, is further amended by adding at the end thereof the following new section:

[“SEC. 113. In the allocation of funds made available under this title, priority shall be given to financing the sale of food and fiber commodities.”.

[HIGH PROTEIN, BLENDED, AND FORTIFIED FOODS

[“SEC. 205 Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended by sections 203 and 204 of this Act, is further amended by adding at the end thereof the following new section:

[“SEC. 114. (a) The Congress declares it to be the policy of the United States to assist developing countries in the transition from food assistance recipients to economic self-sufficiency and to assist those nations which have been recipients of high protein, blended, or fortified foods under title II of this Act to continue to combat hunger and malnutrition among the lower income segments of their population, especially children, through the continued provision of these foods under this title.

[“(b) In implementing the policy declared in subsection (a), the President, in entering into agreements for the sale of high protein, blended, or fortified foods under this title with countries which (1) give assurance that the benefits of any waiver under this section will be passed on to the individual recipients of such foods, and (2) have a reasonable potential for transition to commercial purchasers of such foods, may make provisions for a waiver of repayment of up to that part of the product value which is attributable to the costs of processing, enrichment, or fortification.

[“(c) In implementing this section, due care shall be taken to minimize its impact on other commercial and concessional sales of whole grains and, where feasible, agreements under this title utilizing the authority contained in this section will provide for sales of such commodities.”.

[TITLE II MINIMUM DISTRIBUTION

[SEC. 206. Section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out “title shall be” and all that follows through “unless” and inserting in lieu thereof the following: “title—

[“(1) for fiscal years 1978 through 1980 shall be 1,600,000 metric tons, of which not less than 1,300,000 metric tons shall be distributed through nonprofit voluntary agencies and the World Food Program;

[“(2) for fiscal year 1981 shall be 1,650,000 metric tons, of which not less than 1,350,000 metric tons shall be distributed through nonprofit voluntary agencies and the World Food Program; and

[“(3) for fiscal year 1982 and each fiscal year thereafter shall be 1,700,000 metric tons, of which not less than 1,400,000 metric tons shall be distributed through nonprofit voluntary agencies and the World Food Program;

[unless”.

[TITLE II DISTRIBUTION PRIORITIES

[SEC. 207. Section 202 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting “(a)” immediately after “SEC. 202.”;

[(2) by striking out the next to the last sentence; and

[(3) by adding at the end thereof the following new subsection:

[“(b)(1) Assistance to needy persons under this title shall be directed, insofar as practicable, toward community and other self-help activities designed to alleviate the causes of need for such assistance.

[“(2) In order to assure that food commodities made available under this title are used effectively, indigenous workers shall be employed, to the extent feasible, to provide information on nutrition and conduct food distribution programs in the most remote villages.

[“(3) In distributing food commodities under this title, priority shall be given, to the extent feasible, to those who are suffering from malnutrition by using means such as (A) giving priority with-

in food programs for preschool children to malnourished children, and (B) giving priority to the poorest regions of countries.".

[USE OF FOREIGN NONPROFIT VOLUNTARY AGENCIES

[SEC. 208. (a) Section 202(a) of the Agricultural Trade Development and Assistance Act of 1954, as redesignated by section 207(1) of this Act, is amended by inserting the following new sentence immediately after the second sentence: "If no United States nonprofit voluntary agency registered with and approved by the Advisory Committee on Voluntary Foreign Aid is available, the President may utilize a foreign nonprofit voluntary agency which is registered with and approved by the Advisory Committee.".

[(b) For purposes of implementing the amendment made by subsection (a), the President shall issue regulations governing registration with an approval by the Advisory Committee on Voluntary Foreign Aid of foreign nonprofit voluntary agencies.

[REIMBURSEMENT OF TRANSPORTATION COSTS

[SEC. 209. Section 203 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by striking out ", or, in the case of landlocked countries," and inserting in lieu thereof a semicolon; and

[(2) by inserting immediately after "points of entry abroad" the following: "in the case (1) of landlocked countries, (2) where ports cannot be used effectively because of natural or other disturbances, (3) where carriers to a specific country are unavailable, or (4) where a substantial savings in costs or time can be effected by the utilization of points of entry other than ports".

[SALE OF TITLE II COMMODITIES TO INCREASE PROGRAM EFFECTIVENESS

[SEC. 210. Section 206 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "purposes specified in section 103 of the Foreign Assistance Act of 1961" and inserting in lieu thereof "increasing the effectiveness of the programs of food distribution and increasing the availability of food commodities provided under this title to the neediest individuals in recipient countries".

[FOOD FOR DEVELOPMENT PROGRAM

[SEC. 211. (a) Title III of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

[(1) redesignating sections 301, 302, and 303 as sections 308, 309, and 310, respectively; and

[(2) inserting immediately before section 308, as redesignated by paragraph (1), the following new sections:

["SEC. 301. (a) In order to establish a strong relationship between United States food assistance and efforts by developing countries to increase the availability of food for the poor in such countries and improve in other ways the quality of their lives, the President is authorized to encourage the use of the resources provided by the concessional financing of agricultural commodities under this Act for agricultural and rural development, including vol-

untary family planning, health, and nutrition programs, by permitting the funds accruing from the local sale of such commodities which are used for such purposes to be applied against the repayment obligation of governments receiving concessional financing under this Act. The agreement between the United States Government and an eligible developing country government which provides for repayment of the obligation to the United States accruing from the concessional sale of United States agricultural commodities by the use of funds from the sale of such purposes shall be called a Food for Development Program.

[“(b) The overall goal of assistance under this title shall be to increase the access of the poor in the recipient country to a growing and improving food supply through activities designed to improve the production, protection, and utilization of food, and to increase the wellbeing of the poor in the rural sector of the recipient country. Assistance under this title shall be used for programs of agricultural development, rural development, nutrition, health services, and population planning, and the program described in section 406(a)(1) of this Act, in those countries which are undertaking (or are seriously prepared to undertake in connection with the provision of agricultural commodities under this Act) self-help measures to increase agricultural production, improve storage, transportation, and distribution of commodities, and reduce population growth in accordance with section 109 of this Act, when such programs are directed at and likely to achieve the policy objectives of sections 103 and 104 of the Foreign Assistance Act of 1961 and are consistent with the policy objectives of this Act. Particular emphasis should be placed on activities which effectively assist small farmers, tenants, sharecroppers, and landless agricultural services and institutions at the local level, and otherwise providing opportunities for the poor who are dependent upon agriculture and agriculturally related activities to better their lives through their own efforts.

[“SEC. 302. (a) Whenever the President, in consultation with the government of a developing country, determines that such developing country meets the criteria specified in subsection (b) of this section and could benefit from the sale of United States agricultural commodities (including processed and blended foods) for the purposes of generating funds or distributing such commodities for agricultural and rural development, and improving food distribution and use within such country, the President may designate such country as eligible for a Food for Development Program.

[“(b) In order to be eligible for a Food for Development Program under this section, a country must (1) have a need for external resources to improve its food production, marketing, distribution, and storage systems; (2) meet the criterion used to determine basic eligibility for development loans of the International Development Association of the International Bank for Reconstruction and Development; (3) have the ability to utilize effectively the resources made available by the sale of food commodities under this section for the purposes specified in clause (1) of this subsection; and (4) indicate the willingness to take steps to improve its food production, marketing, distribution, and storage systems.

[“(c)(1) Except as provided in paragraph (2) of this subsection, the aggregate value of all agreements entered into under this title—

[“(A) for fiscal year 1978, shall be not less than 5 percent,

[“(B) for fiscal year 1979, shall be not less than 10 percent, and

[“(C) for fiscal year 1980 and each fiscal year thereafter, shall be not less than 15 percent,

of the aggregate value of all agreements entered into under title I of this Act for such fiscal year.

[“(2) The President may waive the requirement of paragraph (1) of this subsection with respect to a fiscal year if he determines that there are an insufficient number of agricultural and rural development projects which qualify for assistance under this title and that therefore the humanitarian purposes of this Act would be better served by furnishing financing under other provisions of this Act. Any such waiver shall be reported to the Congress, together with a detailed statement of the reasons for the lack of acceptable projects and a detailed description of efforts by the United States Government to assist eligible countries, pursuant to section 303(a), in identifying appropriate projects for assistance under this title.

[“(3) Greatest efforts shall be made by relevant United States agencies to encourage maximum utilization of assistance for Food for Development projects under this title, even beyond the minimums required by paragraph (1) of this subsection.

[SEC. 303. (a) A country designated as eligible and wishing to participate in a Food for Development Program shall formulate, with the assistance (if requested) of the United States Government, a multi-year proposal which shall be submitted to the President. Such proposal shall include an annual value or amount of agricultural commodities proposed to be financed under the authority of title I of this Act pursuant to the provisions of this title, and a plan for the intended uses of commodities or the funds generated from the sale of such commodities, on an annual basis for each year such funds are to be disbursed. Such proposal shall also specify the nature and magnitude of problems to be affected by the effort, and shall present targets in quantified terms, insofar as possible, and a description of the relationships among the various projects, activities, or programs to be supported.

[“(b) The multiyear utilization proposal for a Food for Development Program shall include, but not be limited to a statement of how assistance under such Program will be integrated into and complement that country’s overall development plans and other forms of bilateral and multilateral development assistance, including assistance made available under section 103 of the Foreign Assistance Act of 1961 or under any other title of this Act.

[“(c) In his review of any utilization proposal for a Food for development Program, the President shall be satisfied that such assistance is intended to complement, but not replace, assistance authorized by the Foreign Assistance Act of 1961, or any other program of bilateral or multilateral assistance, or under the development program of the country desiring to initiate a Food for Development program.

[“SEC. 304. (a) Whenever a utilization proposal has been agreed upon by the President and the participating country, the Commodity Credit Corporation is authorized to furnish credit under the authority of title I of this Act to the participating country for the purchase of a specific annual value of agricultural commodities to be delivered over a period of from one to five years, subject to the availability of commodities under section 401 of this Act.

[“(b) Notwithstanding any other provision of this Act, no payment except as provided for under this title shall be required of the recipient government as a part of any agreement to finance the sale of agricultural commodities pursuant to a Food for Development Program.

[“(c) In making food assistance available under this title to a country on the United Nations Conference on Trade and Development list of relatively least developed countries, the President may waive any requirement contained in section 303 (a) or (b), in that portion of section 303(c) which requires that assistance under this title is intended to complement but not replace any part of the development program of the participating country, or in section 306, if he finds that such country is unable to meet such requirement but could use assistance under this title to meet important humanitarian or developmental objectives of this Act. Such waivers, and the reasons therefore, shall be reported annually by the President to the Congress.

[“SEC. 305. Funds generated from the sale of agricultural commodities by any participating country under this title shall be held in a special account, where practicable, to be disbursed for the purposes described in the approved Food for Development Program of such country. The amount of funds disbursed for such purposes and in accordance with the agreement shall be deemed payments for the purposes of section 103(b) of this Act.

[“SEC. 306. Not more than one year after the initial delivery of commodities to any country under this title and each year thereafter for the period of agreement, the government of the participating country, with the assistance (if requested) of the United States Government, shall submit a comprehensive report to the President on the activities and progress achieved under the Food for Development Program for such country, including, but not limited to, a comparison of results with projected targets, a specific accounting for funds generated, their uses, and the outstanding balances at the end of the most recent fiscal year. Such annual report may also include recommendations for modification and improvement in the Food for Development Program of such country.

[“SEC. 307. (a) Each year the President shall review the disposition of all agreements providing for the use of the proceeds from the sale of agricultural commodities pursuant to this title for which such funds were not fully disbursed the preceding year. The results of such review shall be included in the annual report to the Congress required under section 408(a) of this Act.

[“(b) If the President finds that the provisions of an agreement are not being substantially met, he shall not extend financing for sales under this title until the end of the following fiscal year or until the situation is remedied, whichever occurs first, unless the

failure to meet the provisions is due to unusual circumstances beyond the control of the recipient government.".

[(b)(1) Section 103(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "section 106(b)(2)" in the proviso and inserting in lieu thereof "title III".

[(2) Section 106(b)(2) of such Act is amended by striking out the second and third sentences.

[ADEQUACY OF FACILITIES: EFFECT OF SHIPMENTS ON AGRICULTURAL PRODUCTION IN RECIPIENT COUNTRY

[SEC. 212. Section 401 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "(a)" immediately after "SEC. 401." and by adding at the end thereof the following new subsection:

["(b) No agricultural commodity may be financed or otherwise made available under the authority of this Act except upon a determination by the Secretary of Agriculture that (1) adequate storage facilities are available in the recipient country at the time of exportation of the commodity to prevent the spoilage or waste of the commodity, and (2) the distribution of the commodity in the recipient country will not result in a substantial disincentive to domestic production in that country.".

[REVISION OF REPORTING REQUIREMENTS; PROGRAM EVALUATION REPORTS

[SEC. 213. Subsections (b) and (c) of section 408 of the Agricultural Trade Development and Assistance Act of 1954 are amended to read as follows:

["(b) Not later than September 30 of each year, the President shall submit to the Congress a report containing a global assessment of food assistance under title I for the coming fiscal year. Not later than December 31, March 31, and June 30 of each year, the President shall submit a report to the Congress showing the current status of planned programming of food assistance under title I for the current fiscal year.

["(c) Beginning October 1, 1978, and at each five-year interval thereafter, the President shall submit to the Congress a comparative cross-country evaluation of programs conducted under titles II and III. Such evaluations shall cover no fewer than five countries sampled from the developing regions (Asia, Africa, Latin America, and the Caribbean), and shall assess the nutritional and other impacts, achievements, problems, and future prospects for programs under these titles.".

[EFFECTIVE DATE

[SEC. 215. The provisions of this title shall become effective October 1, 1977.]

INTERNATIONAL SECURITY ASSISTANCE ACT OF 1977

AN ACT To amend the Foreign Assistance Act of 1961 to authorize international security assistance programs for fiscal year 1978, to amend the Arms Export Control Act to make certain changes in the authorities of that Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SHORT TITLE

[SECTION 1. This Act may be cited as the "International Security Assistance Act of 1977".

[CONTINGENCY FUND

[SEC. 2. Section 451(a) of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1976 not to exceed $5,000,000 and for the fiscal year 1977 not to exceed $5,000,000" and inserting in lieu thereof "for the fiscal year 1978 not to exceed $5,000,000".

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 3. Section 482 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 482. AUTHORIZATION.—To carry out the purposes of section 481, there are authorized to be appropriated to the President $39,000,000 for the fiscal year 1978. Amounts appropriated under this section are authorized to remain available until expended.".

[ASSISTANCE TO PORTUGAL

[SEC. 4. Chapter 10 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 497. BALANCE OF PAYMENTS LOAN FOR PORTUGAL.—(a) In recognition of the established interest of the United States in fostering a democratic government in Portugal, in maintaining the strength of the North Atlantic Treaty Organization alliance, and in supporting European economic recovery, the purpose of this section is to provide essential balance of payments assistance to Portugal.

["(b) The President is authorized to make balance of payments support loans to Portugal as part of a special international effort to assist that country in the development and implementation of a program to gain financial stability and economic recovery.

["(c) There are authorized to be appropriated to the President not to exceed $300,000,000 for the fiscal year 1978 to carry out the purposes of this section, which amount is authorized to remain available until expended.".

[MILITARY ASSISTANCE

[SEC. 5. (a) Section 504(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $228,900,000 for the fiscal year 1978. Not more than the following amounts of funds available to carry out this chapter may be allocated and

made available for assistance to each of the following countries for the fiscal year 1978:

[“Greece	$33,000,000
[“Portugal	25,000,000
[“Spain	15,000,000
[“Turkey	48,000,000
[“Jordan	55,000,000
[“Indonesia	15,000,000
[“Philippines	19,000,000
[“Thailand	8,000,000

[The amount specified in this paragraph for military assistance to any such country for the fiscal year 1978 may be increased by not more than 10 per centum of such amount if the President deems such increase necessary for the purposes of this chapter.

[“(2) Except with respect to costs incurred under the authority of section 516(b) or as otherwise specifically authorized by law, none of the funds available for assistance under this chapter may be used to provide assistance to any recipient other than the countries specified in paragraph (1).

[“(3) The authority of section 610(a) and of section 614(a) may not be used to increase any amount specified in paragraph (1) or to waive the limitations of paragraph (2).

[“(4) Amounts appropriated under this subsection are authorized to remain available until expended.”.

[(b) Section 516(b) of the Foreign Assistance Act of 1961 is amended by striking out “paragraphs (2) and (3)” and inserting in lieu thereof “paragraph (2)”.

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

[SEC. 6. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out “$93,750,000 for the period beginning July 1, 1975, and ending September 30, 1976, and $125,000,000 for the fiscal year 1977” and inserting in lieu thereof “$270,000,000 for the fiscal year 1978”.

[INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

[SEC. 7. (a) Section 515 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 515. OVERSEAS MANAGEMENT OF ASSISTANCE AND SALES PROGRAMS.—(a) No military assistance advisory group, military mission, or other organization of United States military personnel performing similar military advisory functions under this Act or the Arms Export Control Act may operate in any foreign country unless specifically authorized by the Congress. The prohibition contained in this subsection does not apply to regular units of the Armed Forces of the United States engaged in routine functions designed to bring about the standardization of military operations and procedures between the Armed Forces of the United States and countries which are members of the North Atlantic Treaty Organization or other defense treaty allies of the United States.

[“(b)(1) In order to carry out his responsibilities for the management during the fiscal year 1978 of international security assistance programs conducted under this chapter, under chapter 5 of

this part, or under the Arms Export Control Act, the President may assign members of the Armed Forces of the United States to perform necessary functions with respect to such programs in the countries specified in section 504(a)(1) and in the Republic of Korea, Panama, Brazil, Morocco, Iran, Kuwait, and Saudi Arabia. Members of the Armed Forces assigned under this subsection shall have as their primary functions logistics management, transportation, fiscal management, and contract administration of country programs. It is the sense of the Congress that advisory and training assistance in the countries specified above shall primarily be provided by personnel who are not assigned under this subsection and who are detailed for limited periods to perform specific tasks.

[“(2) The total number of members of the Armed Forces assigned under this subsection to each country specified in paragraph (1) of this subsection may not exceed the number justified to the Congress in the congressional presentation materials, unless the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives are so notified.

[“(3) Members of the Armed Forces authorized to be assigned to Iran, Kuwait, and Saudi Arabia by paragraph (1) of this subsection may only be assigned to such countries on a fully reimbursable basis under section 21(a) of the Arms Export Control Act, except that this requirement shall apply only to the extent that the number of members of the Armed Forces assigned to each such country exceeds six.

[“(c) The President may assign not to exceed three members of the Armed Forces to any country not specified in subsection (b)(1) to perform accounting and other management functions with respect to international security assistance programs conducted under this chapter, chapter 5 of this part, or under the Arms Export Control Act, except that not to exceed three additional members of the Armed Forces may be assigned to a country to perform such functions when specifically requested by the Chief of the Diplomatic Mission as necessary to the efficient operation of the Mission.

[“(d) The total number of members of the Armed Forces assigned to foreign countries under subsections (b) an (c) may not exceed 865 for the fiscal year 1978.

[“(e) Members of the Armed Forces assigned to a foreign country under subsection (b) or (c) shall serve under the direction and supervision of the Chief of the United States Diplomatic Mission in that country.

[“(f) Defense attachés may perform overseas management functions described in this section only if the President determines that the performance of such functions by defense attachés is the most economic and efficient means of performing such functions. The President shall promptly report each such determination to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations and the chairman of the Senate Committee on Armed Services, together with a description of the number of personnel involved and a statement of the reasons for such determination. The number of defense attachés performing overseas management functions in a country under this

subsection may not exceed the number of defense attachés authorized to be assigned to that country on December 31, 1976.

[“(g) The entire costs (including salaries of United States military personnel) of overseas management of international security assistance programs under this section shall be charged to or reimbursed from funds made available to carry out this chapter, including any such costs which are reimbursed from charges from services collected from foreign governments pursuant to sections 21(e) and 43(b) of the Arms Export Control Act. The prohibition contained in subsection (a) of this section and the numerical limitations contained in subsections (b), (c), and (d) of this section shall not apply to members of the Armed Forces performing services for specific purposes and periods of time on a fully reimbursable basis under section 21(a) of the Arms Export Control Act.”.

[(b) Section 516(a) of the Foreign Assistance Act of 1961 is amended by striking out “515(b)(2)” and inserting in lieu thereof “515”.

[(c) Section 631(d) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “this Act” and inserting in lieu thereof “part I of this Act”; and

[(2) by striking out all that follows after “economic officer of the mission” and inserting a period in lieu thereof.

[(d) Section 43(b) of the Arms Export Control Act is amended to read as follows:

[“(b) Charges for administrative services calculated under section 21(e)(1)(A) of this Act shall include recovery of administrative expenses incurred by any department or agency of the United States Government, including any mission or group thereof, in carrying out functions under this Act when—

[“(1) such functions are primarily for the benefit of any foreign country; and

[“(2) such expenses are not directly and fully charged to, and reimbursed from amounts received for, sale of defense services under section 21(a) of this Act.”.

[SECURITY SUPPORTING ASSISTANCE

[SEC. 8 (a) Section 531 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out in the last sentence thereof “The” and inserting in lieu thereof “Except for programs in southern Africa, the”; and

[(2) by adding at the end thereof the following new sentence: “In planning security supporting assistance programs intended for economic development, the President shall take into account to the maximum extent feasible the policy directions set forth in chapter 1 of part I of this Act.”.

[(b) Section 532 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 532. AUTHORIZATION.—(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1978 not to exceed $1,890,000,000, of which not less than the following amounts shall be available only for the following countries:

[“Israel	$785,000,000
[“Egypt	750,000,000
[“Jordan	93,000,000
[“Syria	90,000,000
[“Lebanon	20,000,000
[“Cyprus	15,000,000

[“(2) Of the amount authorized to be appropriated by paragraph (1) for the fiscal year 1978 which is available for Israel, not less than $300,000,000 shall be available only for budgetary support on a grant basis.

[“(b) Amounts appropriated under this section are authorized to remain available until expended.”.

[(c) Chapter 4 of part II of such Act is amended by adding at the end thereof the following new section:

[“SEC. 533. SOUTHERN AFRICAN SPECIAL REQUIREMENTS FUNDS.—(a)(1) Of the funds authorized to be appropriated by section 532 for the fiscal year 1978, $80,000,000 shall be available only for the countries of southern Africa to address the problems caused by the economic dislocation resulting from the conflict in that region, and for education and job training assistance for Africans from Namibia and Zimbabwe (Southern Rhodesia). Such funds may be used to provide assistance to African refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts, and to provide trade credits for the purchase of United States products to those countries in the region adversely affected by blocked outlets for their exports and by the overall strains of the world economy.

[“(2) Of the funds made available under this section, not more than the following amounts may be made available for the following:

[“Botswana	$15,000,000
[“Lesotho	15,000,000
[“Swaziland	5,000,000
[“Regional programs for education, training, and refugee assistance	45,000,000

[“(3) To the extent practicable consistent with the purposes specified in paragraph (1), assistance under this section should be used to meet the objectives set forth in section 102 (c) and (d) and in other sections of chapter 1 of part I of this Act.

[“(4) Before obligating any funds under this section, the President shall notify the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate with respect to the specific projects and programs for which such funds will be used.

[“(b) Of the funds made available under subsection (a) of this section for regional programs, not to exceed $1,000,000 may be used by the President for the preparation of a comprehensive analysis of the development needs of southern Africa to enable the Congress to determine what contribution United States foreign assistance can make.

[“(c)(1) None of the funds made available under this section may be used for military, guerrilla, or paramilitary activities in any country.

[“(2) No assistance may be furnished under this section to Mozambique, Angola, Tanzania, or Zambia, except that the President may waive this prohibition with respect to any such country if he determines (and so reports to the Congress) that furnishing such assistance to that country would further the foreign policy interests of the United States.

[“(d) It is the sense of the Congress that the United States should support an internationally recognized constitutional settlement of the Rhodesian conflict leading promptly to majority rule based upon democratic principles and upholding basic human rights. The Congress declares its intent to support United States participation in a Zimbabwe Development Fund. The Congress intends to authorize the necessary appropriation when progress toward such an internationally recognized settlement would permit establishment of the Fund.”.

[SECURITY SUPPORTING ASSISTANCE PROGRAM FOR EGYPT

[SEC. 9. It is the sense of the Congress that the security supporting assistance program for Egypt plays an important role in the Middle East peace effort and that the Executive branch should concentrate its efforts in order to make the program a success.

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 10. Section 542 of the Foreign Assistance Act of 1961 is amended by striking out “$27,000,000 for the fiscal year 1976 and $30,200,000 for the fiscal year 1977” and inserting in lieu thereof “$31,000,000 for the fiscal year 1978”.

[PROHIBITION AGAINST ASSISTANCE AND SALES TO ARGENTINA

[SEC. 11. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 620B. PROHIBITION AGAINST ASSISTANCE AND SALES TO ARGENTINA.—After September 30, 1978—

[“(1) no assistance may be furnished under chapter 2, 4, or 5 of part II of this Act to Argentina;

[“(2) no credits (including participation in credits) may be extended and no loan may be guaranteed under the Arms Export Control Act with respect to Argentina;

[“(3) no sales of defense articles or services may be made under the Arms Export Control Act to Argentina; and

[“(4) no export licenses may be issued under section 38 of the Arms Export Control Act to or for the Government of Argentina.”.

[NUCLEAR ENRICHMENT AND REPROCESSING TRANSFERS; NUCLEAR DETONATIONS

[SEC. 12. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by striking out section 669 and inserting in lieu thereof the following new sections:

[SEC. 669. NUCLEAR ENRICHMENT TRANSFERS.—(a) Except as provided in subsection (b), no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the

purpose of providing economic assistance, providing military or security supporting assistance or grant military education and training, or extending military credits or making guarantees, to any country which, on or after the date of enactment of the International Security Assistance Act of 1977, delivers nuclear enrichment equipment, materials, or technology to any other country, or receives such equipment, materials, or technology from any other country, unless before such delivery—

[“(1) the supplying country and receiving country have reached agreement to place all such equipment, materials, or technology, upon delivery, under multilateral auspices and management when available; and

[“(2) the recipient country has entered into an agreement with the International Atomic Energy Agency to place all such equipment, materials, technology, and all nuclear fuel and facilities in such country under the safeguards system of such Agency.

[“(b)(1) Notwithstanding subsection (a) of this section, the President may furnish assistance which would otherwise be prohibited under such subsection if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that—

[“(A) the termination of such assistance would have a serious adverse effect on vital United States interests; and

[“(B) he has received reliable assurances that the country in question will not acquire or develop nuclear weapons or assist other nations in doing so.

Such certification shall set forth the reasons supporting such determination in each particular case.

[“(2) Any joint resolution which would terminate or restrict assistance described in subsection (a) with respect to a country to which the prohibition in such subsection applies shall, if introduced within thirty days after the transmittal of a certification under paragraph (1) of this subsection with respect to such country, be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[SEC. 670. NUCLEAR REPROCESSING TRANSFERS AND NUCLEAR DETONATIONS.—(a) Except as provided in subsection (b), no funds authorized to be appropriated by this Act, or the Arms Export Control Act may be used for the purpose of providing economic assistance, providing military or security supporting assistance or grant military education and training, or extending military credits or making guarantees, to any country which on or after the date of enactment of the International Security Assistance Act of 1977—

[“(1) delivers nuclear reprocessing equipment, materials, or technology to any other country or receives such equipment, materials, or technology from any other country (except for the transfer of reprocessing technology associated with the investigation, under international evaluation programs in which the United States participates, of technologies which are alternatives to pure plutonium reprocessing); or

[“(2) is not a nuclear-weapon state as defined in article IX(3) of the Treaty of the Non-Proliferation of Nuclear Weapons and which detonates a nuclear explosive device.

[“(b)(1) Notwithstanding subsection (a) of this section, the President may furnish assistance which would otherwise be prohibited under such subsection if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

[(2) Any joint resolution which would terminate or restrict assistance described in subsection (a) with respect to a country to which the prohibition in such subsection applies shall, if introduced within thirty days after the transmittal of a certification under paragraph (1) of this subsection with respect to such country, be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.”.

[MIDDLE EAST PEACE

[SEC. 13. Section 903 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a), by striking out “for the fiscal year 1976 not to exceed $50,000,000 and for the fiscal year 1977 not to exceed $35,000,000” and inserting in lieu thereof “for the fiscal year 1978 not to exceed $25,000,000, of which not less than $12,200,000 shall be available only for the Sinai support mission,”;

[(2) in subsection (b)—

[(A) in paragraph (1)—

[(i) by striking out “and” at the end of clause (B), and

[(ii) by inserting immediately before the semicolon at the end thereof “, and (D) the reasons why the President has determined that it is in the national interest to use funds appropriated under this section for such purpose rather than (i) using funds available for such purpose under part I, or (ii) if no funds are available for such purpose under part I, awaiting the enactment of legislation making funds specifically available for such purpose”; and

[(B) in paragraph (2), by striking out “provided by clauses (A), (B), and (C) of” and inserting in lieu thereof “required by”; and

[(3) in subsection (e), by striking out “1977” and inserting in lieu thereof “1978”.

[REPEAL OF PROHIBITION RELATING TO THE TWELVE-MILE FISHING LIMIT

[SEC. 15. Section 3(b) of the Arms Export Control Act is repealed.

[CONGRESSIONAL DISAPPROVAL OF THIRD COUNTRY TRANSFERS

[SEC. 16. Section 3(d) of the Arms Export Control Act is amended—

[(1) by striking out ", 30 days prior to giving such consent," in the text preceding paragraph (1);

[(2) by redesignating such section as section 3(d)(1) and redesignating paragraphs (1) through (5) thereof as subparagraphs (A) through (E), respectively; and

[(3) by adding the following new paragraph at the end thereof:

["(2) Unless the President states in the certification submitted pursuant to this subsection that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, such consent shall not become effective until 30 calendar days after the date of such submission and such consent shall become effective then only if the Congress does not adopt, within such 30-day period, a concurrent resolution disapproving the proposed transfer.".

[TRANSFERS OF DEFENSE ARTICLES AND DEFENSE SERVICES FOR MAINTENANCE, REPAIR, AND OVERHAUL

[SEC. 17. Section 3(d) of the Arms Export Control Act, as amended by section 16 of this Act, is further amended by adding the following new paragraph at the end thereof:

["(3) This subsection shall not apply—

["(A) to transfers of maintenance, repair, or overhaul defense services, or of the repair parts or other defense articles used in furnishing such services, if the transfer will not result in any increase, relative to the original specifications, in the military capability of the defense articles and services to be maintained, repaired, or overhauled;

["(B) to temporary transfers of defense articles for the sole purpose of receiving maintenance, repair, or overhaul; or

["(C) to cooperative cross servicing arrangements among members of the North Atlantic Treaty Organization.".

[PROHIBITION AGAINST SALES, CREDITS, AND GUARANTIES TO COUNTRIES WHICH GRANT SANCTUARY TO INTERNATIONAL TERRORISTS

[SEC. 18. Section 3 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

["(f)(1) Unless the President finds that the national security requires otherwise, he shall terminate all sales, credits, and guaranties under this Act to any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism. The President may not thereafter make or extend sales, credits, or guaranties to such government until the end of the one year period beginning on the date of such termination, except that if during its period of ineligibility for sales, credits, and guaranties pursuant to this section such government aids or abets, by granting sanctuary from prosecution to, any other individual or group which has committed an act of international terrorism, such government's period

of ineligibility shall be extended for an additional year for each such individual or group.

[“(2) If the President finds that the national security justifies a continuation of sales, credits, or guaranties to any government described in paragraph (1), he shall report such finding to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.”.

[FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

[SEC. 19. Section 31 of the Arms Export Control Act is amended—

[(1) in subsection (a), by striking out all in the first sentence after “not to exceed” the first time it appears and inserting in lieu thereof “$677,000,000 for the fiscal year 1978.”;

[(2) in subsection (b), by striking out all after “shall not exceed” the first time it appears and inserting in lieu thereof “$2,102,350,000 for the fiscal year 1978, of which not less than $1,000,000,000 shall be available only for Israel.”; and

[(3) in subsection (c)—

[(A) in the first sentence, by striking out “the fiscal years 1976 and 1977” and inserting in lieu thereof “the fiscal year 1978”; and

[(B) in the last sentence, by striking out “each”.

[LICENSES FOR THE EXPORT OF CERTAIN MAJOR DEFENSE EQUIPMENT

[SEC. 20 Section 38(b)(3) of the Arms Export Control Act is amended by adding at the end thereof the following new sentence: “The prohibition contained in the first sentence of this paragraph shall not apply to the issuance of licenses under this section for the export of major defense equipment to Australia, Japan, or New Zealand, or major defense equipment sold commercially in implementation of an agreement between the United States Government and the government of a foreign country for the production of the major defense equipment to which such licenses relate if the President his submitted a certificate with respect to such proposed agreement, prior to its signature, to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate in the same form as the certification required under section 36(b) of this Act and subject to the requirements of such section.”.

[FISCAL YEAR 1977 AUTHORIZATIONS AND LIMITATIONS

[SEC. 21. Authorizations of appropriations and limitations of authority applicable to the fiscal year 1977 contained in provisions of law amended by this Act shall not be affected by enactment of this Act.

[STUDY OF TECHNOLOGY TRANSFERS

[SEC. 24. (a) The President shall conduct a comprehensive study of the policies and practices of the United States Government with respect to the national security and military implications of international transfers of technology in order to determine whether such

policies and practices should be changed. Such study shall examine—

[(1) the nature of technology transfer;

[(2) the effect of technology transfers on United States technological superiority;

[(3) the rationale for transfers of technology from the United States to foreign countries;

[(4) the benefits and risks of such transfers;

[(5) trends in technology transfers by the United States and other countries;

[(6) the need for controls on transfers of technology, including controls on the use of transferred technology, the effectiveness of existing end-use controls, and possible unilateral sanctions if end-use restrictions are violated;

[(7) the effectiveness of existing organizational arrangements in the Executive branch in regulating technology transfers from the United States;

[(8) the adequacy of existing legislation and regulations with respect to transfers of technology from the United States; and

[(9) the possibilities for international agreements with respect to transfers of technology.

[(b) In conducting the study required by subsection (a), the President shall utilize the resources and expertise of the Arms Control and Disarmament Agency, the Department of State, the Department of Defense, the Department of Commerce, the National Science Foundation, the Office of Science and Technology Policy, and such other entities within the Executive branch as he deems necessary.

[POLICY STATEMENT ON UNITED STATES ARMS SALES TO ISRAEL

[SEC. 26. In accordance with the historic special relationship between the United States and Israel and previous agreements and continuing understandings, the Congress joins with the President in reaffirming that a policy of restraint in United States arms transfers, including arms sales ceiling, shall not impair Israel's deterrent strength or undermine the military balance in the Middle East.

[REVIEW OF ARMS SALES CONTROLS ON NONLETHAL ITEMS

[SEC. 27. The President shall undertake a review of all regulations relating to arms control for the purpose of defining and categorizing lethal and non-lethal products and establishing the appropriate level of control for each category.

[REPUBLIC OF KOREA

[SEC. 28. (a)(1) It is the sense of the Congress that the President should take all effective measures to assure that the Republic of Korea is cooperating fully with the investigation (including any resulting prosecutions) being conducted by the Department of Justice with respect to allegations of improper activity in the United States by agents of the Republic of Korea.

[(b) It is the further sense of the Congress that the President should take all effective measures to assure that the Republic of

Korea is cooperating fully with the investigations being conducted by committees of Congress.

[PIASTER CONVERSION

[SEC. 29. No provision of law shall be construed to prevent payment of claims of former and present Vietnamese employees of the Agency for International Development, who presently reside in the United States, for the conversion of Vietnamese piasters to dollars because such conversion cannot take place in the territory of the former Republic of Vietnam or because of official with whom such piasters were deposited was not a United States disbursing officer.]

INTERNATIONAL SECURITY ASSISTANCE AND ARMS EXPORT CONTROL ACT OF 1976

AN ACT To amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Security Assistance and Arms Export Control Act of 1976".

[TITLE I—MILITARY ASSISTANCE PROGRAM

[AUTHORIZATION

[SEC. 101. Section 504(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) There is authorized to be appropriated to the President to carry out the purposes of this chapter $198,700,000 for the fiscal year 1976 and $177,300,000 for the fiscal year 1977. Not more than the following amounts of funds available for carrying out this chapter (other than funds appropriated under section 507 of the International Security Assistance and Arms Export Control Act of 1976) may be allocated and made available to each of the following countries for such fiscal years:

[Country	Fiscal Year 1976 Amount	Fiscal Year 1977 Amount
Greece	$31,000,000	$33,000,000
Indonesia	13,000,000	15,000,000
Jordan	50,000,000	55,000,000
Republic of Korea	55,000,000	8,300,000
Philippines	17,000,000	17,000,000
Thailand	16,000,000	16,000,000
Turkey	31,000,000	50,000,000
Ethiopia	6,000,000	6,000,000

The amount specified in this paragraph for military assistance to any such country for fiscal year 1976 or for fiscal year 1977 may be increased by not more than 10 per centum of such amount if the President deems such increase necessary for the purposes of this chapter.

["(2) Not to exceed $6,000,000 of the funds available for fiscal year 1976 to carry out the purposes of this chapter, and not to ex-

ceed $3,700,000 of the funds available for fiscal year 1977 to carry out the purposes of this chapter (other than funds appropriated under section 507 of the International Security Assistance and Arms Export Control Act of 1976), may be used to provide assistance to international organizations and, subject to the limitations contained in paragraph (3), to countries which are not designated in paragraph (1).

[“(3) Funds available for assistance under this chapter may not be used to furnish assistance to more than 20 countries (including those countries designated in paragraph (1)) in fiscal year 1976. Funds available for assistance under this chapter (other than funds appropriated under section 507 of the International Security Assistance and Arms Export Control Act of 1976) may not be used to furnish assistance to more than 12 countries (including those countries designated in paragraph (1)) in fiscal year 1977.

[“(4) The authority of section 610(a) and of section 614(a) may not be used to increase any amount specified in paragraph (1) or (2). The limitations contained in paragraphs (1), (2), and (3) shall not apply to emergency assistance furnished under section 506(a).

[“(5) There is authorized to be appropriated to the President, for administrative and other related expenses incurred in carrying out the purposes of this chapter, $32,000,000 for the fiscal year 1976 and $70,000,000 for the fiscal year 1977.

[“(6) None of the funds appropriated under this subsection shall be used to furnish sophisticated weapons systems, such as missile systems or jet aircraft for military purposes, to any less developed country not specified in paragraph (1) unless the President determines that the furnishing of such weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress.

[“(7) Amounts appropriated under this subsection are authorized to remain available until expended.

[“(8) Assistance for Turkey under this chapter shall be subject to the requirements of section 620(x) of this Act.”.

[SPECIAL AUTHORITY

[SEC. 102. Section 506(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(a)(1) If the President first determines and reports to Congress in accordance with section 652 of this Act—

[“(A) that an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization;

[“(B) that a failure to respond immediately to that emergency will result in serious harm to vital United States security interests; and

[“(C) that the emergency requirement cannot be met under authority of the Arms Export Control Act or any other law except this section;

he may order defense articles from the stocks of the Department of Defense and defense services for the purposes of this part, subject to reimbursement from subsequent appropriations made specifically therefor under subsection (b).

[“(2) the total value of defense articles and defense services ordered under this subsection in any fiscal year may not exceed $67,500,000. The authority contained in this subsection shall be effective in any fiscal year only to the extent provided in an appropriation Act.

[“(3) The President shall keep the Congress fully and currently informed of all defense articles and defense services ordered under this subsection.”.

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

[SEC. 103. Section 514 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 514. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.—(a) No defense article in the inventory of the Department of Defense which is set aside, reserved, or in any way earmarked or intended for future use by any foreign country may be made available to or for use by any foreign country unless such transfer is authorized under this Act or the Arms Export Control Act, or any subsequent corresponding legislation, and the value of such transfer is charged against funds authorized under such legislation or against the limitations specified in such legislation, as appropriate, for the fiscal period in which such defense article is transferred. For purposes of this subsection, ‘value’ means the acquisition cost plus crating, packing, handling, and transportation costs incurred in carrying out this section.

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

[“(2) The value of such additions to stockpiles in foreign countries shall not exceed $93,750,000 for the period beginning July 1, 1975, and ending September 30, 1976, and $125,000,000 for the fiscal year 1977.

[“(c) Except for stockpiles in existence on the date of enactment of the International Security Assistance and Arms Export Control Act of 1976 and for stockpiles located in countries which are members of the North Atlantic Treaty Organization, no stockpile may be located outside the boundaries of a United States military base or a military base used primarily by the United States.

[“(d) No defense article transferred from any stockpile which is made available to or for use by any foreign country may be considered an excess defense article for the purpose of determining the value thereof.

[“(e) The President shall promptly report to the Congress each new stockpile, or addition to an existing stockpile, described in this section of defense articles valued in excess of $10,000,000 in any fiscal year.”.

[TERMINATION OF MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

[SEC. 104. Section 515 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "Effective July 1, 1976," and inserting in lieu thereof "(a) During the period beginning July 1, 1976, and ending September 30, 1977,"; and

[(2) by adding at the end thereof the following new subsections:

["(b)(1) After September 30, 1977, no military assistance advisory group, military mission, or other organization of United States military personnel performing similar military advisory functions under this Act may operate in any foreign country unless specifically authorized by the Congress.

["(2) The President may assign not more than three members of the Armed Forces of the United States to the Chief of each United States Diplomatic Mission to perform such functions as such Chief of Mission determines necessary with respect to international military education and training provided under chapter 5 of this part, to sales of defense articles and services under the Arms Export Control Act, or to such other international security assistance programs as the President may designate. After September 30, 1977, no such functions or related activities may be performed by any defense attachés assigned, detailed, or attached to the United States Diplomatic Mission in any foreign country.

["(c) After September 30, 1976, the number of military missions, groups, and similar organizations may not exceed 34.

["(d) As used in this section, the term 'military assistance advisory group, military mission, or other organization of United States military personnel performing similar military advisory functions under this Act' does not include regular units of Armed Forces of the United States engaged in routine functions designed to bring about the standardization of military operations and procedures between the Armed Forces of the United States and allies of the United States.".

[TERMINATION OF AUTHORITY TO FURNISH GRANT MILITARY ASSISTANCE

[SEC. 105. Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 516. TERMINATION OF AUTHORITY.—(a) Except to the extent that the Congress may, subsequent to the enactment of this section, authorize the furnishing of military assistance in accordance with this chapter to specified countries in specified amounts, the authorities contained in this chapter (other than the authorities contained in sections 506, 514, and 515(b)(2)) may not be exercised after September 30, 1977, except that such authorities shall remain available until September 30, 1980, to the extent necessary to carry out obligations incurred under this chapter on or before September 30, 1977.

[“(b) Funds available to carry out this chapter shall be available notwithstanding the limitations contained in paragraphs (2) and (3) of section 504(a) of this Act—

[“(1) for the winding up of military assistance programs under this chapter, including payment of the costs of packing, crating, handling, and transporting defense articles furnished under this chapter and of related administrative costs; and

[“(2) for costs incurred under section 503(c) with respect to defense articles on loan to countries no longer eligible under section 504(a) for military assistance.”.

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 106. (a) Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

[“CHAPTER 5—INTERNATIONAL MILITARY EDUCATION AND TRAINING

[“SEC. 541. GENERAL AUTHORITY.—The President is authorized to furnish, on such terms and conditions consistent with this Act as the President may determine (but whenever feasible on a reimbursable basis), military education and training to military and related civilian personnel of foreign countries. Such training and education may be provided through—

[“(1) attendance at military educational and training facilities in the United States (other than Service academies) and abroad;

[“(2) attendance in special courses of instruction at schools and institutions of learning or research in the United States and abroad; and

[“(3) observation and orientation visits to military facilities and related activities in the United States and abroad.

[“SEC. 542. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter $27,000,000 for the fiscal year 1976 and $30,200,000 for the fiscal year 1977. After June 30, 1976, no training under this section may be conducted outside the United States unless the President has reported and justified such training to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.

[“SEC. 543. PURPOSES.—Education and training activities conducted under this chapter shall be designed—

[“(1) to encourage effective and mutually beneficial relations and increased understanding between the United States and foreign countries in furtherance of the goals of international peace and security; and

[“(2) to improve the ability of participating foreign countries to utilize their resources, including defense articles and defense services obtained by them from the United States, with maximum effectiveness, thereby contributing to greater self-reliance by such countries.”.

[(b) The Foreign Assistance Act of 1961 is amended as follows:

[(1) Section 510 is repealed.

[(2) Section 622 is amended—

[(A) in subsection (b) by inserting "and military education and training" immediately after "(including civic action)"; and

[(B) by amending subsection (c) to read as follows:

"[(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of economic assistance, military assistance, and military education and training programs, including but not limited to determining whether there shall be a military assistance (including civic action) or a military education and training program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.".

[(3) Section 623 is amended—

[(A) in subsection (a)(4) by inserting "and related civilian" immediately after "military"; and

[(B) in subsection (a)(6) by inserting ", education and training" immediately after "assistance".

[(4) Section 632 is amended—

[(A) in subsections (a) and (e) by inserting ", military education and training" immediately after "articles" wherever it appears; and

[(B) in subsection (b) by striking out "and defense articles" and inserting in lieu thereof ", defense articles, or military education and training".

[(5) Section 636 is amended—

[(A) in subsection (g)(1) by inserting ", military education and training" immediately after "articles"; and

[(B) in subsection (g)(2) and in subsection (g)(3) by striking out "personnel" and inserting in lieu thereof "and related civilian personnel".

[(6) Section 644 is amended—

[(A) by amending subsection (f) to read as follows:

["(f) 'Defense service' includes any service, test, inspection, repair, publication, or technical or other assistance or defense information use for the purposes of furnishing military assistance, but does not include military educational and training activities under chapter 5 of part II."; and

[(B) by adding at the end thereof the following new subsection:

["(n) 'Military education and training' includes formal or informal instruction of foreign students in the United State or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aids, orientation, and military advice to foreign military units and forces.".

[(c) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law amended or repealed by this section shall continue in full force and effect until modified, revoked, or superseded by appropriate authority.

[(d) Funds made available pursuant to other provisions of law for foreign military educational and training activities shall remain available for obligation and expenditure for their original purposes in accordance with the provisions of law originally applicable to those purposes or in accordance with the provisions of law currently applicable to those purposes.

[TITLE II—ARMS EXPORT CONTROLS

[CHANGE IN TITLE

[SEC. 201. (a) The first section of the Foreign Military Sales Act is amended by striking out "'The Foreign Military Sales Act" and inserting in lieu thereof "the 'Arms Export Control Act".]

(b) Any reference to the Foreign Military Sales Act shall be deemed to be a reference to the Arms Export Control Act.

[ARMS SALES POLICY

[SEC. 202. Section 1 of the Foreign Military Sales Act is amended by striking out the last paragraph and inserting in lieu thereof the following new paragraphs:

["It shall be the policy of the United States to exert leadership in the world community to bring about arrangements for reducing the international trade in implements of war and to lessen the danger of outbreak of regional conflict and the burdens of armaments. United States programs for or procedures governing the export, sale, and grant of defense articles and defense services to foreign countries and international organizations shall be administered in a manner which will carry out this policy.

["It is the sense of the Congress that the President should seek to initiate multilateral discussions for the purpose of reaching agreements among the principal arms suppliers and arms purchasers and other countries with respect to the control of the international trade in armaments. It is further the sense of Congress that the President should work actively with all nations to check and control the international sale and distribution of conventional weapons of death and destruction and to encourage regional arms control arrangements. In furtherance of this policy, the President should undertake a concerted effort to convene an international conference of major arms-supplying and arms-purchasing nations which shall consider measures to limit conventional arms transfers in the interest of international peace and stability.

"[It is the sense of the Congress that the aggregate value of defense articles and defense services—

["(1) which are sold under section 21 or section 22 of this Act; or

["(2) which are licensed or approved for export under section 38 of this Act to, for the use, or for benefit of the armed forces, police, intelligence, or other internal security forces of a foreign country or international organization under a commercial sales contract;

in any fiscal year should not exceed current levels.".

[TRANSFER OF DEFENSE SERVICES

[SEC. 203. (a) Section 3(a)(2) of the Foreign Military Sales Act is amended, effective July 1, 1976, by inserting immediately after "article" each time it appears "or related training or other defense service".

[(b) Section 505(a) of the Foreign Assistance Act of 1961 is amended, effective July 1, 1976, by inserting immediately after "articles" each time it appears "or related training or other defense service.".

[APPROVAL FOR TRANSFER OF DEFENSE ARTICLES

[SEC. 204. (a) Section 3 of the Foreign Military Sales Act is amended by adding at the end thereof the following new subsections:

["(e) The President may not give his consent under paragraph (2) of subsection (a) or under the third sentence of such subsection to a transfer of a defense article, or related training or other defense service, sold under this Act and may not give his consent to such a transfer under section 505(a)(1) or 505(a)(4) of the Foreign Assistance Act of 1961 unless, 30 days prior to giving such consent, the President submits to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a written certification with respect to such proposed transfer containing—

["(1) the name of the country or international organization proposing to make such transfer,

["(2) a description of the defense article or related training or other defense service proposed to be transferred, including the original acquisition cost of such defense article or related training or other defense service,

["(3) the name of the proposed recipient of such defense article or related training or other defense service,

["(4) the reasons for such proposed transfer, and

["(5) the date on which such transfer is proposed to be made.

Any certification submitted to Congress pursuant to this subsection shall be unclassified, except that information regarding the dollar value and number of defense articles, or related training or other defense services, proposed to be transferred may be classified if public disclosure thereof would be clearly detrimental to the security of the United States.

["(f) If the President receives any information that a transfer of any defense article, or related training or other defense service, has been made without his consent as required under this section or under section 505 of the Foreign Assistance Act of 1961, he shall report such information immediately to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.".

[(b)(1) The second sentence of subsection (a) of section 3 of the Foreign Military Sales Act is amended by striking out ", and prior" and all that follows thereafter through "transferred" the second time it appears.

[(2) The first sentence of section 505(e) of the Foreign Assistance Act of 1961 is amended by striking out ", and prior" and all that follows thereafter through "transferred" the second time it appears.

[SALES FROM STOCKS

[SEC. 205. Section 21 of the Foreign Military Sales Act is amended to read as follows:

["SEC. 21. SALES FROM STOCKS.—(a) The President may sell defense articles and defense services from the stocks of the Department of Defense to any eligible country or international organization if such country or international organization agrees to pay in United States dollars—

["(1) in the case of a defense article not intended to be replaced at the time such agreement is entered into, not less than the actual value thereof;

["(2) in the case of a defense article intended to be replaced at the time such agreement is entered into, the estimated cost of replacement of such article, including the contract or production costs less any depreciation in the value of such article; or

["(3) in the case of the sale of a defense service, the full cost to the United States Government of furnishing such service.

["(b) Except as provided by subsection (d) of this section, payment shall be made in advance or, if the President determines it to be in the national interest, upon delivery of the defense article or rendering of the defense service.

["(c) Personnel performing defense services sold under this Act may not perform any duties of a combatant nature, including any duties related to training, advising, or otherwise providing assistance regarding combat activities, outside the United States in connection with the performance of those defense services.

["(d) If the President determines it to be in the national interest pursuant to subsection (b) of this section, billings for sales made under letters of offer issued under this section after the enactment of this subsection may be dated and issued upon delivery of the defense article or rendering of the defense service and shall be due and payable which is not paid within sixty days after the date of such billing. The rate of interest charged shall be a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding short-term obligations of the United States as of the last day of the month preceding the billing and shall be computed from the date of billing. The President may extend such sixty-day period to one hundred and twenty days if he determines that emergency requirements of the purchaser for acquisition of such defense articles or defense services exceed the ready availability to the purchaser of funds sufficient to pay the United States in full for them within such sixty-day period and submits that determination to the Congress together with a special emergency request for the authorization and appropriation of additional funds to finance such purchases under this Act.

["(e)(1) After September 30, 1976, letters of offer for the sale of defense articles or for the sale of defense services that are issued pursuant to this section or pursuant to section 22 of this Act shall include appropriate charges for—

["(A) administrative services, calculated on an average percentage basis to recover the full estimated costs of administra-

tion of sales made under this Act to all purchasers of such articles and services;

[“(B) any use of plant and production equipment in connection with such defense articles; and

[“(C) a proportionate amount of any nonrecurring costs of research, development, and production of major defense equipment.

[“(2) The President may reduce or waive the charge or charges which would otherwise be considered appropriate under paragraphs (1)(B) and (1)(C) for particular sales that would, if made, significantly advance United States Government interests in North Atlantic Treaty Organization standardization, or foreign procurement in the United States under coproduction arrangements.

[“(f) Any contracts entered into between the United States and a foreign country under the authority of this section or section 22 of this Act shall be prepared in a manner which will permit them to be made available for public inspection to the fullest extent possible consistent with the national security of the United States.

[“(g) In carrying out section 814 of the Act of October 7, 1975 (Public Law 94–106), the President may enter into North Atlantic Treaty Organization standardization agreements for the cooperative furnishing of training on a bilateral or multilateral basis, if the financial principles of such agreements are based on reciprocity. Such agreements shall include reimbursement for all direct costs but may exclude reimbursement for indirect costs, administrative surcharges, and costs of billeting of trainees (except to the extent that members of the United States Armed Forces occupying comparable accommodations are charged for such accommodations by the United States). Each such agreement shall be transmitted promptly to the Speaker of the House of Representatives and the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate.”.

[SALES FROM STOCKS AFFECTING UNITED STATES COMBAT READINESS

[SEC. 206. Section 21 of the Foreign Military Sales Act, as amended by section 205 of this Act, is further amended by adding at the end thereof the following new subsection:

[“(h)(1) Sales of defense articles and defense services which could have significant adverse effect on the combat readiness of the Armed Forces of the United States shall be kept to an absolute minimum. The President shall transmit to the Speaker of the House of Representatives and the Committees on Armed Services and Foreign Relations of the Senate on the same day a written statement giving a complete explanation with respect to any proposal to sell, under this section, any defense articles or defense services if such sale could have a significant adverse effect on the combat readiness of the Armed Forces of the United States. Each such statement shall be unclassified except to the extent that public disclosure of any item of information contained therein would be clearly detrimental to the security of the United States. Any necessarily classified information shall be confined to a supplemental report. Each such statement shall include an explanation relating to only one such proposal to sell and shall set forth—

[“(A) the country or international organization to which the sale is proposed to be made;

[“(B) the amount of the proposed sale;

[“(C) a description of the defense article or service proposed to be sold;

[“(D) a full description of the impact which the proposed sale will have on the Armed Forces of the United States; and

[“(E) a justification for such proposed sale, including a certification that such sale is important to the security of the United States.

A certification described in subparagraph (E) shall take effect on the date on which such certification is transmitted and shall remain in effect for not to exceed one year.

[“(2) No delivery may be made under any sale which is required to be reported under paragraph (1) of this subsection unless the certification required to be transmitted by paragraph (E) of paragraph (1) is in effect.”.

[PROCUREMENT FOR CASH SALES

[SEC. 207. (a) Section 22(a) of the Foreign Military Sales Act is amended by adding at the end thereof the following: “Interest shall be charged on any net amount by which any such country or international organization is in arrears under all of its outstanding unliquidated dependable undertakings, considered collectively. The rate of interest charged shall be a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding short-term obligations of the United States as of the last day of the month preceding the net arrearage and shall be computed from the date of net arrearage.”.

[(b) Section 22(b) of the Foreign Military Sales Act is amended by striking out the first sentence and inserting in lieu thereof the following: “The President may, if he determines it to be in the national interest, issue letters of offer under this section which provide for billing upon delivery of the defense article or rendering of the defense service and for payment within one hundred and twenty days after the date of billing. This authority may be exercised, however, only if the President also determines that the emergency requirements of the purchaser for acquisition of such defense articles and services exceed the ready availability to the purchaser of funds sufficient to make payments on a dependable undertaking basis and submits both determinations to the Congress together with a special emergency request for authorization and appropriation of additional funds to finance such purchases under this Act.”.

[EXTENSION OF PAYMENT PERIOD FOR CREDIT SALES

[SEC. 208. (a) Paragraph (1) of section 23 of the Foreign Military Sales Act is amended by striking out “ten years” and inserting in lieu thereof “twelve years”.

[(b) The amendment made by subsection (a) shall apply with respect to financing under agreements entered into on or after the date of enactment of this Act for the procurement of defense articles to be delivered, or defense services to be rendered, after such date.

[ANNUAL ESTIMATE AND JUSTIFICATION FOR SALES PROGRAM

[SEC. 209. (a) Immediately after section 24 of the Foreign Military Sales Act, add the following new section:

["SEC. 25. ANNUAL ESTIMATE AND JUSTIFICATION FOR SALES PROGRAM.—(a) The President shall transmit to the Congress, as a part of the presentation materials for security assistance programs proposed for each fiscal year, a report which sets forth—

["(1) an estimate of the amount of sales expected to be made to each country under sections 21 and 22 of this Act, including a detailed explanation of the foreign policy and United States national security considerations involved in expected sales to each country;

["(2) an estimate of the amount of credits and guaranties expected to be extended to each country under sections 23 and 24 of this Act;

["(3) a list of all findings which are in effect on the date of such transmission made by the President pursuant to section 3(a)(1) of this Act, together with a full and complete justification for each such finding, explaining how sales to each country with respect to which such finding has been made will strengthen the security of the United States and promote world peace; and

["(4) an arms control impact statement for each purchasing country, including (A) an analysis of the relationship between expected sales to each country and arms control efforts relating to that country, and (B) the impact of such expected sales on the stability of the region that includes the purchasing country.

["(b) Not later than thirty days following the receipt of a request made by the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives for additional information with respect to any estimate submitted pursuant to subsection (a), the President shall submit such information to such committee.

["(c) The President shall make every effort to submit all of the information required by this section wholly in unclassified form. In the event the President submits any such information in classified form, he shall submit such classified information in an addendum and shall also submit simultaneously a detailed summary, in unclassified form, of such classified information.".

[(b) Section 634(d) of the Foreign Assistance Act of 1961 is amended by striking out "and military sales under this or any other Act" in the fourth sentence.

[MILITARY SALES AUTHORIZATION

[SEC. 210. (a) Section 31(a) of the Foreign Military Sales Act is amended by striking out "not to exceed $405,000,000 for the fiscal year 1975" and inserting in lieu thereof "not to exceed $1,039,000,000 for the fiscal year 1976 and not to exceed $740,000,000 for the fiscal year 1977".

[(b) Section 31(b) of such Act is amended to read as follows:

["(b) The aggregate total of credits, or participations in credits, extended pursuant to this Act and of the principal amount of loans guaranteed pursuant to section 24(a) shall not exceed

$2,374,700,000 for the fiscal year 1976, of which not less than $1,500,000,000 shall be available only for Israel, and shall not exceed $2,022,100,000 for the fiscal year 1977, of which not less than $1,000,000,000 shall be available only for Israel.".

[(c)(1) Section 31 of such Act is further amended by adding at the end thereof the following new subsections:

["(c) Funds made available for the fiscal years 1976 and 1977 under subsection (a) of this section shall be obligated to finance the procurement of defense articles and defense services by Israel on a long-term repayment basis either by the extension of credits, without regard to the limitations contained in section 23, or by the issuance of guaranties under section 24. Repayment shall be in not less than twenty years, following a grace period of ten years on repayment of principal. Israel shall be released from one-half of its contractual liability to repay the United States Government with respect to defense articles and defense services so financed for each such year.

["(d) The aggregate acquisition cost to the United States of excess defense articles ordered by the President in any fiscal year after fiscal year 1976 for delivery to foreign countries or international organizations under the authority of chapter 2 of part II of the Foreign Assistance Act of 1961 or pursuant to sales under this Act may not exceed $100,000,000 (exclusive of ships and their on-board stores and supplies transferred in accordance with law).".

[(2) Subsections (a), (b), (c), and (e) of section 8 of the Act entitled "An Act to amend the Foreign Military Sales Act and for other purposes", approved January 12, 1971 (Public Law 91–672; 84 Stat. 2053), are repealed effective July 1, 1976. All funds in the suspense account referred to in subsection (a) of such section on July 1, 1976, shall be transferred to the general fund of the Treasury.

[REPORTS ON COMMERCIAL AND GOVERNMENTAL MILITARY EXPORTS; CONGRESSIONAL ACTION

[SEC. 211. (a) Section 36 of the Foreign Military Sales Act is amended to read as follows:

["SEC. 36. REPORTS ON COMMERCIAL AND GOVERNMENTAL MILITARY EXPORTS; CONGRESSIONAL ACTION.—(a) The President shall transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate not more than thirty days after the end of each quarter an unclassified report (except that any material which was transmitted in classified form under subsection (b)(1) or (c)(1) of this section may be contained in a classified addendum to such report, and any letter of offer referred to in paragraph (1) of this subsection may be listed in such addendum unless such letter of offer has been the subject of an unclassified certification pursuant to subsection (b)(1) of this section) containing—

["(1) a listing of all letters of offer to sell any major defense equipment for $1,000,000 or more under this Act to each foreign country and international organization, by category, if such letters of offer have not been accepted or canceled;

["(2) a listing of all such letters of offer that have been accepted during the fiscal year in which such report is submitted, together with the total value of all defense articles and defense

services sold to each foreign country and international organization during such fiscal year;

[“(3) the cumulative dollar amounts, by foreign country and international organization, of sales credit agreements under section 23 and guaranty agreements under section 24 made during the fiscal year in which such report is submitted;

[“(4) a numbered listing of all licenses and approvals for the export to each foreign country and international organization during such fiscal year of commercially sold major defense equipment, by category, sold for $1,000,000 or more, together with the total value of all defense articles and defense services so licensed for each foreign country and international organization, setting forth with respect to the listed major defense equipment—

[“(A) the items to be exported under the license,

[“(B) the quantity and contract price of each such item to be furnished, and

[“(C) the name and address of the ultimate user of each such item;

[“(5) projections of the dollar amounts, by foreign country and international organization, of cash sales expected to be made under sections 21 and 22, credits to be extended under section 23, and guaranty agreements to be made under section 24 in the quarter of the fiscal year immediately following the quarter for which such report is submitted;

[“(6) a projection with respect to all cash sales expected to be made and credits expected to be extended to each country and organization for the remainder of the fiscal year in which such report is transmitted;

[“(7) an estimate of the number of officers and employees of the United States Government and of United States civilian contract personnel present in each such country at the end of that quarter for assignments in implementation of sales and commercial exports under this Act; and

[“(8) an analysis and description of the services being performed by officers and employees of the United States Government under section 21(a) of this Act, including the number of personnel so employed.

For each letter of offer to sell under paragraphs (1) and (2), the report shall specify (i) the foreign country or international organization to which the defense article or service is offered or was sold, as the case may be; (ii) the dollar amount of the offer to sell or the sale and the number of defense articles offered or sold, as the case may be; (iii) a description of the defense article or service offered or sold, as the case may be; and (iv) the United States Armed Force or other agency of the United States which is making the offer to sell or the sale, as the case may be.

[“(b)(1) In the case of any letter of offer to sell any defense articles or services under this Act for $25,000,000 or more, or any major defense equipment for $7,000,000 or more, before such letter of offer is issued, the President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a numbered certification with respect to such offer to sell containing the information specified in

clauses (i) through (iv) of subsection (a). In addition, the President shall, upon the request of such committee or the Committee on International Relations of the House of Representatives, transmit promptly to both such committees a statement setting forth, to the extent specified in such request—

[“(A) a detailed description of the defense articles or services to be offered including a brief description of the capabilities of any defense article to be offered;

[“(B) an estimate of the number of officers and employees of the United States Government and of United States civilian contract personnel expected to be needed in such country to carry out the proposed sale;

[“(C) the name of each contractor expected to provide the defense article or defense service proposed to be sold (if known on the date of transmittal of such statement);

[“(D) an analysis of the arms control impact pertinent to such offer to sell, prepared in consultation with the Secretary of Defense;

[“(E) the reasons why the foreign country or international organization to which the sale is proposed to be made needs the defense articles or services which are the subject of such sale and a description of how such country or organization intends to use such defense articles or services;

[“(F) an analysis by the President of the impact of the proposed sale on the military stocks and the military preparedness of the United States;

[“(G) the reasons why the proposed sale is in the national interest of the United States;

[“(H) an analysis by the President of the impact of the proposed sale on the military capabilities of the foreign country or international organization to which such sale would be made;

[“(I) an analysis by the President of how the proposed sale would affect the relative military strengths of countries in the region to which the defense articles or services which are the subject of such sale would be delivered and whether other countries in the region have comparable kinds and amounts of defense articles or services;

[“(J) an estimate of the levels of trained personnel and maintenance facilities of the foreign country or international organization to which the sale would be made which are needed and available to utilize effectively the defense articles or services proposed to be sold;

[“(K) an analysis of the extent to which comparable kinds and amounts of defense articles or services are available from other countries;

[“(L) an analysis of the impact of the proposed sale on United States relations with the countries in the region to which the defense articles or services which are the subject of such sale would be delivered; and

[“(M) a detailed description of any agreement proposed to be entered into by the United States for the purchase or acquisition by the United States of defense articles, services, or equipment, or other articles, services, or equipment of the foreign country or international organization in connection with, or as

consideration for, such letter of offer, including an analysis of the impact of such proposed agreement upon United States business concerns which might otherwise have provided such articles, services, or equipment to the United States, an estimate of the costs to be incurred by the United States in connection with such agreement compared with costs which would otherwise have been incurred, an estimate of the economic impact and unemployment which would result from entering into such proposed agreement, and an analysis of whether such costs and such domestic economic impact justify entering into such proposed agreement.

A certification transmitted pursuant to this subsection shall be unclassified, except that the information specified in clause (ii) and the details of the description specified in clause (iii) of subsection (a) may be classified if the public disclosure thereof would be clearly detrimental to the security of the United States. The letter of offer shall not be issued if the Congress, within thirty calendar days after receiving such certification, adopts a concurrent resolution stating that it objects to the proposed sale, unless the President states in his certification that an emergency exists which requires such sale in the national security interests of the United States.

[“(2) Any such resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(3) For the purpose of expediting the consideration and adoption of concurrent resolutions under this subsection, a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

[“(c) In the case of an application by a person (other than with regard to a sale under section 21 or section 22 of this Act) for a license for the export of any major defense equipment sold under a contract in the amount of $7,000,000 or more or of defense articles or defense services sold under a contract in the amount of $25,000,000 or more, not less than 30 days before issuing such license the President shall transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate an unclassified numbered certification with respect to such application specifying (1) the foreign country or international organization to which such export will be made, (2) the dollar amount of the items to be exported, and (3) a description of the items to be exported. In addition, the President shall, upon the request of such committee or the Committee on International Relations of the House of Representatives, transmit promptly to both such committees a statement setting forth, to the extent specified in such request, a description of the capabilities of the items to be exported, an estimate of the total number of United States personnel expected to be needed in the foreign country concerned in connection with the items to be exported and an analysis of the arms control impact pertinent to such application, prepared in consultation with the Secretary of Defense. A certification transmitted pursuant to this subsection shall be unclassified, except that the information specified in paragraph (2) and the details of the de-

scription specified in paragraph (3) may be classified if the public disclosure thereof would be clearly detrimental to the security of the United States.

[“(d) In the case of an approval under section 38 of this Act of a United States commercial technical assistance or manufacturing licensing agreement for or in a country not a member of the North Atlantic Treaty Organization which involves the manufacture abroad of any item of significant combat equipment on the United States Munitions List, before such approval is given, the President shall submit a certification with respect to such proposed commercial agreement in a manner similar to the certification required under subsection (c) containing comparable information, except that the last sentence of such subsection shall not apply to certifications submitted pursuant to this subsection.”.

[(b) The amendment made by subsection (a) of this section shall apply with respect to letters of offer for which a certification is transmitted pursuant to section 36(b) of the Arms Export Control Act on or after the date of enactment of this Act and to export licenses for which an application is filed under section 38 of such Act on or after such date.

[CONTROL OF LICENSES WITH RESPECT TO ARMS EXPORTS AND IMPORTS

[SEC. 212. (a)(1) Chapter 3 of the Foreign Military Sales Act is amended by adding at the end thereof the following new section:

[“SEC. 38. CONTROL OF ARMS EXPORTS AND IMPORTS.—(a)(1) In furtherance of world peace and the security and foreign policy of the United States, the President is authorized to control the import and the export of defense articles and defense services and to provide foreign policy guidance to persons of the United States involved in the export and import of such articles and services. The President is authorized to designate those items which shall be considered as defense articles and defense services for the purposes of this section and to promulgate regulations for the import and export of such articles and services. The items so designated shall constitute the United States Munitions List.

[“(2) Decision on issuing export licenses under this section shall be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account the Director's opinion as to whether the export of an article will contribute to an arms race, increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements.

[“(b)(1) As prescribed in regulations issued under this section, every person (other than an officer or employee of the United States Government acting in an official capacity) who engages in the business of manufacturing, exporting, or importing any defense articles or defense services designated by the President under subsection (a)(1) shall register with the United States Government agency charged with the administration of this section, and shall pay a registration fee which shall be prescribed by such regulations, Such regulations shall prohibit the return to the United States for sale in the United States (other than for the Armed Forces of the United States and its allies or for any State or local

law enforcement) of any mili8tary firearms or ammunition of United States manufacture furnished to foreign governments by the United States under this Act or any other foreign assistance or sales program of the United States, whether or not enhanced in value or improved in condition in a foreign country. This prohibition shall not extend to similar firearms that have been so substantially transformed as to become, in effect, articles of foreign manufacture.

[“(2) Except as otherwise specifically provided in regulations issued under subsection (a)(1), no defense articles or defense services designated by the President under subsection (a)(1) may be exported or imported without a license for such export or import, issued in accordance with this Act and regulations issued under this Act, except that no license shall be required for exports or imports made by or for an agency of the United States Government (A) for official use by a department or agency of the United States Government or (B) for carrying out any foreign assistance or sales program authorized by law and subject to the control of the President by other means.

[“(3) No license may be issued under this Act for the export of any major defense equipment sold under a contract in the amount of $25,000,000 or more to any foreign country which is not a member of the North Atlantic Treaty Organization unless such major defense equipment was sold under this Act.

[“(c) Any person who willfully violates any provision of this section or section 39, or any rule or regulation issued under either section, or who willfully, in a registration or license application or required report, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall upon conviction be fined not more than $100,000 or imprisoned not more than two years, or both.

[“(d) This section applies to and within the Canal Zone.

[“(e) In carrying out functions under this section with respect to the export of defense articles and defense services, the President is authorized to exercise the same powers concerning violations and enforcement which are conferred upon departments, agencies officials by sections 6 (c), (d), (e), and (f) and 7 (a) and (c) of the Export Administration Act of 1969, subject to the same terms and conditions as are applicable to such powers under such Act. Nothing in this subsection shall be construed as authorizing the withholding of information from the Congress.”.

[(2) Section 2(b) of Foreign Military Sales Act is amended—

[(A) by inserting “and exports” immediately after “sales” both times it appears; and

[(B) by inserting “and whether there shall be delivery or other performance under such sale or export,” immediately after “thereof,”.]

[(b)(1) Section 414 of the Mutual Security Act of 1954 is repealed. Any reference to such section shall be deemed to be a reference to section 38 of the Arms Export Control Act and any reference to licenses issued under section 38 of the Arms Export Control Act shall be deemed to include a reference to licenses issued under section 414 of the Mutual Security Act of 1954.

[(2) All determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under section 414 of the Mutual Security Act of 1954 shall continue in full force and effect until modified, revoked, or superseded by appropriate authority.

[CANCELLATION AND SUSPENSION OF LICENSES AND CONTRACTS

[SEC. 213. Section 42 of the Foreign Military Sales Act is amended by adding at the end thereof the following new subsection:

["(e)(1) Each contract for sale entered into under sections 21 and 22 of this Act shall provide that such contract may be canceled in whole or in part, or its execution suspended, by the United States at any time under unusual or compelling circumstances if the national interest so requires.

["(2)(A) Each export license issued under section 38 of this Act shall provide that such license may be revoked, suspended, or amended by the Secretary of State, without prior notice, whenever the Secretary deems such action to be advisable.

["(B) Nothing in this paragraph may be construed as limiting the regulatory authority of the President under this Act.

["(3) There are authorized to be appropriated from time to time such sums as may be necessary (A) to refund moneys received from purchasers under contracts of sale entered into under sections 21 and 22 of this Act that are canceled or suspended under this subsection to the extent such moneys have previously been disbursed to private contractors and United States Government agencies for work in progress, and (B) to pay such damages and costs that accrue from the corresponding cancellation or suspension of the existing procurement contracts or United States Government agency work orders involved.".

[ADMINISTRATIVE EXPENSES

[SEC. 214. Section 43 of the Foreign Military Sales Act is amended by designating the present section as subsection (a) and by adding at the end thereof the following new subsection:

["(b) Administrative expenses incurred by any department or agency of the United States Government (including any mission or group) in carrying out functions under this Act which are primarily for the benefit of any foreign country shall be fully reimbursed from amounts received for sales under sections 21 and 22.".

[DEFINITIONS

[SEC. 215. Section 47 of the Foreign Military Sales Act is amended—

[(1) by striking out "and" at the end of paragraph (1);

[(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon; and

[(3) by adding immediately after paragraph (2) the following new paragraphs:

["(3) 'defense article', except as provided in paragraph (7) of this section, includes—

["(A) any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war,

[“(B) any property, installation, commodity, material, equipment, supply, or goods used for the purpose of making military sales,

[“(C) any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any article listed in this paragraph, and

[“(D) any component or part of any article listed in this paragraph,

but does not include merchant vessels or (as defined by the Atomic Energy Act of 1954) source material, byproduct material, special nuclear material, production facilities, utilization facilities, or atomic weapons or articles involving Restricted Data;

[“(4) ‘defense service’, except as provided in paragraph (7) of this section, includes any service, test, inspection, repair, training, publication, technical or other assistance, or defense information (as defined in section 644(e) of the Foreign Assistance Act of 1961), used for the purposes of making military sales;

[“(5) ‘training’ included formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, or contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aid, orientation, training exercise, and military advice to foreign military units and forces;

[“(6) ‘major defense equipment’ means any item of significant combat equipment on the United States Munitions List having a nonrecurring research and development cost of more than $50,000,000 or a total production cost of more than $200,000,000; and

[“(7) ‘defense articles and defense services’ means, with respect to commercial exports subject to the provisions of section 38 of this Act, those items designated by the President pursuant to subsection (a)(1) of such section.”.

[ANNUAL FOREIGN SALES REPORT

[SEC. 216. Section 657 of the Foreign Assistance Act of 1961 is amended as follows:

[(1) The section caption is amended by inserting “AND MILITARY EXPORTS” after “FOREIGN ASSISTANCE”.

[(2) Paragraph (1) of subsection (a) is amended to read as follows:

[“(1) the aggregate dollar value of all foreign assistance (including military education and training), foreign military sales, sales credits, and guaranties provided or made by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance, sales, sales credits, and guaranties, by category, provided or made by the United States Government to or for each such country or organization during that fiscal year;”.

[(3) Paragraph (3) of subsection (a) is amended to read as follows:

[“(3) the aggregate dollar value and quantity of defense articles and defense services, and of military education and training, exported to each foreign country and international organization, by category, specifying whether the export was made by grant under chapter 2 or chapter 5 of part II of this Act, by sale under chapter 2 of the Arms Export Control Act, by commercial sale licensed under chapter 3 of that Act, or by other authority; and”.

[(4) Paragraph (4) of subsection (a) is repealed.

[(5) Paragraph (5) of subsection (a) is amended—

[(A) by redesignating such paragraph as paragraph (4), and

[(B) by striking out “(4)” and inserting in lieu thereof “(3)”.

[TITLE III—GENERAL LIMITATIONS

[HUMAN RIGHTS

[SEC. 301. (a) Section 502B of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 502B. HUMAN RIGHTS.—(a)(1) It is the policy of the United States in accordance with its international obligations as set forth in the Charter of the United Nations and in keeping with the constitutional heritage and traditions of the United States, to promote and encourage increased respect for human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion. To this end, a principal goal of the foreign policy of the United States is to promote the increased observance of internationally recognized human rights by all countries.

[“(2) It is further the policy of the United States that, except under circumstances specified in this section, no security assistance may be provided to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights.

[“(3) In furtherance of the foregoing policy the President is directed to formulate and conduct international security assistance programs of the United States in a manner which will promote and advance human rights and avoid identification of the United States, through such programs, with governments which deny to their people internationally recognized human rights and fundamental freedoms, in violation of international law or in contravention of the policy of the United States as expressed in this section or otherwise.

[“(b) The Secretary of State shall transmit to the Congress, as part of the presentation materials for security assistance programs proposed for each fiscal year, a full and complete report, prepared with the assistance of the Coordinator for Human Rights and Humanitarian Affairs, with respect to practices regarding the observance of and respect for internationally recognized human rights in each country proposed as a recipient of security assistance. In determining whether a government falls within the provisions of subsection (a)(3) and in the preparation of any report or statement required under this section, consideration shall be given to—

[“(1) the relevant findings of appropriate international organizations, including nongovernmental organizations, such as the International Committee of the Red Cross; and

[“(2) the extent of cooperation by such government in permitting an unimpeded investigation by any such organization of alleged violations of internationally recognized human rights.

[“(c)(1) Upon the request of the Senate or the House of Representatives by resolution of either such House, or upon the request of the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives, the Secretary of State shall, within thirty days after receipt of such request, transmit to both such committees a statement, prepared with the assistance of the Coordinator for Human Rights and Humanitarian Affairs, with respect to the country designated in such request, setting forth—

[“(A) all the available information about observance of and respect for human rights and fundamental freedom in that country, and a detailed description of practices by the recipient government with respect thereto;

[“(B) the steps the United States has taken to—

[“(i) promote respect for and observance of human rights in that country and discourage any practices which are inimical to internationally recognized human rights, and

[“(ii) publicly or privately call attention to, and disassociate the United States and any security assistance provided for such country from, such practices;

[“(C) whether, in the opinion of the Secretary of State, notwithstanding any such practices—

[“(i) extraordinary circumstances exist which necessitate a continuation of security assistance for such country, and, if so, a description of such circumstances and the extent to which such assistance should be continued (subject to such conditions as Congress may impose under this section), and

[“(ii) on all the facts it is in the national interest of the United States to provide such assistance; and

[“(D) such other information as such committee or such House may request.

[“(2)(A) A resolution of request under paragraph (1) of this subsection shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(B) The term ‘certification’, as used in section 601 of such Act, means, for the purpose of this subsection, a resolution of request of the Senate under paragraph (1) of this subsection.

[“(3) In the event a statement with respect to a country is requested pursuant to parargaph (1) of this subsection but is not transmitted in accordance therewith within thirty days after receipt of such request, no security assistance shall be delivered to such country except as may thereafter be specifically authorized by law from such country unless and until such statement is transmitted.

[“(4)(A) In the event a statement with respect to a country is transmitted under paragraph (1) of this subsection, the Congress may at any time thereafter adopt a joint resolution terminating, restricting, or continuing security assistance for such country. In the event such a joint resolution is adopted, such assistance shall be so terminated, so restricted, or so continued, as the case may be.

[“(B) Any such resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(C) The term ‘certification’, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under paragraph (1) of this subsection.

[“(d) For the purposes of this section—

[“(1) the term ‘gross violations of internationally recognized human rights’ includes torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges and trial, and other flagrant dental of the right to life, liberty, or the security of person; and

[“(2) the term ‘security assistance’ means—

[“(A) assistance under chapter 2 (military assistance) or chapter 4 (security supporting assistance) or chapter 5 (military education and training) of this part VI (assistance to the Middle East) of this Act;

[“(B) sales of defsne articles or services, extensions of credits (including participations in credits, and guaranties of loans under the Arms Export Control Act; or

[“(C) any license in effect with respect to the export of defense articles or defense services to or for the armed forces, police, intelligence, or other internal security forces of a foreign country under section 38 of the Arms Export Control Acts.”.

[(b) Section 624 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(f)(1) There is established in the Department of State a Coordinator for Human Rights and Humanitarian Affairs. The Coordinator for Human Rights and Humanitarian Affairs. The Coordinator shall be appointed by the President with the advice and consent of the Senate. He shall be responsible to the Secretary of State for matters pertaining to human rights and humanitarian affairs (including matters relating to refugees, prisoners of war, and members of the United States Armed Forces missing in action) in the conduct of foreign policy. The Secretary of State shall carry out his responsibility under section 502B of this Act through the Coordinator for Human Rights and Humanitarian Affairs.

[“(2) The Coordinator for Human Rights and Humanitarian Affairs shall maintain continuous observation and review of all matters pertaining to human rights and humanitarian affairs (including matters relating to refugees, prisoners of war, and members of the United States Armed Forces missing in action) in the conduct of foreign policy including—

[“(A) gathering detailed information regarding humanitarian affairs and the observance of and respect for internationally recognized human rights in each country to which requirements of sections 116 and 502B of this Act are relevant;

[“(B) preparing the statements and reports to Congress required under section 502B of this Act;

[“(C) making recommendations to the Secretary of State and the Administrator of the Agency for International Development regarding compliance with sections 116 and 502B of this Act; and

[“(D) performing other responsibilities which serve to promote increased observance of internationally recognized human rights by all countries.”.

[PROHIBITION AGAINST DISCRIMINATION

[SEC. 302. (a) Section 505 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(g)(1) It is the policy of the United States that no assistance under this chapter should be furnished to any foreign country, the laws, regulations, official policies, or governmental practices of which prevent any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) from participating in the furnishing of defense articles or defense services under this chapter on the basis of race, religion, national origin, or sex.

[“(2)(A) No agency performing functions under this chapter shall, in employing or assigning personnel to participate in the performance of any such function, whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

[“(B) Each contract entered into by any such agency for the performance of any function under this chapter shall contain a provision to the effect that no person, partnership, corporation, or other entity performing functions pursuant to such contract, shall, in employing or assigning personnel to participate in the performance of any such function, whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

[“(3) The President shall promptly transmit reports to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate concerning any transaction in which any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) is prevented by a foreign government on the basis of race, religion, national origin, or sex, from participating in the furnishing of assistance under this chapter, or education and training under chapter 5, to any foreign country. Such reports shall include (A) a description of the facts and circumstances of any such discrimination, (B) the response thereto on the part of the United States or any agency or employee thereof, and (C) the result of such response, if any.

[“(4)(A) Upon the request of the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives, the President shall, within 60 days after receipt of such request, transmit to both such committees a statement, prepared with the assistance of the Coordinator for Human

Rights and Humanitarian Affairs, with respect to the country designed in such request, setting forth—

[“(i) all the available information about the exclusionary policies or practices of the government of such country when such policies or practices are based upon race, religion, national origin, or sex and prevent any such person from participating in a transaction involving the furnishing of any assistance under this chapter or any education and training under chapter 5;

[“(ii) the response of the United States thereto and the results of such response;

[“(iii) whether, in the opinion of the President, notwithstanding any such policies or practices—

[“(I) extraordinary circumstances exist which necessitate a continuation of such assistance or education and training transaction, and, if so, a description of such circumstances and the extent to which such assistance or education and training transaction should be continued (subject to such conditions as Congress may impose under this section), and

[“(II) on all the facts it is in the national interest of the United States to continue such assistance or education and training transaction; and

[“(iv) such other information as such committee may request.

[“(B) In the event a statement with respect to an assistance or training transaction is requested pursuant to subparagraph (A) of this paragraph but is not transmitted to accordance therewith within 60 days after receipt of such request, such assistance or training transaction shall be suspended unless and until such statement is transmitted.

[“(C)(i) In the event a statement with respect to an assistance or training transaction is transmitted under subparagraph (A) of this paragraph, the Congress may at any time thereafter adopt a joint resolution terminating or restricting such assistance or training transaction.

[“(ii) Any such resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(iii) The term ‘certification’, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under subparagraph (A) of this paragraph.”.

[(b) Chapter 1 of the Foreign Military Sales Act is amended by adding at the end thereof the following new section:

[“SEC. 5. PROHIBITION AGAINST DISCRIMINATION.—(a) It is the policy of the United States that no sales should be made, and no credits (including participations in credits) or guaranties extended to or for any foreign country, the laws, regulations, official policies, or governmental practices of which prevent any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) from participating in the furnishing of defense articles or defense services under this Act on the basis of race, religion, national origin, or sex.

[“(b)(1) No agency performing functions under this Act shall, in employing or assigning personnel to participate in the performance of any such function, whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

[“(2) Each contract entered into by any such agency for the performance of any function under this Act shall contain a provision to the effect that no person, partnership, corporation, or other entity performing functions pursuant to such contract, shall, in employing or assigning personnel to participate in the performance of any such function, whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

[“(c) The President shall promptly transmit reports to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate concerning any instance in which any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) is prevented by a foreign government on the basis of race, religion, national origin, or sex, from participating in the performance of any sale or licensed transaction under this Act. Such reports shall include (1) a description of the facts and circumstances of any such discrimination, (2) the response thereto on the part of the United States or any agency or employee thereof, and (3) the result of such response, if any.

[“(d)(1) Upon the request of the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives, the President shall, within 60 days after receipt of such request, transmit to both such committees a statement, prepared with the assistance of the Coordinator for Human Rights and Humanitarian Affairs, with respect to the country designated in such request, setting forth—

[“(A) all the available information about the exclusionary policies or practices of the government of such country when such policies or practices are based upon race, religion, national origin or sex and prevent any such person from participating in the performance of any sale or licensed transaction under this Act;

[“(B) the response of the United States thereto and the results of such response;

[“(C) whether, in the opinion of the President, notwithstanding any such policies or practices—

[“(i) extraordinary circumstances exist which necessitate a continuation of such sale or licensed transaction, and, if so, a description of such circumstances and the extent to which such sale or licensed transaction should be continued (subject to such conditions as Congress may impose under this section), and

[“(ii) on all the facts it is in the national interest of the United States to continue such sale or licensed transaction; and

[“(D) such other information as such committee may request.

[“(2) In the event a statement with respect to a sale or licensed transaction is requested pursuant to paragraph (1) of this subsection but is not transmitted in accordance therewith within 60 days after receipt of such request, such sale or licensed transaction shall be suspended unless and until such statement is transmitted.

[“(3)(A) In the event a statement with respect to a sale or licensed transaction is transmitted under paragraph (1) of this subsection, the Congress may at any time thereafter adopt a joint resolution terminating or restricting such sale or licensed transaction.

[“(B) Any such resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(C) The term ‘certification’, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under paragraph (1) of this subsection.”.

[PROHIBITION OF ASSISTANCE TO COUNTRIES GRANTING SANCTUARY TO INTERNATIONAL TERRORISTS

[SEC. 303. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 620A. PROHIBITION AGAINST FURNISHING ASSISTANCE TO COUNTRIES WHICH GRANT SANCTUARY TO INTERNATIONAL TERRORISTS.—(a) Except where the President finds national security to require otherwise, the President shall terminate all assistance under this Act to any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism and the President may not thereafter furnish assistance to such government until the end of the one year period beginning on the date of such termination, except that if during its period of ineligibility for assistance under this section such government aids or abets, by granting sanctuary from prosecution to, any other individual or group which has committed an act of international terrorism, such government’s period of ineligibility shall be extended for an additional year for each such individual or group.

[“(b) If the President finds that national security justifies a continuation of assistance to any government described in subsection (a), he shall report such finding to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.”.

[INELIGIBILITY

[SEC. 304. (a) Section 505(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(d)(1) Assistance and deliveries of assistance under this chapter to any country shall be terminated as hereinafter provided, if such country uses defense articles or defense services furnished under this Act, the Mutual Security Act of 1954, or any predecessor Foreign Assistance Act, in substantial violation (either in terms of quantities or in terms of the gravity of the consequences regardless of the quantities involved) or any agreement entered into pursuant to any such Act (A) by using such articles or services for a purpose not authorized under section 502 or, if such agreement provides

that such articles or services may only be used for purposes more limited than those authorized under section 502, for a purpose not authorized under such agreement; (B) by transferring such articles or services to, or permitting any use of such articles or services by, anyone not an officer, employee, or agent of the recipient country without the consent of the President; or (C) by failing to maintain the security of such articles or services.

[“(2)(A) Assistance and deliveries of assistance shall be terminated pursuant to paragraph (1) of this subsection if the President so determines and so states in writing to the Congress, or if the Congress so finds by joint resolution.

[“(B) The President shall report to the Congress promptly upon the receipt of information that a violation described in paragraph (1) of this subsection may have occurred.

[“(3) Assistance to a country shall remain terminated in accordance with paragraph (1) of this subsection until such time as—

[“(A) the President determines that the violation has ceased; and

[“(B) the country concerned has given assurances satisfactory to the President that such violation will not recur.

[“(4) The authority contained in section 614(a) of this Act may not be used to waive the provisions of this section with respect to further assistance under this chapter.”.

[(b)(1) Section 3(c) of the Foreign Military Sales Act is amended to read as follows:

[“(c)(1)(A) No credits (including participations in credits) may be issued and no guaranties may be extended for any foreign country under this Act as hereinafter provided, if such country uses defense articles or defense services furnished under this Act, or any predecessor Act, in substantial violation (either in terms of quantities or in terms of the gravity of the consequences regardless of the quantities involved) of any agreement entered into pursuant to any such Act (i) by using such articles or services for a purpose not authorized under section 4 or, if such agreement provides that such articles or services may only be used for purposes more limited than those authorized under section 4 for a purpose not authorized under such agreement; (ii) by transferring such articles or services to, or permitting any use of such articles or services by, anyone not an officer, employee, or agent of the recipient country without the consent of the President; or (iii) by failing to maintain the security of such articles or services.

[“(B) No cash sales or deliveries pursuant to previous sales may be made with respect to any foreign country under this Act as hereinafter provided, if such country uses defense articles or defense services furnished under this Act, or any predecessor Act, in substantial violation (either in terms of quantity or in terms of the gravity of the consequences regardless of the quantities involved) of any agreement entered into pursuant to any such Act by using such articles or services for a purpose not authorized under section 4 or, if such agreement provides that such articles or services may only be used for purposes more limited than those authorized under section 4, for a purpose not authorized under such agreement.

[“(2) The President shall report to the Congress promptly upon the receipt of information that a violation described in paragraph (1) of this subsection may have occurred.

[“(3)(A) A country shall be deemed to be ineligible under subparagraph (A) of paragraph (1) of this subsection, or both subparagraphs (A) and (B) of such paragraph in the case of a violation described in both such paragraphs, if the President so determines and so reports in writing to the Congress, or if the Congress so determines by joint resolution.

[“(B) Notwithstanding a determination by the President of ineligibility under subparagraph (B) of paragraph (1) of this subsection, cash sales and deliveries pursuant to previous sales may be made if the President certifies in writing to the Congress that a termination thereof would have significant adverse impact on United States security, unless the Congress adopts or has adopted a joint resolution pursuant to subparagraph (A) of this paragraph with respect to such ineligibility.

[“(4) A country shall remain ineligible in accordance with paragraph (1) of this subsection until such time as—

[“(A) the President determines that the violation has ceased; and

[“(B) the country concerned has given assurances satisfactory to the President that such violation will not recur.”.

[(2) Section 3(d) of the Foreign Military Sales Act is repealed and subsections (e) and (f) of such section, as added by section 204 of this Act, are redesignated as subsections (d) and (e), respectively.

[NUCLEAR TRANSFERS

[SEC. 305. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 669. NUCLEAR TRANSFERS.—(a) Except as provided in subsection (b), no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of—

[“(1) providing economic assistance;

[“(2) providing military or security supporting assistance or grant military education and training; or

[“(3) extending military credits or making guarantees; to any country which—

[“(A) delivers nuclear reprocessing or enrichment equipment, materials, or technology to any other country; or

[“(B) receives such equipment, materials or technology from any other country; unless before such delivery—

[“(i) the supplying country and receiving country have reached agreement to place all such equipment, materials, and technology, upon delivery, under multilateral auspices and management when available; and

[“(ii) the recipient country has entered into an agreement with the International Atomic Energy Agency to place all such equipment, materials, technology, and all nuclear fuel and facilities in such country under the safeguards system of such Agency.

[“(b)(1) Notwithstanding the provisions of subsection (a) of this section, the President may, by Executive order effective not less

than 30 days following its date of promulgation, furnish assistance which would otherwise be prohibited under paragraph (1), (2), or (3) of such subsection if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that—

[“(A) the termination of such assistance would have a serious adverse effect on vital United States interests; and

[“(B) he has received reliable assurances that the country in question will not acquire or develop nuclear weapons or assist other nations in doing so.

Such certification shall set forth the reasons supporting such determination in each particular case.

[“(2)(A) The Congress may by joint resolution terminate or restrict assistance described in paragraphs (1) through (3) of subsection (a) with respect to a country to which the prohibition in such subsection applies or take any other action with respect to such assistance for such country as it deems appropriate.

[“(B) Any such joint resolution with respect to a country shall, if introduced within 30 days after the transmittal of a certification under paragraph (1) with respect to such country, be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.”.

[TITLE IV—PROVISIONS RELATING TO SPECIFIC REGIONS OR COUNTRIES

[MIDDLE EAST POLICY STATEMENT

[SEC. 401. Section 901 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

[“It is the sense of Congress that the United States will continue to determine Middle East Policy as circumstances may require and that the authority contained in the joint resolution entitled ‘Joint resolution to implement the United States proposal for the early-warning system in Sinai’, approved October 13, 1975 (Public Law 94–110), and the authorizations contained in the amendments made by the International Security Assistance and Arms Export Control Act of 1976 do not, and shall not in any way be construed to, constitute congressional approval, acceptance, or endorsement (1) of any oral or written commitment, understanding, assurance, promise, or agreement, whether expressed or implied, or any other expression, oral or written (other than the ‘United States Proposal for the Early Warning System in Sinai’), made by any official of the United States which Israel, Egypt, or any other nation or organization might construe or interpret as a basis on which it could rely or act, or (2) of any characterization of any such commitment, understanding, assurance, promise, or agreement, or other expression, as constituting a ‘codification’ of existing, congressionally approved United States policy.”.

[AID FOR CYPRIOT REFUGEES

[SEC. 402. Section 495 of the Foreign Assistance Act of 1961 is amended by striking out "$30,000,000" and inserting in lieu thereof "$40,000,000".

[ASSISTANCE TO TURKEY

[SEC. 403. Section 620(x)(1) of the Foreign Assistance Act of 1961, as amended by section 2(c) of the Act of October 6, 1975 (Public Law 94–104), is amended by striking out "*Provided,*" and all that follows through the end of paragraph (1) and inserting in lieu thereof the following: "*Provided,* That for the fiscal year 1976, the period beginning July 1, 1976, and ending September 30, 1976, and the fiscal year 1977, the President may suspend the provisions of this subsection and of section 3(c) of the Arms Export Control Act with respect to cash sales and extensions of credits and guaranties under such Act for the procurement of such defense articles and defense services as the President determines are necessary to enable Turkey to fulfill her defense responsibilities as a member of the North Atlantic Treaty Organization, except that (A) during the fiscal year 1976 and the period beginning July 1, 1976, and ending September 30, 1976, the total value of defense articles and defense services sold to Turkey under such Act, either for cash or financed by credits and guaranties, shall not exceed $125,000,000, and (B) during the fiscal year 1977, the total value of defense articles and defense services sold to Turkey under such Act, either for cash or financed by credits and guaranties, shall not exceed $125,000,000. Any such suspension shall be effective only so long as Turkey observes the cease-fire on Cyprus, does not increase its military forces or its civilian population on Cyprus, and does not transfer to Cyprus any United States supplied arms, ammunition, or implements of war. The determination required by the proviso in the first sentence of this paragraph shall be made, on a case-by-case basis, with respect to each cash sale, each approval for use of credits, and each approval for use of a guaranty for Turkey. Each such determination shall be reported to the Congress and shall be accompanied by a full and complete statement of the reasons supporting the President's determination and a statement containing the information specified in clauses (A) through (D) of section 2(c)(4) of the Act of October 6, 1975 (Public Law 94–104). In any case involving the sale of significant combat equipment on the United States Munitions List in which the congressional review provisions of section 36(b) of the Arms Export Control Act do not apply, the President may not issue the letter of offer or approve the use of the credits or guaranty, as the case may be, until the end of the thirty-day period beginning on the date on which the report required by the preceding sentence is submitted to the Congress.".

[CONTROL OF MILITARY FORCES IN THE INDIAN OCEAN

[SEC. 407. It is the sense of Congress that the President should undertake to enter into negotiations with the Soviet Union intended to achieve an agreement limiting the deployment of naval, air, and land forces of the Soviet Union and the United States in the Indian Ocean and littoral countries. Such negotiations should

be convened as soon as possible and should consider, among other things, limitations with respect to—

[(1) the establishment or use of facilities for naval, air, or land forces in the Indian Ocean and littoral countries;

[(2) the number of naval vessels which may be deployed in the Indian Ocean, or the number of "shipdays" allowed therein; and

[(3) the type and number of military forces and facilities allowed therein.

[UNITED STATES CITIZENS IMPRISONED IN MEXICO

[SEC. 408. (a) The Congress, while sharing the concern of the President over the urgent need for international corporation to restrict traffic in dangerous drugs, is convinced that such efforts must be consistent with respect for fundamental human rights. The Congress, therefore, calls upon the President to take steps to insure that United States efforts to secure stringent international law enforcement measures are combined with efforts to secure fair and humane treatment for citizens of all countries.

[(b)(1) The Congress requests that the President communicate directly to the President and Government of the Republic of Mexico, a nation with which we have friendly and cooperative relations, the continuing desire of the United States for such relations between our two countries and the concern of the United States over treatment of United States citizens arrested in Mexico.

[(2) The Secretary of State shall report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate within one hundred and twenty days after the date of enactment of this section, and every one hundred and twenty days thereafter, on progress toward full respect for the human and legal rights of all United States citizens detained in Mexico.

[EMERGENCY FOOD NEEDS OF PORTUGAL

[SEC. 409. It is the sense of the Congress that the President should undertake immediately an evaluation of the emergency food needs of Portugal. It is further, the sense of the Congress that the President would take timely action to alleviate such emergency by providing Portugal with food commodities under the provisions of pertinent statutes.

[STRIFE IN LEBANON

[SEC. 410. It is the sense of the Congress that the situation in Lebanon, a nation traditionally friendly to the United States, poses a danger to peace in the Middle East. The Congress deplores the armed civil strife and the continuing erosion of national institutions which threaten to destroy the political and economic fabric of Lebanon with such tragic impact on all its people. The Congress views with grave concern any outside efforts to exploit the current strife with the purpose of transforming Lebanon in to a radical State in confrontation with Israel. The Congress requests that the President use his good offices to secure and end to the civil strife and national discord in Lebanon and to preserve the traditional friendly attitude of Lebanon toward the United States.

[REPORT ON KOREA

[SEC. 411. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 668. REPORT ON KOREA.—Within ninety days after the enactment of this section, and at least once during each of the next five years, the President shall transmit to the Speaker of the House of Representatives and to the Committees on Foreign Relations and Armed Services of the Senate a report which (1) reviews the progress made under the announced program of the Republic of Korea to modernize its armed forces so as to achieve military self-sufficiency by 1980, (2) reports on the role of the United States in mutual security efforts in the Republic of Korea, and (3) reports on the prospects for or implementation of phased reduction of United States Armed Forces assigned to duty in the Republic of Korea, in coordination with the timetable of the Republic of Korea for military self-sufficiency.".

[KOREA

[SEC. 412. The Congress views with distress the erosion of important civil liberties in the Republic of Korea and requests that the President communicate this concern in forceful terms to the Government of the Republic of Korea within sixty days after enactment.

[REPEAL OF INDOCHINA ASSISTANCE

[SEC. 413. (a) Part V of the Foreign Assistance Act of 1961 and sections 34, 35, 36, 37, 38, 39, and 40 of the Foreign Assistance Act of 1974 are repealed. All determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by this section shall continue in full force and effect until modified, revoked, or superseded by appropriate authority.

[(b) Subject to the availability of appropriations therefor, the President is authorized to adopt as a contract of the United States Government, and assume any liabilities arising thereunder (in whole or in part), any contract which had been funded or approved for funding by the Agency for International Development prior to June 30, 1975, for financing with funds made available under the Foreign Assistance Act of 1961 or the Foreign Assistance Act of 1974, or any equitable claim based upon a letter of intent issued prior to April 30, 1975, in which the Agency had expressed its intention to finance a transaction subject to the availability of funds, between the former Governments of Vietnam or Cambodia (including any of their agencies) or the Government of Laos (or any of its agencies) and any person and to apply with respect to any such contract the authorities of the Foreign Assistance Act of 1961.

[(c) Funds made available for the purposes of part V of the Foreign Assistance Act of 1961 and of section 36 of the Foreign Assistance Act of 1974 (including amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200), as having been obligated against appropriations theretofore made) are authorized to be appropriated, and thereafter, to remain avail-

able until expended, to meet necessary expenses arising from the actions authorized by subsection (b) of this section and such funds are authorized to remain available until expended to meet necessary expenses arising from the termination of assistance programs authorized by such part and such section 36, which expenses may include but need not be limited to the settlement of claims and associated personnel costs.

[LEBANON HOUSING RECONSTRUCTION

[SEC. 414. Section 223(j) of the Foreign Assistance Act of 1961 is amended by striking out "and" in the last sentence and by inserting immediately before the period at the end of such sentence ", and in Lebanon, not exceeding a face amount of $15,000,000".

[ITALY RELIEF AND REHABILITATION

[SEC. 415. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 495B. ITALY RELIEF AND REHABILITATION.—(a) In addition to amounts otherwise available for such purpose, there is authorized to be appropriated $25,000,000 for the fiscal year 1976 to furnish assistance under this chapter for the relief and rehabilitation of the people who have been victimized by the recent earthquake in Italy. Amounts appropriated under this section are authorized to remain available until expended.

["(b) Obligations incurred prior to the date of enactment of this section against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Italy may be charged to the appropriations authorized under this section.".

[LEBANON RELIEF AND REHABILITATION

[SEC. 416. Chapter 9 of part I of the Foreign Assistance Act of 1961, as amended by section 415 of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 495C. LEBANON RELIEF AND REHABILITATION.—(a) The Congress, recognizing that prompt United States assistance is necessary to alleviate the human suffering arising from civil strife in Lebanon and to restore the confidence of the people of Lebanon, authorizes the President to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other needy people in Lebanon.

["(b) There is authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise available for such purposes, $20,000,000, which amount is authorized to remain available until expended.

["(c) Assistance under this section shall be provided in accordance with the policies and general authority contained in section 491.

["(d) Obligations incurred prior to the date of enactment of this section against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Leb-

anon may be charged to the appropriations authorized under this section.

[“(e) Not later than sixty days after the date of enactment of appropriations to carry out this section, and on a quarterly basis thereafter, the President shall transmit reports to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives regarding the programming and obligation of funds under this section.”.

[TITLE V—MISCELLANEOUS AUTHORIZATIONS

[SECURITY SUPPORTING ASSISTANCE

[SEC. 501. (a) Section 532 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 532. AUTHORIZATION.—(a) There is authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1976 $1,766,200,000, of which not less than $65,000,000 shall be available only for Greece, $730,000,000 shall be available only for Israel, and $705,000,000 shall be available only for Egypt, and for the fiscal year 1977 $1,860,000,000, of which not less than $785,000,000 shall be available only for Israel, not less than $750,000,000 shall be available only for Egypt, not less than $27,500,000 shall be available only for Zambia, and not less than $27,500,000 shall be available for Zaire. Amounts appropriated under this section are authorized to remain available until expended.

[“(b)(1) None of the funds made available under this section for Zaire and Zambia may be used for military, guerrilla, or paramilitary activities in either such country or in any other country.

[“(2) Assistance furnished under this chapter to Zaire and Zambia for fiscal year 1977 shall not be counted for purposes of the limitation contained in the last sentence of section 531 on the number of countries which may receive assistance under this chapter in any fiscal year.”.

[MIDDLE EAST SPECIAL REQUIREMENT FUND

[SEC. 502. Section 903 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a), by striking out “for the fiscal year 1975 not to exceed $100,000,000” and inserting in lieu thereof “for the fiscal year 1976 not to exceed $50,000,000 and for the fiscal year 1977 not to exceed $35,000,000”; and

[(2) by striking out subsection (c) and inserting in lieu thereof the following:

[“(c) Funds appropriated under subsection (a) shall be available to assist the Governments of Egypt and Israel in carrying out activities under the Agreement of October 10, 1975, and to pay the costs of implementing the United States proposal for the early warning system in Sinai. Such funds may be obligated without regard to the provisions of subsection (b) of this section to the extent that the proposed obligation has been justified to the Congress prior to the enactment of this subsection.

[“(d) Of the amount authorized to be appropriated in subsection (a) for the fiscal years 1976 and 1977, not less than $12,000,000 for

each such year shall constitute a contribution by the United States toward the settlement of the deficit of the United Nations Relief and Works Agency for Palestine Refugees in the Middle East, if the President determines that a reasonable number of other countries will contribute a fair share toward the settlement of such deficit within a reasonable period of time after the date of enactment of the International Security Assistance and Arms Export Control Act of 1976. In determining such fair share, the President shall take into consideration the economic position of each such country. Such $24,000,000 shall be in addition to any other contribution to such Agency by the United States pursuant to any other provision of law.

[“(e) Funds made available under this section may be obligated without regard to the provisions of subsection (b) of this section for programs contained in the presentation materials submitted to Congress for the fiscal year 1977.”.

[CONTINGENCY FUND

[SEC. 503. Chapter 5 of part I of the Foreign Assistance Act of 1961 is amended—

[(1) in the chapter heading, by striking out “Disaster Relief” and inserting in lieu thereof “Contingency Fund”; and

[(2) in section 451(a)—

[(A) by striking out “for the fiscal year 1975 not to exceed $5,000,000,” and inserting in lieu thereof “for the fiscal year 1976 not to exceed $5,000,000 and for the fiscal year 1977 not to exceed $5,000,000”;

[(B) by striking out “or by section 639”; and

[(C) by adding at the end thereof the following new sentence: “Amounts appropriated under this section are authorized to remain available until expended.”.

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 504. (a) Section 482 of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end of the first sentence “, 40,000,000 for the fiscal year 1976, no part of which may be obligated for or on behalf of any country where illegal traffic in opiates has been a significant problem unless and until the President determines and certifies in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that assistance furnished to such country pursuant to the authority in this chapter is significantly reducing the amount of illegal opiates entering the international market, and not to exceed $34,000,000 for the fiscal year 1977”.

[(b) Section 481 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(c)(1) Notwithstanding any other provision of law, no officer or employee of the United States may engage or participate in any direct police arrest action in any foreign country with respect to narcotics control efforts.

[“(2) The President shall carry out a study with respect to methods through which United States narcotics control programs in foreign countries might be placed under the auspices of international

or regional organizations. The results of such study shall be transmitted to the Speaker of the House of Representatives and the President of the Senate not later than June 30, 1977.".

[AUTHORIZATION FOR INTERNATIONAL ATOMIC ENERGY AGENCY

[SEC. 505. Section 302 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(i) In addition to amounts otherwise available under this section, there are authorized to be appropriated for fiscal year 1976 $1,000,000 and for fiscal year 1977 $2,000,000 to be available only for the International Atomic Energy Agency to be used for the purpose of strengthening safeguards and inspections relating to nuclear fissile facilities and materials. Amounts appropriated under this subsection are authorized to remain available until expended.".

[INTERIM QUARTER AUTHORIZATIONS

[SEC. 506. (a) Any authorization of appropriations in this Act, or in any amendment to any other law made by this Act, for the fiscal year 1976, shall be deemed to include an additional authorization of appropriations for the period beginning July 1, 1976, and ending appropriations for the period beginning July 1, 1976, and ending September 30, 1976, in amounts which equal one-fourth of any amount authorized for the fiscal year 1976 and in accordance with the authorities applicable to operations and activities authorized under this Act or such other law, unless appropriations for the same purpose are specifically authorized in a law hereinafter enacted.

[(b) The aggregate total of credits, including participations in credits, extended pursuant to the Arms Export Control Act and of the principal amount of loans guaranteed pursuant to section 24(a) of such Act during the period beginning July 1, 1976, and ending September 30, 1976, may not exceed an amount equal to one-fourth of the amount authorized by section 31(b) of such Act to be extended and guaranteed for the fiscal year 1976.

[TITLE VI—MISCELLANEOUS PROVISIONS]

EXPEDITED PROCEDURE IN THE SENATE

SEC. 601. (a)(1) The provisions of subsection (b) of this section shall apply with respect to the consideration in the Senate of any resolution required by law to be considered in accordance with such provisions.

(2) Any such law shall—

(A) state whether the term "resolution" as used in subsection (b) of this section, means, for the purposes of such law—

(i) a joint resolution; or

(ii) a resolution of either House of Congress;

(iii) a concurrent resolution; and

(B) specify the certification to which such resolution shall apply.

(b)(1) For purposes of any such law, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because

of an adjournment or more than three days to a day certain are excluded in the computation of the period indicated.

(2) Paragraphs (3) and (4) of this subsection are enacted—

(A) as an exercise of the rulemaking power of the Senate and as such they are deemed a part of the rules of the Senate, but applicable only with respect to the procedure to be followed in the Senate in the case of resolutions described by subsection (a)(1) of this section; and they supersede other rules of the Senate only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner and to the same extent as in the case of any other rule of the Senate.

(3)(A) If the committee of the Senate to which has been referred a resolution relating to a certification has not reported such resolution at the end of ten calendar days after its introduction, not counting any day which is excluded under paragraph (1) of this subsection, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution introduced with respect to the same certification which has been referred to the committee, except that no motion to discharge shall be in order after the committee has reported a resolution with respect to the same certification.

(B) A motion to discharge under subparagraph (A) of this paragraph may be made only by a Senator favoring the resolution, is privileged, and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution, the time to be divided equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(4)(A) A motion in the Senate to proceed to the consideration of a resolution shall be privileged. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(B) Debate in the Senate on a resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, to be equally divided between and controlled by the majority leader and the minority leader or their designees.

(C) Debate in the Senate on any debatable motion or appeal in connection with a resolution shall be limited to not more than 1 hour be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(D) A motion in the Senate to further limit debate on a resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a resolution is in order in the Senate.

[PROCUREMENTS FROM SMALL BUSINESSES

[SEC. 602. In order to encourage procurements from small business concerns under chapter 4 of the Foreign Assistance Act of 1961, the Administrator of the Agency for International Development shall report to the Congress every six months on the extent to which small businesses have participated in procurements under such chapter and on what efforts the Agency has made to foster such procurements from small business concerns. The Small business administration shall lend all available assistance to the Agency for the purposes of carrying out this section.

[PAYMENT OF CONSULTANTS

[SEC. 603. Section 626(a) of the Foreign Assistance Act of 1961 is amended by striking out "$100 per diem" and inserting in lieu thereof "the daily equivalent of the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5, United States Code".

[FEES OF MILITARY SALES AGENTS AND OTHER PAYMENTS

[SEC. 604. (a) Section 36 of the Foreign Military Sales Act, as amended by section 211 of this Act, is further amended as follows:

[(1) In subsection (a)—

[(A) strike out "and" at the end of paragraph (7);

[(B) redesignate paragraph (8) as paragraph (9); and

[(C) insert the following new paragraph immediately after paragraph (7):

["(8) a description of each payment, contribution, gift, commission, or fee reported to the Secretary of State under section 39, including (A) the name of the person who made such payment, contribution, gift, commission, or fee; (B) the name of any sales agent or other person to whom such payment, contribution, gift, commission, or fee was paid; (C) the date and amount of such payment, contribution, gift, commission, or fee; (D) a description of the sale in connection with which such payment, contribution, gift, commission, or fee was paid; and (E) the identification of any business information considered confidential by the person submitting it which is included in the report; and".

["(2) In the first sentence of subsection (b), insert immediately before the period "and a description, containing the information specified in paragraph (8) of subsection (a), of any contribution, gift, commission, or fee paid or offered or agreed to be paid in order to solicit, promote, or otherwise to secure such letter of offer".

[(b) Chapter 3 of the Foreign Military Sales Act, as amended by section 212 of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 39. FEES OF MILITARY SALES AGENTS AND OTHER PAYMENT.—(a) In accordance with such regulations as he may pre-

scribe, the Secretary of State shall require adequate and timely reporting on political contributions, gifts, commissions and fees paid, or offered or agreed to be paid, by any person in connection with—

[“(1) sales of defense articles or defense services under section 22 of this Act; or

[“(2) commercial sales of defense articles or defense services licensed or approved under section 38 of this Act;

to or for the armed forces of a foreign country or international organization in order to solicit, promote, or otherwise to secure the conclusion of such sales. Such regulations shall specify the amounts and the kinds of payments, offers, and agreements to be reported, and the form and timing of reports, and shall require reports on the names of sales agents and other persons receiving such payments. The Secretary of State shall by regulation require such recordkeeping as he determines is necessary.

[“(b) The President may, by regulation, prohibit, limit, or prescribe conditions with respect to such contributions, gifts, commissions, and fees as he determines will be furtherance of the purposes of this Act.

[“(c) No such contribution, gift, commission, or fee may be included, in whole or in part, in the amount paid under any procurement contract entered into under section 22 of this Act, unless the amount thereof is reasonable, allocable to such contract, and not made to a person who has solicited promoted, or otherwise secured such sale, or has held himself out as being able to do so, through improper influence. For the purposes of this section, ‘improper influence’ means influence, direct or indirect, which induces or attempts to induce consideration or action by any employee or officer of a purchasing foreign government or international organization with respect to such purchase on any basis other than such consideration of merit as are involved in comparable United States procurements.

[“(d)(1) All information reported to the Secretary of State and all records maintained by any person pursuant to regulations prescribed under this section shall be available, upon request, to any standing committee of the Congress or any subcommittee thereof and to any agency of the United States Government authorized by law to have access to the books and records of the person requried to submit reports or to maintain records under this section.

[“(2) Access by an agency of the United States Government to records maintained under this section shall be on the same terms and conditions which govern the access by such agency to the books and records of the person concerned.”.

[(c) The amendments made by this section shall take effect sixty days after the date of enactment of this Act.

[USE OF PERSONNEL

[SEC. 605. (a) Nothing in this Act is intended to authorize any additional military or civilian personnel for the Department of Defense for the purposes of this Act, the Foreign Assistance Act of 1961, or the Arms Export Control Act. Personnel levels authorized in statutes authorizing appropriations for military and civilian personnel of the Department of Defense shall be controlling over all military and civilian personnel of the Department of Defense as-

signed to carry out functions under the Arms Export Control Act and the Foreign Assistance Act of 1961.

[(b) Section 42 of the Foreign Military Sales Act, as amended by section 213 of this Act, is further amended by adding at the end thereof the following new subsection:

["(f) The President shall, to the maximum extent possible and consistent with the purposes of this Act, use civilian contract personnel in any foreign country to perform defense services sold under this Act.".

[ASSISTANCE FOR PRODUCTIVE ENTERPRISES

[SEC. 606. Section 620(k) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end of the first sentence ", except that this sentence does not apply with respect to assistance for construction of any productive enterprise in Egypt which is described in the persentation materials to Congress for fiscl year 1977".

[EXTORTION AND ILLEGAL PAYMENTS

[SEC. 607. Within 60 days after receiving information which substantiates that officials of a foreign country receiving international security assistance have (1) received illegal or otherwise improper payments for a United States corporation in return for a contract to purchase defense articles or services from such corporation, or (2) extorted, or attempted to extort, money or other things of value in return for actions by officials of that country that permit a United States citizen or corporation to conduct business in that country, the President shall submit to Congress a report outlining the circumstances of such payment or extortion. The report shall contain a recommendation from the President as to whether the United States should continue a security assistance program for that country.]

EXTENSION OF AIRPORT AT PINECREEK, MINNESTOA

SEC. 608. The consent of Congress is hereby granted for the State of Minnesota or a subdivision or instrumentality thereof to enter into an agreement with the Government of Canada, a Canadian Province, or a subdivision or instrumentality of either, providing for the extension of the Pinecreek Airport at Pinecreek, Minnesota, into the Province of Manitoba, Canada, and the operation of the airport by a joint Canadian-American airport authority. The effectivenss of such agreement shall be conditioned on its approval by the Secretary of State.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

AN ACT To authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act

may be cited as the "International Development and Food Assistance Act of 1975".

[TITLE I—INTERNATIONAL DISASTER ASSISTANCE

INTERNATIONAL DISASTER ASSISTANCE

[SEC. 101. The Foreign Assistance Act of 1961 is amended—

[(1) by amending the chapter heading for chapter 9 of part I to read "CHAPTER 9—INTERNATIONAL DISASTER ASSISTANCE";

[(2) by repealing section 491;

[(3) by inserting immediately after the chapter heading for such chapter 9 the following new sections:

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

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

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

["SEC. 492. AUTHORIZATION.—There is authorized to be appropriated to the President to carry out section 491, $25,000,000 for each of the fiscal years 1976 and 1977. Amounts appropriated under this section are authorized to remain available until expended. The President shall submit quarterly reports to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives on the programing and obligation of funds under this section.

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

[(4) by redesignating section 452 as section 494 and inserting it immediately after section 493;

[(5) by redesignating sections 639A and 639B as sections 494A and 494B, respectively, and inserting them immediately after section 494;

[(6) by repealing section 639;

[(7) in section 494B, as redesignated by paragraph (5) of this section—

[(A) by striking out "SAHEL" in the section caption,

[(B) by inserting "(a)" immediately after the section caption,

[(C) by striking out "supports" and inserting in lieu thereof "reaffirms its support of", and

[(D) by adding the following new subsections at the end thereof:

["(b) The President is authorized to develop a long-term comprehensive development program for the Sahel and other drought-stricken nations in Africa.

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

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

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

["(3) begin such planning immediately.

["(d) There is authorized to be appropriated to the President, to carry out the purposes of this section, in addition to funds otherwise available for such purposes, $5,000,000 for the fiscal year 1976, which amount is authorized to remain available until expended. The President shall submit to the Foreign Relations and Appropriations Committees of the Senate and the International Relations and Appropriations Committees of the House of Representatives not later than April 30, 1976, a comprehensive proposal for carrying out the provisions of this section which shall include budget materials relating to programs for the fiscal year 1977."; and

[(8) by adding the following new section immediately after new section 494B:

["SEC. 495. CYPRUS RELIEF AND REHABILITATION.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other needy people in Cyprus. There is authorized to be appropriated for the purposes of this section, in addition to amounts otherwise available for such purposes, $30,000,000. Such amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with the policy and general authority contained in section 491.".

[TITLE II—FOOD AID TO POOR COUNTRIES

[POLICY

[SEC. 201. Section 2 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following:

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

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

meet immediate food requirements on a normal commercial basis;

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

[“(3) relate United States assistance to efforts by aid-receiving countries to increase their own agricultural production, with emphasis on development of small, family farm agriculture, and improve their facilities for transportation, storage, and distribution of food commodities;

[“(4) give special consideration to the potential for expanding markets for America’s agricultural abundance abroad in the allocation of commodities or concessional financing; and

[“(5) give appropriate recognition to and support of a strong and viable American farm economy in providing for the food security of consumers in the United States and throughout the world.”.

[WORLD FOOD CONFERENCE TARGET

[SEC. 202. The Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately after section 2 the following new section:

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

[EXERCISE OF AUTHORITIES

[SEC. 203. Section 103 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by amending subsection (a) to read as follows:

[“(a) take into account efforts of friendly countries to help themselves toward a greater degree of self-reliance, including efforts to increase their own agricultural production, especially through small, family farm agriculture, to improve their facilities for transportation, storage, and distribution of food commodities, and to reduce their rate of population growth;”;

[(2) in subsection (b), by inserting “and in section 106(b)(2)” immediately after “section 104”; and

[(3) in subsection (d), by striking out the second proviso and inserting in lieu thereof “*Provided*, That this exclusion from the definition of ‘friendly country’ may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress within 10 days of the date of such determination,”.

[FOREIGN CURRENCIES FROM OVERSEAS SALES

[SEC. 204. Section 104 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting immediately after "the House Committee on Agriculture" each time it appears "and the House Committee on International Relations";

[(2) by inserting immediately after "the Senate Committee on Agriculture and Forestry" each time it appears "and the Senate Committee on Foreign Relations"; and

[(3) by repealing subsection (c).

[USE BY FOREIGN COUNTRIES OF PROCEEDS OF SALES OF AGRICULTURAL COMMODITIES

[SEC. 205. Section 106(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting "(1)" immediately after "(b)";

[(2) by adding at the end thereof: "In negotiating such agreements with recipient countries, the United States shall emphasize the use of such proceeds for purposes which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries."; and

[(3) by adding at the end thereof the following new paragraphs:

["(2) Greatest emphasis shall be placed on the use of such proceeds to carry out programs of agricultural development, rural development, nutrition, and population planning, and to carry out the program described in section 406(a)(1) of this Act, in those countries which are undertaking self-help measures to increase agricultural production, improve storage, transportation, and distribution of commodities, and reduce population growth in accordance with section 109 of this Act, and which programs are directed at and likely to achieve the policy objectives of sections 103 and 104 of the Foreign Assistance Act of 1961 and are consistent with the policy objectives of this Act, pursuant to agreements between the United States and foreign governments under which uses of such proceeds shall be made for such purposes. Such uses shall be deemed payments for the purpose of section 103(b) of this Act, except that for any fiscal year the total value of such payments may not exceed 15 per centum of the total value of all agreements entered into under title I of this Act for such fiscal year. Such payments shall be described in the reports required by section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.

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

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

["(B) provides for such objectives as—

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

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

["(iii) farm extension and technical information services designed to improve the marketing, storage, transpor-

tation, and distribution system for agricultural commodities and to develop the physical and institutional infrastructure supporting the small farmer;

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

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

[SALES AGREEMENTS WITH DEVELOPING COUNTRIES

[SEC. 206. Section 109(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof: “In taking these self-help measures into consideration the President shall take into particular account the extent to which they are being carried out in ways designed to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increasing agricultural production through small farm agriculture.”.

[ASSISTANCE TO MOST SERIOUSLY AFFECTED COUNTRIES

[SEC. 207. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

[“SEC. 111. Not more than 25 per centum of the food aid commodities provided under this title in each fiscal year shall be allocated and agreed to be delivered to countries other than those with an annual per capita gross national product of $300 or less and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that the use of such food assistance is required for humanitarian food purposes and neither House of Congress disapproves such use, by resolution, within thirty calendar days after such certification. In determining per capita gross national product for the purposes of this section, the President is authorized and directed to make use of data developed by the World Bank for its most recent annual report and relied upon by the Secretary of the Treasury. A reduction below 75 per centum in the proportion of food aid allocated and agreed to be delivered to countries with a per capita gross national product of $300 or less and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad which results from significantly changed circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section. Any reallocation of food aid shall be in accordance with this section so far as practicable. The President shall report promptly any such reduction, and the reasons therefor, to the Congress.”.

[CONTINUITY OF DISTRIBUTION UNDER TITLE II

[SEC. 208. Section 201 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting “(a)” immediately after “SEC. 201.”; and

[(2) by adding at the end thereof the following new subsection:

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

[LIMITATION ON USE OF FOREIGN CURRENCIES

[SEC. 209. Title II of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

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

[ADVISORY COMMITTEE

[SEC. 210. Section 407 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately before the period at the end of the first sentence “, or their designees (who shall be members of such committees or, in the case of members from the executive branch, who shall have been confirmed by the Senate)”.

[REPORTS TO THE CONGRESS

[SEC. 211. Section 408 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting “(a)” immediately after “SEC. 408.”;

[(2) by striking out “calendar” in the first sentence and inserting in lieu thereof “fiscal”; and

[(3) by adding the following new subsections:

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

sistance provided to such country by the United States and other donors.

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

[INTERNATIONAL FOOD RESERVE SYSTEM

[SEC. 212. The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

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

[AMENDMENT TO FARMER-TO-FARMER PROGRAM

[SEC. 214. Section 406 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by striking out “the Secretary of Agriculture” in subsection (a) and inserting in lieu thereof “the President”;

[(2) by striking in paragraph (1) of subsection (a) “through existing agencies of the Department of Agriculture”;

[(3) by amending paragraph (5) of subsection (a) to read as follows:

[“(5) to coordinate the program authorized in this section with other foreign assistance activities of the United States;”.

[TITLE III—DEVELOPMENT ASSISTANCE

[POLICY

[SEC. 301. Section 102 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

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

providing opportunities for the poor to better their lives through their own effort.

"[(d) For the purpose of assuring that development assistance furnished under this chapter is increasingly concentrated in countries which will make effective use of such assistance to help the poor toward a better life (especially such countries which are suffering from the worst and most widespread poverty and are in greatest need of outside assistance), the President shall establish appropriate criteria to assess the commitment and progress of countries in meeting the objectives set forth in subsection (c) of this section and in other sections of this chapter. In establishing such criteria, the President shall specifically take into account their value in assessing the efforts of countries to—

["(1) increase agricultural productivity per unit of land through small-farm labor-intensive agriculture;

["(2) reduce infant mortality;

["(3) control population growth;

["(4) promote greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers; and

["(5) reduce rates of unemployment and underemployment.

The President shall endeavor to bring about the adoption of similar criteria by international development organizations in which the United States participates. Presentation materials submitted to the Congress with respect to assistance under this chapter, beginning with fiscal year 1977, shall contain detailed information concerning the steps being taken to implement this subsection.".

[FOOD AND NUTRITION

[SEC. 302. Section 103 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a), by inserting $618,800,000 for the fiscal year 1976 and $745,000,000 for the fiscal year 1977," immediately after "1975,"; and

[(2) by adding at the end thereof the following new subsections:

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

["(d) Foreign currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance

Act of 1954 which are owned by foreign governments shall be used whenever practicable to carry out the provisions of this section.

[“(e) In order to carry out the purposes of this section, the President is authorized to participate in and provide, on such terms and conditions as he may determine, up to $200,000,000 to the International Fund for Agricultural Development. There is authorized to be appropriated to the President without fiscal year limitation $200,000,000 for such contribution.

[“(f) No funds may be obligated to carry out subsection (e) unless—

[“(1) satisfactory agreement is reached on the Articles of Agreement for the International Fund for Agricultural Development;

[“(2) such Articles of Agreement are reviewed and approved by the Senate Committee on Foreign Relations and the House Committee on International Relations;

[“(3) all donor commitments to the International Fund for Agricultural Development total at least $1,000,0000,000 equivalent in convertible currencies, except that the United States contribution shall be proportionally reduced if this combined goal is not met; and

[“(4) there is equitable burden sharing among the different categories of contributors.

[“(g) The President shall submit to the Congress full and complete data concerning United States participation in, and operation of, the International Fund for Agricultural Development in the annual presentation materials on proposed economic assistance programs.”.

[AGRICULTURAL RESEARCH

[SEC. 303. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding after section 103 the following new section:

[“SEC. 103A. AGRICULTURAL RESEARCH.—Agricultural research carrried out under this Act shall (1) take account of the special needs of small farmers in the determination of research priorities, (2) include research on the interrelationship among technology, institutions, and economic, social, and cultural factors affecting small-farm agriculture, and (3) make extensive use of field testing to adapt basic research to local conditions. Special emphasis shall be placed on disseminating research results to the farms on which they can be put to use, and especially on institutional and other arrangements needed to assure that small farmers have effective access to both new and existing improved technology.”.

[POPULATION PLANNING AND HEALTH

[SEC. 304. Section 104 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting “(a)” immediately before “In”;

[(2) by inserting “$232,100,000 for the fiscal year 1976 and $275,600,000 for the fiscal year 1977,” immediately after “1975,”;

[(3) by adding at the end thereof the following new sentence; “Not less than 67 percent of the funds made available under

this section for any fiscal year shall be used for population planning, either in separate programs or as an element of health programs."; and

[(4) by adding at the end thereof the following new subsection:

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

[EDUCATION AND HUMAN RESOURCES DEVELOPMENT

[SEC. 305. (a) Section 105 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(a)" immediately before "In";

[(2) by inserting "$89,200,000 for the fiscal year 1976 and $101,800,000 for the fiscal year 1977," immediately after "1975,"; and

[(3) by adding at the end thereof the following new subsections:

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

["(c) Of the amount authorized to be appropriated by subsection (a), not less than $1,000,000 shall be available to support the Southern African student program and the Southern African training program, for the purpose of providing educational assistance to Southern Africans.".

[TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS; INTERMEDIATE TECHNOLOGY

[SEC. 306. The Foreign Assistance Act of 1961 is amended—

[(1) by repealing sections 106, 107, and 241; and

[(2) by inserting immediately after section 105 the following new sections:

["SEC. 106. TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the following activities, to the

extent that such activities are not authorized by sections 103, 104, and 105 of this Act:

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

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

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

[“(4) programs of reconstruction following natural or man-made disasters;

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

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

[“(b) There is authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $99,550,000 for the fiscal year 1976 and $104,500,000 for the fiscal year 1977, which amounts are authorized to remain available until expended. Of the amounts made available under this section, not less than $30,000,000 shall be available during the period beginning July 1, 1975, and ending September 30, 1977, only for reimbursement to private voluntary agencies of the United States for costs incurred with respect to the shipment of food and nonfood commodities provided through private donations.

[“SEC. 107. INTERMEDIATE TECHNOLOGY.—Of the funds made available to carry out this chapter for the fiscal years 1976, 1977, and 1978, a total of $20,000,000 may be used for activities in the field of intermediate technology, through grants in support of an expanded and coordinated private effort to promote the development and dissemination of technologies appropriate for developing countries. The Agency for International Development shall prepare a detailed proposal to carry out this section and shall keep the Senate Foreign Relations Committee and the House International Relations committee fully and currently informed concerning the development of the proposal. The proposal shall be transmitted to these committees no later than March 31, 1976, and shall not be

implemented until thirty days after its transmittal or until passage by each committee of a resolution in effect approving its implementation.".

[COST-SHARING

[SEC. 307. Section 110(a) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end thereof the following: "and except that the President may waive this cost-sharing requirement in the case of a project or activity in a country which the agency primarily responsible for administering part I of this Act determines is relatively least developed based on the United Nations Conference on Trade and Development list of 'relatively least developed countries'".

[DEVELOPMENT AND USE OF COOPERATIVES

[SEC. 308. Section 111 of the Foreign Assistance Act of 1961 is amended to read as follows:

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

[INTEGRATING WOMEN INTO NATIONAL ECONOMIES

[SEC. 309. Section 113 of the Foreign Assistance Act of 1961 is amended by striking out "Sections 103 through 107" and inserting in lieu thereof "Part I".

[HUMAN RIGHTS AND DEVELOPMENT ASSISTANCE

[SEC. 310. Part I of the Foreign Assistance Act of 1961 is amended by inserting immediately after section 115 the following new section:

["SEC. 116. HUMAN RIGHTS.—(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, unless such assistance will directly benefit the needy people in such country.

["(b) In determining whether this standard is being met with regard to funds allocated under this part, the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives may require the Administrator primarily responsible for administering part I of this Act to submit in writing information demonstrating that such assistance will directly benefit the needy people in such country, together with a detailed explanation of the assistance to be provided (including

the dollar amounts of such assistance) and an explanation of how such assistance will directly benefit the needy people in such country. If either committee or either House of Congress disagrees with the Administrator's justification it may initiate action to terminate assistance to any country by a concurrent resolution under section 617 of this Act.

[“(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organization of American States.

[“(d) The President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, in the annual presentation materials on proposed economic development assistance programs, a full and complete report regarding the steps he has taken to carry out the provisions of this section.”.

[DEVELOPMENT ASSISTANCE

[SEC. 311. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

[(1) by amending section 209(c) to read as follows:

[“(c) It is the sense of the Congress that the President should increase, to the extent practicable, the funds provided by the United States to multilateral lending institutions and multilateral organizations in which the United States participates for use by such institutions and organizations in making loans to foreign countries.”;

[(2) by amending section 214—

[(A) in subsection (c), by inserting “and for each of the fiscal years 1976 and 1977, $25,000,000,” immediately after “$19,000,000,”; and

[(B) in subsection (d), by inserting “and for each of the fiscal years 1976 and 1977, $7,000,000,” immediately after “$6,500,000”;

[(3) in section 221, by striking out “$355,000,000” and inserting in lieu thereof “$430,000,000”;

[(4) in section 222(c), by striking out “$550,000,000” and inserting in lieu thereof “$600,000,000”; and

[(5) in section 223—

[(A) by striking out “June 30, 1976” in subsection (i) and inserting in lieu thereof “September 30, 1978”; and

[(B) by adding at the end thereof the following new subsection:

[“(j) Guaranties shall be issued under sections 221 and 222 only for housing projects which (1) except for regional projects, are in countries which are receiving, or which in the previous two fiscal years have received, development assistance under chapter 1 of part I of this Act, (2) are coordinated with and complementary to such assistance, and (3) are specifically designed to demonstrate the feasibility and suitability of particular kinds of housing or of financial or other institutional arrangements. Of the aggregate face

value of housing guaranties hereafter issued under this title, not less than 90 per centum shall be issued for housing suitable for families with income below the median income (below the median urban income for housing in urban areas) in the country in which the housing is located. The face value of guaranties issued with respect to housing in any country shall not exceed $25,000,000 in any fiscal year, and the average face value of guaranties issued in any fiscal year shall not exceed $15,000,000. Notwithstanding the provisions of the first sentence of this subsection, the President is authorized to issue housing guaranties until September 30, 1977, as follows: In Israel, not exceeding a face amount of $50,000,000, and in Portugal, not exceeding a face amount of $20,000,000.".

[FAMINE PREVENTION

[SEC. 312. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new title:

["TITLE XII—FAMINE PREVENTION AND FREEDOM FROM HUNGER

["SEC. 296. GENERAL PROVISIONS.—(a) The Congress declares that, in order to prevent famine and establish freedom from hunger, the United States should strengthen the capacities of the United States land-grant and other eligible universities in program-related agricultural institutional development and research, consistent with section 103 and 103A, should improve their participation in the United States Government's international efforts to apply more effective agricultural sciences to the goal of increasing world food production, and in general should provide increased and longer term support to the application of science to solving food and nutrition problems of the developing countries.

["The Congress so declares because it finds—

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

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

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

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

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

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

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

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

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

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

[“(3) international agricultural research centers;

[“(4) contract research; and

[“(5) research program grants.

[“(c) The United States should—

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

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

[“(3) assist such universities in cooperative joint efforts with—

[“(A) agricultural institutions in developing nations, and

[“(B) regional and international agricultural research centers,

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

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

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

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

[“(e) As used in this title, the term ‘Administrator’ means the Administrator of the Agency for International Development.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[“SEC. 298. BOARD FOR INTERNATIONAL FOOD AND AGRICULTURAL DEVELOPMENT.—(a) To assist in the administration of the programs authorized by this title, the President shall establish a permanent Board for International Food and Agricultural Development (hereafter in this title referred to as the ‘Board’) consisting of seven members, not less than four to be selected from the universities. Terms of members shall be set by the President at the time of appointment. Members of the Board shall be entitled to such reimbursement for expenses incurred in the performance of their duties (including per diem in lieu of subsistence while away from their homes or regular place of business) as the President deems appropriate.

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

[“(1) participating in the planning development, and implementation of,

[“(2) initiating recommendations for, and

[“(3) monitoring of,

the activities described in section 297 of this title.

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

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

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

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

[“(B) having capacity in the agricultural sciences,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[“SEC. 300. ANNUAL REPORT.—The President shall transmit to the Congress, not later than April 1 of each year, a report detailing the activities carried out pursuant to this title during the preceding

fiscal year and containing a projection of programs and activities to be conducted during the subsequent five fiscal years. Each report shall contain a summary of the activities of the Board established pursuant to section 298 of this title and may include the separate views of the Board with respect to any aspect of the programs conducted or proposed to be conducted under this title.".

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 313. (a) Section 302 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a), by (A) inserting immediately before the period ", and for the fiscal year 1976, $194,500,000 and for the fiscal year 1977, $219,900,000. Of such amounts, not to exceed $250,000 during the fiscal year 1976 shall be available for contribution to the Namibia Institute", (B) inserting "(1)" immediately after "(a)" and (C) adding at the end of the subsection the following new paragraph:

["(2) The Congress reaffirms its support for the work of the Inter-American Commission on Human Rights. To permit such Commission to better fulfill its function of insuring observance and respect for human rights within this hemisphere, not less than $357,000 of the amount appropriated for fiscal year 1976 and $358,000 of the amount appropriated for fiscal year 1977, for contributions to the Organization of American States, shall be used only for budgetary support for the Inter-American Commission on Human Rights.";

[(2) in subsection (b)(1), by striking out "$51,220,000" and inserting in lieu thereof "$61,220,000";

[(3) in subsection (b)(2), by inserting "and for use beginning in the fiscal year 1976, $27,000,000," immediately after "fiscal year 1975, $14,500,000,"; and

[(4) in subsection (d) by striking out "1974 and 1975, $18,000,000" and inserting in lieu thereof "1976 and 1977, $20,000,000".

["(b) Section 54 of the Foreign Assistance Act of 1974 is amended by striking out "part III" and inserting in lieu thereof "part I".

["(c) Section 301 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

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

[ASSISTANCE TO FORMER PORTUGUESE COLONIES IN AFRICA

[SEC. 314. Section 496 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(a)" immediately after the section caption;

[(2) by striking out "$5,000,000" and inserting in lieu thereof "$7,750,000";

[(3) by striking out "$20,000,000" and inserting in lieu thereof "$17,250,000"; and

[(4) by adding at the end thereof the following new subsections:

[“(b) Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred by the Government of the Cape Verde Islands for the repayment of a $3,000,000 loan on June 30, 1975.

[“(c) The President is authorized to use up to $30,000,000 of the funds made available under this part for the fiscal year 1976, in addition to funds otherwise available for such purposes, to provide development assistance in accordance with chapter 1 or relief and rehabilitation assistance in accordance with chapter 9 (including assistance through international or private voluntary organizations) to countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.”.

[FURNISHING OF SERVICES AND COMMODITIES

[SEC. 315. Section 607(a) of the Foreign Assistance Act is amended by deleting the second full sentence, and inserting in lieu thereof the following: “Such advances or reimbursements may be credited to the currently applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used, under the following circumstances:

[“(1) Advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered.

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

[SUPPORT OF REIMBURSABLE DEVELOPMENT PROGRAMS

[SEC. 316. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out “in each of the fiscal years 1975 and 1976” and inserting in lieu thereof “in the fiscal year 1975, $2,000,000 in the fiscal year 1976, and $2,000,000 in the fiscal year 1977,”.

[TRANSITION PROVISIONS FOR INTERIM QUARTER

[SEC. 317. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

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

[DISCRIMINATION AGAINST UNITED STATES PERSONNEL

[SEC. 318. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 666. DISCRIMINATION AGAINST UNITED STATES PERSONNEL.—(a) The President shall not take into account, in assigning officers and employees of the United States to carry out any economic development assistance programs funded under this Act in any foreign country, the race, religion, national origin, or sex of any such officer or employee. Such assignments shall be made solely on the basis of ability and relevant experience.

[“(b) Effective six months after the date of enactment of the International Development and Food Assistance Act of 1975, or on such earlier date as the President may determine, none of the funds made available under this Act may be used to provide economic development assistance to any country which objects to the presence of any officer or employee of the United States who is present in such country for the purpose of carrying out any program of economic development assistance authorized by the provisions of this Act on the basis of the race, religion, national origin, or six of such officer or employee.

[“(c) The Secretary of State shall promulgate such rules and regulations as he may deem necessary to carry out the provisions of this section.”.

[OPERATING EXPENSES

[SEC. 319. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 667. OPERATING EXPENSES.—Nothing in this Act is intended to preclude the Committees on Appropriations, in appropriation legislation, from setting a ceiling on operating expenses of the agency primarily responsible for administering part I and limiting the availability of other sums therefor.”.

[LIMITATION ON ASSISTANCE TO CHILE

[SEC. 320. Notwithstanding any other provision of law, the total amount of economic assistance (including but not limited to housing guaranties and sales under title I of the Agricultural Trade Development and Assistance Act of 1954) that may be made available to Chile may not exceed $90,000,000 during the fiscal year 1976.

[SETTLEMENT OF DEBT OWED THE UNITED STATES

[SEC. 321. No debt owed to the United States by any foreign country with respect to the payment of any loan made under any program funded under this Act may be settled in an amount less than the full amount of such debt unless the Congress by concurrent resolution approves of such settlement.

[PARTICIPATION BY OTHER COUNTRIES IN PROVIDING ASSISTANCE TO ISRAEL OR EGYPT

[SEC. 322. It is the sense of the Senate that the President should attempt to negotiate an equitable share of participation by the countries of Western Europe, Japan, and the United Nations in providing assistance to Israel or Egypt.]

ACT OF OCTOBER 6, 1975

AN ACT To authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That section 8(a) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended—

[(1) by striking out "$49,990,000 for fiscal year 1975, of which not less than $75,000 shall be available solely to initiate broadcasts in the Estonian language and not less than $75,000 shall be available solely to initiate broadcasts in the Latvian language" in the first sentence and inserting in lieu thereof "$65,640,000 for fiscal year 1976"; and

[(2) by striking out "fiscal year 1975" in the second sentence and inserting in lieu thereof "fiscal year 1976".

[SEC. 2. (a)(1) The Congress reaffirms the policy of the United States to seek to improve and harmonize relations among the allies of the United States and between the United States and its allies, in the interest of mutual defense and national security. In particular, the Congress recognizes the special contribution to the North Atlantic Alliance of Greece and Turkey by virtue of their geographic position on the southeastern flank of Europe and is prepared to assist in the modernization and strengthening of their respective armed forces.

[(2) The Congress further reaffirms the policy of the United States to alleviate the suffering of refugees and other victims of armed conflict and to foster and promote international efforts to ameliorate the conditions which prevent such persons from resuming normal and productive lives. The Congress, therefore, calls upon the President to encourage and to cooperate in the implementation of multilateral programs, under the auspices of the Secretary General of the United Nations, the United Nations High Commissioner for Refugees, or other appropriate international agencies, for the relief of and assistance to refugees and other persons disadvantaged by the hostilities on Cyprus pending a final settlement of the

Cyprus refugee situation in the spirit of Security Council Resolution 361.

[(b)(1) In order that the purposes of this Act may be carried out without awaiting the enactment of foreign assistance legislation for fiscal year 1976 programs—

[(A) the President is authorized, notwithstanding section 620 of the Foreign Assistance Act of 1961, to furnish to the Government of Turkey those defense articles and defense services with respect to which contracts of sale were signed under section 21 or section 22 of the Foreign Military Sales Act on or before February 5, 1975, and to issue licenses for the transportation to the Government of Turkey of arms, ammunition, and implements of war (including technical data relating thereto): *Provided*, That such authorization shall be effective only while Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied implements of war: *Provided further*, That the authorities contained in this section shall not become effective unless and until the President determines and certifies to the Congress that the furnishing of defense articles and defense services, and the issuance of licenses for the transportation of implements of war, arms and ammunition under this section are important to the national security interests of the United States; and

[(B) the President is requested to initiate discussions with the Government of Greece to determine the most urgent needs of Greece for economic and military assistance.

[(C) the President is requested to initiate discussions with the Government of Turkey concerning effective means of preventing the diversion of opium poppy into illicit channels.

[(2) The President is directed to submit to the Speaker of the House of Representatives and to the Foreign Relations and Appropriations Committees of the Senate within sixty days after the enactment of this Act a report on discussions conducted under subsections (b)(1) (B) and (C), together with his recommendations for economic and military assistance to Greece for the fiscal year 1976.

[(c)(1) Section 620(x) of the Foreign Assistance Act of 1961 is amended by striking out all after the word "*Provided*," and inserting in lieu thereof the following: "That the President is authorized to suspend the provisions of this section and of section 3(c) of the Foreign Military Sales Act only with respect to sales, credits, and guaranties under the Foreign Military Sales Act, as amended, for the procurement of such defense articles and defense services as the President determines and certifies to the Congress are necessary in order to enable Turkey to fulfill her defense responsibilities as a member of the North Atlantic Treaty Organization. Any such suspension shall be effective only while Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied arms, ammunition, and implements of war.".

[(2) Section 620(x) of the Foreign Assistance Act of 1961 is further amended by designating the present subsection as paragraph (1) and by adding at the end thereof the following new paragraph:

[“(2) The President shall submit to the Congress within sixty days after the enactment of this paragraph, and at the end of each succeeding sixty-day period, a report on progress made during such period toward the conclusion of a negotiated solution of the Cyprus conflict.”.

[(3) Nothing in this section shall be construed as authorizing (A) military assistance to Turkey under chapter 2 of part II of the Foreign Assistance Act of 1961, or (B) sales, credits, or guaranties to or on behalf of Turkey under the Foreign Military Sales Act for the procurement of defense articles or defense services not determined by the President to be needed for the fulfillment of Turkey's North Atlantic Treaty Organization responsibilities.

[(4) Pursuant to the provisions of this section, in the case of any letter of offer to sell any defense article or defense service pursuant to the Foreign Military Sales Act for $25,000,000 or more, the President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a statement containing (A) a brief description of the defense article or defense service to be offered, (B) the dollar amount of the proposed sale, (C) the United States Armed force which is making the sale, and (D) the date on which any letter of offer to sell is to be issued. The letter of offer shall not be issued if the Congress, within twenty calendar days after receiving any such statement, adopts a concurrent resolution stating in effect that it objects to such proposed sale.

[(5) This subsection shall become effective only upon enactment of foreign assistance legislation authorizing sales, credits, and guaranties under the Foreign Military Sales Act for fiscal year 1976.]

FOREIGN ASSISTANCE ACT OF 1974

AN ACT To amend the Foreign Assistance Act of 1961, and for other purposes.

Be it enacted by Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the “Foreign Assistance Act of 1974.”

[FOOD AND NUTRITION

[SEC. 2. Section 103 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting the subsection designation “(a)” immediately before “In”;

[(2) by striking out “$291,000,000 for each of the fiscal years 1974 and 1975” and inserting in lieu thereof “$291,000,000 for the fiscal year 1974, and $500,000,000 for the fiscal year 1975”; and

[(3) by adding at the end thereof the following:

[“(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowly developing countries. The greatest potential for significantly expanding world food product at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in

those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should be given to increasing agricultural production in the countries with per capita incomes under $300 a year and which are the most severely affected by sharp increases in worldwide commodity prices."

[POPULATION PLANNING

[SEC. 4. The Foreign Assistant Act of 1961 is amended as follows:

[(1) In section 104, strike out "$145,000,000 for each of the fiscal years 1974 and 1975" and insert in lieu thereof "$145,000,000 for the fiscal year 1974, and $165,000,000 for the fiscal year 1975".

[(2) In section 292, strike out "$130,000,000" and insert in lieu thereof "$150,000,000".

[EDUCATION AND HUMAN RESOURCES DEVELOPMENT

[SEC. 5. Section 105 of the Foreign Assistance Act of 1961 is amended by striking out "$90,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "$90,000,000 for the fiscal year 1974, and $92,000,000 for the fiscal year 1975".

[DISPOSITION OF LOAN RECEIPTS

[SEC. 6. Section 203 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

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

[HOUSING GUARANTIES

[SEC. 7. The Foreign Assistance Act of 1961 is amended as follows:

[(1) In section 221, strike out "$305,000,000" and insert in lieu thereof "$355,000,000".

[(2) In section 223(i), strike out "June 30, 1975" and insert in lieu thereof "June 30, 1976".

[AGRICULTURAL CREDIT PROGRAMS

[SEC. 8. (a) Title III of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out the title heading and inserting in lieu thereof the following:

[“TITLE III—HOUSING AND OTHER CREDIT GUARANTY PROGRAMS”;

[(2) by inserting immediately after section 222 the following new section:

[“SEC. 222A. AGRICULTURAL AND PRODUCTIVE CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROGRAMS.—(a) It is the sense of the Congress that in order to stimulate the participation of the private sector in the economic development of less-developed countries in Latin America, the authority conferred by this section should be used to establish pilot programs in not more than five Latin American countries to encourage private banks, credit institutions, similar private lending organizations, cooperatives, and private nonprofit development organizations to make loans on reasonable terms to organized groups and individuals residing in a community for the purpose of enabling such groups and individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. Agricultural credit and assistance for self-help community development projects should include, but not be limited to, material and such projects as wells, pumps, farm machinery, improved seed, fertilizer, pesticides, vocational training, food industry development, nutrition projects, improved breeding stock for farm animals, sanitation facilities, and looms and other handicraft aids.

[“(b) To carry out the purposes of subsection (a), the agency primarily responsible for administering part I is authorized to issue guaranties, on such terms and conditions as it shall determine, to private lending institutions, cooperatives, and private nonprofit development organizations in not more than five Latin American countries assuring against loss of not to exceed 50 per centum of the portfolio of such loans made by any lender to organized groups or individuals residing in a community to enable such groups or individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. In no event shall the liability of the United States exceed 75 per centum of any one loan.

[“(c) The total face amount of guaranties issued under this section outstanding at any one time shall not exceed $15,000,000. Not more than 10 per centum of such sum shall be provided for any one institution, cooperative, or organization.

[“(d) The Inter-American Foundation shall be consulted in developing criteria for making loans eligible for guaranty coverage in Latin America under this section.

[“(e) Not to exceed $3,000,000 of the guaranty reserve established under section 223(b) shall be available to make such payments as may be necessary to discharge liabilities under guaranties issued under this section or any guaranties previously issued under section 240 of this Act.

[“(f) Funds held by the Overseas Private Investment Corporation pursuant to section 236 may be available for meeting necessary administrative and operating expenses for carrying out the provisions of this section through June 30, 1976.

[“(g) The Overseas Private Investment Corporation shall, upon enactment of this subsection, transfer to the agency primarily responsible for administering part I all obligations, assets, and related rights and responsibilities arising out of, or related to the predecessor program provided for in section 240 of this Act.

[“(h) The authority of this section shall continue until December 31, 1977.

[“(i) Notwithstanding the limitation in subsection (c) of this section, foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States may be utilized to carry out the purposes of this section, including the discharge of liabilities under this subsection. The authority conferred by this subsection shall be in addition to authority conferred by any other provision of law to implement guaranty programs utilizing excess local currency.

[“(j) The President shall, on or before January 15, 1976, make a detailed report to the Congress on the results of the program established under this section, together with such recommendations as he may deem appropriate.”:

[(3) by striking out “section 221 or section 222” in section 223(a) and inserting “section 221, 222, or 222A” in lieu thereof;

[(4) by striking out “this title” in section 223(b) and inserting “section 221 and section 222” in lieu thereof; and

[(5) by striking out “section 221 or section 222” in section 223(d) and inserting “section 221, 222, 222A, or previously under section 240 of this Act” in lieu thereof.

[(b) Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by striking out section 240.

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 9. (a) Section 302 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “for the fiscal year 1975, $150,000,000” in subsection (a) and inserting in lieu thereof “for the fiscal year 1975, $165,000,000”; and

[(2) by adding at the end thereof the following new subsections:

[“(g) Of the funds made available to carry out this chapter for fiscal year 1975, in addition to any other such funds to be made available for contributions to the International Atomic Energy Agency, not less than $500,000 shall be made available to such Agency as technical assistance in kind. However, a reasonable amount of funds authorized under this section shall be made available in fiscal year 1975 to strengthen international procedures which are designed to prevent the unauthorized dissemination or use of nuclear materials. The President shall report to the Congress not later than July 1, 1975, concerning actions taken by the United States to strengthen the procedures described under the preceding sentence.

[“(h) Congress directs that no funds should be obligated or expended, directly or indirectly, to support the United Nations Educational, Scientific, and Cultural Organization until the President certifies to the Congress that such Organization (1) has adopted policies which are fully consistent with its educational, scientific,

and cultural objectives, and (2) has taken concrete steps to correct its recent actions of a primarily political character."

[MILITARY ASSISTANCE AUTHORIZATIONS

[SEC. 10. Section 504(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "$512,500,000 for the fiscal year 1974" and inserting in lieu thereof "$600,000,000 for the fiscal year 1975"; and

[(2) by striking out "(other than training in the United States)" and inserting in lieu thereof "(other than (1) training in the United States, or (2) for Western Hemisphere countries, training in the United States or in the Canal Zone)".

[SPECIAL AUTHORITY

[SEC. 11. Section 506(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "the fiscal year 1974" in each place it appears and inserting in lieu thereof "the fiscal year 1975" in each such place; and

[(2) by striking out "$250,000,000" and inserting in lieu thereof "$150,000,000".

[MILITARY ASSISTANCE AUTHORIZATIONS FOR SOUTH VIETNAM

[SEC. 12. Section 513 of the Foreign Assistance Act of 1961 is amended as follows:

[(1) Strike out "Thailand and Laos" in the caption and insert in lieu thereof "Thailand and Laos, and South Vietnam".

[(2) At the end thereof add the following new subsection:

["(c) After June 30, 1976, no military assistance shall be furnished by the United States to South Vietnam directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act."

[EXCESS DEFENSE ARTICLES

[SEC. 13. (a) Section 8 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (22 U.S.C. 2321b), is amended—

[(1) by striking out "$150,000,000" in subsection (b) and inserting "$100,000,000" in lieu thereof; and

[(2) by inserting immediately before the period in subsection (c) the following: ", except that for any excess defense article such term shall not include a value for any such article which is less than 33⅓ percent of the amount the United States paid for such article when the United States acquired it".

[EXCESS DEFENSE ARTICLE VALUE IN ANNUAL REPORT

[SEC. 14. Section 634(d) of the Foreign Assistance Act of 1961 is amended by striking out "including economic assistance and military grants and sales" and inserting in lieu thereof the following: "including economic assistance, military grants (and including for any such grant of any excess defense articles, the value of such ar-

ticle expressed in terms of its acquisition cost to the United States), and military sales".

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

[SEC. 15. Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[SEC. 514. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.—(a) Notwithstanding any other provision of law, no funds, other than funds made available under this chapter or section 401(a) of Public Law 89–367 (80 Stat. 37), or any subsequent corresponding legislation, may be obligated for the purpose of stockpiling any defense article or war reserve material, including the acquisition, storage, or maintenance of any war reserve equipment, secondary items, or munitions, if such article or material is set aside, reserved, or in any way earmarked or intended for future use by any foreign country under this Act or such section.

["(b) The cost of any such article or material set aside, reserved, or in any way earmarked or intended by the Department of Defense for future use by, for, or on behalf of the country referred to in section 401(a)(1) of Public Law 89–367 (80 Stat. 37) shall be charged against the limitation specified in such section or any subsequent corresponding legislation, for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked or intended; and the cost of any such article or material set aside, reserved or in any way earmarked or intended for future use by, for, or on behalf of any other foreign country shall be charged against funds authorized under this chapter for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked. No such article or material may be made available to or for use by any foreign country unless such article or material has been charged against the limitation specified in such section, or any subsequent corresponding legislation, or against funds authorized under this chapter, as appropriate."

[MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

[SEC. 16. Chapter 2 of part II of the Foreign Assistance Act of 1961 is further amended by adding at the end thereof the following new section:

["SEC. 515. MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS.—Effective July 1, 1976, an amount equal to each sum expended under any provision of law, other than section 504 of this Act, with respect to any military assistance advisory group, military mission, or other organization of the United States performing activities similar to such group or mission, shall be deducted from the funds made available under such section 504, and (1) if reimbursement of such amount is requested by the agency of the United States Government making the expenditure, reimbursed to that agency, or (2) if no such reimbursement is requested, deposited in the Treasury as miscellaneous receipts."

[REVIEW OF MILITARY ASSISTANCE PROGRAM

[SEC. 17. (a) It is the sense of Congress that the policies and purposes of the military assistance program conducted under chapter 2 of part II of the Foreign Assistance Act of 1961 should be reexamined in light of changes in world conditions and the economic position of the United States in relation to countries receiving such assistance; and that the program, except for military education and training activities, should be reduced and terminated as rapidly as feasible consistent with the security and foreign policy requirements of the United States.

[(b) In order to give effect to the sense of Congress expressed in subsection (a), the President is directed to submit to the first session of the 94th Congress a detailed plan for the reduction and eventual elimination of the present military assistance program.

[SECURITY SUPPORTING ASSISTANCE

[SEC. 18. Section 532 of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1974 not to exceed $125,000,000, of which not less than $50,000,000 shall be available solely for Israel" and inserting in lieu thereof "for the fiscal year 1975 not to exceed $660,000,000".

[TRANSFER BETWEEN ACCOUNTS

[SEC. 19. (a) Section 610 of the Foreign Assistance Act of 1961 is amended as follows:

[(1) In subsection (a), immediately after "any other provision of this Act", insert "(except funds made available under chapter 2 of part II of this Act)".

[(2) Add at the end thereof the following new subsection:

["(c) Any funds which the President has notified Congress pursuant to section 653 that he intends to provide in military assistance to any country may be transferred to, and consolidated with, any other funds he has notified Congress pursuant to such section that he intends to provide to that country for development assistance purposes."

[(b) Section 614 of such Act is amended by adding at the end of subsection (a) the following: "The authority of this section shall not be used to waive the limitations on transfers contained in section 610(a) of this Act.".

[LIMITATION ON USE OF FUNDS

[SEC. 20. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 115. PROHIBITING USE OF FUNDS FOR CERTAIN COUNTRIES.—(a) None of the funds made available to carry out this chapter may be used in any fiscal year for any country to which assistance is furnished in such fiscal year under chapter 4 of part II (security supporting assistance), part V (assistance for relief and reconstruction of South Vietnam, Cambodia, and Laos), part VI (assistance for Middle East peace) of this Act, or section 36 of the Foreign Assistance Act of 1974.

[“(b) The prohibition contained in subsection (a) may not be waived under section 614(a) of this Act or under any other provision of law.

[“(c) This section shall not apply to funds made available under section 104 for purposes of title X of chapter 2 of this part (programs relating to population growth), funds made available for humanitarian assistance through international organizations, and funds obligated for regional programs.”

[CHANGE IN ALLOCATION OF FOREIGN ASSISTANCE

[SEC. 21. Section 653 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out all after the period at the end of the first sentence of subsection (a); and

[(2) by redesignating subsection (b) as subsection (c) and by inserting immediately after subsection (a) the following new subsection:

[“(b) Notwithstanding any other provision of law, no military grant assistance security supporting assistance, assistance under chapter 1 of part I of this Act, or assistance under part V of this Act, may be furnished to any country or international organization in any fiscal year, if such assistance exceeds by 10 percent or more the amount of such military grant assistance, security supporting assistance, assistance under chapter 1 of part I of this Act, or assistance under part V of this Act, as the case may be, set forth in the report required by subsection (a) of this section, unless—

[“(1) the President reports to the Congress, at least 10 days prior to the date on which such excess funds are provided, the country or organization to be provided the excess funds, the amount and category of the excess funds, and the justification for providing the excess funds; and

[“(2) in the case of military grant assistance or security supporting assistance, the President includes in the report under paragraph (1) his determination that it is in the security interest of the United States to provide the excess funds.

This subsection shall not apply if the excess funds provided in any fiscal year to any country or international organization for any category of assistance are less than $1,000,000.”

[SUSPENSION OF MILITARY ASSISTANCE TO TURKEY

[SEC. 22. Section 620 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(x) All military assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Turkey, shall be suspended on the date of enactment of this subsection unless and until the President determines and certifies to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has been made regarding military forces in Cyprus: *Provided*, That

the President is authorized to suspend the provisions of this section and such Acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until February 5, 1975, and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied implements of war."

[PROHIBITIONS ON AID TO NATIONS TRADING WITH NORTH VIETNAM

[SEC. 23. Section 620 of the Foreign Assistance Act of 1961 is amended by inserting before the period in subsection (n) of the following: ", unless the President determines that such loans, credits, guaranties, grants, other assistance, or sales are in the national interest of the United States".

[ASSISTANCE TO GREECE

[SEC. 24. Section 620(v) of the Foreign Assistance Act of 1961 is repealed.

[FAMINE OR DISASTER RELIEF

[SEC. 28. (a) Section 639 of the Foreign Assistance Act of 1961, dealing with famine or disaster relief, is amended to read as follows:

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

[(b) Of the funds appropriated to carry out section 639 of the Foreign Assistance Act of 1961, during fiscal year 1975 not less than $25,000,000 shall be made available to Cyprus for the purposes of such section 639.

[(c) Section 451 of the Foreign Assistance Act of 1961, dealing with the contingency fund, is amended to read as follows:

["SEC. 451. Contingency Fund.—(a) There is authorized to be appropriated to the President for the fiscal year 1975 not to exceed $5,000,000, to provide assistance authorized by this part or by section 639 for any emergency purpose only in accordance with the provisions applicable to the furnishing of such assistance.

["(b) The President shall submit quarterly reports to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives on the programing and obligation of funds under this section.

["(c) No part of this fund shall be used to pay for any gifts to any officials of any foreign government made heretofore or hereafter.".

[ACCESS TO CERTAIN MILITARY BASES ABROAD

[SEC. 29. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 659. Access to Certain Military Bases Abroad.—None of funds authorized to be appropriated for foreign assistance (including foreign military sales, credit sales, and guaranties) under this Act may be used to provide any kind of assistance to any foreign country in which a military base is located if—

["(1) such base was constructed or is being maintained or operated with funds furnished by the United States; and

["(2) personnel of the United States carry out military operations from such base;

unless and until the President has determined that the government of such country has, consistent with security authorized access, on a regular basis, to bona fide news media correspondents of the United States to such military base."

[(b) Section 29 of the Foreign Assistance Act of 1973 is repealed.

[PROHIBITING POLICE TRAINING

[SEC. 30. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended by section 23(a) of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 660. Prohibiting Police Training.—(a) On and after July 1, 1975, none of the funds made available to carry out this Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces for any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government within the United States or abroad.

["(b) Subsection (a) of this section shall not apply—

["(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States, or with respect to assistance authorized under section 482 of this Act; or

["(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.

Notwithstanding clause (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment."

[(b) Section 112 of the Foreign Assistance Act of 1961 is repealed.

[REIMBURSABLE DEVELOPMENT PROGRAMS

[SEC. 31. The Foreign Assistance Act of 1961 is amended by adding at the end of part III the following new section:

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

[INTELLIGENCE ACTIVITIES AND EXCHANGES OF MATERIALS

[SEC. 32. The Foreign Assistance Act of 1961 is amended by adding at the end of part III the following new sections:

[“SEC. 662. Limitation on Intelligence Activities.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives.

[“(b) The provisions of subsection (a) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the War Powers Resolution.

[“SEC. 663. Exchanges of Certain Materials.—(a) Notwithstanding any other provision of law, whenever the President determines it is in the United States national interest, he shall furnish assistance under this Act or shall furnish defense articles or services under the Foreign Military Sales Act pursuant to an agreement with the recipient of such assistance, articles, or services which provides that such recipient may only obtain such assistance, articles, or services in exchange for any necessary or strategic raw material controlled by such recipient. For the purpose of this section, the term ‘necessary or strategic raw material’ includes petroleum, other fossil fuels, metals, minerals, or any other natural substance which the President determines is in short supply in the United States.

[“(b) The President shall allocate any necessary or strategic raw material transferred to the United States under this section to any appropriate agency of the United States Government for stockpiling, sale, transfer, disposal, or any other purpose authorized by law.

[“(c) Funds received from any disposal of materials under subsection (b) shall be deposited as miscellaneous receipts in the United States Treasury.”.

[WAIVER OF PROHIBITION AGAINST ASSISTANCE TO COUNTRIES ENGAGING IN CERTAIN TRADE OR SHIPPING

[SEC. 33. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 664. Waiver of Prohibition Against Assistance to Countries Engaging in Certain Trade.—Any provision of this Act which prohibits assistance to a country because that country is engaging in trade with a designated country, or because that country permits ships or aircraft under its registry to transport any equipment, materials, or commodities to or from such designated country, may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress.".

[POLICY WITH RESPECT TO INDOCHINA

[SEC. 34. (a) The Congress finds that the cease-fire provided for in the Paris Agreement on Ending the War and Restoring Peace in Vietnam has not been observed by any of the Vietnamese parties to the conflict. Military operations of an offensive and defensive nature continue throughout South Vietnam. In Cambodia, the civil war between insurgent forces and the Lon Nol government has intensified, resulting in widespread human suffering and the virtual destruction of the Cambodian economy.

[(b) The Congress further finds that continuation of the military struggles in South Vietnam and Cambodia are not in the interest of the parties directly engaged in the conflicts, the people of Indochina or world peace. In order to lessen the human suffering in Indochina and to bring about a genuine peace there, the Congress urges and requests the President and the Secretary of State to undertake the following measures:

[(1) to initiate negotiations with representatives of the Soviet Union and the People's Republic of China to arrange a mutually agreed-upon and rapid de-escalation of military assistance on the part of the three principal suppliers of arms and material to all Vietnamese and Cambodian parties engaged in conflict;

[(2) to urge by all available means that the Government of the Khmer Republic enter in negotiations with representatives of the Khmer Government of National Union for the purpose of arranging an immediate cease-fire and political settlement of the conflict; and to use all available means to establish contact with the Khmer Government of National Union, and to urge them to participate in such negotiations. The United States should urge all Cambodian parties to use the good offices of the United Nations or a respected third country for the purpose of bringing an end to hostilities and reaching a political settlement;

[(3) to utilize any public or private forum to negotiate directly with representatives of the Democratic Republic of Vietnam, the Provisional Revolutionary Government, and the Republic of Vietnam to seek a new cease-fire in Vietnam and full compliance with the provisions of the Paris Agreement on End-

ing the War and Restoring Peace in Vietnam, including a full accounting for Americans missing in Indochina;

[(4) to reconvene the Paris Conference to seek full implementation of the provisions of the Agreement of January 27, 1973, on the part of all Vietnamese parties to the conflict; and

[(5) to maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the Nation at regular intervals on the progress toward obtaining a total cessation of hostilities in Indochina and a mutual reduction of military assistance to that area.

[PRINCIPLES GOVERNING ECONOMIC AID TO INDOCHINA

[SEC. 35. (a) Congress calls upon the President and Secretary of State to take the following actions designed to maximize the benefit of United States economic assistance:

[(1) to organize a consortium to include multilateral financial institutions to help plan for Indochina reconstruction and development; to coordinate multilateral and bilateral contributions to the area's economic recovery; and to provide continuing advice to the recipient nations on the use of their own and outside resources;

[(2) to develop, in coordination with the recipient governments, other donors, and the multilateral financial institutions, a comprehensive plan for Indochina reconstruction and economic development;

[(3) to develop country-by-country reconstruction and development plans, including detailed plans for the development of individual economic sectors, that can be used to identify and coordinate specific economic development projects and programs and to direct United States resources into areas of maximum benefits;

[(4) to shift the emphasis of United States aid programs from consumption-oriented expenditures to economic development;

[(5) to identify possible structural economic reforms in areas such as taxation, exchange rates, savings mechanisms, internal pricing, income distribution, land tenure, budgetary allocations and corruption, which should be undertaken if Indochinese economic development is to progress;

[(6) to include in Indochina economic planning and programing specific performance criteria and standards which will enable the Congress and the executive branch to judge the adequacy of the recipient's efforts and to determine whether, and what amounts of, continued United States funding is justified; and

[(7) to provide humanitarian assistance to Indochina wherever practicable under the auspices of and by the United Nations and its specialized agencies, other international organizations or arrangements, multilateral institutions, and private voluntary agencies with a minimum presence and activity of United States Government personnel.

[(b) This section shall not be construed to imply continuation of a United States financial commitment beyond the authorization provided for in this Act or amendments made by this Act.

[INDOCHINA POSTWAR RECONSTRUCTION

[SEC. 36. (a) There are authorized to be appropriate to the President to furnish assistance for the relief and reconstruction of South Vietnam, Cambodia, and Laos, in addition to funds otherwise available for such purposes, for the fiscal year 1975 not to exceed $617,000,000. Of the amount appropriated for fiscal year 1975—

[(1) $449,900,000 shall be available only for the relief and reconstruction of South Vietnam in accordance with section 38 of this Act;

[(2) $100,000,000 shall be available only for the relief and reconstruction of Cambodia in accordance with section 39 of this Act;

[(3) $40,000,000 shall be available only for the relief and reconstruction of Laos in accordance with section 40 of this Act;

[(4) $4,100,000 shall be available only for the regional development program:

[(5) $16,000,000 shall be available only for support costs for the agency primarily responsible for carrying out this part; and

[(6) $7,000,000 shall be available only for humanitarian assistance through international organizations.

Such amounts are authorized to remain available until expended.

[(b) The authority of section 610(a) of the Foreign Assistance Act of 1961 may not be used in fiscal year 1975 to transfer funds made available for any provision of such Act of 1961 into funds made available for part V of such Act for South Vietnam, Cambodia, or Laos under this section.

[(c) No assistance may be provided to South Vietnam, Cambodia, or Laos in fiscal year 1975 under part I (including chapter 4 of part II) of the Foreign Assistance Act of 1961. This prohibition may not be waived under section 614(a) of such Act of 1961 or any other provision of law.

[(d) Notwithstanding subsection (b) of this section, funds made available under any provision of this or any other law for the purpose of providing military assistance for South Vietnam, Laos, or Cambodia during fiscal year 1975 may be transferred to, and consolidated with, any funds made available to that country for war relief, reconstruction, or general economic development, if such transfer does not result in a greater amount than is allocated for such country under paragraph (1), (2), or (3) of subsection (a).

[(e) To the extent not inconsistent with the provisions of this Act, all prohibitions, restrictions, limitations, and authorities contained in the Foreign Assistance Act of 1961 which are applicable to part V of such Act of 1961 shall apply with respect to the assistance authorized by this section.

[ASSISTANCE TO SOUTH VIETNAMESE CHILDREN

[SEC. 37. (a) It is the sense of the Congress that inadequate provision has been made (1) for the establishment, expansion and improvement of day care centers, orphanages, hostels, school feeding programs, health and welfare programs, and training related to these programs which are designed for the benefit of South Vietnamese children, disadvantaged by hostilities in Vietnam or conditions related to those hostilities, and (2) for the adoption by United

States citizens of South Vietnamese children who are orphaned or abandoned, or whose parents or sole surviving parent, as the case may be, has irrevocably relinquished all parental rights, particularly children fathered by United States citizens.

[(b) The President is, therefore, authorized to provide assistance, on terms and conditions he considers appropriate, for the purposes described in clauses (1) and (2) of subsection (a) of this section. Of the funds appropriated pursuant to section 36(a) of this Act, $10,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section. Not more than 10 per centum of the funds made available to carry out this section may be expended for the purposes referred to in clause (2) of subsection (a). Assistance provided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies.

[LIMITATIONS WITH RESPECT TO SOUTH VIETNAM

[SEC. 38. (a) The $449,900,000 made available in accordance with section 36(a)(1) of this Act shall be allocated as follows:

[(1) $90,000,000 for humanitarian assistance, of which there shall be available—

[(A) $70,000,000 for refugee relief;

[(B) $10,000,000 for child care; and

[(C) $10,000,000 for health care;

[(2) $154,500,000 for agricultural assistance, of which there shall be available—

[(A) $85,000,000 for fertilizer;

[(B) $12,000,000 for POL (for agriculture);

[(C) $6,000,000 for insecticides and pesticides;

[(D) $10,000,000 for agricultural machinery and equipment (including spare parts);

[(E) $3,500,000 for agricultural advisory services;

[(F) $20,000,000 for rural credit;

[(G) $10,000,000 for canal dredging;

[(H) $4,000,000 for low-lift pumps; and

[(I) $4,000,000 for fish farm development:

[(3) $139,800,000 for industrial development assistance of which there shall be available—

[(A) $124,000,000 for commodities;

[(B) $10,000,000 for industrial credit; and

[(C) $5,800,000 for industrial advisory services (including feasibility studies);

[(4) $65,600,000 for miscellaneous assistance, of which there shall be available—

[(A) $47,900,000 for the service sector (including POL, machinery equipment, and spare parts); and

[(B) $17,700,000 for technical services and operating expenses.

[(b)(1) No funds made available in accordance with section 36(a)(1) may be transferred to, or consolidated with, the funds made available for military assistance, nor may more than 20 per centum of the funds made available under paragraph (1), (2), (3), or (4) of subsection (a) of this section be transferred to, or consoli-

dated with, the funds made available under any other such paragraph.

[(2) Whenever the President determines it to be necessary in carrying out this section, any funds made available under any subparagraph of paragraph (1), (2), (3), or (4) of subsection (a) of this section may be transferred to, and consolidated with, the funds made available under any other subparagraph of that same paragraph.

[(3) The President shall fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of each transfer he intends to make under paragraph (1) or (2) of this subsection prior to making such transfer.

[(c) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of South Vietnam in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

[(d) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of South Vietnam for any fiscal year the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

[(e) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of South Vietnam during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

[(f)(1) Effective six months after the date of enactment of this section, the total number of civilian officers and employees, including contract employees, of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States present in South Vietnam shall not at any one time exceed four thousand, not more than two thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense. Effective one year after the date of enactment of this section, such total number shall not exceed at any one time three thousand, not more than one thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense.

[(2) Effective six months after the date of enactment of this section, the United States shall not, at any one time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eight hundred individuals in South Vietnam who are citizens of countries other than South Vietnam or the United States. Effective one year after the date of enactment of this sec-

tion, the total number of individuals whose compensation or allowance is so paid shall not exceed at any one time five hundred.

[(3) For purposes of this subsection, "executive agency of the United States Government" means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

[(4) This subsection shall not be construed to apply with respect to any individual in South Vietnam who (A) is an employee or volunteer worker of a voluntary private nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in South Vietnam.

[(g) This section shall not be construed as a commitment by the United States to South Vietnam for its defense.

[LIMITATIONS WITH RESPECT TO CAMBODIA

[SEC. 39. (a) Section 655 of the Foreign Assistance Act of 1961 is amended as follows:

[(1) by striking out "$341,000,000" in subsection (a) and inserting "$377,000,000" in lieu thereof.

[(2) by striking out "1972" in subsection (a) and inserting "1975. Of that sum, there shall be available no more than $200,000,000 for military assistance. In addition to such $377,000,000, defense articles and services may be ordered under section 506 of this Act for Cambodia in an amount not to exceed $75,000,000 in fiscal year 1975." in lieu thereof.

[(3) by striking out "$341,000,000" in subsection (b) and inserting "$377,000,000" in lieu thereof.

[(4) by striking out "1972" in subsection (b) and inserting "1975" in lieu thereof.

[(b) Section 656 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following sentence: "This section shall not be construed to apply with respect to any individual in Cambodia who (A) is an employee or volunteer worker of a voluntary private, nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in Cambodia."

[(c) The $100,000,000 made available in accordance with section 36(a)(2) of this Act shall be allocated as follows:

[(1) $20,000,000 for humanitarian assistance;

[(2) $63,000,000 for commodity import assistance;

[(3) $15,000,000 for multilateral stabilization assistance; and

[(4) $2,000,000 for technical support and participant training.

[(d) No funds made available in accordance with section 36(a)(2) may be transferred to, or consolidated with, the funds allocated for military assistance to Cambodia under section 655(a) of the Foreign Assistance Act of 1961, nor may more than 20 per centum of the funds made available under any paragraph of subsection (c) of this section be transferred to, or consolidated with, the funds made available under any other such paragraph.

[(e) No funds may be obligated for any of the purposes described in section 655(a) of the Foreign Assistance Act of 1961 in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

[(f) This section shall not be construed as a commitment by the United States to Cambodia for its defense.

[LIMITATIONS WITH RESPECT TO LAOS

[SEC. 40. (a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $70,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Laos. Of that amount, there shall be available—

[(1) $30,000,000 for military assistance; and

[(2) $40,000,000 only for economic assistance, of which there shall be available—

[(A) $11,000,000 for humanitarian assistance;

[(B) $6,500,000 for reconstruction and development assistance;

[(C) $16,100,000 for stabilization assistance; and

[(D) $6,400,000 for technical support.

[(b) No funds made available under paragraph (2) of subsection (a) of this section may be transferred to, or consolidated with, the funds made available under paragraph (1) of such subsection, nor may more than 20 per centum of the funds made available under any subparagraph of paragraph (2) be transferred to, or consolidated with, the funds made available under any other such subparagraph.

[(c) In computing the limitations on obligation authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided, to, for, or on behalf of Laos in such fiscal year by gift, donation, loan, lease or otherwise. For the purpose of this subsection, "value" means the fair market value of any goods, supplies, material, or equipment provided to, for, or on behalf of Laos but in no case less than 33⅓ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

[(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Laos in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

[(e) After the date of enactment of this section whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of Laos, for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose of which such funds are to be used in such fiscal year.

[(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of Laos during the preceding quarter by the United States Government and shall include in such report a general breakdown of the total amount obligated, describing the different purposes of which such funds were obligated and the total amount obligated for such purpose.

[(g) This section shall not be construed as a commitment by the United States to Laos for its defense.

[POPULATION, NARCOTICS, INTERNATIONAL HUMANITARIAN AND REGIONAL PROGRAMS

[SEC. 41. Part V of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 806. POPULATION, NARCOTICS, INTERNATIONAL HUMANITARIAN AND REGIONAL PROGRAMS.—The provisions of sections 36(c), 38, 39, and 40 of the Foreign Assistance Act of 1974 shall not apply to: (1) funds obligated for purposes of title X of chapter 2 of part I (programs relating to population growth); (2) funds made available under section 482 (programs relating to narcotics control); (3) funds made available for humanitarian assistance through international organizations; or (4) funds obligated for regional programs."

[ASSISTANCE TO THE MIDDLE EAST

[SEC. 42. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

["PART VI

["SEC. 901. STATEMENT OF POLICY.—The Congress recognizes that a peaceful and lasting resolution of the divisive issues that have contributed to tension and conflict between nations in the Middle East is essential to the security of the United States and the cause of world peace. The Congress declares and finds that the United States can and should play a constructive role in securing a just and durable peace in the Middle East by facilitating increased understanding between the Arab nations and Israel, and by assisting the nations in the area in their efforts to achieve economic progress and political stability, which are the essential foundations for a just and durable peace. It is the sense of Congress that United States assistance programs in the Middle East should be designated to promote mutual respect and security among the nations in the area and to foster a climate conducive to increased economic development, thereby contributing to a community of free, secure, and prospering nations in the Middle East.

[“It is further the sense of Congress that none of the funds authorized by this Act should be provided to any nation which denies its citizens the right or opportunity to emigrate.

[“SEC. 902. ALLOCATIONS.—(a) Of the funds appropriated to carry out chapter 2 of part II of this Act during the fiscal year 1975, not to exceed $100,000,000 may be made available for military assistance in the Middle East.

[“(b) Of the funds appropriated to carry out chapter 4 of part II of this Act during the fiscal year 1975, not to exceed $652,000,000 may be made available for security supporting assistance in the Middle East.

[“(c) Of the aggregate ceiling on credits and guaranties established by section 31(b) of the Foreign Military Sales Act during the fiscal year 1975, not to exceed $330,000,000 shall be available for countries in the Middle East.

[“SEC. 903. (a) SPECIAL REQUIREMENTS FUND.—There are authorized to be appropriated to the President for the fiscal year 1975 not to exceed $100,000,000 to furnish assistance under part I of this Act to meet special requirements arising from time to time in carrying out the purposes of this part, in addition to funds otherwise available for such purposes. The funds authorized to be appropriated by this section shall be available for use by the President for assistance authorized by such part in accordance with the provisions applicable to the furnishing of such assistance. Such funds are authorized to remain available until expended.

[“(b) The President may only obligate or expend, for each foreign country or international organizations, funds authorized under this section—

[“(1) after he reports to the Speaker of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate concerning (A) the name of such foreign country or international organizations, (B) the amount of such funds to be made available to such country or organization, and (C) the purpose for which such funds are to be made available to such country or organization; and

[“(2) unless the Congress, within thirty calendar days after receiving any report under paragraph (1), adopts a concurrent resolution stating in substance that it does not favor the provisions of the report provided by clauses (A), (B), and (C) of paragraph (1).

[“(c) Of the amount authorized under subsection (a), not less than $6,000,000 shall constitute a contribution by the United States toward the settlement of the deficit of the United Nations Relief and Works Agency for Palestine Refugees in the Middle East, if the President determines that a reasonable number of other countries will contribute a fair share toward the settlement of such deficit within a reasonable period of time after the date of enactment of the Foreign Assistance Act of 1974. In determining such fair share, the President shall take into consideration the economic position of each such country. Such $6,000,000 shall be in addition to any other contribution to such Agency by the United States pursuant to any other provision of law.”

[ASSISTANCE TO UNITED ARAB REPUBLIC

[SEC. 44. Section 620(p) of the Foreign Assistance Act of 1961 is repealed.

[FOREIGN MILITARY SALES ACT AMENDMENTS

[SEC. 45(a). The Foreign Military Sales Act is amended as follows:

[(1) Section 3(d) is amended to read as follows:

["(d) A country shall remain ineligible in accordance with subsection (c) of this section until such time as the President determines that such violation has ceased, that the country concerned has given assurances satisfactory to the President that such violation will not recur, and that, if such violation involved the transfer of sophisticated weapons without the consent of the President, such weapons have been returned to the country concerned."

[(2) Section 23 is amended to read as follows:

["SEC. 23. CREDIT SALES.—The President is authorized to finance procurements of defense articles and defense services by friendly foreign countries and international organizations on terms requiring the payment to the United States Government in United States dollars of—

["(1) the value of such articles or services within a period not to exceed ten years after the delivery of such articles or the rendering of such services; and

["(2) interest on the unpaid balance of that obligation for payment of the value of such articles or services, at a rate equivalent to the current average interest rate, as of the last day of the month preceding the financing of such procurement, that the United States Government pays on outstanding marketable obligations of comparable maturity, unless the President certifies to Congress that the national interest requires a lesser rate of interest and states in the certification the lesser rate so required and the justification therefor."

[(3) In subsections (a) and (b) of section 24, the parenthetical phrase in each is amended to read as follows: "(excluding United States Government agencies other than the Federal Financing Bank)".

[(4) Section 24(c) is amended by striking out "25" both times it appears and inserting "10" both such times in lieu thereof.

[(5) Section 35(b) is repealed, and section 36 is amended by inserting before subsection (c) the following new subsections:

["(a) The President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate quarterly reports containing—

["(1) a listing of all letters of offer to sell any defense articles or services under this Act, if such offer has not been accepted or canceled;

["(2) a cumulative listing of all such letters of offer to sell that have been accepted during the fiscal year in which such report is submitted;

["(3) the cumulative dollar amounts, by foreign country and international organization, of credit sales under section 23 and guaranty agreements under section 24 made before the sub-

mission of such quarterly report and during the fiscal year in which such report is submitted; and

[“(4) projections of the cumulative dollar amounts, by foreign country and international organization, of credit sales under section 23 and guaranty agreements under section 24 to be made in the quarter of the fiscal year immediately following the quarter for which such report is submitted.

[“(b) In the case of any letter of offer to sell any defense articles or services under this Act for $25,000,000 or more, before issuing such letter of offer the President shall submit to the Speaker of the House of Representatives and to the Chairman of the Committee on Foreign Relations of the Senate a statement with respect to such offer to sell containing the information specified in subparagraphs (A) through (E) in subsection (a). The letter of offer shall not be issued if the Congress, within twenty calendar days after receiving any such statement, adopts a concurrent resolution stating in effect that it objects to such proposed sale, unless the President in his statement certifies that an emergency exists which requires such sale in the national security interests of the United States.”

[(6) Section 31(a) is amended by striking out “$325,000,000 for the fiscal year 1974” and inserting in lieu thereof “$405,000,000 for the fiscal year 1975”.

[(7) In section 31(b)—

[(A) strike out “$730,000,000 for the fiscal year 1974” and insert in lieu thereof “$872,500,000 for the fiscal year 1975”; and

[(B) add at the end thereof the following new sentence: “Of the funds made available under subsection (a) of this section, $100,000,000 shall first be obligated with respect to financing the procurement of defense articles and defense services by Israel under section 23 of this Act, except that Israel shall be released from contractual liability to repay the United States Government for the defense articles and defense services so financed.”

[(8) In section 33—

[(A) subsection (a) is repealed;

[(B) subsection (b) is redesignated as subsection (a); and

[(C) a new subsection (b) is added as follows:

“[(b) The President may waive the limitations of this section when he determines it to be important to the security of the United States and promptly so reports to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.”

[(b) The amendment made by paragraph (4) of subsection (a) shall take effect on July 1, 1974. Obligations initially charged against appropriations made available for purposes authorized by section 31(a) of the Foreign Military Sales Act after June 30, 1974, and prior to the enactment of this section in an amount equal to 25 per centum of the principal amount of contractual liability related to guaranties issued pursuant to section 24(a) of that Act shall be adjusted to reflect such amendment with proper credit to the appropriations made available in the fiscal year 1975 to carry out that Act.

[SECURITY ASSISTANCE AND HUMAN RIGHTS

[SEC. 46. Chapter 1 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 502B. HUMAN RIGHTS.—(a) It is the sense of Congress that, except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhumane or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty, and the security of the person.

["(b) Whenever proposing or furnishing security assistance to any government falling within the provisions of paragraph (a), the President shall advise the Congress of the extraordinary circumstances necessitating the assistance.

["(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation by such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross and any body acting under the authority of the United Nations or of the Organization of American States.

["(d) For purposes of this section, 'security assistance' means assistance under chapter 2 (military assistance) or chapter 4 (security supporting assistance) of this part, assistance under part V (Indochina Postwar Reconstruction) or part VI (Middle East Peace) of this Act, sales under the Foreign Military Sales Act, or assistance for public safety under this or any other Act."

[GORGAS MEMORIAL INSTITUTE

[SEC. 47. The first section of the Act entitled "An Act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial", approved May 7, 1928, is amended by striking out "$500,000" and inserting "$2,000,000" in lieu thereof.

[INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION IN VIETNAM

[SEC. 48. (a) There are authorized to be appropriated to the Department of State for fiscal year 1975 not to exceed $16,526,000 for payments by the United States to help meet expenses of the International Commission of Control and Supervision in Vietnam. Funds appropriated under this subsection are authorized to be made available for reimbursement to the Agency for International Development of amounts expended by the Agency during fiscal year 1975 as interim United States payments to help meet expenses of the International Commission of Control and Supervision.

[(b) There are authorized to be appropriated to the Department of State not to exceed $11,200,000 for reimbursement to the Agency for International Development of amounts expended by the Agency for International Development to help meet expenses of the Inter-

national Commission on Control and Supervision in fiscal year 1974.

[(c) Reimbursements received by the Agency for International Development under this section may be credited to applicable appropriations of the Agency and shall be available for the purposes for which such appropriations are authorized to be used during fiscal year 1975.

[POLICY ON THE INDEPENDENCE OF ANGOLA, MOZAMBIQUE, AND GUINEA-BISSAU

[SEC. 50. (a)(1) Congress finds that the Government of Portugal's recognition of the right to independence of the African territories of Angola, Mozambique, and Guinea-Bissau marks a significant advance toward the goal of self-determination for all the peoples of Africa, without which peace on the continent is not secure.

[(2) Congress finds that progress toward independence for the Portuguese African territories will have a significant impact on the international organizations and the community of nations.

[(3) Congress commends the Portuguese Government's initiatives on these fronts as evidence of a reaffirmation of that Government's support for her obligations under both the United Nations Charter and the North Atlantic Treaty Organizations.

[(b) Therefore, Congress calls upon the President and the Secretary of State to take the following actions designed to make clear the United States support for a peaceful and orderly transition to independence in the Portuguese African territories:

[(1) An official statement should be issued of United States support for the independence of Angola, Mozambique, and Guinea-Bissau, and of our desire to have good relations with the future governments of the countries.

[(2) It should be made clear to the Government of Portugal that we view the efforts toward a peaceful and just settlement of the conflict in the African territories as consistent with Portugal's obligations under the North Atlantic Treaty organization partnership.

[(3) The United states should encourage United Nations support for a peaceful transition to independence, negotiated settlement of all differences, and the protection of human rights of all citizens of the three territories.

[(4) The United States should open a dialog with potential leaders of Angola, Mozambique, and Guinea-Bissau and assure them of our commitment to their genuine political and economic independence.

[(5) The economic development needs of the three territories will be immense when independence is achieved. Therefore, it is urged that the United States Agency for International Development devote attention to assessing the economic situation in Angola, Mozambique, and Guinea-Bissu and be ready to cooperate with the future governments in providing the kind of assistance that will help make their independence viable. In addition, the United States Government should take the initiative among other donors, both bilateral and multilateral, in seeking significant contribution of development assistance for the three territories.

[(6) In light of the need of Angola, Mozambique, and Guinea-Bissau for skilled and educated manpower, a priority consideration should be given to expanding current United States programs of educational assistance to the territories as a timely and substantive contribution to their independence.

[CONVENTIONAL ARMS TRADE

[SEC. 51. (a) It is the sense of the Congress that the recent growth in international transfers of conventional arms to developing nations—

[(1) is a cause for gave concern for the United States and other nations, in that in particular areas of the world it increases the danger of potential violence among nations, and diverts scare world resource from more peaceful uses; and

[(2) could be controlled progressively through negotiations and agreements among supplier and recipient nations.

[(b) Therefore, the President is urged to propose to the Geneva Conference of the Committee on Disarmament that it consider as a high priority agenda item discussions among participating nations of that Conference for the purposes of—

[(1) agreeing to workable limitations on conventional arms transfers; and

[(2) establishing a mechanism through which such limitations could be effectively monitored.

[INVOLVEMENT OF PUERTO RICO IN THE CARIBBEAN DEVELOPMENT BANK

[SEC. 52. (a) The President may transmit to the Caribbean Development Bank an instrument stating that the Commonwealth of Puerto Rico has the authority to conclude an agreement of accession with such Bank and to assume rights and obligations pursuant to such agreement. However, such agreement may only be concluded after it has been approved by the United States Secretary of State.

[(b) The instrument transmitted by the President to the Caribbean Development Bank under subsection (a) shall state that the United States shall not assume any financial or other responsibility for the performance of any obligation incurred by the Commonwealth of Puerto Rico pursuant to such agreement of accession or pursuant to any other aspect of its membership or participation in such Bank.

[(c) Such agreement of accession shall provide that the Commonwealth of Puerto Rico may not receive from the Caribbean Development Bank any funds provided to the Bank by the United States.

[ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE

[SEC. 53. Part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

[“Chapter X—Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence

[“SEC. 496. Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence.—There are authorized to be appropriated to the President for the fiscal year 1975, in addition to funds otherwise available for such purposes, not to exceed—

[“(1) $5,000,000 to make grants; and

[“(2) $20,000,000 to make loans;

to remain available until expended, for use by the President in providing economic assistance, on such terms and conditions as he may determine, for Portugal and the countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.”

[INTEGRATION OF WOMEN

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

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

[POLICY WITH RESPECT TO COUNTRIES MOST SERIOUSLY AFFECTED BY FOOD SHORTAGES

[SEC. 55. (a) The United Nations has designated thirty-two countries as “Most Seriously Affected” by the current economic crisis. These are countries without the internal food production capability or the foreign exchange availability to secure food to meet their immediate food requirements. The Congress calls upon the President and Secretary of State to take the following actions designed to mobilize appropriate resources to meet the food emergency:

[(1) Review and make appropriate adjustments in the level of programming of our food and fertilizer assistance programs with the aim of increasing to the maximum extent feasible the volume of food and fertilizer available to those countries most seriously affected by current food shortages.

[(2) Call upon all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to immediately increase their participation in efforts to address the emergency food needs of the developing world.

[(3) Make available to these most seriously affected countries the maximum feasible volume of food commodities, with appropriate regard to the current domestic price and supply situations.

[(4) Maintain regular and full consultation with the appropriate committee of the Congress and report to the Congress and the Nation on steps which are being taken to help meet this food emergency. In accordance with this provision, the President shall report to the Congress on a global assessment of food needs for fiscal year 1975, specifying expected food grain deficits and currently planned programming of food assistance, and steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance. Such report should reach the Congress promptly and should be supplemented quarterly for the remainder of fiscal year 1975.

[(5) The Congress directs that during the fiscal year ending June 30, 1975, not more than 30 percent of concessional food aid should be allocated to countries other than those which are most seriously affected by current food shortages unless the President demonstrates to the appropriate Committees of the Congress that the use of such food assistance is solely for humanitarian food purposes.

[(6) The congress calls upon the President to proceed with the implementation of resolutions and recommendations adopted by the World Food Conference. The Congress believes that it is incumbent upon the United States to take a leading role in assisting in the development of a viable and coherent world food policy which would begin the task of alleviating widespread hunger and suffering prevalent in famine-stricken nations. The President shall report to the Congress within 120 days of enactment of this Act on the implementation of the resolutions and the extent to which the United States is participating in the implementation of resolutions adopted at the World Food Conference.

[REPAYMENT OF LOANS IN DEFAULT

[SEC. 56. It is the sense of the Congress that any country receiving assistance under the Foreign Assistance Act of 1961 which is in default, at least 90 days prior to the date of enactment of this Act, of any payment of principal or interest due on any loan or credit received from the United States shall promptly pay all such principal and interest. It is further the sense of the congress that the President shall promptly enter into negotiations with each such country to help effectuate the payment of such principal and interest, or to effectuate the transfer by such country to the United States of goods, services, concessions, or actions beneficial to the United States, in lieu of the payment of such principal and interest.]

EMERGENCY SECURITY ASSISTANCE ACT OF 1973

AN ACT To provide emergency assistance authorizations for Israel and Cambodia

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Emergency Security Assistance Act of 1973".

[SEC. 2. In addition to such amounts as may be otherwise authorized to be appropriated to the President for security assistance for the fiscal year 1974, there are hereby authorized to be appropriated to the President not to exceed $2,200,000,000 for emergency military assistance or foreign military sales credits, or for both as the President may determine, for Israel, of which sum amounts in excess of $1,500,000,000 may be used pursuant to this section or section 4 of this Act only if the President (1) determines it to be important to our national interest that Israel receive assistance hereunder exceeding $1,500,000,000, and (2) reports to Congress each such determination (if more than one) at least twenty days prior to date on which funds are obligated or expended under this Act in excess of such $1,500,000,000 limitation. The twenty-day requirement contained in the preceding sentence shall not apply if hostilities are renewed in the Middle East. The President shall include in his report the amount of funds to be used pursuant to the determination, the terms of the additional assistance under section 2 or section 4, and the justification for the determination. All information contained in the justification shall be public information except to the extent that the President concludes that publication would be incompatible with the security interests of the United States.

[SEC. 3. Military assistance furnished out of funds appropriated under section 2 of this Act shall be furnished in accordance with all of the provisions applicable to military assistance under the Foreign Assistance Act of 1961 (75 Stat. 424; Public Law 87–195), as amended. Foreign military sales credits extended to Israel out of such funds shall be provided on such terms and conditions as the President may determine and without regard to the provisions of the Foreign Military Sales Act (82 Stat. 1320; Public Law 90–629), as amended.

[SEC. 4. At any time prior to June 30, 1974, the President is hereby authorized, within the limits of funds appropriated under section 2 of this Act for Israel, to release Israel from its contractual liability to pay for defense articles and defense services purchased or financed under the said Foreign Military Sales Act or under this Act during the period beginning October 6, 1973, and ending June 30, 1974, and such funds shall be used to reimburse current applicable appropriations, funds, and accounts of the Department of Defense for the value of such defense articles and defense services.

[SEC. 6. Of the funds appropriated pursuant to section 2, the President may use such sums as may be necessary from time to time for payment by the United States of its share of the expenses of the United Nations Emergency Force in the Middle East, as apportioned by the United Nations in accordance with article 17 of the United Nations Charter.]

FOREIGN ASSISTANCE ACT OF 1973

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Foreign Assistance Act of 1973".

[POLICY; DEVELOPMENT ASSISTANCE AUTHORIZATIONS

[SEC. 2. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended as follows:

[(1) In the chapter heading, immediately after "CHAPTER 1—POLICY", insert "; DEVELOPMENT ASSISTANCE AUTHORIZATIONS".

[(2) In section 102—

[(A) insert "(a)" immediately after "STATEMENT OF POLICY.—"; and

[(B) add at the end thereof the following:

["(b) The Congress further finds and declares that, with the help of United States economic assistance, progress has been made in creating a base for the economic progress of the less developed countries. At the same time, the conditions which shaped the United States foreign assistance program in the past have changed. While the United States must continue to seek increased cooperation and mutually beneficial relations with other nations, our relations with the less developed countries must be revised to reflect the new realities. In restructuring our relationships with these countries, the President should place appropriate emphasis on the following criteria:

["(1) Bilateral development aid should concentrate increasingly on sharing American technical expertise, farm commodities, and industrial goods to meet critical development problems, and less on large-scale capital transfers, which when made should be in association with contributions from other industrialized countries working together in a multilateral framework.

["(2) Future United States bilateral support for development should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries: food production; rural development and nutrition; population planning and health; and education, public administration, and human resource development.

["(3) United States cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the development areas, such as educational institutions, cooperatives, credit unions, and voluntary agencies.

["(4) Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

["(5) United States bilateral development assistance should give the highest priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.

["(6) The economic and social development programs to which the United States lends support should reflect, to the maximum extent practicable, the role of United States private investment in such economic and social development programs.

["(7) Under the policy guidance of the Secretary of State, the agency primarily responsible for administering this part should

have the responsibility for coordinating all United States development-related activities."

[“(3) At the end thereof, add the following new sections:

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

[“SEC. 104. POPULATION PLANNING AND HEALTH.—In order to increase the opportunities and motivation for family planning, to reduce the rate of population growth, to prevent and combat disease, and to help provide health services for the great majority, the President is authorized to furnish assistance on such terms and conditions as he may determine, for population planning and health. There are authorized to be appropriated to the President for the purposes of this section, in addition to the funds otherwise available for such purposes, $145,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

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

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

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

[“SEC. 108. APPLICATION OF EXISTING PROVISIONS.—Assistance under this chapter shall be furnished in accordance with the provi-

sions of titles I, II, or X of chapter 2 of this part, and nothing in this chapter shall be construed to make inapplicable the restrictions, criteria, authorities, or other provisions of this or any other Act in accordance with which assistance furnished under this chapter would otherwise have been provided.

[“SEC. 109. TRANSFER OF FUNDS.—Notwithstanding section 108 of this Act, whenever the President determines it to be necessary for the purposes of this chapter, not to exceed 15 per centum of the funds made available for any provision of this chapter may be transferred to, and consolidated with, the funds made available for any other provision of this chapter, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 25 per centum of the amount of funds made available for such provision. The authority of sections 610(a) and 614(a) of this Act may not be used to transfer funds made available under this chapter for use for purposes of any other provision of this Act.

[“SEC. 110. COST-SHARING AND FUNDING LIMITS.—(a) No assistance shall be furnished by the United States Government to a country under sections 103 through 107 of this Act until the country provides assurances to the President, and the President is satisfied, that such country will provide at least 25 per centum of the costs of the entire program, project, or activity with respect to which such assistance is to be furnished except that such costs borne by such country may be provided on an ‘in-kind’ basis.

[“(b) No grant assistance shall be disbursed by the United States Government under section 103 through 107 of this Act for a project, for a period exceeding thirty-six consecutive months, without further justification satisfactory to the Congress and efforts being made to obtain sources of financing within that country and from other foreign countries and multilateral organizations.

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

[“SEC. 112. PROHIBITING POLICE TRAINING.—(a) No part of any appropriation made available to carry out this Act shall be used to conduct any police training or related program in a foreign country.

[“(b) Subsection (a) of this section shall not apply—

[“(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, or with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States; or

[“(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.

Notwithstanding paragraph (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment.

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

[“SEC. 114. LIMITING USE OF FUND FOR ABORTIONS.—None of the funds made available to carry out this part shall used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.”

[DEVELOPMENT LOAN FUND

[SEC. 3. (a) Section 203 of the Foreign Assistance Act of 1961 is amended to read as follows:

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

[(b) Effective July 1, 1975, such section 203 is repealed.

[TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

[SEC. 4. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

[(1) In section 211(a), in the last sentence immediately after the word “assistance”, insert the word “directly”.

[(2) In section 214, strike out subsections (c) and (d) and insert in lieu thereof the following:

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

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

[“(e) Not later than June 30, 1974, the Secretary of State shall submit to the Congress such recommendations (including recommendations concerning which agency of the United States Government should administer such assistance) as he considers desirable for assistance to schools, libraries, and hospital centers for medical education and research, outside the United States, founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States.”

[HOUSING GUARANTIES

[SEC. 5. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

[(1) In section 221, strike out "$205,000,000" and insert in lieu thereof "$305,000,000".

[(2) In section 223(i), strike out "June 30, 1974" and insert in lieu thereof "June 30, 1975".

[OVERSEAS PRIVATE INVESTMENT CORPORATION

[SEC. 6. Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

[(1) In section 235(a)(4), strike out "June 30, 1974" and insert in lieu thereof "December 31, 1974".

[(2) In section 240(h), strike out "June 30, 1973" and insert in lieu thereof "December 31, 1974".

[ALLIANCE FOR PROGRESS

[SEC. 7. Section 252(b) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(b) There are authorized to be appropriated to the President for the fiscal year 1974, $934,000, and for the fiscal year 1975, $934,000, for grants to the National Association of the Partners of the Alliance, Inc., in accordance with the purposes of this title."

[PROGRAMS RELATING TO POPULATION GROWTH

[SEC. 8. Section 292 of the Foreign Assistance Act of 1961 is amended by striking out "for each of the fiscal years 1972 and 1973, $125,000,000" and inserting in lieu thereof "for the fiscal year 1974, $125,000,000, and for the fiscal year 1975, $130,000,000".

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 9. Chapter 3 of part I of the Foreign Assistance Act of 1961 is amended as follows:

[(1) At the end of section 301 add the following new subsection:

["(e)(1) In the case of the United Nations and its affiliated organizations, including the International Atomic Energy Agency, the President shall, acting through the United States representative to such organizations, propose and actively seek the establishment by the governing authorities of such organizations a single professionally qualified group of appropriate size for the purpose of providing an independent and continuous program of selective examination, review, and evaluation of the programs and activities of such organizations. Such proposal shall provide that such group shall be established in accordance with such terms of reference as such governing authority may prescribe and that the reports of such group on each examination, review, and evaluation shall be submitted directly to such governing authority for transmittal to the representative of each individual member nation. Such proposal shall further include a statement of auditing and reporting standards, as prepared by the Comptroller General of the United States, for the consideration of the governing authority of the international

organization concerned to assist in formulating terms of reference for such review and evaluation group.

[“(2) In the case of the International Bank for Reconstruction and Development and the Asian Development Bank, the President shall, acting through the United States representative to such organizations, propose and actively seek the establishment by the governing authorities of such organizations professionally qualified groups of appropriate size for the purpose of providing an independent and continuous program of selective examination, review, and evaluation of the programs and activities of such organizations. Such proposal shall provide that such groups shall be established in accordance with such terms of reference as such governing authorities may prescribe, and that the reports of such groups on each examination, review, and evaluation shall be submitted directly to such governing authority for transmittal to the representative of each individual member nation. Such proposal shall further include a statement of auditing and reporting standards, as prepared by the Comptroller General of the United States, for the consideration of the governing authority of the international organization concerned to assist in formulating terms of reference for such review and evaluation groups.

[“(3) Reports received by the United States representatives to these international organizations under this subsection and related information on actions taken as a result of recommendations made therein shall be submitted promptly to the President for transmittal to the Congress and to the Comptroller General. The Comptroller General shall periodically review such reports and related information and shall report simultaneously to the Congress and to the President any suggestions the Comptroller General may deem appropriate concerning auditing and reporting standards followed by such groups, the recommendations made and actions taken as a result of such recommendations.”

[(2) In section 302(a), strike out “for the fiscal year 1972, $138,000,000 and for the fiscal year 1973, $138,000,000” and insert in lieu thereof “for the fiscal year 1974, $127,822,000 and for the fiscal year 1975, $150,000,000”.

[(3) In section 302(b)(2), strike out “for use in the fiscal year 1972, $15,000,000, and for use in the fiscal year 1973, $15,000,000” and insert in lieu thereof “for use in the fiscal year 1974, $14,500,000, and for use in the fiscal year 1975, $14,500,000,”.

[(4) Section 302(d) is amended to read as follows:

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

[(5) In section 302(e), strike out “$1,000,000 for the fiscal year 1972 and $1,000,000 for the fiscal year 1973” and insert in lieu thereof “$2,000,000 for the fiscal year 1974 and $2,000,000 for the fiscal year 1975”.

[CONTINGENCY FUND

[SEC. 10. Section 451(a) of the Foreign Assistance Act of 1961 is amended to read as follows: “(a) There is authorized to be appropriated to the President for each of the fiscal years 1974 and 1975

not to exceed $30,000,000, to provide assistance authorized by this part primarily for disaster relief purposes, in accordance with the provisions applicable to the furnishing of such assistance."

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 11. (a) Section 481 of the Foreign Assistance Act of 1961 is amended by inserting "(a)" immediately after "INTERNATIONAL NARCOTICS CONTROL.—" and by adding at the end thereof the following new subsection:

["(b)(1) Not later than forty-five days after the date on which each calendar quarter of each year ends, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the programing and obligation, on a calendar quarter basis, of funds under this chapter prior to such date.

["(2) Not later than forty-five days after the date on which the second calendar quarter of each year ends and not later than forty-five days after the date on which the fourth calendar quarter of each year ends, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed semiannual report on the activities and operations carried out under this chapter prior to such date. Such semiannual report shall include, but shall not be limited to—

["(A) the status of each agreement concluded prior to such date with other countries to carry out the purposes of this chapter; and

["(B) the aggregate of obligations and expenditures made, and the types and quantity of equipment provided, on a calendar quarter basis, prior to such date—

["(i) to carry out the purposes of this chapter with respect to each country and each international organization receiving assistance under this chapter, including the cost of United States personnel engaged in carrying out such purposes in each such country and with each such international organization;

["(ii) to carry out each program conducted under this chapter in each country and by each international organization, including the cost of United States personnel engaged in carrying out each such program; and

["(iii) for administrative support services within the United States to carry out the purposes of this chapter, including the cost of United States personnel engaged in carrying out such purposes in the United States."

[(b) Section 482 of the Foreign Assistance Act of 1961 is amended by striking out "$42,500,000" and all that follows down through the period at the end of such section and inserting in lieu thereof "$42,500,000 for each of the fiscal years 1974 and 1975. Amounts appropriated under this section are authorized to remain available until expended."

[MILITARY ASSISTANCE

[SEC. 12. (a) Chapter 1 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 502A. EXCESS DEFENSE ARTICLES.—Excess defense articles shall be provided whenever possible rather than providing such articles by the procurement of new items."

[(b) Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended as follows:

[(1) Section 503 is amended to read as follows:

["SEC. 503. GENERAL AUTHORITY.—(a) The President is authorized to furnish military assistance, on such terms and conditions as he may determine, to any friendly country or international organization, the assisting of which the President finds will strengthen the security of the United States and promote world peace and which is otherwise eligible to receive such assistance, by—

["(1) acquiring from any source and providing (by loan or grant) any defense article or defense service; or

["(2) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to perform duties of a noncombatant nature.

["(b) In addition to such other terms and conditions as the President may determine pursuant to subsection (a), defense articles may be loaned thereunder only if—

["(1) there is a bona fide reason, other than the shortage of funds, for providing such articles on a loan basis rather than on a grant basis;

["(2) there is a reasonable expectation that such articles will be returned to the agency making the loan at the end of the loan period, unless the loan is then renewed;

["(3) the loan period is of fixed duration not exceeding five years, during which such article may be recalled for any reason by the United States;

["(4) the agency making the loan is reimbursed for the loan based on the amount charged to the appropriation for military assistance under subsection (c); and

["(5) arrangements are made with the agency making the loan to be reimbursed in the event such article is lost or destroyed while on loan, such reimbursement being made first out of any funds available to carry out this chapter and based on the depreciated value of the article at the time of loss or destruction.

["(c)(1) In the case of any loan of a defense article or defense service made under this section, there shall be a charge to the appropriation for military assistance for any fiscal year while the article or service is on loan in an amount based on—

["(A) the out-of-pocket expenses authorized to be incurred in connection with such loan during such fiscal year; and

["(B) the depreciation which occurs during such year while such article is on loan.

["(2) The provisions of this subsection shall not apply—

[“(A) to any particular defense article or defense service which the United States Government agreed, prior to the date of enactment of this subsection, to lend; and

[“(B) to any defense article or defense service, or portion thereof, acquired with funds appropriated for military assistance under this Act.”

[(2) In section 504(a)—

[(A) strike out “$500,000,000 for the fiscal year 1972” and insert in lieu thereof “$512,500,000 for the fiscal year 1974”; and

[(B) strike out “forty countries” and insert in lieu thereof “thirty-one countries”.

[(3) Section 505 is amended by adding the following new subsections at the end thereof:

[“(e) In considering a request for approval of any transfer of any weapon, weapons system, munitions, aircraft, military boat, military vessel, or other implement of war to another country, the President shall not give his consent under subsection (a)(1) or (a)(4) to the transfer unless the United States itself would transfer the defense article under consideration to that country, and prior to the date he intends to give his consent to the transfer, the President notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended consent, the justification for giving such consent, the defense article for which he intends to give his consent to be so transferred, and the foreign country to which that defense article is to be transferred. In addition, the President shall not give his consent under subsection (a)(1) or (a)(4) to the transfer of any significant defense articles on the United States Munitions List unless the foreign country requesting consent to transfer agrees to demilitarize such defense articles prior to transfer, or the proposed recipient foreign country provides a commitment in writing to the United States Government that it will not transfer such defense articles, if not demilitarized, to any other foreign country or person without first obtaining the consent of the President.

[“(f) Effective July 1, 1974, no defense article shall be furnished to any country on a grant basis unless such country shall have agreed that the net proceeds of sale received by such country in disposing of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other implement of war received under this chapter will be paid to the United States Government and shall be available to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961.”

[(4) In section 506(a)—

[(A) strike out “the fiscal year 1972” in each place it appears and insert in lieu thereof “the fiscal year 1974”;

[(B) strike out “vital to the security” and insert in lieu thereof “in the security interests”; and

[(C) strike out “$300,000,000” and insert in lieu thereof “$250,000,000”.

[(5) Sections 507, 508, 509, 512, and 514 are repealed.

[(6) Section 513 is amended—

[(A) by striking out "THAILAND.—" in the section heading and inserting in lieu thereof "THAILAND AND LAOS.—(a)"; and

[(B) by adding at the end thereof the following new subsection:

["(b) After June 30, 1974, no military assistance shall be furnished by the United States to Laos directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act."

[(c) Section 655(c) shall not apply to assistance authorized to be furnished under any provision of law for fiscal year 1974.

[SECURITY SUPPORTING ASSISTANCE

[SEC. 13. Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended—

[(1) in section 532 by striking out "for the fiscal year 1972 not to exceed $618,000,000, of which not less than $50,000,000 shall be available solely for Israel" and inserting in lieu thereof "for the fiscal year 1974 not to exceed $125,000,000, of which not less than $50,000,000 shall be available solely for Israel"; and

[(2) by striking out section 533.

[TERMINATION OF ASSISTANCE

[SEC. 14. Section 617 of the Foreign Assistance Act of 1961 is amended by striking out "twelve" and inserting in lieu thereof "eight".

[PROHIBITIONS

[SEC. 15. The first full paragraph of section 620(e)(1) of the Foreign Assistance Act of 1961 is amended by striking out "no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection." and inserting in lieu thereof "the provisions of this subsection shall not be waived with respect to any country unless the President determines and certifies that such a waiver is important to the national interests of the United States. Such certification shall be reported immediately to Congress."

[EMPLOYMENT OF PERSONNEL

[SEC. 16. Section 625 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(k)(1) In accordance with such regulations as the President may prescribe, the following categories of personnel who serve in the agency primarily responsible for administering part I of this Act shall become participants in the Foreign Service Retirement and Disability System:

["(A) persons serving under unlimited appointments in employment subject to subsection (d)(2) of this section as Foreign Service Reserve officers and as Foreign Service staff officers and employees; and

[“(B) a person serving in a position to which he was appointed by the President, whether with or without the advice and consent of the Senate, if (i) such person shall have served previously under an unlimited appointment pursuant to such subsection (d)(2) or a comparable provision of predecessor legislation to this Act, and (ii) following service specified in clause (i) of this subparagraph, such person shall have served continuously with such agency or its predecessor agencies only in positions established under the authority of sections 624(a) and 631(b) or comparable provisions of predecessor legislation to this Act.

[“(2) Upon becoming a participant in the Foreign Service Retirement and Disability System, any such officer or employee shall make a special contribution to the Foreign Service Retirement and Disability Fund in accordance with the provisions of section 852 of the Foreign Service Act of 1946, as amended. Thereafter, compulsory contributions will be made with respect to each such participating officer or employee in accordance with the provisions of section 811 of the Foreign Service Act of 1946, as amended.

[“(3) The provisions of section 636 and title VIII of the Foreign Service Act of 1946, as amended, shall apply to participation in the Foreign Service Retirement and Disability System by any such officer or employee.

[“(4) If an officer who becomes a participant in the Foreign Service Retirement and Disability System under paragraph (1) of this subsection is appointed by the President, by and with the advice and consent of the Senate, or by the President alone, to a position in any agency of the United States Government, any United States delegation or mission to any international organization, in any international commission, or in any international body, such officer shall not, by virtue of the acceptance of such an appointment, lose his status as a participant in the system.

[“(5) Any such officer or employee who becomes a participant in the Foreign Service Retirement and Disability System under paragraph (1) of this subsection shall be mandatorily retired (A) at the end of the month in which he reaches age seventy, or (B) earlier, if, during the third year after the effective date of this subsection, he attains age sixty-four or if he is over age sixty-four; during the fourth year at age sixty-three; during the fifth year at age sixty-two; during the sixth year at age sixty-one; and thereafter at the end of the month in which he reaches age sixty. However, no participant shall be mandatorily retired under this paragraph while serving in a position to which appointed by the President, by and with the advice and consent of the Senate. Any participant who completes a period of authorized service after reaching the mandatory retirement age specified in this paragraph shall be retired at the end of the month in which such service is completed.

[“(6) Whenever the President deems it to be in the public interest, he may extend any participant’s service for a period not to exceed five years after the mandatory retirement date of such officer or employee.

[“(7) This subsection shall become effective on the first day of the first month which begins more than one year after the date of its enactment, except that any officer or employee who, before such ef-

fective date, meets the requirements for participation in the Foreign Service Retirement and Disability System under paragraph (1) of this subsection may elect to become a participant before the effective date of this subsection. Such officer or employee shall become a participant on the first day of the second month following the date of his application for earlier participation. Any officer or employee who becomes a participant in the system under the provisions of paragraph (1) of this subsection, who is age fifty-seven or over on the effective date of this subsection, may retire voluntarily at any time before mandatory retirement under paragraph (5) of this subsection and receive retirement benefits under section 821 of the Foreign Service Act of 1946, as amended.

[“(8) Any officer or employee who is separated for cause while a participant in the Foreign Service Retirement and Disability System pursuant to this subsection, shall be entitled to benefits in accordance with section 637 (b) and (d) of the Foreign Service Act of 1946, as amended. The provisions of subsection (e) of this section shall apply to participants in lieu of the provisions of sections 633 and 634 of the Foreign Service Act of 1946, as amended.”

[REPORTS AND INFORMATION

[SEC. 17. Section 634 of the Foreign Assistance Act of 1961 is amended by striking out subsection (f) and inserting in lieu thereof the following new subsections:

[“(f) The President shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate a comprehensive report showing, as of June 30 and December 31 of each year, the status of each loan and each contract of guarantee or insurance theretofore made under this Act, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each sale of defense articles or defense services on credit terms, and each contract of guarantee in connection with any such sale, theretofore made under the Foreign Military Sales Act, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each sale of agriculture commodities on credit terms theretofore made under the Agricultural Trade Development and Assistance Act of 1954, with respect to which there remains outstanding any unpaid obligation; and the status of each transaction in which a loan, contract of guarantee or insurance, or extension of credit (or participation therein) was theretofore made under the Export-Import Bank Act of 1945, with respect to which there remains outstanding any unpaid obligation or potential liability. Such report shall include individually only any loan, contract, sale, extension of credit, or other transaction listed in this subsection in excess of $1,000,000.

[“(g) The President shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate, not later than January 31 of each year, a comprehensive report, based upon the latest data available, showing—

[“(1) a summary of the worldwide dimensions of debt-servicing problems among such countries, together with a detailed statement of the debt-servicing problems of each such country;

[“(2) a summary of all forms of debt relief granted by the United States with respect to such countries, together with a

detailed statement of the specific debt relief granted with respect to each such country and the purpose for which it was granted;

[“(3) a summary of the worldwide effect of the debt relief granted by the United States on the availability of funds, authority, or other resources of the United States to make any such loan, sale, contract of guarantee or insurance, or extension of credit, together with a detailed statement of the effect of such debt relief with respect to each such country; and

[“(4) a summary of the net aid flow from the United States to such countries, taking into consideration the debt relief granted by the United States, together with a detailed analysis of such net aid flow with respect to each such country.”.

[ADMINISTRATIVE EXPENSES

[SEC. 18. Section 637(a) of the Foreign Assistance Act of 1961 is amended by striking out “for the fiscal year 1972, $50,000,000, and for the fiscal year 1973, $50,000,000” and inserting in lieu thereof “for each of the fiscal years 1974 and 1975, $45,000,000”.

[TECHNICAL AMENDMENT

[SEC. 19. Section 638 of the Foreign Assistance Act of 1961 is amended by striking out “PEACE CORPS ASSISTANCE” and inserting in lieu thereof “EXCLUSIONS”.

[AFRICAN SAHEL FAMINE AND DISASTER RELIEF AND DEVELOPMENT PROGRAM

[SEC. 20. Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended by inserting after section 639 the following new sections:

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

[“(b) Notwithstanding any prohibitions or restrictions contained in this or any other Act, there is authorized to be appropriated to the President, in addition to funds otherwise available for such purposes, $25,000,000 to remain available until expended, for use by the President, under such terms and conditions as he may determine, for emergency and recovery needs, including drought, famine, and disaster relief, and rehabilitation and related assistance, for the drought-stricken Sahelian nations of Africa.

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

[COORDINATION; SHIPPING DIFFERENTIAL

[SEC. 21. Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sections:

["SEC. 640B. COORDINATION.—(a) The President shall establish a system for coordination of United States policies and programs which affect United States interests in the development of low-income countries. To that end, the President shall establish a Development Coordination Committee which shall advise him with respect to coordination of United States policies and programs affecting the development of the developing countries, including programs of bilateral and multilateral development assistance. The Committee shall include the head of the agency primarily responsible for administering part I, Chairman, and representatives of the Departments of State, Treasury, Commerce, Agriculture, and Labor, the Executive Office of the President, and other executive departments and agencies, as the President shall designate.

["(b) The President shall prescribe appropriate procedures to assure coordination among—

["(1) the various departments and agencies of the United States Government having representatives in diplomatic missions abroad; and

["(2) representatives of the United States Government in each country, under the direction of the Chief of the United States Diplomatic Mission.

The President shall keep the Congress advised of his actions under this subsection.

["(c) Programs authorized by this Act shall be undertaken with the foreign policy guidance of the Secretary of State.

["(d) The President shall report to the Congress during the first quarter of each calendar year on United States actions affecting the development of the low-income countries and on the impact of those undertakings upon the national income, employment, wages and working conditions in the United States.

["SEC. 640C. SHIPPING DIFFERENTIAL.—For the purpose of facilitating implementation of section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)), funds made available for the purposes of chapter 1 of part I or for purposes of part V may be used to make grants to recipients to pay all or any portion of such differential as is determined by the Secretary of Commerce to exist between United States and foreign-flag vessel charter or freight rates. Grants made under this section shall be paid with United States-owned foreign currencies wherever feasible."

[DEFINITIONS

[SEC. 22. Section 644 of the Foreign Assistance Act of 1961 is amended as follows:

[(1) Subsection (g) is amended to read as follows:

["(g) 'Excess defense articles' means the quantity of defense articles owned by the United States Government, and not procured in anticipation of military assistance or sales requirements, or pursuant to a military assistance or sales order, which is in excess of the Approved Force Acquisition Objective and Approved Force Reten-

tion Stock of all Department of Defense Components at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations under this Act."

[(2) Subsection (i) is repealed.

[(3) Subsection (m) is amended to read as follows:

["(m) 'Value' means—

["(1) with respect to an excess defense article, the actual value of the article plus the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying the article, except that for purposes of section 632(d) such actual value shall not be taken into account;

["(2) with respect to a nonexcess defense article delivered from inventory to foreign countries or international organizations under this Act, the acquisition cost to the United States Government, adjusted as appropriate for condition and market value;

["(3) with respect to a nonexcess defense article delivered from new procurement to foreign countries or international organizations under this Act, the contract or production costs of such article; and

["(4) with respect to a defense service, the cost to the United States Government of such service."

[ANNUAL FOREIGN ASSISTANCE REPORT

[SEC. 23. Section 657 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 657. ANNUAL FOREIGN ASSISTANCE REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding the volume and cost of assistance extended by the United States Government to foreign countries and international organizations, and in order that the Congress and the American people may be better informed regarding the sale of arms to foreign countries and international organizations by private industry of the United States, not later than December 31 of each year the President shall transmit to the Congress an annual report, for the fiscal year ending prior to the fiscal year in which the report is transmitted, showing—

["(1) the aggregate dollar value of all foreign assistance provided by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance by category provided by the United States Government to each such country and organization, during that fiscal year;

["(2) the total amounts of foreign currency paid by each foreign country or international organization to the United States Government in such fiscal year, what each payment was made for, whether any portion of such payment was returned by the United States Government to the country or organization from which the payment was obtained or whether any such portion was transferred by the United States Government to another foreign country or international organization, and, if so returned or transferred, the kind of assistance obtained by that

country or organization with those foreign currencies and the dollar value of such kind of assistance.

[“(3) the aggregate dollar value of all weapons, weapons systems, munitions, aircraft, military boats, military vessels, and other implements of war, and the aggregate dollar value of each category of such implements of war, exported under any export license, to all foreign countries and international organizations, and to each such country and organization, during that fiscal year;

[“(4) all exports of significant defense articles on the United States Munitions List to any foreign government, international organization, or other foreign recipient or purchaser, by the United States under this Act or any other authority, or by any individual, corporation, partnership, or other association doing business in the United States, including but not limited to, full information as to the particular defense articles so exported, the particular recipient or purchaser, the terms of the export, including its selling price, if any, and such other information as may be appropriate to enable the Congress to evaluate the distribution of United States defense articles abroad; and

[“(5) such other matters relating to foreign assistance provided by the United States Government as the President considers appropriate, including explanations of the information required under clauses (1) through (4) of this subsection.

[“(b) All information contained in any report transmitted under this section shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplemental report shall be transmitted to the Congress at the same time that the report is transmitted.

[“(c) If the Congress is not in session at the time a report or supplemental report is transmitted to the Congress, the Secretary of the Senate and the Clerk of the House of Representatives shall accept the report or supplemental report on behalf of their respective Houses of Congress and present the report or supplemental report to the two Houses immediately upon their convening.

[“(d) For the purposes of this section—

[“(1) ‘foreign assistance’ means any tangible or intangible item provided by the United States Government under this or any other law to a foreign country or international organization, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country; and

[“(2) ‘provided by the United States Government’ includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit, or guaranty.”

[INDOCHINA POSTWAR RECONSTRUCTION

[SEC. 24. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

[“PART V

[“SEC. 801. GENERAL AUTHORITY.—The President is authorized to furnish, on such terms and conditions as he may determine, assistance for relief and reconstruction of South Vietnam, Cambodia, and Laos, including especially humanitarian assistance to refugees, civilian war casualties, and other persons disadvantaged by hostilities or conditions related to those hostilities in South Vietnam, Cambodia, and Laos. No assistance shall be furnished under this section to South Vietnam unless the President receives assurances satisfactory to him that no assistance furnished under this part, and no local currencies generated as a result of assistance furnished under this part, will be used for support of police, or prison construction and administration, within South Vietnam.

[“SEC. 802. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to funds otherwise available for such purposes, for the fiscal year 1974 not to exceed $504,000,000, which amount is authorized to remain available until expended.

[“SEC. 803. ASSISTANCE TO SOUTH VIETNAMESE CHILDREN.—(a) It is the sense of the Congress that inadequate provision has been made (1) for the establishment, expansion, and improvement of day care centers, orphanages, hostels, school feeding programs, health and welfare programs, and training related to these programs which are designed for the benefit of South Vietnamese children, disadvantaged by hostilities in Vietnam or conditions related to those hostilities, and (2) for the adoption by United States citizens of South Vietnamese children who are orphaned or abandoned, or whose parents or sole surviving parent, as the case may be, has irrevocably relinquished all parental rights, particularly children fathered by United States citizens.

[“(b) The President is, therefore, authorized to provide assistance, on terms and conditions he considers appropriate, for the purposes described in clauses (1) and (2) of subsection (a) of this section. Of the funds appropriated pursuant to section 802 for fiscal year 1974, $5,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section. Not more than 10 per centum of the funds made available to carry out this section may be expended for the purposes referred to in clause (2) of subsection (a). Assistance provided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies.

[“SEC. 804. CENTER FOR PLASTIC AND RECONSTRUCTIVE SURGERY IN SAIGON.—Of the funds appropriated pursuant to section 802 for the fiscal year 1974, not less than $712,000 shall be available solely for furnishing assistance to the Center for Plastic and Reconstructive Surgery in Saigon.

[“SEC. 805. AUTHORITY.—All references to part I, whether heretofore or hereafter enacted, shall be deemed to be references also to this part unless otherwise specially provided. The authorities

available to administer part I of this Act shall be available to administer programs authorized in this part.''

[FOREIGN MILITARY SALES ACT AMENDMENTS

[SEC. 25. The Foreign Military Sales Act is amended as follows:

[(1) Section 1 is amended by adding at the end thereof the following new paragraph:

[''In order to reduce the role of the United States Government in the furnishing of defense articles and defense services to foreign countries and international organizations, and return such transactions to commercial channels, the United States Government shall reduce its sales, credit sales, and guaranties of such articles and defense services as soon as, and to the maximum extent, practicable.''

[(2) Section 3 is amended—

[(A) by striking out ''and'' at the end of paragraph (2) of subsection (a) and inserting before ''unless'' the following: ''and not to use or permit the use of such article for purposes other than those for which furnished'';

[(B) by redesignating paragraph (3) of subsection (a) as paragraph (4) and inserting after paragraph (2) the following new paragraph:

[''(3) the country or international organization shall have agreed that it will maintain the security of such article and will provide substantially the same degree of security protection afforded to such article by the United States Government; and'';

[(C) by inserting the following immediately before the last sentence of subsection (a):

''In considering a request for approval of any transfer of any weapon, weapons system, munitions, aircraft, military boat, military vessel, or other implement of war to another country, the President shall not give his consent under paragraph (2) to the transfer unless the United States itself would transfer the defense article under consideration to that country, and prior to the date he intends to give his consent to the transfer, the President notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended consent, the justification for giving such consent, the defense article for which he intends to give his consent to be so transferred, and the foreign country to which that defense article is to be transferred. In addition, the President shall not give his consent under paragraph (2) to the transfer of any significant defense articles on the United States Munitions List unless the foreign country requesting consent to transfer agrees to demilitarize such defense articles prior to transfer, or the proposed recipient foreign country provides a commitment in writing to the United States Government that it will not transfer such defense articles, if not demilitarized, to any other foreign country or person without first obtaining the consent of the President.''; and

[(D) by adding at the end thereof the following new subsections:

[“(c) Except as otherwise provided in subsection (d), any foreign country which hereafter uses defense articles or defense services furnished such country under this Act, in substantial violation of any provision of this Act or any agreement entered into under this Act, shall be immediately ineligible for further cash sales, credits, or guarantees.

[“(d) No sophisticated weapons, including sophisticated jet aircraft, or spare parts and associated ground equipment for such aircraft, shall be furnished under this or any other Act to any foreign country on or after the date that the President determines that such country has violated any agreement it has made in accordance with paragraph (2) of subsection (a) of this section or section 505(a) of the Foreign Assistance Act of 1961 or any other provision of law requiring similar agreements. Such country shall remain ineligible in accordance with this subsection until such time as the President determines that such violation has ceased, that the country concerned has given assurances satisfactory to the President that such violation will not reoccur, and that, if such violation involved the transfer of sophisticated weapons without the consent of the President, such weapons have been returned to the country concerned.”

[(3) Section 22 is amended to read as follows:

[“SEC. 22. PROCUREMENT FOR CASH SALES.—(a) Except as otherwise provided in this section, the President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of defense articles or defense services for sale for United States dollars to any foreign country or international organization if such country or international organization provides the United States Government with a dependable undertaking (1) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (2) to make funds available in such amounts and at such times as may be required to meet the payments required by the contract, and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.

[“(b) The President may, when he determines it to be in the national interest, accept a dependable undertaking of a foreign country or international organization with respect to any such sale, to make full payment within 120 days after delivery of the defense articles or the rendering of the defense services. Appropriations available to the Department of Defense may be used to meet the payments required by the contracts for the procurement of defense articles and defense services and shall be reimbursed by the amounts subsequently receive from the country or international organization to whom articles or services are sold.”

[(4) In section 24(c)—

[(A) strike out “pursuant to section 31” and insert in lieu thereof “to carry out this Act”; and

[(B) insert “principal amount of” immediately before the words “contractual liability” wherever they appear.

[(5) In section 31(a), strike out “$400,000,000 for the fiscal year 1972” and insert in lieu thereof “325,000,000 for fiscal year 1974”.

[(6) In section 31(b), strike out "(excluding credits covered by guaranties issued pursuant to section 24(b), and the face amount of guaranties issued pursuant to sections 24 (a) and (b) shall not exceed $55,000,000 for the fiscal year 1972, of which amount not less than $300,000,000 shall be available to Israel only" and insert in lieu thereof "and of the principal amount of loans guaranteed pursuant to section 24(a) shall not exceed $730,000,000 for the fiscal year 1974, of which amount not less than $300,000,000 shall be available to Israel only".

[(7) In section 33(a)—

[(A) strike out "of cash sales pursuant to sections 21 and 22,";

[(B) strike out "(excluding credits covered by guaranties issued pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sections 24 (a) and (b)" and insert in lieu thereof "of the principal amount of loans guaranteed pursuant to section 24(a)"; and

[(C) strike out "$100,000,000" and insert in lieu thereof "$150,000,000".

[(8) In section 33(b)—

[(A) strike out "of cash sales pursuant to sections 21 and 22,"; and

[(B) strike out "(excluding credits covered by guaranties issued pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sections 24 (a) and (b)" and insert in lieu thereof "of the principal amount of loans guaranteed pursuant to section 24(a)".

[(9) Section 33(c) is repealed.

[(10) In section 36, strike out subsections (a) and (b).

[(11) In section 37(b), insert after "indebtedness" the following: "under section 24(b) (excluding such portion of the sales proceeds as may be required at the time of disposition to be obligated as a reserve for payment of claims under guaranties issued pursuant to section 24(b), which sums are made available for such obligations)".

[(12) Add at the end thereof the following new section:

["SEC. 47. DEFINITIONS.—For purposes of this Act, the term—

["(1) 'excess defense article' has the meaning provided by section 644(g) of the Foreign Assistance Act of 1961; and

["(2) 'value' means, in the case of an excess defense article, not less than the greater of—

["(A) the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying such article, plus the scrap value; or

["(B) the market value, if ascertainable."

[AMENDMENTS TO FOREIGN MILITARY SALES ACT AMENDMENTS OF 1971

[SEC. 26. The Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (84 Stat. 2053), is amended as follows:

[(1) Section 8(a) is amended by inserting immediately before clause (1) the following: "(less amounts to be transferred under section 632(d) of the Foreign Assistance Act of 1961)".

[(2) Section 8(b) is amended—

[(A) by striking out "The provisions" and inserting in lieu thereof "In the case of excess defense articles which are generated abroad, the provisions"; and

[(B) by striking out "$185,000,000" and inserting in lieu thereof "$150,000,000".

[(3) Section 8(c) is amended to read as follows:

[(c) For purposes of this section, the term 'value' has the same meaning as given it in section 644(m) of the Foreign Assistance Act of 1961."

[(4) Section 9 is repealed.

[PUBLIC DISCLOSURE OF CERTAIN MUNITIONS CONTROL LICENSES

[SEC. 27. Section 414 of the Mutual Security Act of 1954 is amended by adding at the end thereof the following new subsection:

["(e) Licenses issued for the export of articles on the United States Munitions List in excess of $100,000 shall be reported promptly to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, which report shall contain—

["(1) the items to be exported under the license;

["(2) the quantity of each such item to be furnished;

["(3) the name and address of the consignee and of the ultimate user of each such item; and

["(4) an injunction whenever appropriate, concerning the necessity to protect the confidentiality of the information provided."

[ASIAN DEVELOPMENT BANK

[SEC. 28. Section 17 of the Asian Development Bank Act is amended by striking out "$60,000,000 for fiscal year 1972 and $40,000,000 for fiscal year 1973" and inserting in lieu thereof "$100,000,000".

[TERMINATION OF INDOCHINA WAR

[SEC. 30. No funds authorized or appropriated under this or any other law may be expended to finance military or paramilitary operations by the United States in or over Vietnam, Laos, or Cambodia.

[LIMITATION ON USE OF FUNDS

[SEC. 31. No funds authorized or appropriated under any provision of law shall be made available for the purpose of financing directly or indirectly any military or paramilitary combat operations by foreign forces in Laos, Cambodia, North Vietnam, South Vietnam, or Thailand unless (1) such operations are conducted by the forces of that government receiving such funds within the borders of that country, or (2) specifically authorized by law enacted after the date of enactment of this Act.

[POLITICAL PRISONERS

[SEC. 32. It is the sense of Congress that the President should deny any economic or military assistance to the government of any foreign country which practices the internment or imprisonment of that country's citizens for political purposes.

[ALBERT SCHWEITZER HOSPITAL

[SEC. 33. There is authorized to be appropriated to the President for fiscal year 1974 $1,000,000 to make grants, on such terms and conditions as he may specify, to the Albert Schweitzer Hospital in Gabon.

[PRISONERS OF WAR AND INDIVIDUALS MISSING IN ACTION

[SEC. 34. (a) The Congress declares that—

[(1) the families of those one thousand three hundred individuals missing in action during the Indochina conflict have suffered extraordinary torment in ascertaining the full and complete information about their loved ones who are formally classified as missing in action;

[(2) United States involvement in the Indochina conflict has come to a negotiated end with the signing of the Vietnam Agreement in Paris on January 27, 1973, and section 307 of the Second Supplemental Appropriations Act, 1973, requires that "None of the funds herein appropriated under this Act may be expended to support directly or indirectly combat activities in or over Cambodia, Laos, North Vietnam and South Vietnam or off the shores of Cambodia, Laos, North Vietnam and South Vietnam by United States forces, and after August 15, 1973, no other funds heretofore appropriated under any other Act may be expended for such purpose.";

[(3) the question of the return of prisoners of war and accounting for individuals missing in action and dead in Laos is covered by article 18 of the Protocol signed by representatives of the Lao Patriotic Front (Pathet Lao) and the Royal Laotian Government in Vientiane on September 14, 1973 (which implements article 5 of the Agreement signed by the Pathet Lao and that government in Vientiane on February 21, 1973, requiring the release of all prisoners "regardless of nationality" captured and held in Laos), and paragraph C of such article 18 provides that, within "15 to 30 days" from the date of the signing of the Protocol, each side is to report the number of those prisoners and individuals still held, with an indication of their nationality and status, together with a list of names and any who died in captivity; and

[(4) few of the United States men lost in Laos during the military engagements in Indochina have been returned, and with knowledge about many of these men not yet being fully disclosed, and the North Vietnam cease-fire provisions calling for inspection of crash and grave sites and for other forms of cooperation have not been fully complied with.

[(b) It is, therefore, the sense of the Congress that—

[(1) the provisions for the release of prisoners and an accounting of individuals missing and dead, as provided for in ar-

ticle 18 of the Protocol signed on September 14, 1973, by the Pathet Lao and the Royal Laotian Government, by adhered to in spirit and in deed; and

[(2) the faithful compliance with the spirit of the Laotian Agreement and Protocol on the question of individuals missing in action will encourage all parties in Indochina to cooperate in providing complete information on all nationals of any nation who may be captured or missing at any place in Indochina.

[RIGHTS IN CHILE

[SEC. 35. It is the sense of the Congress that (1) the President should request the Government of Chile to protect the human rights of all individuals, Chilean and foreign, as provided in the Universal Declaration of Human Rights, the Convention and Protocol Relating the Status of Refugees, and other relevant international legal instruments guaranteeing the granting of asylum, safe conduct, and the humane treatment or release of prisoners; (2) the President should support international humanitarian initiatives by the United Nations High Commissioner for Refugees and the International Committee of the Red Cross to insure the protection and safe conduct and resettlement of political refugees, the humane treatment of political prisoners, and the full inspection of detention facilities under international auspices; (3) the President should support and facilitate efforts by voluntary agencies to meet emergency relief needs; and (4) the President should request of the Inter-American Commission on Human Rights to undertake an immediate inquiry into recent events occurring in Chile.

[REVISION OF SOCIAL PROGRESS TRUST FUND AGREEMENT

[SEC. 36. (a) The President or his delegate shall seek, as soon as possible, a revision of the Social Progress Trust Fund Agreement (dated June 19, 1961) between the United States and the Inter-American Development Bank. Such revision should provide for the—

[(1) periodic transfer of unencumbered capital resources of such trust fund, and of any future repayments or other accruals otherwise payable to such trust fund, to the Inter-American Foundation, to be administered by the Foundation for purposes of part IV of the Foreign Assistance Act of 1969 (22 U.S.C. 290f and following);

[(2) utilization of such unencumbered capital resources, future repayments, and other accruals by the Inter-American Development Bank for purposes of sections 1 and 2 of the Latin American Development Act (22 U.S.C. 1942 and 1943) in such a way that the resources received in the currencies of the more developed member countries are utilized to the extent possible for the benefit of the lesser developed member countries; or

[(3) both the transfer described in paragraph (1) and the utilization described in paragraph (2).

[(b) Any transfer or utilization under this section shall be in such proportions as may be agreed to between the United States and the Inter-American Development Bank.

[(c) Any transfer under subsection (a)(1) shall be in the amounts, and in available currencies, determined in consultation with the Inter-American Foundation, to be required for its program purposes.

[(d) The revision of the Social Progress Trust Fund Agreement pursuant to this section shall provide that the President or his delegate shall specify, from time to time, after consultation with the Inter-American Development Bank, the particular currencies to be used in making the transfer or utilization described in the section.

[WORLD FOOD SHORTAGES

[SEC. 39. (a) It is the sense of the Congress that the United States should participate fully in efforts to alleviate current and future food shortages which threaten the world. To this end, the President shall—

[(1) encourage, support, and expedite studies relating to the long-range implications of the world food situation (including studies of national and world production, distribution, and utilization of agricultural commodities and other foodstuffs) and support the organizing of a world food conference under United Nations auspices in 1974;

[(2) request the member nations of the General Agreement on Tariffs and Trade to explore the means of assuring equitable access by all national markets and mineral and agricultural resources;

[(3) consult and cooperate with appropriate international agencies, such as the Food and Agricultural Organization of the United Nations, in determining the need for, the feasibility of, and cost of an equitably-shared basis of, establishing an international system of strategic food reserves; and

[(4) report his findings and recommendations to the Congress on the implementation of this section no later than December 31, 1974.

[(b) It is further the sense of the Congress that—

[(1) in making assessments which would affect or relate to the level of domestic production, the Executive Branch should include in the estimates of overall utilization the expected demands for humanitarian food assistance through such programs as are carried out under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480); and

[(2) legislation providing increased flexibility for responding to emergency and humanitarian requirements for food assistance should be considered as promptly as possible to the end that the last sentence of section 401 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), may be amended by striking the period and inserting in lieu thereof a comma and the following: "unless the Secretary determines that some part of the exportable supply should be used to carry out the national interest and humanitarian objectives of this Act."

[USE OF LOCAL CURRENCIES

[SEC. 40. Effective July 1, 1974, no amount of any foreign currency (including principal and interest from loan repayments)

which accrues in connection with any sale for foreign currency under any provision of law may be used under any agreement entered into after the date of the enactment of this Act, or any revision or extension entered into after such date of any prior of subsequent agreement, to provide any assistance to any foreign country to procure equipment, materials, facilities, or services for the common defense, including internal security unless such agreement is specifically authorized by legislation enacted after such date.]

FOREIGN ASSISTANCE ACT OF 1971

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Foreign Assistance Act of 1971".

[FOOD-FOR-PEACE PROGRAM

[SEC. 2. It is the sense of the Congress that funds to administer the food-for-peace program should not be reduced as the result of any reduction in the authorizations provided to carry out the Foreign Assistance Act of 1961.

[PART I—ECONOMIC ASSISTANCE

[DEVELOPMENT LOAN FUND

[SEC. 101. Title I of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to the Development Loan Fund, is amended as follows:

[(a) In section 202(a), relating to authorization—

[(1) strike out "and $350,000,000 for the fiscal year 1971" and insert in lieu thereof "$350,000,000 for the fiscal year 1971, $250,000,000 for the fiscal year 1972, and $250,000,000 for the fiscal year 1973"; and

[(2) strike out "and June 30, 1971" and insert in lieu thereof "June 30, 1971, June 30, 1972, and June 30, 1973".

[(b) In section 203, relating to fiscal provisions, strike out "and for the fiscal year 1971" and insert in lieu thereof ", for the fiscal year 1971, for the fiscal year 1972, and for the fiscal year 1973".

[(c) In section 209, relating to multilateral and regional programs—

[(1) strike out subsection (a) and insert in lieu thereof the following: "(a) The Congress recognizes that the planning and administration of development assistance by, or under the sponsorship of the United Nations, multilateral lending institutions, and other multilateral organizations may contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance.";

[(2) insert at the end thereof the following new subsections:

["(c) Notwithstanding any other provision of law, the President should reduce the amounts and numbers of loans made by the United States directly to individual foreign countries with the objective of reducing the total amount of bilateral loans made under

this Act so that, by not later than June 30, 1975, such total amount shall not exceed $100,000,000.

[“(d) In furtherance of the provisions of subsection (a) of this section, any funds appropriated under this part I may be transferred by the President to the International Development Association, the International Bank for Reconstruction and Development, the International Finance Corporation, the Asian Development Bank or other multilateral lending institutions and multilateral organizations in which the United States participates for the purpose of providing funds to enable any such institution or organization to make loans to foreign countries.”; and

[(3) strike out of subsection (b) “REGIONAL PROGRAMS.—”.

[(d) Section 205, relating to transfers to international financial institutions, is repealed.

[TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

[SEC. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to technical cooperation and development grants, is amended as follows:

[(a) In section 212, relating to authorization, strike out “$183,500,000 for the fiscal year 1970, and $183,500,000 for the fiscal year 1971” and insert in lieu thereof “$175,000,000 for the fiscal year 1972, and $175,000,000 for the fiscal year 1973”.

[(b) In section 214(c), relating to authorization for American schools and hospitals abroad, strike out “for the fiscal year 1970, $25,000,000, and for the fiscal year 1971, $12,900,000” and insert in lieu thereby “for the fiscal year 1972, $30,000,000 and for the fiscal year 1973, $30,000,000”.

[(c) At the end of such title II, add the following new section:

[“SEC. 202A. SUEZ CANAL.—The President is authorized to furnish financial assistance, on such terms and conditions as he may determine, for assisting in the reopening of the Suez Canal after agreement has been reached by the parties involved, which agreement provides for the use of the Canal by the ships of all nations, including Israel, on a nondiscriminatory basis. For the purpose of carrying out this section, there are authorized to be appropriated not to exceed $10,000,000 in Egyptian pounds now owned by the United States and determined by the President to be excess to the normal requirements of departments and agencies of the United States. Amounts appropriated under this section are authorized to remain available until expended.”.

[HOUSING GUARANTIES

[SEC. 103. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to housing guaranties, is amended as follows:

[(a) In section 221, strike out “$130,000,000” and insert in lieu thereof $205,000,000”.

[(b) In section 223(i), strike out “June 30, 1972” and insert in lieu thereof “June 30, 1974”.

[OVERSEAS PRIVATE INVESTMENT CORPORATION

[SEC. 104. Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to the Overseas Private Investment Corporation, is amended as follows:

[(a) In the first proviso of section 238(c), relating to definitions, strike out "required by law to be".

[(b) At the end of section 239, relating to general provisions and powers, add the following new subsection:

["(g) Except for the provisions of this title, no other provision of this or any other law shall be construed to prohibit the operation in Yugoslavia or Romania of the programs authorized by this title, if the President determines that the operation of such program in such country is important to the national interest.".

[(c) Section 240(h), relating to agricultural credit and self-help community development projects, is amended by striking out "June 30, 1972" and inserting in lieu thereof "June 30, 1973".

[ALLIANCE FOR PROGRESS

[SEC. 105. Section 252(a) of title VI of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to authorization for the Alliance for Progress, is amended—

[(1) by striking out "for the fiscal year 1970, $428,250,000, and for the fiscal year 1971, $428,250,000" and inserting in lieu thereof "for the fiscal year 1972, $295,000,000, and for the fiscal year 1973, $295,000,000"; and

[(2) by striking out "$90,750,000" and inserting in lieu thereof "$88,500,000".

[PROGRAMS RELATING TO POPULATION GROWTH

[SEC. 106. Section 292 of title X of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to authorization, is amended to read as follows:

["SEC. 292. AUTHORIZATION.—Of the funds provided to carry out the provisions of this part I for each of the fiscal years 1972 and 1973, $125,000,000 shall be available in each such fiscal year only to carry out the purposes of this title, and, notwithstanding any other provisions of this Act, funds used for such purposes may be used on a loan or grant basis.".

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 107. Section 302 of chapter 3 of part I of the Foreign Assistance Act of 1961, relating to authorization, is amended as follows:

[(a) In subsection (a), strike out "for the fiscal year 1970, $122,620,000, and for the fiscal year 1971, $122,620,000" and insert in lieu thereof "for the fiscal year 1972, $138,000,000, and for the fiscal year 1973, $138,000,000".

[(b) In subsection (b)(2)—

[(1) strike out "for use in the fiscal year 1970, $7,530,000, and for use in the fiscal year 1971, $7,530,000" and insert in lieu thereof "for use in the fiscal year 1972, $15,000,000, and for use in the fiscal year 1973, $15,000,000"; and

[(2) add at the end thereof the following new sentence: "The President shall not exercise any special authority granted to him under section 610(a) or 614(a) of this Act to transfer any amount appropriated under this paragraph to, and to consolidate such amount with, any funds made available under any other provision of this Act.".

[(c) In subsection (e), strike out "$1,000,000 for the fiscal year 1970 and $1,000,000 for the fiscal year 1971" and insert in lieu thereof "$1,000,000 for the fiscal year 1972 and $1,000,000 for the fiscal year 1973".

[(d) At the end of such section 302, add the following new subsection:

["(f) There are authorized to be appropriated to the President, in addition to other amounts available for such purposes, $1,000,000 for the fiscal year 1972 and $1,000,000 for the fiscal year 1973, in Egyptian pounds owned by the United States and determined by the President to be excess to the requirements of departments and agencies of the United States, for the purposes of providing technical and vocational training and other assistance to Arab refugees. Amounts appropriated under this subsection are authorized to remain available until expended.".

[CONTINGENCY FUND

[SEC. 108. Section 451(a) of chapter 5 of part I of the Foreign Assistance Act of 1961, relating to the contingency fund, is amended by striking out "for the fiscal year 1970 not to exceed $15,000,000, and for the fiscal year 1971 not to exceed $30,000,000" and inserting in lieu thereof "for the fiscal year 1972 not to exceed $30,000,000, and for the fiscal year 1973 not to exceed $30,000,000".

[INTERNATIONAL NARCOTICS CONTROL AND REFUGEE RELIEF ASSISTANCE

[SEC. 109. Part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapters:

["CHAPTER 8—INTERNATIONAL NARCOTICS CONTROL

["SEC. 481. INTERNATIONAL NARCOTICS CONTROL.—It is the sense of the Congress that effective international cooperation is necessary to put an end to the illicit production, trafficking in, and abuse of dangerous drugs. In order to promote such cooperation, the President is authorized to conclude agreements with other countries to facilitate control of the production, processing, transportation, and distribution of narcotics analgesics, including opium and its derivatives, other narcotic drugs and psychotropics and other controlled substances as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970 (Public Law 91–513). Notwithstanding any other provision of law, the President is authorized to furnish assistance to any country or international organization, on such terms and conditions as he may determine, for the control of the production of, possessing of, and traffic in, narcotic and psychotropic drugs. In furnishing such assistance the President may use any of the funds made available to carry out the provisions of this

Act. The President shall suspend economic and military assistance furnished under this or any other Act, and shall suspend sales under the Foreign Military Sales Act and under title I of the Agricultural Trade Development and Assistance Act of 1954, with respect to any country when the President determines that the government of such country has failed to take adequate step to prevent narcotic drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents, or from entering the United States unlawfully. Such suspension shall continue until the President determines that the government of such country has taken adequate steps to carry out the purposes of this chapter.

[“CHAPTER 9—REFUGEE RELIEF ASSISTANCE

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

[PART II—MILITARY ASSISTANCE

[SEC. 201. Part II of the Foreign Assistance Act of 1961, relating to military assistance, is amended as follows:

[(a) In section 504(a), relating to authorization, strike out “$350,000,000 for the fiscal year 1970, and $350,000,000 for the fiscal year 1971” and insert in lieu thereof “$500,000,000 for the fiscal year 1972”.

[(b) In section 505(b)(2), relating to conditions of eligibility, strike out “and” and insert in lieu thereof “or”.

[(c) Section 505(e), relating to conditions of eligibility, is repealed.

[(d) In section 506(a), relating to special authority—

[(1) strike out “1970 and the fiscal year 1971” and insert in lieu thereof “1972”; and

[(2) strike out “each of the fiscal years 1970 and 1971” and insert in lieu thereof “the fiscal year 1972”.

[(e) Section 507(a), relating to restrictions on military aid to Latin America, is amended to read as follows: “(a) Except as otherwise provided in this section, the value of defense articles furnished by the United States Government under this Act to Latin American countries shall not exceed $10,000,000. Not to exceed $25,000,000 in value of defense articles may be furnished under this part on a cost-sharing basis to an inter-American military force under the control of the Organization of American States.”.

[(f) At the end of chapter 2 of such part II, add the following new sections:

[“SEC. 511. CONSIDERATIONS IN FURNISHING MILITARY ASSISTANCE.—Decisions to furnish military assistance made under this part shall take into account whether such assistance will—

[“(1) contribute to an arms race;

[“(2) increase the possibility of outbreak or escalation of conflict; or

[“(3) prejudice the development of bilateral or multilateral arms control arrangements.

[“SEC. 512. MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS.—(a) It is the sense of Congress that the need for large United States military assistance advisory groups and military aid missions in foreign countries has diminished substantially during the last few years. In the words of the Peterson Task Force Report on International Development. ‘The United States now can reduce its supervision and advice to a minimum, thus encouraging progress toward self-reliance. United States military missions and advisory groups should be consolidated with other elements in our overseas missions as soon as possible.’

[“(b) In accordance with the provisions of subsection (a) of this section, the total number of United States military personnel assigned and detailed, as of September 30, 1971, to United States military assistance advisory groups, military missions, and other organizations of the United States performing activities similar to such groups and missions, shall be reduced by at least 15 per centum by September 30, 1972, but every effort should be made to effect an aggregate reduction of 25 per centum by September 30, 1972.

[“SEC. 513. MILITARY ASSISTANCE AUTHORIZATIONS FOR THAILAND.—After June 30, 1972, no military assistance shall be furnished by the United States to Thailand directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act.

[“SEC. 514. SPECIAL FOREIGN COUNTRY ACCOUNTS.—(a) Except as otherwise provided in this section, no defense article may be given, and no grant of military assistance may be made, under this Act to a foreign country unless the country agrees—

[“(1) to deposit in a special account established by the United States Government the following amounts of currency of that country:

[“(A) in the case of any excess defense article to be given to that country, an amount equal to 10 per centum of the fair value of the article, as determined by the Secretary of State, at the time the agreement to give the article to the country is made; and

[“(B) in the case of a grant of military assistance to be made to that country, an amount equal to 10 per centum of each such grant; and

[“(2) to allow the United States Government to use such amounts from that special account as may be determined, from time to time, by the President to be necessary to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that

country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961.

[“(b) The President may waive any amount of currency of a foreign country required to be deposited under subsection (a)(1) of this section if he determines that the United States Government will be able to pay all of its official costs payable in the currency of that country enumerated under subsection (a)(2) of this section without the deposit of such amount and without having to expend United States dollars to purchase currency of that country to pay such costs.

[“(c) The provisions of this section shall not apply in any case in which an excess defense article is given, or a grant of military assistance is made—

[“(1) to a foreign country under an agreement with that country which allows the United States Government to operate a military or other similar base in that country in exchange for that article or grant; and

[“(2) to South Vietnam, Cambodia, or Laos.

[“(d) In no event shall any foreign country be required, under this section, to make deposits in a special account aggregating more than $20,000,000 in any one year.”.

[SEC. 202. (a) At the end of such part II, add the following new chapter:

[“CHAPTER 4—SECURITY SUPPORTING ASSISTANCE

[“SEC. 531. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries, organizations, and bodies eligible to receive assistance under this Act on such terms and conditions as he may determine, in order to support or promote economic or political stability. The authority of this chapter shall not be used to furnish assistance to more than twelve countries in any fiscal year.

[“SEC. 532. AUTHORIZATION.—There is authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1972 not to exceed $618,000,000, of which not less than $50,000,000 shall be available solely for Israel: *Provided*, That where commodities are furnished on a grant basis under this chapter under arrangements which will result in the accrual of proceeds to the Government of Vietnam from the sale thereof, arrangements should be made to assure that such proceeds will not be budgeted by the Government of Vietnam for economic assistance projects or programs unless the President or his representative has given prior written approval. Amounts appropriated under this section are authorized to remain available until expended. None of the funds authorized by this section shall be made available to the Government of Vietnam unless, beginning in January 1971, and quarterly thereafter, the President of the United States shall determine that the accommodation rate of exchange, and the rate of exchange for United States Government purchases of piasters for goods and services, between said Government and the Untied States is fair to both countries.

[“SEC. 533. UNITED STATES REFUND CLAIMS.—It is the sense of the Congress that the President should seek the agreement of the Government of Vietnam to the establishment and maintenance of

a separate special account of United States dollars, which account shall be available solely for withdrawals by the United States, at such times and in such amounts as the President may determine, in satisfaction of United States dollar refund claim against the Government of Vietnam arising out of operations conducted under this Act. Such account should be established in an amount not less than $10,000,000 and maintained thereafter at a level sufficient to cover United States refund claims as they arise.".

[(b) Chapter 4 of part I of the Foreign Assistance Act of 1961 is hereby repealed. References to such chapter or any sections thereof shall hereafter be deemed to be references to chapter 4 of part II of the Foreign Assistance Act of 1961, as added by subsection (a) of this section, or to appropriate sections thereof. All references to part I of the Foreign Assistance Act of 1961 shall thereafter be deemed to be references also to chapter 4 of part II, and all references to part II of such Act shall be deemed not to include chapter 4 of such part II.

[PART III—GENERAL AND ADMINISTRATIVE PROVISIONS

[SEC. 301. Section 620 of chapter 1 of part II of the Foreign Assistance Act of 1961, relating to prohibitions against furnishing assistance, is amended by adding at the end thereof the following new subsections:

["(v) No assistance shall be furnished under this Act, and no sales shall be made under the Foreign Military Sales Act, to Greece. This restriction may be waived when the President finds that overriding requirements of the national security of the United States justify such a waiver and promptly reports such finding to the Congress in writing, together with his reasons for such finding. Notwithstanding the preceding sentence, in no event shall the aggregate amount of (1) assistance furnished to Greece under this Act, and (2) sales made to Greece under the Foreign Military Sales Act, in any fiscal year, exceed the aggregate amount expended for such assistance and such sales for the fiscal year 1971.

["(w)(1) All military, economic, or other assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), all sales of agricultural commodities (whether for cash, credit, or by other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Pakistan under this or any other law shall be suspended on the date of enactment of this subsection.

["(2) The provisions of this subsection shall cease to apply when the President reports to the Congress that the Government of Pakistan is cooperating fully in allowing the situation in East Pakistan to return to reasonable stability and that refugees from East Pakistan in India have been allowed, to the extent feasible, to return to their homes and to reclaim their lands and properties.

["(3) Nothing in this section shall apply to the provision of food and other humanitarian assistance which is coordinated, distributed, or monitored under international auspices.".

[SEC. 302. Section 624 of chapter 2 of part III of the Foreign Assistance Act of 1961, relating to statutory officers, is amended by adding at the end thereof the following new subsection:

[“(e) In addition to the officers otherwise provided for in this section, the President shall appoint, by and with the advice and consent of the Senate, one officer for the purpose of coordinating security assistance programs.”

[SEC. 303. Section 637(a) of chapter 2 of part III of the Foreign Assistance Act of 1961, relating to authorization for administrative expenses of the agency administering part I, is amended by striking out “for the fiscal year 1970, $51,125,000, and for the fiscal year 1971, $51,125,000” and inserting in lieu thereof “for the fiscal year 1972, $50,000,000, and for the fiscal year 1973, $50,000,000”.

[SEC. 304. (a)(1) Section 652 of the Foreign Assistance Act of 1961, relating to miscellaneous provisions, is amended to read as follows:

[“SEC. 652. LIMITATION UPON EXERCISE OF SPECIAL AUTHORITIES.—The President shall not exercise any special authority granted to him under section 506(a), 610(a), or 614(a) of this Act unless the President, prior to the date he intends to exercise any such authority, notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended exercise, the section of this Act under which such authority is to be exercised, and the justification for, and the extent of, the exercise of such authority.”.

[(2) The last sentence of section 506(a) of such Act, relating to special authority, is repealed.

[(3) The last sentence of section 634(d) of such Act, relating to reports and information, is amended by striking out “610, 614(a),” and inserting in lieu thereof “610(b),”.

[(b) Chapter 3 of part III of such Act is amended by adding at the end thereof the following new sections:

[“SEC. 653. CHANGE IN ALLOCATION OF FOREIGN ASSISTANCE.—(a) Not later than thirty days after the enactment of any law appropriating funds to carry out any provision of this Act (other than section 451 or 637), the President shall notify the Congress of each foreign country and international organization to which the United States Government intends to provide any portion of the funds under such law and of the amount of funds under that law, by category of assistance, that the United States Government intends to provide to each. Notwithstanding any other provision of law, the United States Government shall not provide to any foreign country or international organization any funds under that law which exceeds by 10 per centum the amount of military grant assistance or security supporting assistance, as the case may be, which the President notified the Congress that the United States Government intended to provide that country or organization under that law, unless the President (1) determines that it is in the security interests of the United States that such country or organization receive funds in excess of the amount included in such notification for that country or organization, and (2) reports to Congress, at least ten days prior to the date on which such excess funds are to be provided to that country or organization, each such determination, including the name of the country or organization to receive funds in excess of such per centum, the amount of funds in excess of that per centum which are to be provided, and the justification for providing the additional assistance.

[“(b) The provisions of this section shall not apply in the case of any law making continuing appropriations and may not be waived under the provisions of section 614(a) of this Act.

[“SEC. 654. PRESIDENTIAL FINDINGS AND DETERMINATIONS.—(a) In any case in which the President is required to make a report to the Congress, or to any committee or officer of either House of Congress, concerning any finding or determination under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, that finding or determination shall be reduced to writing and signed by the President.

[“(b) No action shall be taken pursuant to any such finding or determination prior to the date on which that finding or determination has been reduced to writing and signed by the President.

[“(c) Each such finding or determination shall be published in the Federal Register as soon as practicable after it has been reduced to writing and signed by the President. In any case in which the President concludes that such publication would be harmful to the national security of the United States, only a statement that a determination or finding has been made by the President, including the name and section of the Act under which it was made, shall be published.

[“(d) No committee or officer of either House of Congress shall be denied any requested information relating to any finding or determination which the President is required to report to the Congress, or to any committee or officer of either House of Congress, under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, even though such report has not yet been transmitted to the appropriate committee or officer of either House of Congress.

[“SEC. 655. LIMITATIONS UPON ASSISTANCE TO OR FOR CAMBODIA.—(a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $341,000,000 for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Cambodia during the fiscal year ending June 30, 1972.

[“(b) In computing the $341,000,000 limitation on obligation authority under subsection (a) of this section in fiscal year 1972. (1) there shall be included in the computation the value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia in such fiscal year by gift, donation, loan, lease, or otherwise, and (2) there shall not be included in the computation the value of any goods, supplies, materials, or equipment attributable to the operations of the Armed Forces of the Republic of Vietnam in Cambodia. For the purpose of this subsection, ‘value’ means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia but in no case less than 33⅓ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

[“(c) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1972, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

[“(d) The provisions of subsections (a) and (c) of this section shall not apply with respect to the obligation of funds to carry out combat air operations over Cambodia.

[“(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, for, or on behalf of Cambodia for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

[“(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1971, a written report showing the total amount of funds obligated in, for, or on behalf of Cambodia during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose, except that in the case of the first two quarters of the fiscal year beginning July 1, 1971, a single report may be submitted for both such quarters and such report may be computed on the basis of the most accurate estimates the President is able to make taking into consideration all information available to him.

[“(g) Enactment of this section shall not be construed as a commitment by the United States to Cambodia for its defense.

[“SEC. 656. LIMITATIONS ON UNITED STATES PERSONNEL AND PERSONNEL ASSISTED BY UNITED STATES IN CAMBODIA.—The total number of civilian officers and employees of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States (excluding such members while actually engaged in air operations in or over Cambodia which originate outside Cambodia) present in Cambodia at any one time shall not exceed two hundred. The United States shall not, at any time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eighty-five individuals in Cambodia who are citizens of countries other than Cambodia or the United States. For purposes of this section, ‘executive agency of the United States Government’ means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

[“SEC. 657. ANNUAL FOREIGN ASSISTANCE REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding the volume and cost of assistance extended by the United States Government to foreign countries and international organizations, and in order that the Congress and the American people may be better informed regarding the sale of arms to foreign countries and international organizations by private industry of the United States, not later than De-

cember 31 of each year the President shall transmit to the Congress an annual report, for the fiscal year ending prior to the fiscal year in which the report is transmitted, showing—

[“(1) the aggregate dollar value of all foreign assistance provided by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance by category provided by the United States Government to each such country and organization, during that fiscal year;

[“(2) the total amounts of foreign currency paid by each foreign country or international organization to the United States Government in such fiscal year, what each payment was made for, whether any portion of such payment was returned by the United States Government to the country or organization from which the payment was obtained or whether any such portion was transferred by the United States Government to another foreign country of international organization, and, if so returned or transferred, the kind of assistance obtained by that country or organization with those foreign currencies and the dollar value of such kind of assistance;

[“(3) the aggregate dollar value of all arms, ammunitions, and other implements of war, and the aggregate dollar value of each category of such arms, ammunitions, and implements of war, exported under any export license, to all foreign countries and international organizations, and to each such country and organization, during that fiscal year; and

[“(4) such other matters relating to foreign assistance provided by the United States Government as the President considers appropriate, including explanations of the information required under clauses (1)–(3) of this subsection.

[“(b) All information contained in any report transmitted under this section shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplement to any report shall be transmitted to the Congress at the same time that the report is transmitted.

[“(c) If the Congress is not in session at the time a report or supplement is transmitted to the Congress, the Secretary of the Senate and the Clerk of the House of Representatives shall accept the report or supplement on behalf of their respective Houses of Congress and present the report or supplement to the two Houses immediately upon their convening.

[“(d) For purposes of this section—

[“(1) ‘foreign assistance’ means any tangible or intangible item provided by the United States Government under this or any other law to a foreign country or international organization, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country;

[“(2) ‘provided by the United States Government’ includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit sale, or guaranty; and

[“(3) ‘value’ means value at the time of transfer except that in no case shall any commodity or article of equipment or material be considered to have a value less than one-third of the amount the United States Government paid at the time the commodity or article was acquired by the United States Government.

[“SEC. 658. LIMITATION ON USE OF FUNDS.—(a) Except as otherwise provided in this section, none of the funds appropriated to carry out the provisions of this Act or the Foreign Military Sales Act shall be obligated or expended until the Comptroller General of the United States certifies to the Congress that all funds previously appropriated and thereafter impounded during the fiscal year 1971 for programs and activities administered by or under the direction of the Department of Agriculture, the Department of Housing and Urban Development, and the Department of Health, Education, and Welfare have been released for obligation and expenditure.

[“(b) The provisions of this section shall not apply—

[“(1) to funds being withheld in accordance with specific requirements of law; and

[“(2) to appropriations obligated or expended prior to April 30, 1972.”.

[(c)(1) Section 644(m) of such Act, relating to definitions, is amended by striking out—

[“(m) ‘Value’ means—”

and inserting in lieu thereof—

[“(m) ‘Value’ means, other than in section 657 of this Act—”.

[(2) Subsection (a) of section 634 of such Act, relating to reports and information, is repealed.

[(3) The provisions of this subsection and section 657 of such Act, as added by subsection (b) of this Act, shall apply with respect to each fiscal year commencing on or after July 1, 1971.

[PART IV—MISCELLANEOUS PROVISIONS

[SEC. 401. The Foreign Military Sales Act is amended as follows:

[(a) In section 31(a) of chapter 3, relating to authorization, strike our “$250,000,000 for each of the fiscal years 1970 and 1971” and insert in lieu thereof “$400,000,000 for the fiscal year 1972”.

[(b) In section 31(b) of chapter 3, relating to aggregate ceiling on foregn military sales credits, strike out “$340,000,000 for each of the fiscal years 1970 and 1971” and insert in lieu thereof “$550,000,000 for the fiscal year 1972, of which amount not less than $300,000,000 shall be made available to Israel only”.

[(c) In section 33(a) of chapter 3, relating to regional ceilings on foreign military sales, strike out “$75,000,000” and insert in lieu thereof “$100,000,000”.

[(d) Subsection (c) of section 33 of chapter 3, relating to regional ceilings on foreign military sales, is amended to read as follows:

[“(c) The limitations of this section may not be waived pursuant to any authority contained in this or any other Act unless the President finds that overriding requirements of the national secu-

rity of the United States justify such a waiver and promptly reports such finding to the Congress in writing, together with his reasons for such finding. In any case in which the limitations of this section are waived under the preceding sentence, the report required under such sentence shall set forth, in detail, the expenditures proposed to be made in excess of the geographical limitation applicable under this section. Notwithstanding the foregoing provisions of this subsection, in no event shall the aggregate of the total amount of military assistance pursuant to the Foreign Assistance Act of 1961, of cash sales pursuant to sections 21 and 22, of credits, or participations in credits, financed pursuant to section 23 (excluding credits covered by guaranties issued pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sections 24 (a) and (b), and of loans and sales in accordance with section 7307 of title 10, United States Code, exceed any geographical ceiling applicable under this section by more than an amount equal to 50 per centum of such ceiling.".

[(e) In section 42(a) of chapter 4, relating to general provisions—

[(1) strike out "and" immediately before "(2)"; and

[(2) immediately before the period at the end thereof insert the following: ", and (3) the extent to which such sale might contribute to an arms race, or increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements".

[(f) Section 42 of chapter 4, relating to general provisions, is amended as follows:

[(1) In Subsection (a), strike out "but consideration shall also be given" and insert in lieu thereof "but, subject to the provisions of subsection (b) of this section, consideration shall also be given".

[(2) Redesignated subsections (b) and (c) as subsections (c) and (d), respectively, and, immediately after subsection (a), insert the following new subsection:

["(b) No credit sale shall be extended under section 23, and no guarantee shall be issued under section 24, in any case involving coproduction or licensed, production outside the United States of any defense article of United States origin unless the Secretary of State shall, in advance of any such transaction, advise the appropriate committees of the Congress and furnish the Speaker of the House of Representatives and the President of the Senate with full information regarding the proposed transaction, including, but not limited to, a description of the particular defense article or articles which would be produced under a license or coproduced outside the United States, the estimated value of such production or coproduction, and the probable impact of the proposed transaction on employment and production within the United States.".

[SEC. 402. Section 8 of the Act of January 12, 1971, entitled "An Act to amend the Foreign Military Sales Act, and for other purposes" (84 Stat. 2053), is amended—

[(1) by striking out the first and second sentences of subsection (a) and inserting in lieu thereof the following: "Subject to the provisions of subsection (b), the value of any excess defense article granted to a foreign country or international organization by any department, agency, or independent establishment of the United States Government (other than the Agency

for International Development) shall be considered to be an expenditure made from funds appropriated under the Foreign Assistance Act of 1961 for military assistance. Unless such department, agency, or establishment certifies to the Comptroller General of the United States that the excess defense article it is ordering is not to be transferred by any means to a foreign country or international organization, when an order is placed for a defense article whose stock status is excess at the time ordered, a sum equal to the value thereof shall (1) be reserved and transferred to a suspense account, (2) remain in the suspense account until the excess defense article is either delivered to a foreign country or international organization or the order therefor is cancelled, and (3) be transferred from the suspense account to (A) the general fund of the Treasury upon delivery of such article, or (B) to the military assistance appropriation for the current fiscal year upon cancellation of the order.";

[(2) by striking out, in subsection (b), "$100,000,000" and inserting in lieu thereof "$185,000,000"; and

[(3) by adding at the end thereof the following new subsection:

["(e) Except for excess defense articles granted under part II of the Foreign Assistance Act of 1961, the provisions of this section shall not apply to any excess defense article granted to South Vietnam prior to July 1, 1972.".

[SEC. 403. Paragraph (9) of section 5314 of title 5, United States Code, relating to level III of the Executive Schedule, is amended by inserting before the period at the end thereof the following: "and an Under Secretary of State for Coordinating Security Assistance Programs".

[SEC. 404. The first section of the Act of June 28, 1935, entitled "An Act to authorize participation by the United States in the Interparliamentary Union" (22 U.S.C. 276), is amended as follows:

[(1) Strike out "$53,550" and insert in lieu thereof "$102,000".

[(2) Strike out "$26,650" and insert in lieu thereof "$57,000".

[(3) Strike out "$26,900" and insert in lieu thereof "$45,000".

[SEC. 405. Section 2 of the joint resolution entitled "Joint resolution to authorize participation by the United States in parliamentary conferences of the North Atlantic Treaty Organization", approved July 11, 1956 (22 U.S.C. 1928b), is amended as follows:

[(1) Strike out "$30,000" and insert in lieu thereof "$50,000".

[(2) Strike out "$15,000" each place it appears and insert in lieu thereof in each such place "$25,000".

[SEC. 406. Part IV of the Foreign Assistance Act of 1969 is amended as follows:

[(1) Strike out the title of such part and insert in lieu thereof the following:

["PART IV—THE INTER-AMERICAN FOUNDATION ACT".

[(2) The caption of section 401 and subsection (a) of such section of that part are amended to read as follows: "INTER-AMERICAN FOUNDATION.—(a) There is created as an agency of the United States of America a body corporate to be known as the Inter-Amer-

ican Foundation (hereinafter in this section referred to as the "Foundation')."

[(3) Section 401 of such part is amended by striking out "Institute" wherever it appears and inserting in lieu thereof "Foundation".

[(4) Section 401(e)(4) of such part is amended to read as follows:

["(4) shall determine and prescribe the manner in which its obligations shall be incurred and its expenses, including expenses for representation (not to exceed $10,000 in any fiscal year), allowed and paid;".

[(5) Section 401(l) is amended to read as follows:

["(l)(1) The chief executive officer of the Foundation shall be a President who shall be appointed by the Board of Directors on such terms as the Board may determine. The President shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

["(2) Experts and consultants, or organizations thereof, may be employed as authorized by section 3109 of title 5, United States Code.".

[SEC. 407. (a) It is the purpose of this section to enable the Congress generally, and the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives in particular, to carry out the purposes and intent of the Legislative Reorganization Acts of 1946 and 1970, with respect to—

[(1) the analysis, appraisal, and evaluation of the application, administration, and execution of the laws relating to the Department of State and the United States Information Agency and of matters relating to the foreign relations of the United States; and

[(2) providing periodic authorizations of appropriations for that Department and Agency.

[(b) Section 15 of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (22 U.S.C. 2580) is amended to read as follows:

["SEC. 15. (a) Notwithstanding any other provision of law, no appropriation shall be made to the Department of State under any law for any fiscal year commencing on or after July 1, 1972, unless previously authorized by legislation hereafter enacted by the Congress.

["(b) The Department of State shall keep the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives fully and currently informed with respect to all activities and responsibilities within the jurisdiction of these committees. Any Federal department, agency, or independent establishment shall furnish any information requested by either such committee relating to any such activity or responsibility.".

[(c) The last sentence of section 13 of such Act (22 U.S.C. 2684) is repealed.

[(d) Section 701 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476) is amended to read as follows:

[“PRIOR AUTHORIZATIONS BY CONGRESS

[“SEC. 701. Notwithstanding any other provision of law, no appropriation shall be made to the Secretary of State, or to any Government agency authorized to administer the provisions of this Act, under any law for any fiscal year commencing on or after July 1, 1972, unless previously authorized by legislation enacted by the Congress after the date of enactment of the Foreign Assistance Act of 1971.”.

[SEC. 408. Section 7(a) of the Special Foreign Assistance Act of 1971 (84 Stat. 1943) is amended by striking out “Cambodian military forces” and inserting in lieu thereof “military, paramilitary, police, or other security or intelligence forces”.

[SEC. 409 Section 401(a) of Public Law 89–367, approved March 15, 1966 (80 Stat. 37), as amended, is amended—

[(1) by inserting in the second sentence of paragraph (1), after “to or for the use of the Armed Forces of the United States”, the following: “or of any department, agency, or independent establishment of the United States”; and

[(2) by inserting in the introductory matter preceding clause (A) of paragraph (2) of such section, after “Armed Forces of the United States”, the following: “or of any department, agency, or independent establishment of the United States”.

[SEC. 410. The Congress strongly urges the President to undertake such negotiations as may be necessary to implement that portion of the recommendations of the Report of the President’s Commission for the Observance of the Twenty-fifth Anniversary of the United Nations (known as the “Lodge Commission”) which proposes that the portion of the regular assessed costs to be paid by the United States to the United Nations be reduced so that the United States is assessed in each year not more than 25 per centum of such costs assessed all members of the United Nations for that year.]

SPECIAL FOREIGN ASSISTANCE ACT OF 1971

AN ACT To provide additional foreign assistance authorizations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the “Special Foreign Assistance act of 1971”.

[SEC. 2. There are authorized to be appropriated to the President for the fiscal year 1971 not to exceed—

[(1) $85,000,000 for additional military assistance and $70,000,000 for special economic assistance for Cambodia;

[(2) $100,000,000 for economic and military assistance programs to replace funds which were transferred by the President for use in Cambodia;

[(3) $150,000,000 for additional military assistance for the Republic of Korea;

[(4) $30,000,000 for additional military assistance for Jordan;

[(5) $3,000,000 for additional military assistance for Indonesia and $10,000,000 to replace funds transferred from other programs for use in Indonesia;

[(6) $5,000,000 for additional military assistance for Lebanon;

[(7) $65,000,000 for additional supporting assistance for Vietnam; and

[(8) $17,000,000 for additional general military assistance to compensate for a shortage in anticipated recovery of funds from past years' programs.

[SEC. 3. The President is authorized until June 30, 1972, to transfer to the Republic of Korea such defense articles located in Korea and belonging to the Armed Forces of the United States on July 1, 1970, as he may determine, except that no funds heretofore or hereafter appointed under this Act or the Foreign Assistance Act of 1961 shall be available for reimbursement to any agency of the United States Government for any transfer made pursuant to this section.

[SEC. 4. Except as otherwise provided in this Act, any assistance furnished out of funds appropriated under section 2 of this Act and any transfer made under section 3 of this Act shall be furnished or transferred, as the case may be, in accordance with all of the purposes and limitations applicable by statute to that type of assistance or transfer under the Foreign Assistance Act of 1961 (including the provisions of section 652 of such Act, as added by section 8 of this Act).

[SEC. 5. Section 402 of the Foreign Assistance Act of 1961 (22 U.S.C. 2242) is amended by adding at the end thereof the following new sentence: "None of the funds authorized by this section shall be made available to the Government of Vietnam unless, beginning in January 1971, and quarterly thereafter, the President of the United States shall determine that the accommodation rate of exchange between said Government and the United States is fair to both countries.".

[SEC. 6. (a) Section 451(a) of the Foreign Assistance Act of 1961, relating to the contingency fund, is amended—

[(1) by striking out "for the fiscal year 1971 not to exceed $15,000,000" and inserting in lieu thereof "for the fiscal year 1971 not to exceed $30,000,000"; and

[(2) by striking out the period at the end thereof and inserting the following: ": *Provided*, That, in addition to any other sums available for such purpose, $15,000,000 of the amount authorized for the fiscal year 1971 may be used only for the purpose of relief, rehabilitation, and reconstruction assistance for the benefit of cyclone, tidal wave, and flood victims in East Pakistan.".

[(b) Excess foreign currencies held in Pakistan not allocated on the date of enactment of this section are authorized to be appropriated for a period of one year from such date of enactment to help Pakistan withstand the disaster which has occurred.

[SEC. 7. (a) In line with the expressed intention of the President of the United States, none of the funds authorized or appropriated pursuant to this or any other Act may be used to finance the introduction of United States ground combat troops into Cambodia, or

to provide United States advisers to or for Cambodian military forces in Cambodia.

[(b) Military and economic assistance provided by the United States to Cambodia and authorized or appropriated pursuant to this or any other Act shall not be construed as a commitment by the United States to Cambodia for its defense.

[SEC. 8. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 652. LIMITATION UPON ADDITIONAL ASSISTANCE TO CAMBODIA.—The President shall not exercise any special authority granted to him under sections 506(a), 610(a), and 614(a) of this Act for the purpose of providing additional assistance to Cambodia, unless the President, at least thirty days prior to the date he intends to exercise any such authority on behalf of Cambodia (or ten days prior to such date if the President certifies in writing that an emergency exists requiring immediate assistance to Cambodia), notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended exercise, the section of this Act under which such authority is to be exercised, and the justification for, and the extent of, the exercise of such authority.".]

FOREIGN ASSISTANCE ACT OF 1969

AN ACT To promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world to achieve economic development within a framework of democratic economic, social, and political institutions, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Foreign Assistance Act of 1969".

[PART I—ECONOMIC ASSISTANCE

[DEVELOPMENT LOAN FUND

[SEC. 101. (a) Section 202(a) of the Foreign Assistance Act of 1961, relating to authorization, is amended—

[(1) by striking out "and" after "fiscal year 1968,";

[(2) by inserting after "fiscal year 1969," the following: "$350,000,000 for the fiscal year 1970, and $350,000,000 for the fiscal year 1971,"; and

[(3) by striking out "the fiscal year ending June 30, 1969" in the second proviso and inserting in lieu thereof "each of the fiscal years ending June 30, 1970, and June 30, 1971".

[(b) Section 203 of such Act, relating to fiscal provisions, is amended to read as follows:

["SEC. 203. FISCAL PROVISIONS.—Dollar receipts from loans made pursuant to this part and from loans made under the Mutual Security Act of 1954, as amended, are authorized to be made available for the fiscal year 1970 and for the fiscal year 1971 for use for the purposes of this title, for loans under title VI, and for the purpose of section 232. Such receipts and other funds made available under this section shall remain available until expended."

[TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

[SEC. 102. Section 212 of such Act, relating to authorization, is amended by striking out "$200,000,000 for the fiscal year 1969" and inserting in lieu thereof "$183,500,000 for the fiscal year 1970, and $183,500,000 for the fiscal year 1971".

[AMERICAN SCHOOLS AND HOSPITALS ABROAD

[SEC. 103. Section 214 of such Act, relating to American schools and hospitals abroad, is amended—

[(1) by striking out of subsection (c) "fiscal year 1969, $14,600,000, to remain available until expended." and inserting in lieu thereof "fiscal year 1970, $25,900,000, and for the fiscal year 1971, $12,900,000, which amounts are authorized to remain available until expended. Amounts appropriated under this subsection for the fiscal year 1970 shall be available for expenditure solely in accordance with the allocations set forth on pages 25 and 26 of House Report No. 91–611 and on page 23 of Senate Report No. 91–603.";

[(2) by striking out of subsection (d) "fiscal year 1969, $5,100,000" and inserting in lieu thereof "fiscal year 1970, $3,000,000"; and

[(3) by adding at the end of subsection (d) the following new sentence: "Foreign currencies appropriated under this subsection shall be available for expenditure solely in accordance with the allocation set forth on page 23 of Senate Report No. 91–603.".

[PROTOTYPE DESALTING PLANT; PROGRAMS FOR PEACEFUL COMMUNICATION

[SEC. 104. Title II of chapter 2 of part I, relating to technical cooperation and development grants, is amended by adding at the end thereof the following new sections:

["SEC. 219. PROTOTYPE DESALTING PLANT.—(a) In furtherance of the purposes of this part and for the purpose of improving existing, and developing and advancing new, technology and experience in the design, construction, and operation of large-scale desalting plants of advanced concepts which will contribute materially to low-cost desalination in all countries, including the United States, the President, if he determines it to be feasible, is authorized to participate in the development of a large-scale water treatment and desalting prototype plant and necessary appurtenances to be constructed in Israel as an integral part of a dual-purpose power generating and desalting project. Such participation shall include financial, technical, and such other assistance as the President deems appropriate to provide for the study, design, construction, and, for a limited demonstration period of not to exceed five years, operation and maintenance of the water treatment and desalting facilities of the dual-purpose project.

["(b) Any agreement entered into under subsection (a) of this section shall include such terms and conditions as the President deems appropriate to insure, among other things, that all information, products, uses, processes, patents, and other developments obtained or utilized in the development of this prototype plant will

be available without further cost to the United States for the use and benefit of the United States throughout the world, and to insure that the United States, its officers, and employees have a permanent right to review data and have access to such plant for the purpose of observing its operations and improving science and technology in the field of desalination.

[“(c) In carrying out the provisions of this section, the President may enter into contracts with public or private agencies and with any person without regard to sections 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529 and 41 U.S.C. 5).

[“(d) Nothing in this section shall be construed as intending to deprive the owner of any background patent or any right which such owner may have under that patent.

[“(e) In carrying out the provisions of this section, the President may utilize the personnel, services, and facilities of any Federal agency.

[“(f) The United States costs, other than its administrative costs, for the study, design, construction, and operation of a prototype plant under this section shall not exceed either 50 per centum of the total capital costs of the facilities associated with the production of water, and 50 per centum of the operation and maintenance costs for the demonstration period, or $20,000,000, whichever is less. There are authorized to be appropriated, subject to the limitations of this subsection, such sums as may be necessary to carry out the provisions of this section, including administrative costs thereof. Such sums are authorized to remain available until expended.

[“(g) No funds appropriated for the Office of Saline Water pursuant to the appropriation authorized by the Act of July 11, 1969 (83 Stat. 45, Public Law 91–43), or prior authorization Acts, shall be used to carry out the purposes of this section.

[“SEC. 220. PROGRAMS FOR PEACEFUL COMMUNICATION.—(a) The President is authorized to use funds made available under section 212 to carry out programs of peaceful communications which make use of television and related technologies, including satellite transmissions, for educational, health, agricultural, and community development purposes in the less developed countries.

[“(b) In carrying out programs in the fields of education, health, agriculture, and community development, the agency primarily responsible for part I shall, to the extent possible, assist the developing countries with research, training, planning assistance, and project support in the use of television and related technologies, including satellite transmissions. The agency shall make maximum use of existing satellite capabilities, including the facilities of the International Telecommunications Satellite Consortium.

[“(c) In implementing activities under this section, the agency primarily responsible for part I shall coordinate closely with Federal, State, and local agencies and with nongovernmental educational, health, and agricultural institutions and associations within the United States.”

[HOUSING GUARANTIES; OVERSEAS PRIVATE INVESTMENT CORPORATION

[SEC. 105. Chapter 2 of part I of such Act, relating to development assistance, is amended by striking out title III and title IV and inserting in lieu thereof the following new titles:

["TITLE III—HOUSING GUARANTIES

["SEC. 221. WORLDWIDE HOUSING GUARANTIES.—In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed friendly countries and areas, and promote the development of thrift and credit institutions engaged in programs of mobilizing local savings for financing the construction of self-liquidating housing projects and related community facilities, the President is authorized to issue guaranties, on such terms and conditions as he shall determine, to eligible investors as defined in section 238(c), assuring against loss of loan investments for self-liquidating housing projects. The total face amount of guaranties issued hereunder, outstanding at any one time, shall not exceed $130,000,000. Such guaranties shall be issued under the conditions set forth in section 222(b) and section 223.

["SEC. 222. HOUSING PROJECTS IN LATIN AMERICAN COUNTRIES.—(a) The President shall assist in the development in the American Republics of self-liquidating housing projects, the development of institutions engaged in Alliance for Progress programs, including cooperatives, free labor unions, savings and loan type institutions, and other private enterprise programs in Latin America engaged directly or indirectly in the financing of home mortgages, the construction of homes for lower income persons and families, the increased mobilization of savings and improvement of housing conditions in Latin America.

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

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

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

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

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

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

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

[“SEC. 223. GENERAL PROVISIONS.—(a) A fee shall be charged for each guaranty issued under section 221 or section 222 in an amount to be determined by the President. In the event the fee to be charged for such type of guaranty is reduced, fees to be paid under existing contracts for the same type of guaranty may be similarly reduced.

[“(b) The amount of $50,000,000 of fees accumulated under prior investment guaranty provisions repealed by the Foreign Assistance Act of 1969, together with all fees collected in connection with guaranties issued hereunder, shall be available for meeting necessary administrative and operating expenses of carrying out the provisions of this title and of prior housing guaranty provisions repealed by the Foreign Assistance Act of 1969 (including, but not limited to expenses pertaining to personnel, supplies, and printing), subject to such limitations as may be imposed in annual appropriation Acts; for meeting management and custodial costs incurred with respect to currencies or other assets acquired under guaranties made pursuant to section 221 or section 222 or heretofore pursuant to prior Latin American and other housing guaranty authorities repealed by the Foreign Assistance Act of 1969; and to pay the cost of investigating and adjusting (including costs of arbitration) claims under such guaranties; and shall be available for expenditure in discharge of liabilities under such guaranties until such time as all such property has been disposed of and all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this subsection.

[“(c) Any payments made to discharge liabilities under guaranties issued under section 221 or section 222 or heretofore under prior Latin American or other housing guaranty authorities repealed by the Foreign Assistance Act of 1969, shall be paid first out of fees referred to in subsection (b) (excluding amounts required for purposes other than the discharge of liabilities under guaranties) as long as such fees are available, and thereafter shall be paid out of funds, if any, realized from the sale of currencies or other assets acquired in connection with any payment made to discharge liabilities under such guaranties as long as funds are available, and finally out of funds hereafter made available pursuant to subsection (e).

[“(d) All guaranties issued under section 221 or section 222 or heretofore under prior Latin American or other housing guaranty authority repealed by the Foreign Assistance Act of 1969 shall con-

stitute obligations, in accordance with the terms of such guaranties, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

[“(e) There is hereby authorized to be appropriated to the President such amounts, to remain available until expended, as may be necessary from time to time to carry out the purposes of this title.

[“(f) In the case of any loan investment guaranteed under section 221 or section 222, the agency primarily responsible for administering part I shall prescribe the maximum rate of interest allowable to the eligible investor, which maximum rate shall not be less than one-half of 1 per centum above the then current rate of interest applicable to housing mortgages insured by the Department of Housing and Urban Development. In no event shall the agency prescribe a maximum allowable rate of interest which exceeds by more than 1 per centum the then current rate of interest applicable to housing mortgages insured by such Department. The maximum allowable rate of interest under this subsection shall be prescribed by the agency as of the date the project covered by the investment is officially authorized and, prior to the execution of the contract, the agency may amend such rate at its discretion, consistent with the provisions of subsection (f).

[“(g) Housing guaranties committed, authorized, or outstanding under prior housing guaranty authorities repealed by the Foreign Assistance Act of 1969 shall continue subject to provisions of law originally applicable thereto and fees collected hereafter with respect to such guaranties shall be available for the purposes specified in subsection (b).

[“(h) No payment may be made under any guaranty issued pursuant to this title for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

[“(i) The authority of section 221 and section 222 shall continue until June 30, 1972.

[“Title IV—Overseas Private Investment Corporation

[“SEC. 231. CREATION, PURPOSE, AND POLICY.—To mobilize and facilitate the participation of United States private capital and skills in the economic and social progress of less developed friendly countries and areas, thereby complementing the development assistance objectives of the United States, there is hereby created the Overseas Private Investment Corporation (hereinafter called the ‘Corporation’), which shall be an agency of the United States under the policy guidance of the Secretary of State.

[“In carrying out its purpose, the Corporation, utilizing broad criteria, shall undertake—

[“(a) to conduct its financing operations on a self-sustaining basis, taking into account the economic and financial soundness of projects and the availability of financing from other sources on appropriate terms;

[“(b) to utilize private credit and investment institutions and the Corporation’s guaranty authority as the principal means of mobilizing capital investment funds;

[“(c) to broaden private participation and revolve its funds through selling its direct investments to private investors whenever it can appropriately do so on satisfactory terms;

[“(d) to conduct its insurance operations with due regard to principles of risk management including, when appropriate, efforts to share its insurance risks;

[“(e) to utilize, to the maximum practicable extent consistent with the accomplishment of its purpose, the resources and skills of small business and to provide facilities to encourage its full participation in the programs of the Corporation;

[“(f) to encourage and support only those private investments in less developed friendly countries and areas which are sensitive and responsive to the special needs and requirements of their economies, and which contribute to the social and economic development of their people;

[“(g) to consider in the conduct of its operations the extent to which less developed country governments are receptive to private enterprise, domestic and foreign, and their willingness and ability to maintain conditions which enable private enterprise to make its full contribution to the development process;

[“(h) to foster private initiative and competition and discourage monopolistic practices;

[“(i) to further to the greatest degree possible, in a manner consistent with its goals, the balance-of-payments objectives of the United States;

[“(j) to conduct its activities in consonance with the activities of the agency primarily responsible for administering part I and the international trade, investment, and financial policies of the United States Government; and

[“(k) to advise and assist, within its field of competence, interested agencies of the United States and other organizations, both public and private, national and international, with respect to projects and programs relating to the development of private enterprise in less developed countries and areas.

[“SEC. 232. CAPITAL OF THE CORPORATION.—The President is authorized to pay in as capital of the Corporation, out of dollar receipts made available through the appropriation process from loans made pursuant to this part and from loans made under the Mutual Security Act of 1954, as amended, for the fiscal year 1970 not to exceed $20,000,000 and for the fiscal year 1971 not to exceed $20,000,000. Upon the payment of such capital by the President, the Corporation shall issue an equivalent amount of capital stock to the Secretary of the Treasury.

[“SEC. 233. ORGANIZATION AND MANAGEMENT.—(a) STRUCTURE OF THE CORPORATION.—The Corporation shall have a Board of Directors, a President, an Executive Vice President, and such other officers and staff as the Board of Directors may determine.

[“(b) BOARD OF DIRECTORS.—All powers of the Corporation shall vest in and be exercised by or under the authority of its Board of Directors (‘the Board’) which shall consist of eleven Directors, including the Chairman, with six Directors constituting a quorum for the transaction of business. The Administrator of the Agency for International Development shall be the Chairman of the Board, ex officio. Six Directors (other than the President of the Corporation,

appointed pursuant to subsection (c) who shall also serve as a Director) shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall not be officials or employees of the Government of the United States. At least one of the six Directors appointed under the preceding sentence shall be experienced in small business, one in organized labor, and one in cooperatives. Each such Director shall be appointed for a term of no more than three years. The terms of no more than two such Directors shall expire in any one year. Such Directors shall serve until their successors are appointed and qualified and may be reappointed.

[“The other Directors shall be officials of the Government of the United States, designated by and serving at the pleasure of the President of the United States.

[“All Directors who are not officers of the Corporation or officials of the Government of the United States shall be compensated at a rate equivalent to that of level IV of the Executive Schedule (5 U.S.C. 5315) when actually engaged in the business of the Corporation and may be paid per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, as amended from time to time, while away from their homes or usual places of business.

[“(c) PRESIDENT OF THE CORPORATION.—The President of the Corporation shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. In making such appointment, the President shall take into account private business experience of the appointee. The President of the Corporation shall be its Chief Executive Officer and responsible for the operations and management of the Corporation subject to bylaws and policies established by the Board.

[“(d) OFFICERS AND STAFF.—The Executive Vice President of the Corporation shall be appointed by the President of the United States, and by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. Other officers, attorneys, employees, and agents shall be selected and appointed by the Corporation, and shall be vested with such powers and duties as the Corporation may determine. Of such persons employed by the Corporation, not to exceed twenty may be appointed, compensated, or removed without regard to the civil service laws and regulations: *Provided*, That under such regulations as the President of the United States may prescribe, officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, except for cause, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary. Such positions shall be in addition to those otherwise authorized by law, including those authorized by section 5108 of title 5 of the United States Code.

[“SEC. 234. INVESTMENT INCENTIVE PROGRAMS.—The Corporation is hereby authorized to do the following:

[“(a) INVESTMENT INSURANCE.—(1) To issue insurance, upon such terms and conditions as the Corporation may determine, to eligible investors assuring protection in whole or in part against any or all

of the following risks with respect to projects which the Corporation has approved—

"(A) inability to convert into United States dollars other currencies, or credits in such currencies, received as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof;

["(B) loss of investment, in while or in part, in the approved project due to expropriation or confiscation by action of a foreign government; and

["(C) loss due to war, revolution, or insurrection.

["(2) Recognizing that major private investments in less developed friendly countries or areas are often made by enterprises in which there in multinational participation, including significant United States private participation, the Corporation may make such arrangements with foreign governments (including agencies, instrumentalities, or political subdivisions thereof) or with multilateral organizations for sharing liabilities assumed under investment insurance for such investments and may in connection therewith issue insurance to investors not otherwise eligible hereunder: *Provided, however,* That liabilities assumed by the Corporation under the authority of this subsection shall be consistent with the purposes of this title and that the maximum share of liabilities so assumed shall not exceed the proportionate participation by eligible investors in the total project financing.

["(3) Not more than 100 per centum of the total face amount of investment insurance which the Corporation is authorized to issue under this subsection shall be issued to a single investor.

["(b) INVESTMENT GUARANTIES.—To issue to eligible investors guaranties of loans and other investments made by such investors assuring against loss due to such risks and upon such terms and conditions as the Corporation may determine: *Provided, however,* That such guaranties on other than loan investments shall not exceed 75 per centum of such investment: *Provided further,* That except for loan investments for credit unions made by eligible credit unions or credit union associations, the aggregate amount of investment (exclusive of interest and earnings) so guaranteed with respect to any project shall not exceed, at the time of issuance of any such guaranty, 75 per centum of the total investment committed to any such project as determined by the Corporation, which determination shall be conclusive for purposes of the Corporation's authority to issue any such guaranty: *Provided further,* That not more than 10 per centum of the total face amount of investment guaranties which the Corporation is authorized to issue under this subsection shall be issued to a single investor.

["(c) DIRECT INVESTMENT.—To make loans in United States dollars repayable in dollars or loans in foreign currencies (including, without regard to section 1415 of the Supplemental Appropriation Act, 1953, such foreign currencies which the Secretary of the Treasury may determine to be excess to the normal requirements of the United States and the Director of the Bureau of the Budget may allocate) to firms privately owned or of mixed private and public ownership upon such terms and conditions as the Corporation may determine. The Corporation may not purchase or invest in any

stock in any other corporation, except that it may (1) accept as evidence of indebtedness debt securities convertible to stock, but such debt securities shall not be converted to stock while held by the Corporation, and (2) acquire stock through the enforcement of any lien or pledge or otherwise to satisfy a previously contracted indebtedness which would otherwise be in default, or as the result of any payment under any contract of insurance or guaranty. The Corporation shall dispose of any stock it may so acquire as soon as reasonably feasible under the circumstances then pertaining.

[“No loans shall be made under this section to finance operations for mining or other extraction of any deposit of ore, oil, gas, or other mineral.

[“(d) INVESTMENT ENCOURAGEMENT.—To initiate and support through financial participation, incentive grant, or otherwise, and on such terms and conditions as the Corporation may determine, the identification, assessment, surveying and promotion of private investment opportunities, utilizing wherever feasible and effective the facilities of private organizations or private investors: *Provided, however,* That the Corporation shall not finance surveys to ascertain the existence, location, extent or quality, or to determine the feasibility of undertaking operations for mining or other extraction, of any deposit of ore, oil, gas, or other mineral. In carrying out this authority, the Corporation shall coordinate with such investment promotion activities as are carried out by the Department of Commerce.

[“(e) SPECIAL ACTIVITIES.—To administer and manage special projects and programs, including programs of financial and advisory support which provide private technical, professional, or managerial assistance in the development of human resources, skills, technology, capital savings and intermediate financial and investment institutions and cooperatives. The funds for these projects and programs may, with the Corporation's concurrence, be transferred to it for such purposes under the authority of section 632(a) or from other sources, public or private.

[“SEC. 235. ISSUING AUTHORITY, DIRECTOR INVESTMENT FUND AND RESERVES.—(a)(1) The maximum contingent liability outstanding at any one time pursuant to insurance issued under section 234(a) shall not exceed $7,500,000,000.

[“(2) The maximum contingent liability outstanding at any one time pursuant to guaranties issued under section 234(b) shall not exceed in the aggregate $750,000,000, of which guaranties of credit union investment shall not exceed $1,250,000: *Provided,* That the Corporation shall not make any commitment to issue any guaranty which would result in a fractional reserve less than 25 per centum of the maximum contingent liability then outstanding against guaranties issued or commitments made pursuant to section 234(b) or similar predecessor guaranty authority.

[“(3) The Congress, in considering the budget programs transmitted by the President for the Corporation, pursuant to section 104 of the Government Corporation Control Act, as amended, may limit the obligations and contingent liabilities to be undertaken under section 234 (a) and (b) as well as the use of funds for operating and administrative expenses.

[“(4) The authority of section 234 (a) and (b) shall continue until June 30, 1974.

[“(b) There shall be established a revolving fund, known as the Direct Investment Fund, to be held by the Corporation. Such fund shall consist initially of amounts made available under section 232, shall be available for the purposes authorized under section 234(c), shall be charged with realized losses and credited with realized gains and shall be credited with such additional sums as may be transferred to it under the provisions of section 236.

[“(c) There shall be established in the Treasury of the United States an insurance and guaranty fund, which shall have separate accounts to be known as the Insurance Reserve and the Guaranty Reserve, which reserves shall be available for discharge of liabilities, as provided in section 235(d), until such time as all such liabilities have been discharged or have expired or until all such reserves have been expended in accordance with the provisions of this section. Such fund shall be funded by: (1) the funds heretofore available to discharge liabilities under predecessor guaranty authority (including housing guaranty authorities), less both the amount made available for housing guaranty programs pursuant to section 223(b) and the amount made available to the Corporation pursuant to section 234(e); and (2) such sums as shall be appropriated pursuant to section reserve shall be determined by the Board after consultation with the Secretary of the Treasury. Additional amounts may thereafter be transferred to such reserves pursuant to section 236.

[“(d) Any payments made to discharge liabilities under investment insurance issued under section 234(a) or under similar predecessor guaranty authority shall be paid first out of the Insurance Reserve, as long as such reserve remains available, and thereafter out of funds made available pursuant to section 235(f). Any payments made to discharge liabilities under guaranties issued under section 234(b) or under similar predecessor guaranty authority shall be paid firs tout of the Guaranty Reserve as long as such reserve remains available, and thereafter out of funds made available pursuant to section 235(f).

[“(e) There is hereby authorized to be transferred to the Corporation at its call, for the purposes specified in section 236, all fees and other revenues collected under predecessor guaranty authority from December 31, 1968, available as of the date of such transfer.

[“(f) There is hereby authorized to be appropriated to the Corporation, to remain available until expended, such amounts as may be necessary from time to time to replenish or increase the insurance and guaranty fund or to discharge the liabilities under insurance and guaranties issued by the Corporation or issued under predecessor guaranty authority.

[“SEC. 236. INCOME AND REVENUES.—In order to carry out the purposes of the Corporation, all revenues and income transferred to or earned by the Corporation, from whatever source derived, shall be held by the Corporation and shall be available to carry out its purposes, including without limitation—

[“(a) payment of all expenses of the Corporation, including investment promotion expenses;

[“(b) transfers and additions to the insurance or guaranty reserves, the Direct Investment Fund established pursuant to section 235, and such other funds or reserves as the Corporation may establish, at such time and in such amounts as the Board may determine; and

[“(c) payment of dividends, on capital stock, which shall consist of and be paid from net earnings of the Corporation after payments, transfers, and additions under subsections (a) and (b) hereof.

[“SEC. 237. GENERAL PROVISIONS RELATING TO INSURANCE AND GUARANTY PROGRAM.—(a) Insurance and guaranties issued under this title shall cover investment made in connection with projects in any less developed friendly country or area with the government of which the President of the United States has agreed to institute a program for insurance or guaranties.

[“(b) The Corporation shall determine that suitable arrangements exist for protecting the interest of the Corporation in connection with any insurance or guaranty issued under this title, including arrangements concerning ownership, use, and disposition of the currency, credits, assets, or investments on account of which payment under such insurance or guaranty is to be made, and any right, title, claim, or cause of action existing in connection therewith.

[“(c) All guaranties issued prior to July 1, 1956, all guaranties issued under sections 202(b) and 413(b) of the Mutual Security Act of 1954, as amended, all guaranties heretofore issued pursuant to prior guaranty authorities repealed by the Foreign Assistance Act of 1969, and all insurance and guaranties issued pursuant to this title shall constitute obligations, in accordance with the terms of such insurance or guaranties, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

[“(d) Fees shall be charged for insurance and guaranty coverage in amounts to be determined by the Corporation. In the event fees to be charged for investment insurance or guaranties are reduced, fees to be paid under existing contracts for the same type of guaranties or insurance and for similar guaranties issued under predecessor guaranty authority may be reduced.

[“(e) No insurance or guaranty of any equity investment shall extend beyond twenty years from the date of issuance.

[“(f) No insurance or guaranty issued under this title shall exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the Corporation plus interest, earnings or profits actually accrued on said investment to the extent provided by such insurance or guaranty.

[“(g) No payment may be made under any guaranty issued pursuant to this title for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

[“(h) Insurance or guaranties of a loan or equity investment of an eligible investor in a foreign bank, finance company, or other credit institution shall extend only to such loan or equity investment and not to any individual loan or equity investment made by such foreign bank, finance company, or other credit institution.

[“(i) Claims arising as a result of insurance or guaranty operations under this title or under predecessor guaranty authority may be settled, and disputes arising as a result thereof may be arbitrated with the consent of the parties, on such terms and conditions as the Corporation may determine. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

[“(j) Each guaranty contract executed by such officer or officers as may be designated by the Board shall be conclusively presumed to be issued in compliance with the requirements of this Act.

[“(k) In making a determination to issue insurance or a guaranty under this title, the Corporation shall consider the possible adverse effect of the dollar investment under such insurance or guaranty upon the balance of payments of the United States.

“SEC. 238. DEFINITIONS.—As used in this title—

[“(a) the term ‘investment’ includes any contribution of funds, commodities, services, patents, processes, or techniques, in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings or profits of any such project, and (4) the furnishing of commodities or services pursuant to a lease or other contract;

[“(b) the term ‘expropriation’ includes, but is not limited to, any abrogation, repudiation, or impairment by a foreign government of its own contract with an investor with respect to a project, where such abrogation, repudiation, or impairment is not caused by the investor’s own fault or misconduct, and materially adversely affects the continued operation of the project;

[“(c) the term ‘eligible investor’ means: (1) United States citizens; (2) corporations, partnerships, or other associations including nonprofit associations, created under the laws of the United States or any State or territory thereof and substantially beneficially owned by United States citizens; and (3) foreign corporations, partnerships, of other associations wholly owned by one or more such United States citizens, corporations, partnerships, or other associations; *Provided, however,* That the eligibility of such foreign corporation shall be determined without regard to any shares, in aggregate less than 5 per centum of the total of issued and subscribed share capital, required by law to be held by other than the United States owners: *Provided further,* That in the case of any loan investment a final determination of eligibility may be made at the time the insurance or guaranty is issued; in all other cases, the investor must be eligible at the time a claim arises as well as at the time the insurance or guaranty is issued; and

[“(d) the term ‘predecessor guaranty authority’ means prior guaranty authorities (other than housing guaranty authorities) repealed by the Foreign Assistance Act of 1969, sections 202(b) and 413(b) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of authority relating to informational media guaranties).

[“SEC. 239. GENERAL PROVISIONS AND POWERS.—(a) The Corporation shall have its principal office in the District of Columbia

and shall be deemed, for purposes of venue in civil actions, to be a resident thereof.

[“(b) The President shall transfer to the Corporation, at such time as he may determined, all obligations, assets and related rights and responsibilities arising out of, or related to, predecessor programs and authorities similar to those provided for in section 234(a), (b), and (d). Until such transfer, the agency heretofore responsible for such predecessor programs shall continue to administer such assets and obligations, and such programs and activities authorized under this title as may be determined by the President.

[“(c) The Corporation shall be subject to the applicable provisions of the Government Corporation Control Act, except as otherwise provided in this title.

[“(d) To carry out the purposes of this title, the Corporation is authorized to adopt and use a corporate seal, which shall be judicially noticed; to sue and be sued in its corporate name; to adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the powers and duties granted to or imposed upon it by law; to acquire, hold or dispose of, upon such terms and conditions as the Corporation may determine, any property, real, personal, or mixed, tangible or intangible, or any interest therein; to invest funds derived from fees and other revenues in obligations of the United States and to use the proceeds therefrom, including earnings and profits, as it shall deem appropriate; to indemnify directors, officers, employees and agents of the Corporation for liabilities and expenses incurred in connection with their Corporation activities; to require bonds of officers, employees, and agents and pay the premiums therefor; notwithstanding any other provision of law, to represent itself or to contract for representation in all legal and arbitral proceedings; to purchase, discount, rediscount, sell, and negotiate, with or without its endorsement or guaranty, and guarantee notes, participation certificates, and other evidence of indebtedness (provided that the Corporation shall not issue its own securities, except participation certificates for the purpose of carrying out section 231(c)); to make and carry out such contracts and agreements as are necessary and advisable in the conduct of its business; to exercise the priority of the Government of the United States in collecting debts from bankrupt, insolvent, or decedents' estates; to determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations; and to take such actions as may be necessary or appropriate to carry out the powers herein or hereafter specifically conferred upon it.

[“(e) The Auditor-General of the Agency for International Development (1) shall have the responsibility for planning and directing the execution of audits, reviews, investigations, and inspections of all phases of the Corporation's operations and activities and (2) shall conduct all security activities of the Corporation relating to personnel and the control of classified material. With respect to his responsibilities under this subsection, the Auditor-General shall report to the Board. The agency primarily responsible for administering part I shall be reimbursed by the Corporation for all expenses

incurred by the Auditor-General in connection with his responsibilities under this subsection.

[“(f) In order to further the purposes of the Corporation there shall be established an Advisory Council to be composed of such representatives of the American business community as may be selected by the Chairman of the Board. The President and the Board shall, from time to time, consult with such Council concerning the objectives of the Corporation. Members of the Council shall receive no compensation for their services but shall be entitled to reimbursement in accordance with section 5703 of title 5 of the United States Code for travel and other expenses incurred by them in the performance of their functions under this section.

[“SEC. 240. AGRICULTURAL CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROJECTS.—(a) It is the sense of the Congress that in order to stimulate the participation of the private sector in the economic development of less developed countries in Latin America, the authority conferred by this section should be used to establish pilot programs in not more than five Latin American countries to encourage private banks, credit institutions, similar private lending organizations, cooperatives, and private nonprofit development organizations to make loans on reasonable terms to organized groups and individuals residing in a community for the purpose of enabling such groups and individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. Agricultural credit and assistance for self-help community development projects should include, but not be limited to, material and such projects as wells, pumps, farm machinery, improved seed, fertilizer, pesticides, vocational training, food industry development, nutrition projects, improved breeding stock for farm animals, sanitation facilities, and looms and other handicraft aids.

[“(b) To carry out the purposes of subsection (a), the Corporation is authorized to issue guaranties, on such terms and conditions as it shall determine, to private lending institutions, cooperatives, and private nonprofit development organizations in not more than five Latin American countries assuring against loss of not to exceed 25 per centum of the portfolio of such loans made by any lender to organized groups or individuals residing in a community to enable such groups or individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. In no event shall the liability of the United States exceed 75 per centum of any one loan.

[“(c) The total face amount of guaranties issued under this section outstanding at any one time shall not exceed $15,000,000. Not more than 10 per centum of such sum shall be provided for any one institution, cooperative, or organization.

[“(d) The Inter-American Social Development Institute shall be consulted in developing criteria for making loans eligible for guaranty coverage under this section.

[“(e) The guaranty reserve established under section 235(c) shall be available to make such payments as may be necessary to discharge liabilities under guaranties issued under this section.

[“(f) Notwithstanding the limitation contained in subsection (c) of this section, foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States may be utilized to carry out the purposes of this section, including the discharge of liabilities incurred under this subsection. The authority conferred by this subsection shall be in addition to authority conferred by any other provision of law to implement guaranty programs utilizing excess local currency.

[“(g) The Corporation shall, on or before January 15, 1972, make a detailed report to the Congress on the results of the pilot programs established under this section, together with such recommendations as it may deem appropriate.

[“(h) The authority of this section shall continue until June 30, 1972.

[“SEC. 240A. REPORTS TO THE CONGRESS.—(a) After the end of each fiscal year, the Corporation shall submit to the Congress a complete and detailed report of its operations during such fiscal year.

[“(b) Not later than March 1, 1974, the Corporation shall submit to the Congress an analysis of the possibilities of transferring all or part of its activities to private United States citizens, corporations, or other associations.”

[ALLIANCE FOR PROGRESS

[SEC. 106. Section 252(a) of such Act, relating to authorization, is amended to read as follows:

[“SEC. 252. AUTHORIZATION.—(a) There is authorized to be appropriated to the President for the purposes of this title, in addition to other funds available for such purposes, for the fiscal year 1970, $428,250,000, and for the fiscal year 1971, $428,250,000, which amounts are authorized to remain available until expended, and which amounts, except for not to exceed $90,750,000 for each such fiscal year, shall be available only for loans payable as to principal and interest in United States dollars. In order to effectuate the purposes and provisions of sections 102, 251, 601, and 602 of this Act, not less than 50 per centum of the loan funds appropriated pursuant to this section for any fiscal year shall be available for loans made to encourage economic development through private enterprise.”

[PROGRAMS RELATING TO POPULATION GROWTH

[SEC. 107. Section 292, relating to authorization, is amended by striking out “fiscal year 1969, $50,000,000” and inserting in lieu thereof “fiscal year 1970, $75,000,000, and for the fiscal year 1971, $100,000,000,”.

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 108. (a) Section 301(c) of such Act, relating to general authority, is amended to read as follows:

[“(c) No contributions by the United States shall be made to the United Nations Relief and Works Agency for Palestine Refugees in the Near East except on the condition that the United Nations Relief and Works Agency take all possible measures to assure that no

part of the United States contribution shall be used to furnish assistance to any refugee who is receiving military training as a member of the so-called Palestine Liberation Army or any other guerrilla type organization or who has engaged in any act of terrorism."

[(b) Section 302(a) of such Act, relating to authorization, is amended by striking out "fiscal year 1969, $135,000,000" and inserting in lieu thereof "fiscal year 1970, $122,620,000, and for the fiscal year 1971, $122,620,000".

[(c) Section 302(b) of such Act, relating to Indus Basin development, is amended by inserting "(1)" immediately after "(b)" and by adding at the end thereof the following new paragraph:

["(2) There is authorized to be appropriated to the President for grants for Indus Basin Development, in addition to any other funds available for such purposes, for use in the fiscal year 1970, $7,530,000, and for use in the fiscal year 1971, $7,530,000, which amounts shall remain available until expended."

[(d) Section 302 of such Act is further amended by adding at the end thereof the following new subsection:

["(e) There is authorized to be appropriated $1,000,000 for the fiscal year 1970, and $1,000,000 for the fiscal year 1971, to provide added contribution to the United Nations Relief and Works Agency for expansion of technical and vocational training of Arab refugees."

[SUPPORTING ASSISTANCE

[SEC. 109. Section 402 of such Act, relating to authorization, is amended by striking out "fiscal year 1969 not to exceed $410,000,000" and inserting in lieu thereof "fiscal year 1970 not to exceed $414,600,000, and for the fiscal year 1971 not to exceed $414,600,000".

[CONTINGENCY FUND

[SEC. 110. Section 451(a) of such Act, relating to the contingency fund, is amended by striking out "fiscal year 1968 not to exceed $50,000,000, and for the fiscal year 1969 not to exceed $10,000,000" and inserting in lieu thereof "fiscal year 1970 not to exceed $15,000,000, and for the fiscal year 1971 not to exceed $15,000,000".

[PART II—MILITARY ASSISTANCE

[MILITARY ASSISTANCE AUTHORIZATION

[SEC. 201. Section 504(a) of the Foreign Assistance Act of 1961, relating to authorization, is amended—

[(1) by striking out "$375,000,000 for the fiscal year 1969" and inserting in lieu thereof "$350,000,000 for the fiscal year 1970, and $350,000,000 for the fiscal year1971"; and

[(2) by adding at the end thereof the following new sentence: "Amounts appropriated under this subsection shall be available for cost-sharing expenses of United States participation in the military headquarters and related agencies program."

[SPECIAL AUTHORITY

[SEC. 202. Section 506(a) of such Act, relating to special authority of the President, is amended—

[(1) by striking out "1969" in the first sentence and inserting in lieu thereof "1970 and the fiscal year 1971"; and

[(2) by striking out "in the fiscal year 1969" in the second sentence and inserting in lieu thereof "in each of the fiscal year 1970 and 1971".

[RESTRICTIONS ON TRAINING FOREIGN MILITARY STUDENTS

[SEC. 203. Chapter 2 of part II of such Act, relating to military assistance, is amended by inserting at the end thereof the following new section.

["SEC. 510. RESTRICTIONS ON TRAINING FOREIGN MILITARY STUDENTS.—The number of foreign military students to be trained in the United States in any fiscal year, out of funds appropriated pursuant to this part, may not exceed a number equal to the number of foreign civilians brought to the United States under the Mutual Educational and Cultural Exchange Act of 1961 in the immediately preceding fiscal year."

[PART III—GENERAL, ADMINISTRATIVE, AND MISCELLANEOUS PROVISIONS

[SEC. 301. Section 610(a) of the Foreign Assistance Act of 1961, relating to transfer between accounts, is amended by inserting immediately after "funds made available for any provision of this Act" the following: "(except funds made available pursuant to title IV of chapter 2 of part I)".

[SEC. 302. Section 612 of such Act, relating to use of foreign currencies, is amended by adding at the end thereof the following new subsection:

["(d) In furnishing assistance under this Act to the government of any country in which the United States owns excess foreign currencies as defined in subsection (b) of this section, except those currencies generated under the Agricultural Trade Development and Assistance Act of 1954, as amended, the President shall endeavor to obtain from the recipient country an agreement for the release, on such terms and conditions as the President shall determine, of an amount of such currencies up to the equivalent of the dollar value of assistance furnished by the United States for programs as may be mutually agreed upon by the recipient country and the United States to carry out the purposes for which new funds authorized by this Act would themselves be available."

[SEC. 303. (a) Section 620(s) of such Act, relating to prohibitions against furnishing assistance, is amended to read as follows:

["(s)(1) In order to restrain arms races and proliferation of sophisticated weapons, and to ensure that resources intended for economic development are not diverted to military purposes, the President shall take into account before furnishing development loans, Alliance loans or supporting assistance to any country under this Act, and before making sales under the Agricultural Trade Development and Assistance Act of 1954, as amended:

[“(A) the percentage of the recipient or purchasing country’s budget which is devoted to military purposes;

[“(B) the degree to which the recipient or purchasing country is using its foreign exchange resources to acquire military equipment; and

[“(C) the amount spent by the recipient or purchasing country for the purchase of sophisticated weapons systems, such as missile systems and jet aircraft for military purposes, from any country.

[“(2) The President shall report annually to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate his actions in carrying out this provision.”

[(b) Section 620(v) of such Act is repealed.

[SEC. 304. Section 624(d) of such Act, relating to the duties of the Inspector General, Foreign Assistance, is amended—

[(1) by inserting in paragraph (2)(A), after the words “under part I of this Act”, the following: “(including the Overseas Private Investment Corporation), and under part IV of the Foreign Assistance Act of 1969 (the Inter-American Social Development Institute)”;

[(2) by inserting in paragraph (5), before the period at the end of the first sentence, the following: “and part IV of the Foreign Assistance Act of 1969”; and

[(3) by inserting in the first sentence of paragraph (7), immediately after “programs under part I or II of this Act,” the following: “and part IV of the Foreign Assistance Act of 1969,”.

[SEC. 305. Section 634(a) of such Act, relating to reports and information, is amended—

[(1) by inserting in the first sentence, after the words “concerning operations”, the following: “(other than those reported pursuant to section 240A)”; and

[(2) by striking out of the last sentence the following: “on the operation of the investment guaranty program and”.

[SEC. 306. Section 636(f) of such Act, relating to use of funds, is amended by inserting immediately before the period at the end thereof the following: “or by the Corporation established under title IV of chapter 2 of part I with respect to loan activities which it carries out under the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended”.

[SEC. 307. Section 637(a) of such Act, relating to administrative expenses, is amended by striking out “fiscal year 1969, $53,000,000” and inserting in lieu thereof “fiscal year 1970, $51,125,000, and for the fiscal year 1971, $51,125,000”.

[SEC. 308. Section 643 of such Act, relating to savings provisions, is amended by inserting after “section 642(a)” and “section 642(a)(2)” each time they appear the following: “and the Foreign Assistance Act of 1969”.

[PART IV—THE INTER-AMERICAN FOUNDATION ACT

[SEC. 401. INTER-AMERICAN FOUNDATION.—(a) There is created as an agency of the United States of America a body corporate to be known as the Inter-American Foundation (hereinafter in this section referred to as the “Foundation”).

[(b) The future of freedom, security, and economic development in the Western Hemisphere rests on the realization that man is the foundation of all human progress. It is the purpose of this section to provide support for developmental activities designed to achieve conditions in the Western Hemisphere under which the dignity and the worth of each human person will be respected and under which all men will be afforded the opportunity to develop their potential, to seek through gainful and productive work the fulfillment of their aspirations for a better life, and to live in justice and peace. To this end, it shall be the purpose of the Foundation, primarily in cooperation with private, regional, and international organizations, to—

[(1) strengthen the bonds of friendship and understanding among the peoples of this hemisphere;

[(2) support self-help efforts designed to enlarge the opportunities for individual development;

[(3) stimulate and assist effective and ever wider participation of the people in the development process;

[(4) encourage the establishment and growth of democratic institutions, private and governmental, appropriate to the requirements of the individual sovereign nations of this hemisphere.

In pursuing these purposes, the Foundation shall place primary emphasis on the enlargement of educational opportunities at all levels, the production of food and the development of agriculture, and the improvement of environmental conditions relating to health, maternal and child care, family planning, housing, free trade union development, and other social and economic needs of the people.

[(c) The Foundation shall carry out the purposes set forth in subsection (b) of this section primarily through and with private organizations, individuals, and international organizations by undertaking or sponsoring appropriate research and by planning, initiating, assisting, financing, administering, and executing programs and projects designed to promote the achievement of such purposes.

[(d) In carrying out its functions under this section, the Foundation shall, to the maximum extent possible, coordinate its undertakings with the development activities in the Western Hemisphere of the various organs of the Organization of American States, the United States Government, international organizations, and other entities engaged in promoting social and economic development of Latin America.

[(e) The Foundation, as a corporation—

[(1) shall have perpetual succession unless sooner dissolved by an Act of Congress;

[(2) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

[(3) may make and perform contracts and other agreements with any individual, corporation, or other body of persons however designated whether within or without the United States of America, and with any government or governmental agency, domestic or foreign;

[(4) shall determine and prescribe the manner in which its obligations shall be incurred and its expenses, including ex-

penses for representation (not to exceed $10,000 in any fiscal year) allowed and paid;

[(5) may, as necessary for the transaction of the business of the Foundation, employ, and fix the compensation of not to exceed one hundred persons at any one time;

[(6) may acquire by purchase, devise, bequest, or gift, or otherwise lease, hold, and improve, such real and personal property as it finds to be necessary to its purposes, whether within or without the United States, and in any manner dispose of all such real and personal property held by it and use as general funds all receipts arising from the disposition of such property;

[(7) shall be entitled to the use of the United States mails in the same manner and on the same conditions as the executive departments of the Government;

[(8) may, with the consent of any board, corporation, commission, independent establishment, or executive department of the Government, including any field service thereof, avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this section;

[(9) may accept money, funds, property, and services of every kind of gift, devise, bequest, grant, or otherwise, and make advances, grants, and loans to any individual, corporation, or other body of persons, whether within or without the United States of America, or to any government or governmental agency, domestic or foreign, when deemed advisable by the Foundation in furtherance of its purposes;

[(10) may sue and be sued, complain and defend, in its corporate name in any court of competent jurisdiction; and

[(11) shall have such other powers as may be necessary and incident to carrying out its powers and duties under this section.

[(f) Upon termination of the corporate life of the Foundation all of its assets shall be liquidated and, unless otherwise provided by Congress, shall be transferred to the United States Treasury as the property of the United States.

[(g) The management of the Foundation shall be vested in a board of directors (hereafter in this section referred to as the "Board") composed of nine members appointed by the President, by and with the advice and consent of the Senate, one of whom he shall designate to serve as Chairman of the Board and one of whom he shall designate to serve as Vice Chairman of the Board. Six members of the Board shall be appointed from private life. Three members of the Board shall be appointed from among officers or employees of agencies of the United States concerned with inter-American affairs. Members of the Board shall be appointed for terms of six years, except that of the members first appointed two shall be appointed for terms of two years and two shall be appointed for terms of four years, as designated by the President at the time of their appointment. A member of the Board appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term; but upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified. Members of the Board shall be el-

igible for reappointment. All individuals appointed to the Board shall possess an understanding of any sensitivity to community level development processes. No more than 5 members of the Board may be members of any one political party.

[(h) Members of the Board shall serve without additional compensation, but shall be reimbursed for travel expenses, including per diem, in lieu of subsistence, in accordance with section 5703 of title 5, United States Code, while engaged in their duties on behalf of the corporation.

[(i) The Board shall direct the exercise of all the powers of the Foundation.

[(j) The Board may prescribe, amend, and repeal bylaws, rules, and regulations governing the manner in which the business of the Foundation may be conducted and in which the powers granted to it by law may be exercised and enjoyed. A majority of the Board shall be required as a quorum.

[(k) In furtherance and not in limitation of the powers conferred upon it, the Board may appoint such committees for the carrying out of the work of the Foundation as the Board finds to be for the best interests of the Foundation, each committee to consist of two or more members of the Board, which committees, together with officers and agents duly authorized by the Board and to the extent provided by the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the Foundation.

[(l)(1) The chief executive officer of the Foundation shall be a President who shall be appointed by the Board of Directors on such terms as the Board may determine. The President shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

[(2) Experts and consultants, or organizations thereof, may be employed as authorized by section 3109 of title 5, United States Code.

[(m) In order to further the purposes of the Foundation there shall be established a Council to be composed of such number of individuals as may be selected by the Board from among individuals knowledgeable concerning developmental activities in the Western Hemisphere. The Board shall, from time to time, consult with the Council concerning the objectives of the Foundation. Members of the Council shall receive no compensation for their services but shall be entitled to reimbursement in accordance with section 5703 of title 5, United States Code, for travel and other expenses incurred by them in the performance of their functions under this subsection.

[(n) The Foundation shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of its directors, officers, and employees and such revenue, earnings, or other income, or property shall be used for the carrying out of the corporate purposes set forth in this section. No director, officer, or employee of the corporation shall in any manner directly or indirectly participate in the deliberation upon or the determination of any question affecting his personal interests or the interest of any corporation,

partnership, or organization in which he is directly or indirectly interested.

[(o) When approved by the Foundation, in furtherance of its purpose, the officers and employees of the Foundation may accept and hold officers or positions to which no compensation is attached with governments or governmental agencies of foreign countries.

[(p) The Secretary of State shall have authority to detail employees of any agency under his jurisdiction to the Foundation under such circumstances and upon such conditions as he may determine. Any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of any such agency by virtue of such detail.

[(q) The Foundation shall maintain its principal office in the metropolitan Washington, D.C., area. The Foundation may establish agencies, branch offices, or other offices in any place or places outside the United States in which the Foundation may carry on all or any of its operations and business.

[(r) The Foundation, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, or any territory or possession thereof, or by any State, county, municipality, or local taxing authority.

[(s)(1) Notwithstanding any other provision of law, not to exceed an aggregate amount of $50,000,000 of the funds made available for the fiscal years 1970 to 1971 to carry out part I of the Foreign Assistance Act of 1961 shall be available to carry out the purposes of this section. Funds made available to carry out the purposes of this section under the preceding sentence are authorized to remain available until expended.

[(2) There are authorized to be appropriated $28,800,000 for the fiscal year 1992 and $31,000,000 for the fiscal year 1991 to carry out this section.

[(t) The Foundation shall be subject to the provisions of the Government Corporation Control Act.

[(u) When, with the permission of the Foundation, funds made available to a grantee under this section are invested pending disbursement, the resulting interest is not required to be deposited in the United States Treasury if the grantee uses the resulting interest for the purposes for which the grant was made. This subsection applies with respect to both interest earned before and interest earned after the enactment of this subsection.

[(v) Funds made available to the Foundation may be used for the expenses described in section 1345 of title 31 of the United States Code (relating to travel, transportation, and subsistence expenses for meetings).

[(w) Funds made available to the Foundation may be used for printing and binding without regard to section 501 of title 44, United States Code.

[PART V—AMENDMENTS TO OTHER ACTS

[SEC. 501. Section 101 of the Government Corporation Control Act (31 U.S.C. 846) is amended by striking out "Development Loan Fund;" and inserting in lieu thereof "Overseas Private Investment Corporation;".

[SEC. 502. (a) Section 3343(b) of title 5, United States Code, relating to details of personnel to international organizations, as amended—

[(1) by striking out "3" and inserting in lieu thereof "5"; and

[(2) by striking out the period at the end of such section and inserting in lieu thereof a comma and the following: "except that under special circumstances where the President determines it to be in the national interest, he may extend the 5-year period for up to an additional 3 years."

[(b) Section 3581(5) of such title, relating to reemployment rights of personnel who transfer to international organizations, is amended by striking out "the first 3 consecutive years after entering the employ of the international organization" and inserting in lieu thereof the following: "the first 5 consecutive years, or any extension thereof, after entering the employ of the international organizations".

[(c) Section 3582(a) of such title, relating to rights to personnel who transfer to international organizations, is amended—

[(1) by inserting in clause (1), before the semicolon at the end thereof, a comma and the following: "except that such service shall not be considered creditable service for the purpose of any retirement system for transferring personnel, if such service forms the basis, in whole or in part, for any annuity or pension under the retirement system of the international organization"; and

[(2) by striking out clause (2) and inserting in lieu thereof the following:

["(2) to retain coverage, rights, and benefits under chapters 87 and 89 of this title, if necessary employee deductions and agency contributions in payment for the coverage, rights, and benefits for the period of employment with the international organization are currently deposited in the Employees' Life Insurance Fund and the Employees' Health Benefits Fund, as applicable, and the period during which coverage, rights, and benefits are retained under this paragraph is deemed service as an employee under chapters 87 and 89 of this title,".

[(d) Section 3582(b) of such title, relating to rights of employees transferring to international organizations, is amended—

[(1) by striking out, ", except a Congressional employee," in the first sentence;

[(2) by striking out of clause (1) "3 years" and inserting in lieu thereof "5 years, or any extension thereof,"; and

[(3) by inserting at the end thereof the following new sentences: "On reemployment, he is entitled to be paid, under such regulations as the President may prescribe and from appropriations or funds of the agency from which transferred, an amount equal to the difference between the pay, allowances, post differential, and other monetary benefits paid by the international organization and the pay, allowances, post differential, and other monetary benefits that would have been paid by the agency had he been detailed to the international organization under section 3343 of this title. Such a payment shall be made to an employee who is unable to exercise his reemployment right because of disability incurred while on

transfer to an international organization under this subchapter and, in the case of any employee who dies while on such a transfer or during the period after separation from the international organization in which he is properly exercising or could exercise his reemployment right, in accordance with subchapter VIII of chapter 55 of this title. This subsection does not apply to a congressional employee nor may any payment provided for in the preceding two sentences of this subsection be based on a period of employment with an international organization occurring before the first day of the first pay period which begins on or after the date of enactment of the Foreign Assistance Act of 1969."

[(e) Section 3582(c) of such title, relating to rights of employees transferring to international organizations, is amended by striking out "3 years" and inserting in lieu thereof the following: "5 years, or any extension thereof,".

[(f) Section 3582(d) of such title, relating to agency contributions to retirement and insurance programs for personnel who transfer to international organizations, is amended to read as follows:

["(d) During the employee's period of service with the international organization, the agency from which the employee is transferred shall make contributions for retirement and insurance purposes from the appropriations or funds of that agency so long as contributions are made by the employee."

[SEC. 503. Subchapter II of chapter 53 of title 5, United States Code, is amended—

[(1) by inserting at the end of section 5314, relating to level III of the Executive Schedule, the following:

["(54) President, Overseas Private Investment Corporation.";

[(2) by inserting at the end of section 5315, relating to level IV of the Executive Schedule, the following:

["(92) Executive Vice President, Overseas Private Investment Corporation."; and

[(3) by inserting at the end of section 5316, relating to level V of the Executive Schedule, the following:

["(128) Auditor-General of the Agency for International Development.

["(129) Vice Presidents, Overseas Private Investment Corporation (3)."]

FOREIGN ASSISTANCE ACT OF 1968

AN ACT To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Foreign Assistance Act of 1968".

[PART I

[CHAPTER 2—DEVELOPMENT ASSISTANCE

[TITLE I—DEVELOPMENT LOAN FUND

[SEC. 101. Title I of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to the Development Loan Fund, is amended as follows:

[(a) Section 201(d), which relates to rates of interest, is amended as follows:

[(1) Strike out "1967" and substitute "1968".

[(2) Strike out "2½ per centum" and substitute "3 per centum".

[(b) Section 202(a), which relates to authorization, is amended as follows:

[(1) After "year 1967", strike out "and" and substitute a comma.

[(2) After "year 1968," insert "and $350,000,000 for the fiscal year 1969,".

[(3) Strike out "years ending June 30, 1967, through June 30, 1968, respectively" and substitute "year ending June 30, 1969".

[TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

[SEC. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to technical cooperation and development grants, is amended as follows:

[(a) Section 211(d), which relates to availability of funds for certain research and educational institutions, is amended by inserting "in any fiscal year" immediately after "funds made available".

[(b) Section 212, which relates to authorization, is amended by striking out "$210,000,000 for the fiscal year 1968" and substituting $200,000,000 for the fiscal year 1969".

[(c) Section 214, which relates to American schools and hospitals abroad, is amended as follows:

[(1) In subsection (c) strike out "1968, $14,000,000" and substitute "1969, $14,600,000".

[(2) In subsection (d) strike out "1968, $2,986,000" and substitute "1969, $5,100,000".

[TITLE III—INVESTMENT GUARANTIES

[SEC. 103. (a) Section 221(b) of title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to general authority for investment guaranties, is amended as follows:

[(1) In the proviso of paragraph (1), strike out "$8,000,000,000" and substitute "$8,500,000,000".

[(2) Paragraph (2) is amended as follows:

[(A) In the third proviso, strike out "$475,000,000" and "$315,000,000" and substitute "$550,000,000" and "$390,000,000", respectively.

[(B) In the third proviso, strike out "$1,000,000" and substitute "$1,250,000".

[(C) In the last proviso, strike out "1970" and substitute "1971".

[(b) At the end of section 221, add a new subsection as follows:

["(e)(1) No guaranty of a loan or equity investment of an eligible United States investor in a foreign bank, finance company, or other credit institution (hereinafter the 'original investment') shall cover any loss of a loan or equity investment of such bank, finance company, or credit institution; and in no event shall payment be made under any such guaranty except for loss of the original investment, and, where provided for by such guaranty, earnings or profits actually accrued thereon.

["(2) In the administration of this subsection, the eligible United States investor may be deemed to have sustained a loss of the original investment only if the foreign bank, finance company, or credit institution in which the original investment was made becomes or is likely to become insolvent due to the occurrence of an event against which protection is provided by the guaranty."

[SEC. 104. Section 224(c), which relates to housing projects in Latin American countries, is amended by striking out "$500,000,000" and substituting "$550,000,000".

[TITLE VI—ALLIANCE FOR PROGRESS

[SEC. 105. (a) Section 252(a) of title VI of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to authorization for the Alliance for Progress, is amended as follows:

[(1) Strike out "1967, $696,500,000, and for the fiscal year 1968, $578,000,000, which amounts are" and substitute "1969, $420,000,000, which is".

[(2) Strike out "$100,000,000 in each such fiscal year of the funds appropriated pursuant to this section for use beginning in each such fiscal year" and substitute "$90,000,000".

[(3) Strike out "years ending June 30, 1967, through June 30, 1968, respectively" and substitute "year ending June 30, 1969".

[(b) Section 252(b), which relates to authorization for the Partners of the Alliance, is amended by striking out "1968, $714,000" and substituting "1969, $350,000".

[TITLE IX—UTILIZATION OF DEMOCRATIC INSTITUTIONS IN DEVELOPMENT

[SEC. 106. Section 281 of the Foreign Assistance Act of 1961, as amended, is amended as follows:

[(a) At the end of subsection (c), add the following new sentence: "In particular, emphasis should be given to research designed to increase understanding of the ways in which development assistance can support democratic social and political trends in recipient countries."

[(b) At the end of section 281, add the following new subsection:

["(e) In order to carry out the purposes of this title, the agency primarily responsible for administering part I of this Act shall develop systematic programs of inservice training to familiarize its personnel with the objectives of this title and to increase their knowledge of the political and social aspects of development. In addition to other funds available for such purposes, not to exceed 1

per centum of the funds authorized to be appropriated for grant assistance under this chapter may be used for carrying out the objectives of this subsection."

[TITLE X—PROGRAMS RELATING TO POPULATION GROWTH

[SEC. 107. Section 292 of title X of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, is amended by striking out "1968, $35,000,000" and substituting "1969, $50,000,000".

[CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 108. (a) Section 302(a) of chapter 3 of part I of the Foreign Assistance Act of 1961, as amended, which relates to authorization for international organizations and programs is amended by striking out "1968, $141,000,000" and substituting "1969, $135,000,000".

[(b) Section 302 is further amended by adding at the end thereof the following new subsection:

["(d) There is authorized to be appropriated to the President, for the fiscal year 1969, $1,000,000 for contributions to the United Nations Children's Fund during the calendar year 1969. Funds made available under this subsection shall be in addition to funds available under this or any other Act for such contributions and shall not be taken into account in computing the aggregate amount of United States contributions to such fund for the calendar year 1969."

[CHAPTER 4—SUPPORTING ASSISTANCE

[SEC. 109. Section 402 of chapter 4 of part I of the Foreign Assistance Act of 1961, as amended, which relates to authorization for supporting assistance, is amended by striking out "1968 not to exceed $660,000,000" and substituting "1969 not to exceed $410,000,000".

[CHAPTER 5—CONTINGENCY FUND

[SEC. 110. Section 451(a) of chapter 5 of part I of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended by inserting ", and for the fiscal year 1969 not to exceed $10,000,000," after "$50,000,000".

PART II

[CHAPTER 2—MILITARY ASSISTANCE

[SEC. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance, is amended as follows:

[(a) Section 504(a), which relates to authorization, is amended as follows:

[(1) In the first sentence, strike out "$510,000,000" and "1968" and substitute "$375,000,000" and "1969", respectively.

[(2) Strike out the second and third sentences.

[(3) In the first sentence, insert the following proviso before the period: ": *Provided further*, That none of the funds appropriated pursuant to this subsection shall be used to furnish sophisticated weapons systems, such as missile systems and jet aircraft for military purposes, to any underdeveloped country, unless the President determines that the furnishing of such weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress".

[(b) Section 506(a), which relates to special authority, is amended by striking out "1968" each place it appears and substituting "1969".

[(c)(1) Section 507(a), which relates to restrictions on military aid to Latin America, is amended by striking out "$55,000,000, of which $25,000,000" and substituting "$25,000,000, of which any part".

[(2) Such section 507 is further amended by adding at the end thereof the following new subsection:

["(d) Notwithstanding the foregoing provisions of this section, not to exceed $10,000,000 of the funds made available for use under this part may be used to furnish assistance to the American Republics, directly or through regional defense arrangements, to enable such Republics to strengthen patrol activities in their coastal waters for the purpose of preventing landings on their shores, by Communist or other subversive elements originating in Cuba, which threaten the security of such Republics and of their duly constituted governments."

[(d) Section 508, which relates to restrictions on military aid to Africa, is amended as follows:

[(1) In the first sentence, strike out "or sales".

[(2) In the second sentence, strike out "and sales" and strike out "$40,000,000" and substitute "$25,000,000".

[PART III

[CHAPTER 1—GENERAL PROVISIONS

[SEC. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

[(a) Section 604, which relates to procurement of commodities, is amended by adding at the end thereof the following new subsection:

["(f) No funds authorized to be made available to carry out part I of this Act shall be used under any commodity import program to make any payment to a supplier unless the supplier has certified to the agency primarily responsible for administering such part I, such information as such agency shall by regulation prescribe, including but not limited to, a description of the commodity supplied by him and its condition, and, on the basis of such information such agency shall have approved such commodity as eligible and suitable for financing under this Act."

[(b) Section 607, which relates to the furnishing of services and commodities, is amended by inserting "(a)" immediately before

"Whenever" and by adding at the end thereof the following new subsection:

[“(b) No Government-owned excess property shall be made available under this section, section 608, or otherwise in furtherance of the purposes of part I of this Act, unless, before the shipment of such property for use in a specified country (or transfer, if the property is already in such country), the agency administering such part I has approved such shipment (or transfer) and made a written determination—

[“(1) that there is a need for such property in the quantity requested and that such property is suitable for the purpose requested;

[“(2) as to the status and responsibility of the designated end-user and his ability effectively to use and maintain such property; and

[“(3) that the residual value, serviceability, and appearance of such property would not reflect unfavorably on the image of the United States and would justify the costs of packing, crating, handling, transportation, and other accessorial costs, and that the residual value at least equals the total of these costs.”

[(c) Section 620, which relates to prohibitions against furnishing assistance, is amended by adding at the end thereof the following new subsection:

[“(v) The President is directed to withhold economic assistance in an amount equivalent to the amount spent by any underdeveloped country for the purchase of sophisticated weapons systems, such as missile systems and jet aircraft for military purposes from any country, unless the President determines that such purchase or acquisition of weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress.”

[CHAPTER 2—ADMINISTRATIVE PROVISIONS

[SEC. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

[(a) Section 621, which relates to exercise of functions, is amended by inserting “(a)” immediately after “SEC. 621. EXERCISE OF FUNCTIONS.—” and by adding at the end thereof the following new subsection:

[“(b) The President shall issue and enforce regulations determining the eligibility of any person to receive funds made available under this Act. A person may be suspended under such regulations for a temporary period pending the completion of an investigation and any resulting judicial or debarment proceedings, upon cause for belief that such person or an affiliate thereof probably has undertaken conduct which constitutes a cause for debarment; and, after an opportunity has been afforded to such person for a hearing, he may be debarred for an additional period, not to exceed three years. Among the causes for debarment shall be (1) offering or accepting a bribe or other illegal payment or credit in connection with any transaction financed with funds made available under this Act; or (2) committing a fraud in the procurement or performance of any contract financed with funds made available under this

Act; or (3) acting in any other manner which shows a lack of integrity or honesty in connection with any transaction financed with funds made available under this Act. Reinstatement of eligibility in each particular case shall be subject to such conditions as the President shall direct. Each person whose eligibility is denied or suspended under this subsection shall, upon request, be entitled to a review of his eligibility not less often than once every two years."

[(b) Immediately after section 621 add the following new section:

["SEC. 621A. STRENGTHENED MANAGEMENT PRACTICES.—(a) The Congress believes that United States foreign aid funds could be utilized more effectively by the application of advanced management decisionmaking, information and analysis techniques such as systems analysis, automatic data processing, benefit-cost studies, and information retrieval.

["(b) To meet this need, the President shall establish a management system that includes: the definition of objectives and programs for United States foreign assistance; the development of quantitative indicators of progress toward these objectives; the orderly consideration of alternative means for accomplishing such objectives; and the adoption of methods for comparing actual results of programs and projects with those anticipated when they were undertaken. The system should provide information to the agency and to Congress that relates agency resources, expenditures, and budget projections to such objectives and results in order to assist in the evaluation of program performance, the review of budgetary requests, and the setting of program priorities.

["(c) The President shall report to the Congress annually on the specific steps that have been taken, including an evaluation of the progress that has been made toward the implementation of this section."

[(c) Section 625(c), which relates to employment of personnel, is amended by inserting "or any Act superseding part II in whole or in part," between "part II," and "not".

[(d) Section 636(g)(1), which relates to provisions on uses of funds, is amended by inserting "incurred in furnishing defense articles and defense services on a grant or sales basis by the agency primarily responsible for administering part II" between "expenses" and the semicolon.

[(e) Section 637(a), which authorizes appropriations for administrative expenses of the agency administering part I, is amended (1) by striking out "1968, $55,814,000" and substituting "1969, $53,000,000"; and (2) by adding at the end thereof the following: "The agency administering part I shall reduce the number of personnel, particularly administrative personnel, employed by it in order to conduct operations with the reduced amount of funds authorized for fiscal year 1969, except that such agency shall not take any action to limit or reduce auditing or training activities of such agency."

[(f) At the end of such chapter, add the following new section:

["SEC. 640A. FALSE CLAIMS AND INELIGIBLE COMMODITIES.—(a) Any person who makes or causes to be made or presents or causes to be presented to any bank or other financial institution or to any officer, agent, or employee of any agency of the United States Government a claim for payment from funds made available under this

Act for the purposes of furnishing assistance and who knows the claim to be false, fraudulent, or fictitious or to cover a commodity or commodity-related service determined by the President to be ineligible for payment from funds made available under this Act, or who uses to support his claim any certification, statement, or entry on any contract, abstract, bill of lading, Government or commercial invoice, or Government form, which he knows, or in the exercise of prudent business management should know, to contain false, fraudulent, or fictitious information, or who uses or engages in any other fraudulent trick, scheme, or device for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit or payment from funds so made available under this Act in connection with the negotiation, procurement, award, or performance of a contract financed with funds so made available under this Act, and any person who enters into an agreement, combination, or conspiracy so to do, (1) shall pay to the United States an amount equal to 25 per centum of any amount thereby sought to be wrongfully secured or obtained but not actually received, and (2) shall forfeit and refund any payment, compensation, loan, commission, or advance received as a result thereof, and (3) shall, in addition, pay to the United States for each such act (A) the sum of $2,000 and double the amount of any damage which the United States may have sustained by reasons thereof, or (B) an amount equal to 50 per centum of any such payment, compensation, loan, commission, or advance so received, whichever is the greater, together with the costs of suit.

[“(b) In order to secure recovery under this section, the President may, as he deems appropriate, (1) institute suit in the United States district court for any judicial district in which the person alleged to have performed or participated in an act described by this section may reside or may be found, and (2) upon posting by registered mail to such person a notice of claim describing the basis therefor and identifying the funds to be withheld, withhold from funds owed by any agency of the United States Government to such person an amount equal to the refund, damages, liquidated damages, and exemplary damages claimed by the United States under this section. Any such withholding of funds from any person shall constitute a final determination of the rights and liabilities of such person under this section with respect to the amount so withheld, unless within one year of receiving the notice of claim such person brings suit for recovery, which is hereby authorized, against the United States in any United States district court.

[“(c) For purposes of this section, the term ‘person’ includes any individual, corporation, partnership, association, or other legal entity.”

[CHAPTER 3—MISCELLANEOUS PROVISIONS

[SEC. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended by adding at the end thereof the following new section:

[“SEC. 651. SALE OF SUPERSONIC PLANES TO ISRAEL.—It is the sense of the Congress that the President should take such steps as may be necessary, as soon as practicable after the date of enactment of this section, to negotiate an agreement with the Govern-

ment of Israel providing for the sale by the United States of such number of supersonic planes as may be necessary to provide Israel with an adequate deterrent force capable of preventing future Arab aggression by offsetting sophisticated weapons received by the Arab States and to replace losses suffered by Israel in the 1967 conflict."

[PART IV—AMENDMENTS TO OTHER ACTS

[SEC. 401. The Act of April 12, 1926 (44 Stat. 242; chapter 117) is amended by adding at the end thereof a new section as follows:

["SEC. 2. (a) For each of the calendar years 1969 through 1971, inclusive, not more than 350 million board feet, in the aggregate, of unprocessed timber may be sold for export from the United States from Federal lands located west of the 100th meridian.

["(b) After public hearing and a finding by the appropriate Secretary of the department administering Federal lands referred to in subsection (a) that specific quantities and species of unprocessed timber are surplus to the needs of domestic users and processors, such quantities and species may be designated by the said Secretary as available for export from the United States in addition to that quantity stated in subsection (a).

["(c) The Secretaries of the departments administering lands referred to in subsection (a) may issue rules and regulations to carry out the purposes of this section, including the prevention of substitution of timber restricted from export by this section for exported non-Federal timber.

["(d) In issuing rules and regulations pursuant to subsection (c), the appropriate Secretaries may include therein provisions authorizing the said Secretaries, in their discretion, to exclude from the limitations imposed by this section sales having an appraised value of less than $2,000."

[PART V—REAPPRAISAL OF FOREIGN ASSISTANCE PROGRAMS

[DECLARATION OF POLICY

[SEC. 501. The Congress declares that, in view of changing world conditions and the continued need to make United States foreign assistance programs an effective implement of United States foreign policy, there should be a comprehensive review and reorganization of all United States foreign assistance programs, including economic development and technical assistance programs, military assistance and sales programs, and programs involving contributions and payments by the United States to international lending institutions and other international organizations concerned with the development of friendly foreign countries and areas.

[REAPPRAISAL BY THE PRESIDENT

[SEC. 502. (a) In furtherance of the policy of this part, the President is requested to make a thorough and comprehensive reappraisal of United States foreign assistance programs, as described in section 501, and to submit to the Congress, on or before March 31, 1970, his recommendations for achieving such reforms in and reorganization of future foreign assistance programs as he determines to be necessary and appropriate in the national interest

in the light of such reappraisal. The President is requested to submit to the Congress, on or before July 1, 1969, an interim report presenting any preliminary recommendations formulated by him pursuant to this section.

[(b) It is the sense of the Congress that the reappraisal provided for in subsection (a) should include, but not be limited to, an analysis and consideration of proposals concerning the establishment of a Government corporation or a federally chartered private corporation designed to mobilize and facilitate the use of United States private capital and skills in less developed friendly countries and areas, including whether such corporation should be authorized to—

[(1) utilize Government guarantees and funds as well as private funds;

[(2) seek, develop, promote, and underwrite new investment projects;

[(3) assist in transferring skills and technology to less developed friendly countries and areas; and

[(4) invest in the securities of development financing institutions and assist in the formation and expansion of local capital markets.]

FOREIGN ASSISTANCE ACT OF 1964

AN ACT To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Foreign Assistance Act of 1964".

[PART I

[CHAPTER 2—DEVELOPMENT ASSISTANCE

[TITLE I—DEVELOPMENT LOAN FUND

[SEC. 101. Section 201(d) of the Foreign Assistance Act of 1961, as amended, which relates to the Development Loan Fund, is amended as follows:

[(a) Strike out " Foreign Assistance Act of 1963" and substitute " Foreign Assistance Act of 1964".

[(b) Strike out "2 per centum" and substitute "2½ per centum".

[(c) Strike out "three-fourths of 1 per centum" and substitute "1 per centum".

[TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

[SEC. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development grants and technical cooperation, is hereby amended as follows:

[(a) Amend the title heading to read as follows: "TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS".

[(b) Amend section 212, which relates to authorization, by striking out "1964" and "$220,000,000" and substituting "1965" and "$215,000,000", respectively.

[(c) Amend section 214(c), which relates to American schools and hospitals abroad, by striking out "1964, $19,000,000" and substituting "1965, $18,000,000", and by striking out the second sentence.

[(d) Amend section 216(a), which relates to voluntary agencies by inserting after "ports" the first time it appears, the words "or, in the case of excess or surplus property supplied by the United States, from foreign ports".

[(e) Add the following new section at the end thereof:

["SEC. 217. USED EQUIPMENT.—The President is authorized to use funds made available for the purposes of section 211 to conduct a study and investigation to determine the feasibility of establishing programs for the furnishing to less developed friendly countries and areas of used tools, machinery, and other equipment to be donated by private enterprises, or acquired through normal channels of trade and the extent to which such programs are likely to be utilized by and contribute to the economic development of the receiving country. The President shall submit to the Congress at the earliest practicable date a report of the results of such study and investigation, together with such recommendations for legislation as he deems advisable."

[TITLE III—INVESTMENT GUARANTIES

[SEC. 103. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to investment guaranties, is hereby amended as follows:

[(a) Amend section 221(b)(2), which relates to general authority, as follows:

[(1) Strike out "$180,000,000" in the third proviso and substitute "$300,000,000".

[(2) Strike out "1965" in the last proviso and substitute "1966".

[(b) Amend section 224(b), which relates to housing projects in Latin American countries, by striking out "$150,000,000" and substituting "$250,000,000".

[TITLE IV—SURVEYS OF INVESTMENT OPPORTUNITIES

[SEC. 104. Section 232 of the Foreign Assistance Act of 1961, as amended, which relates to surveys of investment opportunities, is amended by striking out "1963" and "$2,000,000" and substituting "1965" and "$2,100,000", respectively.

[TITLE VI—ALLIANCE FOR PROGRESS

[SEC. 105. Section 252 of the Foreign Assistance Act of 1961, as amended, which relates to the Alliance for Progress, is amended by striking out in the first sentence the words beginning with "of the funds" the first time they appear through the words "fiscal year 1964" and substituting "in each of the fiscal years 1963 and 1964 and $85,000,000 in fiscal year 1965 of the funds appropriated pursuant to this section for use beginning in each such fiscal year.".

[CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 106. Section 302 of the Foreign Assistance Act of 1961, as amended, which relates to international organizations and programs, is amended as follows:

[(a) Strike out "1964" and "$136,050,000" and substitute "1965" and "$134,272,400", respectively.

[(b) At the end thereof, add the following new sentence: "None of the funds available to carry out this chapter shall be contributed to any international organization or to any foreign government or agency thereof to pay the costs of developing or operating any volunteer program of such organization, government, or agency relating to the selection, training, and programing of volunteer manpower."

[CHAPTER 4—SUPPORTING ASSISTANCE

[SEC. 107. Section 402 of the Foreign Assistance Act of 1961, as amended, which relates to supporting assistance, is amended by striking out "1964" and "$380,000,000" and substituting "1965" and "$405,000,000", respectively, and by adding at the end thereof the following new sentence: "Of the funds made available for the fiscal year 1965 to carry out the purposes of this chapter, not less than $200,000,000 shall be available solely for use in Vietnam, unless the President determines otherwise and promptly reports such determination to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives.".

[CHAPTER 5—CONTINGENCY FUND

[SEC. 108. Section 451(a) of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended by striking out "1964" and "$160,000,000" and substituting "1965" and "$150,000,000", respectively.

PART II

[CHAPTER 2—MILITARY ASSISTANCE

[SEC. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance, is amended as follows:

[(a) Amend section 503, which relates to general authority, as follows:

[(1) In subsection (c) strike out "and" at the end thereof and in subsection (d) strike out the period at the end thereof and substitute "; and".

[(2) Add the following new subsection (e):

["(e) guarantying, insuring, coinsuring, and reinsuring any individual, corporation, partnership, or other association doing business in the United States against political and credit risks of nonpayment arising in connection with credit sales financed by such individual, corporation, partnership or other association for defense articles and defense services procured in the

United States by such friendly country or international organization."

[(b) Amend section 504(a), which relates to authorization, by striking out "1964" and $1,000,000,000" and substituting "1965" and $1,055,000,000", respectively, and by adding at the end thereof the following new sentence: "Of the funds made available for the fiscal year 1965 to carry out the purposes of this part, not less than $200,000,000 shall be available solely for use in Vietnam, unless the President determines otherwise and promptly reports such determination to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives.".

[(c) Amend section 507(b), which relates to sales, by inserting after "are due" at the end of the first sentence the following: ": *Provided,* That the President may, when he determines it to be in the national interest, accept a dependable undertaking to make full payment within one hundred and twenty days after delivery of the defense articles, or the rendering of the defense services, and appropriations available to the Department of Defense may be used to meet the payments required by the contracts and shall be reimbursed by the amounts subsequently received from the country or international organization".

[(d) Amend section 509, which relates to exchanges, as follows:

[(1) The section heading is amended to read as follows: "EXCHANGE AND GUARANTIES".

[(2) After the section heading insert "(a)".

[(3) Add the following new subsection (b):

["(b) In issuing guaranties, insurance, coinsurance, and reinsurance, the President may enter into contracts with exporters, insurance companies, financial institutions, or others, or groups thereof, and where appropriate may employ any of the same to act as agent in the issuance and servicing of such guaranties, insurance, coinsurance, and reinsurance, and the adjustment of claims arising thereunder. Fees and premiums shall be charged in connection with contracts of guaranty, insurance, coinsurance, and reinsurance. Obligations shall be recorded against the funds available for credit sales under this part in an amount not less than 25 per centum of the contractual liability related to any guaranty, insurance, coinsurance, and reinsurance issued pursuant to this part and the funds so obligated together with fees and premiums shall constitute a single reserve for the payment of claims under such contracts. Any guaranties, insurance, coinsurance, and reinsurance issued pursuant to this part shall be considered contingent obligations backed by the full faith and credit of the United States of America."

[(e) Section 510(a), which relates to special authority, is amended by striking out "1964" in the first and second sentences thereof and substituting "1965".

[(f) Section 512, which relates to restrictions on military aid to Africa, is amended by striking out "1964" and substituting "1965".

[(g) Add the following new section at the end thereof:

["SEC. 513. CERTIFICATION OF RECIPIENT'S CAPABILITY.—(a) Except as provided in subsection (b) of this section, no defense article having a value in excess of $100,000 shall hereafter be furnished

to any country or international organization under the authority of this Act (except under the authority of section 507) unless the chief of the appropriate military assistance advisory group representing the United States with respect to defense articles used by such country or international organization or the head of any other group representing the United States with respect to defense articles used by such country or international organization has certified in writing within six months prior to delivery that the country or international organization has the capability to utilize effectively such article in carrying out the purposes of this part.

[“(b) Defense articles included in approved military assistance programs may be furnished to any country or international organization for which the certification required by subsection (a) of this section cannot be made when determined necessary and specifically approved in advance by the Secretary of State (or, upon appropriate delegation of authority by an Under Secretary or Assistant Secretary of State) and the Secretary of Defense (or, upon appropriate delegation of authority by the Deputy Secretary or an Assistant Secretary of Defense). The Secretary of State, or his delegate, shall make a complete report to the Speaker of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate of each such determination and approval and the reasons therefor.”

[PART III

[CHAPTER 1—GENERAL PROVISIONS

[SEC. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

[(a) Amend section 601(c), relating to the Advisory Committee on Private Enterprise, by striking out in paragraph (4) “December 31, 1964” and substituting “June 30, 1965”.

[(b) Section 601, which relates to the encouragement of free enterprise and private participation, is amended by adding at the end thereof the following new subsection:

[“(d) It is the sense of the Congress that the Agency for International Development should continue to encourage, to the maximum extent consistent with the national interest, the utilization of engineering and professional services of United States firms (including, but not limited to, any corporation, company, partnership, or other association) or by an affiliate of such United States firms in connection with capital projects financed by funds authorized under this Act.”

[(c) Amend section 612, which relates to the use of foreign currencies, by adding the following new subsection (c):

[“(c) Any Act of the Congress making appropriations to carry out programs under this or any other Act for United States operations abroad is hereby authorized to provide for the utilization of United States-owned excess foreign currencies to carry out any such operations authorized by law.

[“The President shall take all appropriate steps to assure that, to the maximum extent possible, United States-owned excess foreign currencies are utilized, in lieu of dollars. As used in this sub-

section, the term 'excess foreign currencies' means foreign currencies or credits owned by or owed to the United States which are, under applicable agreements with the foreign country concerned, available for the use of the United States Government and are determined by the President to be excess to the normal requirements of departments and agencies of the United States for such currencies or credits and are not prohibited from use under this subsection by an agreement entered into with the foreign country concerned."

[''(d) Amend subsection 620(e), relating to expropriations and other similar matters, as follows:

[(1) After ''(e)'' insert ''(1)''.

[(2) Redesignate subparagraphs (1), (2), and (3) of the first paragraph as subparagraphs (A), (B), and (C), respectively.

[(3) Strike out ''paragraphs (1), (2), or (3)'' and substitute ''subparagraphs (A), (B), or (C) of paragraph (1)''.

[(4) At the end of such subsection add the following new paragraph (2):

[''(2) Notwithstanding any other provision of law, no court in the United States shall decline on the ground of the federal act of state doctrine to make a determination on the merits giving effect to the principles of international law in a case in which a claim of title or other right is asserted by any party including a foreign state (or a party claiming through such state) based upon (or traced through) a confiscation or other taking after January 1, 1959, by an act of that state in violation of the principles of international law, including the principles of compensation and the other standards set out in this subsection: *Provided,* That this subparagraph shall not be applicable (1) in any case in which an act of a foreign state is not contrary to international law or with respect to a claim of title or other right acquired pursuant to an irrevocable letter of credit of not more than 180 days duration issued in good faith prior to the time of the confiscation or other taking, or (2) in any case with respect to which the President determines that application of the act or state doctrine is required in that particular case by the foreign policy interests of the United States and a suggestion to this effect is filed on his behalf in that case with the court, or (3) in any case in which the proceedings are commenced after January 1, 1966.

[(e) In section 620(f), relating to prohibitions on furnishing assistance to Communist countries, immediately after ''Union of Soviet Socialist Republics'' insert the following: ''(including its captive constituent republics)''.

[(f) Amend section 620(k) by striking out ''1964'' each place it appears and substituting ''1965'' in each such place.

[(g) In section 620(m), relating to prohibitions on furnishing assistance to Cuba and certain other countries, after ''during'' insert ''each and also strike out ''1964'' and ''$1,000,000'' and substitute for the latter ''$500,000''.

[CHAPTER 2—ADMINISTRATIVE PROVISIONS

[SEC. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

[(a) Amend section 625, which relates to employment of personnel, as follows:

[(1) In subsection (d)(2) in the third proviso strike out "more than thirty persons in the aggregate" and substitute "the assignment to such duty of more than twenty persons at any one time".

[(2) Add the following new subsection (j):

["(j) The President may appoint or assign a United States citizen to be representative of the United States to the Inter-American Committee on the Alliance for Progress and, in his discretion, may terminate such appointment or assignment, notwithstanding any other provision of law. Such person may be compensated at a rate not to exceed that authorized for a chief of mission, class 2, within the meaning of the Foreign Service Act of 1946, as amended."

[(b) Amend section 626, which relates to experts, consultants and retired officers, as follows:

[(1) Subsection (a) is amended by striking out "$75" and substituting "$100".

[(2) Subsection (c) is amended by striking out the words "Career Compensation Act of 1949, as amended (37 U.S.C. 231 et seq.)" and substituting "section 101(3) of title 37 of the United States Code".

[(c) Amend section 637(a), which relates to administrative expenses, by striking out "1964" and "$54,000,000" and substituting "1965" and "$52,000,000", respectively.

[CHAPTER 3—MISCELLANEOUS PROVISIONS

[SEC. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended by adding at the end thereof the following new section:

["SEC. 648. SPECIAL AUTHORIZATION FOR USE OF FOREIGN CURRENCIES.—Subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953, the President is authorized, as a demonstration of good will on the part of the people of the United States for the Polish and Italian people, to use foreign currencies accruing to the United States Government under this or any other Act, for assistance on such terms and conditions as he may specify, in the repair, rehabilitation, improvement, and maintenance of cemeteries in Italy serving as the burial place of members of the armed forces of Poland who died in combat in Italy during World War II."

[PART IV—AMENDMENTS TO OTHER LAWS

[SEC. 401. The first section of the Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union", approved June 28, 1935 (22 U.S.C. 276), is amended to read as follows:

"That an appropriation of $50,000 annually is authorized, $23,100 of which shall be for the annual contributions of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and $26,900, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appro-

priation to be disbursed on vouchers to be approved by the President and the executive secretary of the American group."

[SEC. 402. Section 502(b) of the Mutual Security Act of 1954, as amended, is amended by inserting after the words "United States" where they first appear in the first sentence thereof a comma and the following: "which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961, as amended, and of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, (and any other local currencies owned by the United States in amounts not to exceed the equivalent of $50 per day per person exclusive of the actual cost of transportation)".

[PART V—RELIGIOUS PERSECUTION

[SEC. 501. It is the sense of the Congress that the United States deeply believes in the freedom of religion for all people and is opposed to infringement of this freedom anywhere in the world. The Congress condemns the persecution of any persons because of their religion. It is further the sense of Congress that all persons should be permitted the free exercise of religion and the pursuit of their culture.]

LATIN AMERICAN DEVELOPMENT ACT

AN ACT To provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Latin American Development Act".

[STATEMENT OF POLICY

[SEC. 1. (a) It is the sense of the Congress that—

[(1) the historic, economic, political, and geographic relationships among the American Republics are unique and of special significance and, as appropriate, should be so recognized in future legislation;

[(2) although governmental forms differ among the American Republics, the peoples of all the Americas are dedicated to the creation and maintenance of governments which will promote individual freedom;

[(3) the interests of the American Republics are so interrelated that sound social and economic progress in each is of importance to all and that lack of it in any American Republic may have serious repercussions in others;

[(4) for the people of Latin America to continue to progress within the framework of our common heritage of democratic ideals, there is a compelling need for the achievement of social and economic advance adequate to meet the legitimate aspirations of the individual citizens of the countries of Latin America for a better way of life;

[(5) there is a need for a plan of hemispheric development, open to all American Republics which cooperate in such plan, based upon a strong production effort, the expansion of foreign

trade, the creation and maintenance of internal financial stability, the growth of free economic and social institutions, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers;

[(6) mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to all countries, it is the hope of the people of the United States that all American Republics will jointly exert sustained common efforts which will speedily achieve that economic cooperation in the Western Hemisphere which is essential for lasting peace and prosperity; and

[(7) accordingly, it is declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, private enterprise, and genuine independence in the Western Hemisphere through cooperation with all American Republics which participate in a joint development program based upon self-help and mutual efforts.

[(b) In order to carry forward the above policy, the Congress hereby—

[(1) urges the President through our constitutional processes to develop cooperative programs on a bilateral or multilateral basis which will set forth specific plans of action designed to foster economic progress and improvements in the welfare and level of living of all the peoples of the American Republics on the basis of joint aid, mutual effort, and common sacrifice;

[(2) proposes the development of workable procedures to expand hemispheric trade and to moderate extreme price fluctuations in commodities which are of exceptional importance in the economies of the American Republics, and encourages the development of regional economic cooperation among the American Republics;

[(3) supports the development of a more accurate and sympathetic understanding among the peoples of the American Republics through a greater interchange of persons, ideas, techniques, and educational, scientific, and cultural achievements;

[(4) supports the strengthening of free democratic trade unions to raise standards of living through improved management-labor relations;

[(5) favors the progressive development of common standards with respect to the rights and the responsibilities of private investment with flows across national boundaries within the Western Hemisphere;

[(6) supports the consolidation of the public institutions and agencies of inter-American cooperation, insofar as feasible within the structure of the Organization of American States and the strengthening of the personnel resources and authority of the Organization in order that it may play a role of increasing importance in all aspects of hemispheric cooperation; and

[(7) declares that it is prepared to give careful and sympathetic consideration to programs which the President may develop for the purpose of promoting these policies.

[AUTHORIZATION

[SEC. 2. In order to carry out the purposes of section 1 of this Act, there is hereby authorized to be appropriated to the President not to exceed $680,000,000, which shall remain available until expended, and which the President may use, subject to such further legislative provisions as may be enacted, in addition to other funds available for such purposes, on such terms and conditions as he may specify: *Provided*, that none of the funds made available pursuant to this section shall be used to furnish assistance to any country in Latin America being subjected to economic or diplomatic sanctions by the Organization of American States. The Secretary of State shall keep the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House currently informed about plans and programs for the utilization of such funds.

[SPECIAL AUTHORIZATION FOR CHILEAN RECONSTRUCTION

[SEC. 3. There is hereby authorized to be appropriated to the President not to exceed $100,000,000, which shall remain available until expended, for use, in addition to other funds available for such purposes, in the reconstruction and rehabilitation of Chile on such terms and conditions as the President may specify.

[GENERAL PROVISIONS

[SEC. 4. (a) Funds appropriated under sections 2 and 3 of this Act may be used for assistance under this Act pursuant to such provisions applicable to the furnishing of such assistance contained in any successor Act to the Mutual Security Act of 1954, as amended, as the President determines to be necessary to carry out the purposes for which such funds are appropriated.

[(b) Of the funds appropriated under section 2 of this Act not more than $800,000 shall be available only for assisting in transporting to and settling in Latin America selected immigrants from that portion of the Ryukyuan Archipelago under United States administration.]

MUTUAL SECURITY ACT OF 1959

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1959".

[STATEMENT OF POLICY

[SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is amended to read as follows:

["SEC. 2. STATEMENT OF POLICY.—(a) It is the sense of the Congress that peace in the world increasingly depends on wider recognition, both in principle and practice, of the dignity and interdependence of men; and that the survival of free institutions in the United States can best be assured in a world wide atmosphere of expanded freedom.

"[(b) Through programs of assistance authorized by this Act and its predecessors, the United States has helped thwart Communist intimidation in many countries of the world, has helped Europe re-

cover from the wounds of World War II, has supported defensive military preparations of nations alerted by Communist aggression, and has soundly begun to help peoples of economically underdeveloped areas to develop their resources and improve their living standards.

"[(c) Programs authorized by this Act continue to serve the following principal purposes:

"[(1) The Congress recognizes the basic identity of interest which exists between the people of the United States and the peoples of other lands who are striving to establish and develop politically independent and economically viable units, and to produce more goods and services, and to improve ways of living by methods which reflect the popular will, and to realize aspirations for justice, for education, and for dignity and respect as individual human beings, and to establish responsible governments which will cooperate with other like-minded governments. The Congress declares it to be a primary objective and need of the United States, and one consistent with its tradition and ideals, to share these strivings by providing assistance, with due regard for our other obligations, to peoples willing to work energetically toward these ends.

"[(2) The Congress recognizes that the peace of the world and the security of the United States are endangered so long as international communism and the nations it controls continue by threat of military action, by the use of economic pressure, and by internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination. The Congress declares it to be the policy of the United States to continue so long as such danger to the peace of the world and to the security of the United States persists, to make available to other free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

"[(d) It is the sense of the Congress that inasmuch as—

"[(1) the United States, through mutual security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of Western Europe; and

[“(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

[“(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world;

those nations which have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this act.

[“(e) It is the sense of the Congress that assistance provided under this Act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under

circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence. To this end, assistance shall be rendered where appropriate and feasible in such a way as to promote the emergence of political units which are economically viable, either alone or in cooperation with neighboring units."

[CHAPTER I—MILITARY ASSISTANCE

[MILITARY ASSISTANCE

[SEC. 101. Chapter I of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended as follows:

[(a) Amend section 103(a), which relates to authorization, to read as follows:

["(a) There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1960 to carry out the purposes of this chapter not to exceed $1,400,000,000, which shall remain available until expended. Programs of military assistance subsequent to the fiscal year 1960 program shall be budgeted so as to come into competition for financial support with other activities and programs of the Department of Defense. There is hereby authorized to be appropriated to the President for the fiscal years 1961 and 1962 such sums as may be necessary from time to time to carry out the purposes of this chapter, which sums shall remain available until expended."

[(b) Amend section 105(b), which relates to conditions applicable to military assistance, as follows:

[(1) Amend paragraph (4) to read as follows:

["(4) Military equipment and materials may be furnished to the other American Republics only in furtherance of missions directly relating to the common defense of the Western Hemisphere which are found by the President to be important to the security of the United States. The President annually shall review such findings and shall determine whether military assistance is necessary. Internal security requirements shall not, unless the President determines otherwise, be the basis for military assistance programs to American Republics. The aggregate amount of funds which may be obligated or reserved during the fiscal year 1960 for furnishing military assistance to American Republics shall not exceed the aggregate amount of funds obligated or reserved for such purpose during the fiscal year 1959."

[(2) Add the following new paragraph:

["(5) To the extent feasible and consistent with the other purposes of this chapter, administrators of the military assistance program shall encourage the use of foreign military forces in underdeveloped countries in the construction of public works and other activities helpful to economic development."

[CHAPTER II—ECONOMIC ASSISTANCE

[DEFENSE SUPPORT

[SEC. 201. Section 131(b) of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended by striking out "1959" and "$810,000,000" and substituting "1960" and "$751,000,000", respectively.

[UTILIZATION OF COUNTERPART FUNDS

[SEC. 202. Clause (iii) of section 142(b) of the Mutual Security Act of 1954, as amended, which relates to utilization of funds in Special Accounts, is amended by inserting immediately before the period at the end thereof the following: ": *Provided further*, That whenever funds from such Special Account are used by a country to make loans, all funds received in repayment of such loans prior to termination of assistance to such country shall be reused only for such purposes as shall have been agreed to between the country and the Government of the United States".

[DEVELOPMENT LOAN FUND

[SEC. 203. Title II of chapter II of the Mutual Security Act of 1954, as amended, which relates to the Development Loan Fund, is amended as follows:

[(a) Amend section 202(b), which relates to general authority, as follows:

[(1) Insert the following sentence immediately after the second sentence: "The Fund in its operations shall recognize that development loan assistance will be most effective in those countries which show a responsiveness to the vital long-term economic, political, and social concerns of their people, demonstrate a clear willingness to take effective self-help measures, and effectively demonstrate that such assistance is consistent with, and makes a contribution to, workable long-term economic development objectives."

[(2) In the next to last sentence, immediately before the period at the end thereof, insert the following: "nor shall the fractional reserve maintained by the Development Loan Fund for any guaranty made pursuant to this section be less in any case than 50 per centum of the contractual liability of the Development Loan Fund under such guaranty, and the total contractual liability of the Development Loan Fund under all of such guaranties shall not, at any one time, exceed $100,000,000".

[(b) Amend section 203, which relates to capitalization, to read as follows:

[SEC. 203. CAPITALIZATION.—There is hereby authorized to be appropriated to the President at any time after enactment of the Mutual Security Act of 1959 without fiscal year limitation for advances to the Fund after June 30, 1959, not to exceed $1,800,000,000 of which not to exceed $700,000,000 may be advanced prior to July 1, 1960, and not to exceed an additional $1,100,000,000 may be advanced prior to July 1, 1961."

[(c) In section 204(b), which relates to fiscal provisions, strike out "(a)" in the second sentence.

[(d) Amend section 205, which relates to management, powers, and authorities, as follows:

[(1) In subsection (b), strike out "three" in the second sentence and substitute "four".

[(2) In subsection (c), strike out the last sentence.

[TECHNICAL COOPERATION

[SEC. 204. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

[(a) In section 304, which relates to authorization, strike out "$150,000,000" and "1959" and substitute "$179,500,000" and "1960", respectively.

[(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

[(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "$20,000,000" and "1959" and substitute "$30,000,000" and "1960", respectively, and immediately after "for such purpose" the last time it appears insert "(including assessed and audited local costs)".

[(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1959" and substitute "1960".

[(c) In section 308, which relates to the International Development Advisory Board, insert "or officers" after "officer" in the first sentence and strike out "to administer this title" in that sentence.

[SPECIAL ASSISTANCE AND OTHER PROGRAMS

[SEC. 205. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, as amended as follows:

[(a) Amend section 400, which relates to special assistance, as follows:

[(1) In subsection (a), which relates to authorization, strike out "1959" and "$202,500,000" and substitute "1960" and "$247,500,000", respectively.

[(2) In subsection (c), which relates to assistance to American-sponsored schools and libraries abroad, strike out "$10,000,000" and substitute "$20,000,000", and in the last sentence of such subsection strike out "for the purposes of this subsection" and insert in lieu thereof the following: "and notwithstanding the provisions of Public Law 213, Eighty-second Congress, the President is authorized to utilize foreign currencies accruing to the United States under this or any other Act, for the purposes of this subsection and for hospitals abroad designed to serve as centers for medical treatment, education and research, founded or sponsored by citizens of the United States".

[(b) Insert after section 400 the following new section:

[SEC. 401. UNITED NATIONS EMERGENCY FORCE.—The Congress of the United States, recognizing the important contribution of the United Nations Emergency Force to international peace and security, declares it to be the policy of the United States and the purpose of this section to support the United Nations Emergency

Force. The President is hereby authorized to use during the fiscal year 1960 funds made available pursuant to section 400(a) of this Act for contributions on a voluntary basis to the budget of the United Nations Emergency Force."

[(c) In section 402, which relates to earmarking of funds, strike our "1959" in the first sentence and substitute "1960"; in the same sentence, after the words "foreign currencies" insert the words "or the grant", and at the end of the section, add the following new sentences: "Surplus food commodities of products thereof made available for transfer under this Act (or any other Act) as a grant or as a sale for foreign currencies may also be made available to the maximum extent practicable to eligible domestic recipients pursuant to section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), or to needy persons within the United States pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c). Section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), is amended by inserting 'whether in private stocks or' after 'commodities' the first time that word appears."

[(d) In section 403, which relates to responsibilities in Germany, strike out "1959" and "$8,200,000" in the first sentence and substitute "1960" and "$7,500,000", respectively.

[(e) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

[(1) In subsection (c), strike out "1959" and "$1,200,000" and substitute "1960" and "$1,100,000", respectively.

[(2) In subsection (d), strike out "1959" and "$8,600,000" and substitute "1960" and "$5,200,000", respectively.

[(f) In section 406, which related to children's welfare, strike out "$11,000,000" and "1959" and substitute "$12,000,000" and "1960", respectively.

[(g) In section 407, which relates to Palestine refugees in the Near East, strike out "1959" in the first sentence and substitute "1960", and in the proviso in the first sentence, strike out "15 per centum" and substitute "10 per centum".

[(h) In section 408(c), which relates to the North Atlantic Treaty Organization, strike out "four" and "substitute "five".

[(i) In section 409(c), which relates to ocean freight charges, strike out "1959" and "$2,100,000" and substitute "1960" and "$2,300,000", respectively.

[(j) Section 410, which relates to Control Act expenses, is repealed.

[(k) Amend section 411, which relates to administrative and other expenses, as follows:

[(1) In subsection (b), strike out "1959" and "$33,000,000" and substitute "1960" and "$39,500,000", respectively.

[(2) In subsection (c), strike out ", not to exceed $7,000,000 in any fiscal year,"; and insert before the period ", and for expenses of carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611): *Provided,* That, in addition, funds made available for carrying out chapter I of this Act shall be available for carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 in such amounts as the President may direct".

[(l) After section 411, insert a new section as follows:

["SEC. 412. PRESIDENT'S SPECIAL EDUCATION AND TRAINING FUND.—Of the funds appropriated pursuant to this Act for use beginning in each of the fiscal years 1960 through 1964, $10,000,000 for each such year shall be available only as follows:

["(a) $5,000,000 shall be available until expended only for financing studies, research, instruction, and other educational activities of citizens of underdeveloped countries in educational institutions in the United States Puerto Rico, and Virgin Islands. Such financing may include payment for transportation, tuition, maintenance and other expenses incident to scholastic activities. The President may employ such funds to augment programs of this character authorized by section 32(b)(2) of the Surplus Property Act of 1944, as amended, and by the United States Information and Educational Exchange Act of 1948, as amended, and he may consolidate such portions of such $5,000,000 as he may deem appropriate with appropriations made to carry out these two Act.

["(b) $5,000,000 shall be available until expended only for the training of people of underdeveloped countries in skills which will contribute to economic development. Such training shall be carried out in accordance with the policies set forth in title III of chapter II, relating to technical cooperation, and such $5,000,000 may be consolidated with appropriations made for carrying out title III of chapter II."

[(m) Amend section 413, which relates to encouragement of free enterprise and private participation, as follows:

[(1) In subparagraph (b)(4)(A), strike out "any of the purposes of this Act" and substitute "the development of the economic resources and productive capacities of economically underdeveloped areas or, in the case of guaranties issued prior to January 1, 1960, on the basis of applications submitted prior to July 1, 1959, any of the purposes of this Act".

[(2) In subparagraph (b)(4)(F), strike out "$500,000,000" and substitute "$1,000,000,000".

[(3) In subparagraph (b)(4)(G), strike out "achieving any of the purposes of this Act" and substitute "furthering the development of the economic resources and productive capacities of economically underdeveloped areas or, in the case of guaranties issued prior to January 1, 1960, on the basis of applications submitted prior to July 1, 1959, any of the purposes of this Act".

[(4) In subsection (c), delete the words "a study" following the words "shall conduct" and insert in lieu thereof "annual studies to keep the data up to date"; insert immediately before the period at the end of the first sentence the following: ", and to the net position of the United States in its balance of trade with the rest of the world"; and in the final sentence delete the word "study" following "such" and insert in lieu thereof "studies".

[(5) Add the following new subsection:

["(d) Under the direction of the President, the Department of State and such other agencies of the Government as the President shall deem appropriate shall conduct a study of methods by which the United States and other nations, including those which are parties to regional agreements for economic cooperation to which the United States is a party, or any of them, might best together for-

mulate and effectuate programs of assistance to strengthen the economies of free nations so as to advance the principal purposes of this Act, as stated in section 2 thereof."

[(n) In section 419(a), which relates to atoms for peace, strike out "1959" and "$5,500,000" in the second sentence and substitute "1960" and "$6,500,000", respectively.

[CHAPTER III—CONTINGENCY FUND

[SEC. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1959" in the first sentence and substituting "1960".

[CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

[SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

[(a) In section 503, which relates to termination of assistance, insert "(a)" immediately after "TERMINATION OF ASSISTANCE.—", and add at the end thereof the following:

["(b) In any case in which the President determines that a nation has hereafter nationalized or expropriated the property of any person as defined in section 413(b) and has failed within six months of such nationalization or expropriation to take steps determined by the President to be appropriate to discharge its obligations under international law toward such person, the President shall, unless he determines it to be inconsistent with the national interest, suspend assistance under this Act to such nation until he is satisfied that appropriate steps are being taken.

["(c) The President shall include in his recommendations to the Congress for the fiscal year 1961 programs under this Act a specific plan for each country receiving bilateral grant assistance in the categories of defense support or special assistance whereby wherever practicable, such grant assistance shall be progressively reduced and terminated."

[(b) In section 504, which relates to small businesses, add the following new subsection:

["(d) Of the funds appropriated pursuant to section 451(b) of this Act, the President is authorized to utilize not to exceed $2,500,000 for the fiscal year 1960 to make available to foreign small business concerns in underdeveloped countries, or to foreign government organizations established for the purpose of helping such concerns in underdeveloped countries, on such terms and conditions as he may determine, machine tools, industrial equipment and other equipment owned by agencies of the United States Government."

[(c) In section 505(b), which relates to loan assistance and sales, strike out the third sentence and substitute the following: "United States dollars received in repayment of principal and payment of interest on any loan made under this section shall be deposited in miscellaneous receipts of the Treasury. Foreign currencies received in repayment of principal and payment of interest on any such loan which are in excess of the requirements as determined from time to time by the Secretary of State for purposes authorized in section

32(b)(2) of the Surplus Property Act of 1944, as amended (50 App. U.S.C. 1641(b), may be sold by the Secretary of the Treasury to United States Government agencies for payment of their obligations abroad and the United States dollars received as reimbursement shall also be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the requirements of the United States in the payment of its obligations abroad, as such requirements may be determined from time to time by the President, shall be credited to and be available for the authorized purposes of the Development Loan Fund in such amounts as may be specified from time to time in appropriation Acts."

[(d) In section 510, which relates to purchase of commodities, delete the comma following the words "industrial mobilization base" in the third sentence and insert the following: "or to the net position of the United States in its balance of trade with the rest of the world,".

[(e) In section 517, which relates to completion of plans and cost estimates, delete the words "title I or" in the first sentence, and insert "title I, II, or", and add at the end of such section the following: "To the maximum extent practicable, all contracts for construction outside the United States made in connection with any agreement or grant subject to this section, except any agreement for assistance authorized under title II of chapter II, shall be made on a competitive basis."

[(f) Amend section 523, which relates to coordination with foreign policy, as follows:

[(1) In subsection (b), add the following new sentence: "The chief of the diplomatic mission shall make sure that recommendations of such representatives pertaining to military assistance are coordinated with political and economic considerations, and his comments shall accompany such recommendations if he so desires."

[(2) Amend subsection (c) to read as follows:

["(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the assistance programs authorized by this Act, including but not limited to determining whether there shall be a military assistance program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby."

[(g) In section 527(b), which relates to employment of personnel, strike out "sixty" and "thirty-five" in the first sentence and substitute "seventy" and "forty-five", respectively, and add the following new sentence at the end of such section: "One of the offices established by section 1(d) of Reorganization Plan Numbered 7 of 1953 may notwithstanding the provisions of any other law be compensated at a rate not in excess of $20,000 per annum."

[(h) Insert immediately after section 533 the following new section:

["SEC. 533A. INSPECTOR GENERAL AND COMPTROLLER.—(a) There is hereby established in the Department of State an office to be known as the "Office of the Inspector General and Comptroller", which shall be headed by an officer designated as the "Inspector General and Comptroller", whose salary shall be fixed at the an-

nual rate of $19,000, and who shall be appointed by the Secretary of State and be responsible to an Under Secretary of State designated for such purpose by the Secretary of State. In addition, there shall be a Deputy Inspector General and Comptroller, whose salary shall not exceed the maximum rate provided under the General Schedule of the Classification Act of 1949, as amended, and such other personnel as may be required to carry out the functions vested in the Inspector General and Comptroller by or pursuant to this section.

[“(b) There are hereby transferred to the Inspector General and Comptroller all functions, powers, and duties of the Office of Evaluation of the International Cooperation Administration, and so much of the functions, powers, and duties of the Office of Personnel Security and Integrity as relate to investigations of improper activities in connection with programs under the International Cooperation Administration.

[“(c) The Inspector General and Comptroller shall have the following duties, in addition to those duties transferred to him under subsection (b) of this section:

[“(1) Establishing or reviewing and approving a system of financial controls over programs of assistance authorized by this Act to insure compliance with applicable laws and regulations;

[“(2) Advising and consulting with the Secretary of Defense or his delegate with respect to the controls, standards, and procedures established or approved under this section insofar as such controls, standards, and procedures relate to assistance furnished under chapter I of this Act;

[“(3) Establishing or reviewing and approving policies and standards providing for extensive internal audits of programs of assistance authorized by this Act;

[“(4) Reviewing and approving internal audit programs under this section, and coordinating such programs with the appropriate officials of other Government departments in order to insure maximum audit coverage and to avoid duplication of effort;

[“(5) Reviewing audit findings and recommendations of operating agencies and the action taken thereon, and making recommendations with respect thereto to the Under Secretary of State and other appropriate officials;

[“(6) Conducting or requiring the conduct of such special audits as in his judgment may be required in individual cases, and of inspections with respect to end-item use in foreign countries;

[“(7) Establishing or reviewing and approving a system of financial and statistical reporting with respect to all programs of assistance authorized by this Act;

[“(8) Advising the Under Secretary of State and other appropriate officials on fiscal and budgetary aspects of proposed programs of assistance authorized by this Act;

[“(9) Designing the form and prescribing the financial and statistical content of the annual program presentation to the Congress;

[“(10) Coordinating and cooperating with the General Accounting Office in carrying out his duties, to the extent that

such duties are within areas of responsibility of the General Accounting Office; and

[“(11) Carrying out such other duties as may be vested in him by the Under Secretary of State.

[“(d) Expenses of the Office of the Inspector General and Comptroller with respect to programs under this Act shall be charged to the appropriations made to carry out such programs: *Provided*, That all documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to the operation or activities of the Office of Inspector General and Comptroller shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation to appropriation for, or expenditures of, such Office, upon request of the General Accounting Office or such committee or subcommittee as the case may be.”

[(i) Amend section 534, which relates to reports to the Congress, by inserting “(a)” immediately after “REPORTS.—” and by adding at the end thereof the following:

[“(b) All documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to the operation or activities of the International Cooperation Administration shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for, or expenditures of, such Administration, upon request of the General Accounting Office or such committee or subcommittee as the case may be.”

[(j) Amend section 537, which relates to provisions on uses of funds, as follows:

[(1) In paragraph (5) of subsection (a), strike out “$3,300” and substitute “$3,500”.

[(2) In subsection (c), strike out “$26,000,000” and substitute “$27,750,000”.

[(3) Amend subsection (f) to read as follows:

[“(f) During the annual presentation to the Congress of requests for authorizations and appropriations under this Act, there shall be submitted a detailed report on the assistance to be furnished, country-by-country, under title I of chapter II, and under section 400(a), of this Act. The report with respect to each country shall contain a clear and detailed explanation of the proposed level of aid for such country, and shall include a listing of all significant factors considered, and the methods used, in determining the level of aid for such country; the reason for including each such factor and an explanation of the manner in which each of such factors is related to the specific dollar figure which constitutes the proposed level of aid for each such country. In addition, with respect to assistance proposed to be furnished under title I of chapter II of this Act, the report shall contain a clear and detailed explanation on a country-by-country basis of the determination of the particular level of forces to be supported by the proposed request for authorization and appropriation for military assistance, the factors considered and methods used in arriving at each country determination, and where the level of forces supported by military assistance differs

from the total level of forces maintained in any such country, an explanation, in detail, of the reason for the difference in such level of forces."

[(k) In section 543(d), which relates to saving provisions, strike out the words between "repealed" and "shall" in the first sentence and substitute "subsequent to the time such funds are appropriated"; insert "or subsequent Acts" after "1957" both times it appears in the second sentence; and strike out the last sentence.

[(l) Section 549, which related to special provisions on availability of funds, is repealed.

[(m) After section 549 add the following new sections:

[SEC. 550. INFORMATION POLICY.—The President shall, in the reports required by section 534, or in response to requests from Members of the Congress or inquiries from the public, make public all information concerning the mutual security program not deemed by him to be incompatible with the security of the United States.

[SEC. 551. LIMITATION ON THE USE OF THE PRESIDENT'S SPECIAL AUTHORITY.—The authority contained in sections 403, 451, and 501 of this Act shall not be used to augment appropriations made pursuant to sections 103(b), 408, 411(b), and 411(c) or used otherwise to finance activities which normally would be financed from appropriations for administrative expenses."

[CHAPTER V—INTERNATIONAL COOPERATION IN HEALTH; COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION

COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION

[SEC. 502. To enable the United States to maintain membership in the Colombo Plan Council for Technical Cooperation, there is hereby authorized to be appropriated from time to time to the Department of State such sums as may be necessary for the payment by the United States of its share of the expenses of the Colombo Plan Council for Technical Cooperation.

[CHAPTER VII—AMENDMENTS TO OTHER LAWS AND MISCELLANEOUS PROVISIONS

[AMENDMENTS TO OTHER LAWS

[SEC. 701. (a) The Defense Base Act, as amended (42 U.S.C. 1651), is further amended by inserting in subsection (e) of the first section, between "the approval of this Act," and "and contracting officers" in the first sentence, the following: "and the liability under this Act of a contractor, subcontractor, or subordinate contractor engaged in performance of contracts, subcontracts, or subordinate contracts specified in subparagraph (5), subdivision (a) of this section, and the conditions set forth therein, shall hereafter be applicable to the remaining terms of such contracts, subcontracts, and subordinate contracts entered into prior to June 30, 1958, but not complete on the date of the enactment of the Mutual Security Act of 1959,".

[(b) Section 522 of the Foreign Service Act of 1946, as amended (60 Stat. 1009, 22 U.S.C. 922), is amended by striking out the word "and" at the end of subparagraph (1), by striking out the period at the end of subparagraph (2) and substituting a semicolon and the

word "and", and by adding at the end thereof a new subparagraph (3) which shall read as follows:

[“(3) extend the appointment or assignment of any Reserve officer, or continue the services of any such Reserve officer by reappointment without regard to the provisions of section 527 of this Act, for not more than five additional years if the Secretary deems it to be in the public interest to continue such officer in the Service, except that the assignment of any Reserve officer under paragraph (2) above may not be extended under the provisions of this paragraph without the consent of the head of the agency concerned.”

[(c) Section 1011(a), of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442), is amended by inserting before the period at the end thereof a colon and the following: “*Provided*, That the purpose of making informational media guaranties shall be the achievement of the foreign policy objectives of the United States, including the objective mentioned in sections 413(b)(4)(A) and 413(b)(4)(G) of the Mutual Security Act of 1954, as amended”.

[(d) Section 104(k) of Public Law 480, Eighty-third Congress (68 Stat. 454), as amended, is further amended by inserting “research” immediately after “conduct”, and by substituting for the phrase “, but no foreign currencies shall be used for the purposes of this subsection (k) unless specific appropriations be made therefor;” the following: “: *Provided*, That foreign currencies shall be available for the purposes of this subsection (in addition to funds otherwise made available for such purposes) only in such amounts as may be specified from time to time in appropriation Acts;”.]

MUTUAL SECURITY ACT, 1954

* * * * * * *

[SEC. 402. EARMARKING OF FUNDS.—Of the funds authorized to be made available in the fiscal year 1961 pursuant to this Act (other than funds made available pursuant to title II), not less than $175,000,000 shall be used to finance the export and sale for foreign currencies or the grant of surplus agricultural commodities or products thereof produced in the United States, in addition to surplus agricultural commodities or products transferred pursuant to the Agricultural Trade Development and Assistance Act of 1954, and in accordance with the standards as to pricing and the use of private trade channels expressed in section 101 of said Act. Foreign currency proceeds accruing from such sales shall be used for the purposes of this Act and with particular emphasis on the purposes of section 104 of the Agricultural Trade Development and Assistance Act of 1954 which are in harmony with the purposes of this Act. Notwithstanding section 1415 of the Supplemental Appropriation Act of 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use for such purposes the foreign currencies which accrue to the United States under this section. Surplus food commodities or products thereof made available for transfer under this Act (or any other Act) as a grant or as a sale for foreign currencies may also be made available to the maximum extent practicable to eligi-

ble domestic recipients pursuant to section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), or to needy persons within the United States pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c). Section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), is amended by inserting "whether in private stocks or" after "commodities" the first time that word appears.]

* * * * * * *

[SEC. 417. IRISH COUNTERPART.—Pursuant to section 115(b)(6) of the Economic Cooperation Act of 1948, as amended, the disposition within Ireland of the unencumbered balance, in the amount of approximately 6,000,000 Irish pounds, of the special account of Irish funds established under article IV of the Economic Cooperation Agreement between the United States of America and Ireland, dated June 28, 1948, for the purposes of—

[(1) scholarship exchange between the United States and Ireland;

[(2) other programs and projects (including the establishment of an Agricultural Institute) to improve and develop the agricultural production and marketing potential of Ireland and to increase the production and efficiency of Irish industry; and

[(3) development programs and projects in aid of the foregoing objectives, is hereby approved, as provided in the agreement between the Government of the United States of America and the Government of Ireland, dated June 17, 1954.]

* * * * * * *

SECTION 109 OF THE DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1982 AND 1983

[RESTRICTION ON CONTRIBUTIONS TO THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

[SEC. 109. (a) None of the funds authorized to be appropriated by paragraph (2) of section 102 of this Act or by any other Act for "International Organizations and Conferences" may be used for payment by the United States of its contribution toward the assessed budget of the United Nations Educational, Scientific and Cultural Organization if that organization implements any policy or procedure the effect of which is to license journalists or their publications, to censor or otherwise restrict the free flow of information within or among countries, or to impose mandatory codes of journalistic practice or ethics.

[(b) Not later than February 1 of each year, the Secretary of State shall report to the Congress with respect to whether the United Nations Educational, Scientific and Cultural Organization has taken any action described in subsection (a) of this section.]

DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1984 AND 1985

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TITLE X—MISCELLANEOUS PROVISIONS

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[TERMINATION OF ASSISTANCE PROGRAMS FOR SYRIA

[SEC. 1004. (a) After the enactment of this section, funds available to the Agency for International Development may not be used for any payment or reimbursement of any kind to the Government of Syria or for the delivery of any goods or services of any kind to the Government of Syria.

[(b) The Administrator of the Agency for International Development shall deobligate all funds which have been obligated for Syria under the Foreign Assistance Act of 1961 prior to the enactment of this section, except that—

[(1) such funds may continue to be used to finance the training or studies outside of Syria of students whose course of study began before the enactment of this section;

[(2) the Administrator may adopt as a contract of the United States Government any contract with a United States or third-country contractor which would otherwise be terminated pursuant to this subsection, and may assume in whole or in part any liabilities arising under such contract, except that the authority provided by this paragraph may be exercised only to the extent that budget authority is available to meet the obligations of the United States under such contracts; and

[(3) amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated for Syria under chapter 4 of part II of the Foreign Assistance Act of 1961 shall continue to be available until expended to meet necessary expenses arising from the termination of assistance programs for Syria pursuant to this subsection.]

PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE IN KAMPUCHEA

SEC. 1005. [(a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Kampuchea or elsewhere in Indochina.]

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ADDITIONAL VIEWS OF HON. TOBY ROTH

The committee-reported version of H.R. 1561 contains two amendments which I offered and which were adopted by voice vote. These amendments make reforms in the foreign aid "pipeline" and terminate the Housing Guarantee Program. Both of these amendments reflect recommendations made by the General Accounting Office (GAO).

The first amendment, contained in Section 3286, stops a longstanding pattern of waste by AID called the foreign aid "pipeline". The pipeline is the pool of foreign aid funds appropriated in prior years which have not been expended.

GAO has determined that as of January 1st, the AID pipeline held $7.7 billion in funds that were appropriated as long ago as 1987, for FY 1988. That means AID has a reservoir of $7.7 billion, on top of the $7.5 billion that Congress appropriated for this year. In reality, therefore, AID has twice the money that most Members of Congress think it has.

In 1991, GAO sent our committee a report, focusing attention on the pipeline and recommending that it be cut back. GAO recommended that, with limited exceptions, any funds older than 2 years be de-obligated and returned to the U.S. Treasury, to prevent wasteful spending. Since then, I have worked with GAO to stop this waste. This amendment has been approved twice by the House and once more by this committee, but each of the underlying bills failed to be enacted.

A rough estimate is that my amendment will save about half of the funds from FY 1992 and earlier, amounting to $1 billion in savings.

This is not a partisan issue. Members from both parties have joined in supporting my previous amendments. It is worth noting that as a candidate, Bill Clinton endorsed cutting the foreign aid pipeline, as one element of his budget plan, released in June 1992 in the document entitled "Putting People First".

My second amendment, contained in Sections 3251 and 3252, terminates the AID Housing Guarantee Program. This amendment is based on a draft report to the Subcommittee on International Economic Policy and Trade. The amendment cancels any guarantees which have not yet been used. It prevents any new guarantees from being issued and it imposes tough new penalties on defaulters to strengthen our ability to recover the $409 million that are owed to the U.S. on claims that have been paid out on these guarantees.

A total of $2.7 billion in guaranteed loans have been issued, most of them for 30 years duration. Guarantees have been issued in 44 countries, 23 of which have caused claims to be paid on these guarantees. Under these guarantees, the U.S. taxpayer assumes 100 percent of the risk of default. When a borrower fails to pay on a guaranteed loan, the lender collects from AID immediately. Then

the debt becomes due to the U.S. government, which usually fails to collect the debt.

Although AID charges a fee for each guarantee, this revenue has never covered the losses; Congress has appropriated over $400 million dollars to cover the losses.

The subcommittee has had grave concerns about the Housing Guarantee Program for several years and we have previously refused to increase the operating levels for this program.

In 1993, our subcommittee, on a bi-partisan basis, asked for a complete GAO investigation of the program. GAO worked for over a year, going through AID's books and visiting seven countries where the program operates. GAO has just given us a draft of their report, which is devastating.

The U.S. taxpayer has paid $542 million to cover claims. An additional $600 million will be paid out for future claims, but AID has only $50 million in reserves. GAO estimates that under present procedures, only $200 million will be collected from these future defaulters. Therefore GAO estimates that the U.S. will lose nearly $1 billion on a total of $2.7 billion in guarantees, a loss rate of 40 percent.

To cover the losses thus far, Congress has already appropriated $417 million over the past 25 years and AID has borrowed another $125 million from the U.S. Treasury. GAO found that the U.S. government is a soft touch. Uncollected debts amount to $409 million thus far, owed by 23 countries. AID has even issued new guarantees to countries which have re-scheduled old debts; AID also waived the fees for some of these new guarantees. One government received ten new guarantees, after rescheduling old ones.

As the result of these lenient policies, the rate of losses has accelerated in the last 5 years. Losses in 1994 were double the rate in 1989. Only one percent of losses are now being recovered.

Supposedly, Congress had imposed a $2.6 billion ceiling on guarantees, but AID got around that by following its own accounting system. Any time a loss incurred, AID counted that as a retired guarantee, reducing its total outstanding. AID used that as a rationale to issue a new guarantee, claiming it was staying under the ceiling. This accounting procedure was used to issue $200 million in guarantees over the Congressionally set ceiling.

Perhaps the most damning evidence of program mismanagement is an outside audit done by DeLoitte Touche and paid for by AID. It shows that future losses will be $708 million, even worse than what GAO predicts.

The evidence is clear and overwhelming: this program is causing massive losses for the American taxpayer. The time has come to shut it down.

My colleagues should be reminded that no American is eligible for these 100 percent guarantees. This is a program that provides a benefit overseas that we do not provide for any American citizen. Even if the program ran perfectly, it is unfair to our own people to spend their money for a benefit for which they are not eligible.

ADDITIONAL VIEWS OF DOUG BEREUTER

While I voted in favor of H.R. 1561, as amended, I continue to have reservations about a number of specific provisions of the legislation. Two issues are particularly worthy of note.

I have serious concerns about Section 2104(a)(4), titled Resettlement of Vietnamese, Laotians and Cambodians, a disastrous reversal of policy that could have serious negative repercussions on U.S. immigration and refugee policy. This section would block the use of U.S. funds for the repatriation of Indochinese asylum seekers under the Comprehensive Plan of Action unless certain unmeetable conditions are met. Primary among these conditions is that all 47,000 Indochinese refugees in camps in Hong Kong and elsewhere in Southeast Asia be "offered resettlement outside their countries of nationality." I fully support the resettlement of bonafide refugees from the Vietnam conflict in the United States and elsewhere. The problem with this provision, however, is that nearly all these 47,000 boat people have been determined by the United Nations Commissioner for Refugeess (UNHCR) to have no claim to refugee status. There is, therefore, no international responsibility to resettle these economic migrants. Instead they should return to their countries of origin.

Members should note that the bill as drafted would either deprive the international refugee effort of $30 million in U.S. government funding or else deprive nearly 47,000 bonafide refugees of quota numbers into the United States. Forcing UNHCR to rescreen every one of these asylum seekers, after they have already been determined to be economic migrants, could undermine support in first asylum countries and elsewhere for the internationally-accepted definition of political refugee. Moreover, as noted by the U.S. Committee for Refugees, "a new refugee screening process would raise the expectations of all the Vietnamese in the camps that they might qualify, when many in fact would not. It would undoubtedly bring a halt to voluntary repatriation, and could also open the way for a new exodus of boat people, to which Asian nations would undoubtedly respond harshly, possibly putting the lives of new boat people at risk." For these reasons, while the U.S. Committee on Refugees "would welcome the admission to the United States of the remaining Vietnamese boat people," it is "deeply concerned about the proposal" in Section 2104(4) of the bill.

In my view the Comprehensive Plan of Action, while imperfect, has been a success. There are no more boat departures from Vietnam. Tens of thousands of boat people have agreed to return voluntarily and, based on reports from UNHCR and non-government organizations monitoring their return, appear not to be suffering persecution in Vietnam. Finally, there are avenues for Vietnamese in Vietnam to apply for refugee status and request resettlement in the United States or elsewhere. The Comprehensive Plan of Action

represents an international consensus on how to handle this long-standing problem of Indochinese asylum seekers. The Plan may be imperfect and its implementation may have some flaws. But for the United States to turn its back on the agreement at this late stage, no matter how well intentioned, would be detrimental to worldwide refugee efforts, prolong the agony of the tens of thousands of camp dwellers who have no choice but to return to their homelands and could result in new outflows of boat people in the region.

Second, Sec. 3417 establishes a prohibition on assistance to countries that do not support the United States position in the United Nations General Assembly at least 25% of the time. I am sensitive to and share the concern that nations should be held accountable for their votes in the United Nations. However, I am concerned that in using the most recently completed session of the General Assembly for which overall percentage-of-voting percentages exist, this provision would in effect retroactively punish nations for votes that were already cast. If this policy is to be established, it should be prospective rather than punitive—placing all nations on notice that their future General Assembly votes will in part determine the U.S. willingness to provide security assistance.

On a procedural note, I would mention the regrettable situation in which the Committee found itself when concerns about Sec. 3417 were identified. As a result of an unfortunate miscommunication, not all Members were aware of or in a position to address this potentially major policy issue. In addition, because of the rules governing amendment and debate did not allow for the consideration of further amendments without unanimous consent, and because that unanimous consent was not forthcoming, Member's concerns could not be addressed in Committee. It is not my intention to fault the Chair, for I believe the Chair made an honest effort to address the parliamentary conundrum that had airsen. Indeed, there was overwhelming agreement to resolve the concerns raised over Sec. 3417 and the very serious problems it would create for U.S. foreign policy. But the absence of unanimous consent made a readily apparent solution to the problem impossible. It is my hope that this matter will be resolved on the floor; failure to do so would create very serious consequences.

MINORITY VIEWS OF HON. LEE H. HAMILTON, HON. SAM GEJDENSON, HON. TOM LANTOS, HON. ROBERT G. TORRICELLI, HON. HOWARD L. BERMAN, HON. GARY L. ACKERMAN, HON. HARRY JOHNSTON, HON. ELIOT L. ENGEL, HON. ENI F.H. FALEOMAVAEGA, HON. MATTHEW G. MARTINEZ, HON. DONALD M. PAYNE, HON. ROBERT MENENDEZ, HON. SHERROD BROWN, HON. CYNTHIA A. MCKINNEY, HON. ALCEE L. HASTINGS, HON. ALBERT RUSSELL WYNN, HON. JAMES P. MORAN, AND HON. VICTOR O. FRAZER

INTRODUCTION

H.R. 1561 undermines the ability of the United States to maintain its world leadership role. This bill will be seen around the world for what it is: a retreat by the United States from its international responsibilities.

One section of this bill is called the Foreign Assistance Reduction Act. We believe the entire bill should be called the American Leadership Reduction Act. This bill, if enacted, would contribute to what National Security Adviser Lake has termed the ''unilateral disarmament'' of American foreign policy.

There are three central problems with this bill.

First, the bill cuts resources too deeply at time when the requirements of U.S. leadership are increasing, not diminishing. It restricts for specific and narrow purposes most of the funds that remain.

Second, the bill mandates a far-reaching reorganization of U.S. foreign policy apparatus that has no connection to the real problems of foreign policy: It is reorganization for reorganization's sake, and demonstrates neither benefit nor cost savings.

Third, the bill sharply limits the President's ability to conduct U.S. foreign policy, through restrictions on the use of foreign assistance resources.

President Clinton said it best: ''We did not win the Cold War to walk away and blow the peace on pennywise, pound-foolish budgeting.''

CUTTING RESOURCES HURTS U.S. INTERESTS

This bill drastically reduces resources this President—or any President—needs to conduct U.S. foreign policy. By its restrictions on funds that remain, this bill further undercuts the effectiveness of those resources, and diminishes the ability of the President to protect and promote U.S. interests.

This bill will force the United States out of the game as a player in large sections of the world. The U.S. cannot lead without resources.

In a dangerous world, we are forgoing the ounce of prevention that foreign assistance can often provide. We will regret later the pound of cure that our neglect of U.S. interests will force us to buy.

We agree with our colleagues in the majority that the times call for reduced government. We agree that savings can be found in the international affairs budget.

But the federal budget cannot be balanced by deep cuts in foreign aid, which represents less than one per cent of federal spending.

This bill:

Cuts development assistance by $442 million, or 34% below the President's request;

Cuts the Development Fund for Africa by $173 million, or 21% below the President's request;

Cuts assistance for Latin America and the Caribbean, according to the Administration's best estimates, by $213 million, or 25% below the President's request;

Cuts assistance for Eastern Europe and the Baltics by $155 million, or 32% below the President's request;

Cuts assistance for the new independent states of the former Soviet Union by $145 million, or 18% below the President request; and

Cuts our contributions to international organizations by $209 million, or 14% below the President's request.

The cuts in H.R. 1561 will have dire consequences.

They will force the United States to eliminate its programs and presence in vast regions of the world. It will force both the substantial reduction and closure of assistance programs in Africa, Asia, and Latin America.

They will undermine our ability to promote the world-wide transition to democracy and market economies.

They will reduce funding for microenterprise lending programs to promote economic development in the poorest countries.

They will reduce and weaken the President's ability to protect and promote U.S. interests.

FOREIGN ASSISTANCE PROMOTES U.S. INTERESTS

Foreign assistance improves U.S. security and reduces defense spending because it costs less to address problems before they become full-blown crises and potential threats to U.S. security. For example, foreign assistance has enabled us to persuade Ukraine, Belarus and Kazakhstan to become non-nuclear weapons states. Foreign assistance helped prevent the deaths of another quarter million people in Rwanda.

U.S. assistance programs also help the United States directly because close to 80 percent of aid procurement goes directly to American firms and non-governmental organizations.

U.S. assistance programs develop markets and increase U.S. exports. Most growth in U.S. exports comes from the developing world, and countries—such as those in the former Soviet bloc—that are now in transition to a free market.

Between 1990 and 1993, U.S. exports to developing countries grew by $46 billion, supporting 920,000 new jobs in the United States.

Take the example of South Korea: the United States exports five times more each year to South Korea than the U.S. ever provided in foreign aid. It is difficult to remember, but in 1960 South Korea was written off as an economic basket case with a GNP similar to Ghana's;

Or take Taiwan: the United States exports 12 times more each year to Taiwan than we ever provided in foreign assistance;

Even Africa, with all its turmoil, is a faster growing market for U.S. exports than is Europe.

U.S. assistance programs promote peace in the Middle East, help allies defend themselves, catalyze economic and political reform in former communist states, help poor countries develop into U.S. export markets, provide humanitarian relief, and promote U.S. values and influence.

REORGANIZING FOR THE SAKE OF REORGANIZING

H.R. 1561 mandates consolidation of USIA, ACDA and AID into the State Department without any serious study of the costs and benefits. The committee gave scant consideration to the details of reorganization. Only one hearing was held in committee on the specific reorganization provisions of this bill—and that hearing was held just one day before markup.

This bill was drafted without the careful review that preceded reorganization in the Department of Defense (the bottom-up review) and is proceeding on the reorganization in the Intelligence Community (through the Commission on the Roles and Capabilities of the U.S. Intelligence Community).

This bill merely shuffles boxes on a chart. It represents micromanagement without any evidence of cost-saving or benefit to U.S. foreign policy. In fact, it will create chaos in the conduct of foreign policy during a protracted period of unnecessary reorganization.

There is no relationship between the reorganization plan in this bill and the problems we confront in the world. There is no effort to tie these reorganization proposals to any improvement in American foreign policy.

USIA, ACDA and AID have missions—and expertise—quite distinct from the State Department. These serve U.S. interests and would likely be lost in a massive new State Department.

AID's expertise promotes economic growth and democracy in developing and former communist countries, creating markets for U.S. exports and contributing to stability.

USIA's public diplomacy programs, including educational exchanges and international broadcasting, expose millions worldwide to American democratic and free-market ideals.

ACDA provides a steady voice on non-proliferation—and indefinite extension of the Nonproliferation Treaty would not have been possible without its leadership and sustained efforts over the past year.

In short, reorganization is a needless distraction from the real issues facing American foreign policy. It is a waste of time, and a drain on the resources of senior officials who should be devoting

their time and talent to the genuine problems of U.S. foreign policy.

The President has not requested this reorganization; in fact, he opposes it.

Reorganizing will cost, not save money.

Reorganizing will diminish the effectiveness of those who implement U.S. foreign policy;

Rather than make foreign policy more coherent, reorganization will simply create a massive State Department bureaucracy, doubling the number of employees and tripling the current budget. All this in an agency notoriously weak on management.

Under the Clinton Administration, the foreign policy agencies are already streamlining and achieving significant reductions and cost-savings. Under the Clinton Administration, staff already has been reduced by 2300 in these foreign policy agencies, contributing to $500 million in cost savings so far. More staff and cost reductions are planned.

THIS BILL UNDERMINES THE PRESIDENT'S ABILITY TO DEFEND U.S. INTERESTS

This bill micromanages U.S. foreign policy. It ties the President's hands and limits his flexibility. It forces radical changes in U.S. foreign policy—such as refugee policy—without due consideration of the consequences. The bill has vague and poorly drafted provisions that could terminate assistance to key U.S. friends and allies, including Israel.

This bill will undermine U.S. foreign policy across the board. Three examples, out of many that could be cited, follow:

In Eastern Europe, this bill will provide no funding for reconstruction in Bosnia, cause a premature slowdown of assistance programs in Poland and Hungary, and hurt assistance programs for Ukraine and other non-Russian NIS states.

In Africa, cuts in Development Assistance, the African Development Foundation, and the Development Fund for Africa, will force the U.S. to shut down programs in many of the twenty-five countries undertaking difficult transitions to democracies and market economies. It will hurt efforts to open markets in countries such as Ghana where U.S. exports have doubled in recent years. It will harm efforts to slow population growth which has succeeded in lowering fertility by one-third in the past decade in countries such as Kenya and Zimbabwe. It will undermine efforts to prevent future devastating humanitarian crises such as those in Somalia, Rwanda, and Angola.

Development assistance worldwide, including the Development Fund for Africa, will be harmed by earmarks that restrict up to two-thirds of the development assistance account. The bill increases child survival resources, a program which we all support, but in so doing denies the Administration flexibility to allocate resources to other important programs crucial for sustainable development, including microenterprise lending, agriculture, basic education, and family planning and health.

In graphic terms, this bill will make it harder for poor women in Bangladesh to get a $50 loan to start a weaving business or pur-

chase high-yield seeds, make it more likely that she will have unwanted pregnancies, and make it harder for her to get basic education for her children.

This bill will undercut the ability of the United States to make a difference in the developing world, where 75% of the world's people live. This bill undercuts our ability to contribute to a more prosperous, stable and peaceful world.

PROCESS

We also believe it is important to mention our concerns about process.

H.R. 1561 is a partisan bill. We as Democrats had almost no input in the drafting of the legislation in committee and subcommittee.

In contrast to the previous committee process, only one regional subcommittee held hearings on the assistance programs contained in this bill. Key provisions concerning Asia in this bill were not considered at all in the Asia Subcommittee.

Mark-up documents were shared with us less than 24 hours before mark-up began. Significant changes were made in mark-up documents without consulting or informing us.

These practices are at variance with fair process, and at variance with past practice in the Committee. They also are reminiscent of the practice followed in H.R. 7, when artificial timetables and deadlines precluded a deliberative process and careful consideration of far-reaching legislation. The result is sloppy legislation. H.R. 1561 is H.R. 7 all over again.

CONCLUSION

The American people want us to cut government and cut spending. They also want us to concentrate on problems here at home.

But H.R. 1561 overreaches:

The foreign affairs budget should be cut, but the cuts should not be disproportionate, as the total foreign affairs budget represents 1.3 percent of the federal budget.

There already have been large cuts in foreign assistance. The budget has been cut some 40% since 1985, the high water mark for foreign assistance spending. The cuts in this small account—no matter how large—will not balance the budget, will harm U.S. interests, and will cost the United States more in the long-run.

Promoting economic growth at home is directly related to our engagement in the world. H.R. 1561 marks a retreat, a pulling back from our engagement.

It is often said today that the United States is the world's only superpower. We have earned that position not just because we have the strongest military, but because our diplomacy is effective, our political and cultural values are widely shared, and our economic system is emulated around the world. With leadership comes responsibilities, and this bill does not meet them.

H.R. 1561 cuts resources, undertakes a needless reorganization, and limits Presidential authority. It undercuts our ability to conduct diplomacy, disseminate American values, create new markets, and protect U.S. security interests.

H.R. 1561 takes U.S. foreign policy in exactly the wrong direction.

H.R. 1561 undermines U.S. leadership in the world.

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