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SENATE

{ REPORT
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FOREIGN OPERATIONS, EXPORT FINANCING, AND
RELATED PROGRAMS APPROPRIATION BILL, 1999

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JULY 21, 1998.—Ordered to be printed
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Mr. McCONNELL, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany S. 2334]

The Committee on Appropriations reports the bill (S. 2334) making appropriations for Foreign Operations and related programs for the fiscal year ending September 30, 1999, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amounts in new budget authority

Fiscal year 1998 appropriations	\$13,190,698,080
Fiscal year 1999 budget estimate	14,124,044,980
Amount of bill as reported to Senate	12,599,172,980
Bill as recommended to Senate compared to:	
1998 appropriations	– 596,795,100
Budget estimate	– 1,529,872,000
Fiscal year 1998 supplemental	17,861,000,000
Amount recommended to Senate	17,861,000,000

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SUMMARY TABLE: AMOUNTS IN NEW BUDGET AUTHORITY

Item	Budget estimate	Committee recommendation	Committee recommendation compared with budget estimate increase (+) or decrease (-)
Export assistance	\$708,940,000	\$674,000,000	-\$34,940,000
Economic assistance—Bilateral	8,033,432,000	7,437,652,000	-600,780,000
Military assistance	3,409,910,000	3,442,910,000	+33,000,000
Economic assistance—Multilateral	1,971,762,980	1,044,610,980	-927,152,000
Total, fiscal year 1999	14,124,044,980	12,599,172,980	-1,529,872,000

FISCAL YEAR 1998 SUPPLEMENTAL

Congressional budget recap	Budget estimate	Committee recommendation
U.S. quota	\$14,500,000,000	\$14,500,000,000
Loans to International Monetary Fund	3,361,000,000	3,361,000,000
Total	17,861,000,000	17,861,000,000

INTRODUCTION

In fiscal year 1998, the Committee provided approximately \$13,200,000,000 for foreign operations and related programs, of which \$359,753,100 was for obligations at multilateral institutions previously due. In fiscal year 1999 the administration has requested \$14,070,000,000 of which nearly \$500,000,000 is for arrears at these institutions. The request level not only substantially exceeds last year's level, but also does not permit the Committee to comply with the Balanced Budget Act signed by President Clinton in 1997.

Remaining within the foreign operations allocation, the Committee has provided \$12,599,172,980 in funding for foreign operations activities of an allocation of \$12,600,000,000. This level has allowed the Committee to maintain most accounts near last year's level.

Within this framework, the Committee continues to view as a high priority the transition underway in the New Independent States of the Former Soviet Union. The Committee has maintained earmarks as a measure of support to secure reforms in several key countries.

In addition, rising concerns about the global economic slow down and the potential impact on U.S. market share, particularly in Asia, convinced the Committee to increase assistance for export promotion programs over last year's level (although well below the request level) and to include language previously passed by the

Senate regarding the new arrangements to borrow and the quota increase for the International Monetary Fund.

TITLE I

EXPORT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

SUBSIDY APPROPRIATION

Appropriations, 1998	\$683,000,000
Budget estimate, 1999	808,000,000
Committee recommendation	785,000,000

ADMINISTRATIVE EXPENSES

Appropriations, 1998	\$48,614,000
Budget estimate, 1999	51,940,000
Committee recommendation	49,000,000

The Committee recommends \$785,000,000 to support direct loans, loan guarantees, insurance, and tied-aid grants at the Export-Import Bank of the United States. The Committee has not provided the requested increase for administrative expenses but has maintained the account at approximately last year's level of \$49,000,000.

Last year the Committee noted the Export Import Bank, the Overseas Private Investment Corporation and the Trade Development Agency had significantly underestimated requirements for their services, especially in the New Independent States of the Former Soviet Union. The Committee requested a report by January 15, 1998, assessing the potential 5-year requirements U.S. export agencies anticipate, and management, budgetary, and policy adjustments necessary to be responsive to the rapidly changing export environment. The administration has failed to produce this report and continues to operate on an ad hoc basis, an approach the Committee views with some alarm.

Due to challenges in key markets in Asia, the Committee has met the expected increase in export promotion needs for fiscal year 1999. However, without a longer term analysis of market trends and corresponding agency requirements, the Committee will not continue with such substantial support.

In addition to these issues, the Committee has been concerned by recent decisions of the Bank to extend loans to state-owned collectives and entities in the New Independent States of the former Soviet Union. Although arguably secured by sovereign guarantees, the decisions perpetuate the legacy of communism, a course the Committee believes is inconsistent with U.S. policy interests in promoting free markets. The Committee has included language which prohibits any further disbursement of loans or guarantees to state-owned entities. The Committee directs the Bank to develop and submit to Congress guidelines regarding support to enterprises in the New Independent States.

OVERSEAS PRIVATE INVESTMENT CORPORATION

SUBSIDY APPROPRIATION

DIRECT LOANS

Appropriations, 1998	\$4,000,000
Budget estimate, 1999	4,000,000
Committee recommendation	4,000,000

SUBSIDY APPROPRIATION

GUARANTEED LOANS

Appropriations, 1998	\$56,000,000
Budget estimate, 1999	46,000,000
Committee Recommendations	46,000,000

ADMINISTRATIVE EXPENSES

Appropriations, 1998	\$32,000,000
Budget estimate, 1999	34,000,000
Committee recommendation	32,000,000

The Committee recommends \$50,000,000 for the subsidy cost of OPIC's direct and guaranteed loans. In addition, the Committee recommends \$32,000,000 for administrative expenses.

Last year the Committee encouraged OPIC to shift emphasis to sector specific funds in order to support smaller, innovative American businesses in fast growing areas, including marine transportation, healthcare equipment and services, and food processing. The Committee's views were ignored.

In responding to congressional inquiries on the status of these efforts, OPIC noted it is contributing toward two funds totaling \$420,000,000 in commitments focusing on global climate and environmental initiatives. Neither fund reflects guidance offered by Congress in fiscal year 1998. In addition, OPIC has established a \$150,000,000 fund for Africa, again with an environmental emphasis. Documentation provided on this fund suggests it is being established consistent with a congressional mandate. However, the Committee notes the legislation which would encourage such a fund has not been enacted.

The Committee is similarly disappointed with the Corporation's failure to effectively manage the Caucasus Enterprise Fund established by Congress several years ago. Very little of the \$46,000,000 made available has been invested.

The Committee notes that OPIC has moved quickly to initiate action in areas of political interest to the administration while ignoring congressional direction. The Committee has withheld the release of one-half of OPIC's administrative expenses pending resolution of these issues.

TRADE AND DEVELOPMENT AGENCY

Appropriations, 1998	\$41,500,000
Budget estimate, 1999	50,000,000
Committee recommendation	43,000,000

The Committee recommends providing \$43,000,000 for the Trade and Development Agency [TDA] for fiscal year 1999.

TITLE II
 BILATERAL ECONOMIC ASSISTANCE
 FUNDS APPROPRIATED TO THE PRESIDENT
 AGENCY FOR INTERNATIONAL DEVELOPMENT
 BILATERAL ASSISTANCE

Appropriations, 1998	\$2,151,000,000
Budget estimate, 1999	2,123,687,000
Committee recommendation	2,099,000,000

The amounts listed in the above table for fiscal year 1998 appropriations, the fiscal year 1999 administration request, and the Committee recommendation include funding appropriated or requested under development assistance, UNICEF, the African Development Foundation, the Inter-American Foundation, international disaster assistance, debt restructuring, micro and small enterprise development, and housing and other credit guarantee programs. The appropriate statutory authorities for activities and programs are included in the recommendation with a minimum of earmarking or designation of levels of assistance for the consolidated accounts. It is the Committee's intention, through consolidation of these accounts, to provide the President flexibility in order to respond to global development, economic, and humanitarian requirements.

DEVELOPMENT ASSISTANCE

Appropriations, 1998	\$1,914,000,000
Budget estimate, 1999	1,878,634,000
Committee recommendation	1,890,000,000

COMBATING INFECTIOUS DISEASE

Last year, after hearings that revealed serious deficiencies in the world's ability to monitor and combat infectious disease and the lack of a coherent U.S. response to this problem, the conferees provided an additional \$50,000,000 toward a multiyear initiative to develop a U.S. strategy to support global efforts against infectious disease. The Committee applauds AID for the steps it has taken to consult with relevant agencies, organizations, and other experts in developing a U.S. strategy. The strategy, which identifies four priorities—surveillance, antimicrobial resistance, tuberculosis, and malaria—is being implemented through AID, the Centers for Disease Control and Prevention, the World Health Organization, and others. In an increasingly interdependent world, the threat of deadly epidemics caused by microbes spread by modern transportation cannot be minimized anymore than the threat of biological weapons. The Committee was disappointed that the administration's fis-

cal year 1999 budget request would sharply cut funding for this new initiative. The Committee has, therefore, included bill language requiring that not less than the current level of funding be made available in fiscal year 1999 to implement AID's infectious disease strategy.

The Committee is aware that tuberculosis [TB] kills some 3 million people annually and, because of the ease with which it is transmitted, continues to threaten large numbers of Americans in both urban and rural communities where the public health system has deteriorated. The Committee strongly supports AID's decision to significantly increase funding for TB prevention and control programs.

The Committee is concerned that the incidence of tuberculosis along the Texas-Mexico border is three times the national rate and urges AID to contribute to the binational surveillance and treatment initiative underway.

The Committee recognizes the important work of the Center for Health and Population Research and commends the international consortium of public and private sector sources which collectively contribute to the center's annual budget. The Committee encourages a contribution of \$1,500,000 to aid in the establishment of an endowment fund in an effort to offset any variation in annual funding from the center's donors.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

The Committee has provided not less than \$15,000,000 for the important work carried out by institutions funded under the American Schools and Hospitals Abroad [ASHA] Program.

The Committee believes that several institutions which have received funding under ASHA have distinguished records and deserve further support. They include:

- The American University in Beirut which has trained Middle Eastern leaders for 130 years in a strong liberal arts tradition encouraging freedom of expression, private initiative, and tolerance. Its academic quality and longstanding relationship with regional governments make the university a primary resource for regional development.
- The Lebanese American University (formerly Beirut University College) is the most rapidly growing institution of higher learning in Lebanon and is an increasingly important resource for talent in this region.
- The Hadassah Medical Organization has established an important record of outreach and service. Hadassah's programs are designed to train native populations to improve the health and welfare of their own people using American ideas and technology.
- The Feinberg Graduate School [FGS] of the Weizmann Institute of Science in Israel has long served as a model of American scientific education for postgraduate students and scholars from around the world. ASHA funds have been used exclusively to purchase American-made scientific equipment from American suppliers.
- The Johns Hopkins University's centers in Bologna, Italy, and Nanjing, China are vital national resources promoting democ-

racy and international market economics in central and Eastern Europe and China. The Committee strongly directs that not less than \$500,000 be provided for the Nanjing center.

LAOS CROP SUBSTITUTION

The Committee is aware that silk production in Laos offers a profitable alternative to local farmers who would otherwise grow opium for export, and that the United States Embassy in Laos is seeking to support a microcredit program to promote silk production. The Committee provides \$2,000,000 for this purpose.

U.S. TELECOMMUNICATIONS TRAINING INSTITUTE

The Committee has provided \$500,000 to the U.S. Telecommunications Institute [USTTI]. USTTI is a nonprofit joint venture between the public and private sectors dedicated to providing tuition free communications and broadcast training to professionals from around the world.

CYPRUS

The Committee has provided \$15,000,000 for Cyprus from development assistance and economic support fund resources. The Committee intends that these resources be made available to maximize leverage in negotiations over Cyprus.

BURMA

The Committee has provided not less than \$10,000,000 in funding to promote democracy in Burma and support humanitarian activities for displaced Burmese. The Committee believes the assistance must be provided consistent with U.S. interests in restoring democracy. Therefore, the Committee requires that at least \$2,000,000 of the funds be administered after written consultations regarding appropriate guidelines with the legitimate government elected, but prevented from assuming office, in 1990.

The Committee has also increased humanitarian aid to displaced Burmese in camps along Burma's borders. The Committee directs that in addition to medical relief and related activities, support be provided for basic education for children in these camps. The Committee acknowledges the enormous pressures placed on the Government of Thailand in addressing refugee crises on both the Burma and Cambodian borders and expects these resources to ease some of that burden.

The Committee is concerned by the slow rate of disbursement of democracy and humanitarian assistance for Burma. Although there has been little variation on an annual basis in recipients selected to receive or use resources, the State Department seems unable to move promptly in issuing requests for proposals and subsequent grants. Therefore, within 15 days after the date of enactment of this act the Committee directs the Department to provide a report on obligation of resources made available in fiscal years 1997 and 1998, and an assessment of any changes anticipated in the administration of 1999 resources, other than those funds which are to be made available after consultations with the government elected in 1990.

CAMBODIA

To date, the international community has invested more than \$3,000,000,000 in peacekeeping and reconstruction support for Cambodia. Following the coup in 1997, political, economic, and security conditions in Cambodia have deteriorated. Although elections are scheduled for July 1998, there continue to be credible reports of harassment, intimidation, and murder of political candidates opposing the government of Hun Sen. Candidates other than those associated with Hun Sen have been denied the opportunity to campaign, give speeches, hold meetings, and have had limited access to media. These conditions raise serious questions whether the outcome of any election can be deemed fair.

Nonetheless, the administration has maintained that the political environment is conducive to free and fair elections. In testimony in June 1998, the Secretary of State indicated the Department did not support the opposition's call to postpone the election and affirmed official support for moving forward in July.

In correspondence in June, the President stated, "There has been some recent progress in creating a framework for parliamentary elections. Political exiles have returned to Cambodia without incident; international observers are on the ground and voter registration is proceeding."

In contrast, in a June assessment, the United Nations Special Representative in Cambodia documented 49 extra-judicial killings, in addition to the 41 murders which occurred during and immediately after the coup. The Representative also concluded, "there are still serious problems when it comes to meeting requirements set by the Secretary General for U.N. support of elections." These problems were identified as voter intimidation, restricted media access for the opposition, the lack of a functional Constitutional Council, and a lack of accountability or investigative action to control political violence.

The integrity of the registration process also appears to have been compromised. A local newspaper reported registration substantially exceeded the eligible voting population in several randomly selected districts. The discrepancies varied from a district with 108 percent registration to areas where more than 180 percent were registered.

With political leadership unwilling to support fundamental democratic principles, U.S. assistance can have little impact on producing real economic or political reform necessary to achieving stability and prosperity. Therefore, the Committee has conditioned the provision of further assistance on assuring that the results of the election have produced leadership in Cambodia dedicated to an open society committed to freedom of speech, press, and basic civil liberties. The Committee has excluded humanitarian and demining programs and activities administered by non-Government organizations from these restrictions.

The Committee directs the Department of State to report within 90 days on the Department's plans for strengthening legitimate democratic political institutions, including support for opposition leaders. The report should detail democracy building activities and grassroots organizational programs. The Department is encouraged

to utilize the Democracy and Human Rights Fund to provide training and resources. Finally, the report should discuss plans for helping the more than 80,000 displaced Cambodians along the Thai border.

CAMBODIA LOGGING

The Committee has for years expressed concerns about the illegal export of timber by the Khmer Rouge across the border into Thailand, with the complicity of Thai border guards. The Committee has received information that this trade continues in large volume from the areas of Samlot, north of Pailin, to the Thai port of Kalapandha, and potentially from Anlong Veng and O'smach. At the current rate of deforestation it is widely expected that Cambodia's marketable timber, the country's only valuable natural resource, will be exhausted in 5 years. In fiscal year 1997, the Committee required the State Department to submit a report on the extent to which countries were facilitating the export of timber from Cambodia. Given that this trade continues to generate tens of millions of dollars in revenues for Khmer Rouge forces and other armed groups, the State Department is requested to submit a report by April 1, 1999, describing the current status of timber exports from these areas and the involvement of Thai military personnel in this trade.

INDONESIA

In the autumn of 1997, the Indonesian economy collapsed. By March, three International Monetary Fund Agreements had been signed, but none had been fully implemented. The deteriorating economic crisis contributed to the April departure of President Suharto after 33 years in office.

Since April, when estimates of unemployment were reaching 50 million people, the Committee has urged AID to conduct an in-depth, nationwide survey of the consequences of the Indonesian economic crisis concentrating in hard-hit urban areas. While a survey was conducted, the information was anecdotal, it concentrated primarily on the impact of El Niño on the eastern islands, and the report failed to provide even rough estimates of food, medical, shelter, fuel, and other shortages related to declining economic conditions. As Indonesia approaches the 1-year anniversary of its collapse, the Committee still has not received a comprehensive evaluation of needs.

After a Committee hearing, the AID Administrator traveled to Jakarta and announced a new assistance package. The Committee believes that most of the announced package was assistance previously announced or committed, and virtually none focused on a new strategy for support. AID planned for expansion of existing contracts and programs rather than new initiatives responding to new opportunities and problems.

Given the strategic priority attached to Indonesia by the Departments of State and Defense, and shared by the Congress, the Committee believes a continuation of the status quo is unwise. Moreover, it is evident that only political change will improve Indonesia's uncertain economic climate, a problem which continues to complicate regional recovery.

The Committee believes the administration must work swiftly not only to develop a comprehensive new approach to Indonesia but also new delivery mechanisms. The Committee understands recovery is up to the Indonesians and that there is no shortage of indigenous organizations willing to distribute humanitarian aid, and work with AID and other donors to rebuild the economy, strengthen political parties and the private sector, and expand education, social services, and employment opportunities.

To launch a new, credible effort, the Committee has earmarked \$100,000,000 for Indonesia, at least 80 percent of which must be delivered or administered through private or nongovernment organizations. Given the current Government's transitional role, the Committee believes emphasis should be placed on building long-term local political and economic institutional capabilities at the community level. This will require a shift in AID's longstanding preference to work through ministries and instead, work with local organizations and community leaders.

The Committee is also concerned by reports of mistreatment of minorities, especially ethnic Chinese, and urges AID to support organizations which offer legal protection and related assistance to these groups.

The Committee requests a report within 30 days of enactment on AID's strategy for Indonesia, including a detailed assessment of the new, indigenous organizations the Agency has identified as potential partners in supporting the transition.

VIETNAM

The Committee supports professional exchanges between United States and Vietnamese nongovernmental organizations involved in the integration of people with disabilities. Emphasis should be given to programs that encourage independent living, disability rights, technology, and rehabilitation, including therapeutic recreation. Medical exchanges should encourage techniques that enable the disabled to integrate into community life. Educational exchanges should include an emphasis on inclusion, effective communication, and identification of educational techniques and related services.

MITCH MC CONNELL CONSERVATION FUND

In April 1998, the Government of Ecuador passed landmark legislation promoting conservation of biodiversity and sustainable development of the Province of Galapagos. The legislation laid a foundation for increasing research and scientific study of the islands, expanding local participation in conservation activities, preserving unique wildlife including giant tortoises, iguanas, and other rare species, controlling resource exploitation, and protecting the 40-mile boundaries of the Galapagos Marine Reserve. The Committee notes that the only other marine reserve in the world is the Great Barrier Reef in Australia.

While the legislation is far reaching in intent, Ecuador does not have the resources to assure the laws can be fully and effectively implemented to protect this unique environment. Therefore, the Committee has earmarked \$1,200,000 for conservation activities administered by the Charles Darwin Research Station and the Na-

tional Park Service. The Committee intends for \$500,000 to be provided to support scientific research, conservation, and related activities for the station and \$200,000 to support the Park Service training, education, and conservation initiatives. In addition, the Committee has provided \$500,000 to support an endowment for the station to leverage support from the private sector. The Committee is concerned by the rapid degradation which has occurred in Galapagos over the past decade and requests AID work closely with local organizations to develop a long-term strategy to preserve this unique archipelago.

GUATEMALA

The Committee notes that in April 1998 the U.N. Human Rights Commission concluded its consideration of Guatemala. The Committee is aware of the progress that has been made in implementing the peace accords, but is concerned about the failure to adopt agreed upon constitutional reforms. The Committee also continues to receive reports of disappearances, assaults, and killings, including the murder of Bishop Juan Jose Gerardo shortly after he released a report documenting human rights violations during the war. Many of these are common crimes, but others bear the indicia of political crimes. Therefore, like last year, the Committee has prohibited military assistance to Guatemala except for IMET assistance that focuses on civilian control of the Armed Forces and human rights. Also, the Committee directs the Secretary of State to provide a report no later than 45 days after the date of enactment of this act evaluating official involvement in or knowledge of political crimes.

The Committee is aware that approximately \$2,500,000 in prior-year military assistance for Guatemala remains unspent. As in the past, the Committee strongly recommends that these funds be used to support the implementation of the peace accords, including the demobilization of former combatants.

MEXICO

The Committee is aware of an initiative to establish a formal dialog among a broad cross-section of Mexican society in an effort to build bridges between polarized groups, especially in Chiapas and other conflict zones, and to strengthen democracy. Similar initiatives in Guatemala and El Salvador, supported by the United States, brought together representatives from rebel groups, the armed forces, the business and academic communities, and others, and helped lay a foundation for reconciliation. The Committee urges the United States Embassy in Mexico to seriously consider supporting such an initiative in Mexico.

COLOMBIA

Last year, the Committee recommended that funds be provided to support the Colombian attorney general's human rights unit, which investigates abuses by guerrilla groups, paramilitary organizations, and state security forces. Unfortunately, the Committee's recommendation was ignored. Widely respected in Colombia, the prosecutors' efforts are severely hampered by a lack of resources.

This office can play an important role in carrying out investigations and prosecutions related to the implementation of the section in this act entitled "Limitation on Assistance." The Committee directs that funds be made available to support the attorney general's human rights unit.

SOUTH AFRICA

The Committee is aware of a proposal to establish a partnership with the Republic of South Africa's Housing Loan Fund to strengthen community-based lending and development organizations in some of South Africa's poorest provinces, for the purpose of providing affordable, sustainable credit to meet basic housing and safe drinking water needs. The Committee believes that AID should seriously consider participating in this effort.

The Committee also requests AID to seriously consider funding a computer literacy and distance learning project involving two South African universities and a university in the Southeastern United States. The program would link three communities and their university partners in joint planning, exchanges, instruction, and data interchanges. The U.S. university should have demonstrated expertise in international business studies, manufacturing outreach, and distance education.

RWANDA

The Committee remains concerned that some 90,000 individuals are detained in inhumane and overcrowded conditions, many facing charges of participating in genocide. Despite the support of the United States and other nations, the Rwandan justice system remains incapable of dealing effectively with this explosive situation. Judges and prosecutors lack training and defendants lack lawyers. The Committee urges the administration to lead the multidonor approach to deal aggressively with this pressing problem.

SUDAN

The Committee is gravely concerned about the complex emergency in Sudan. The Committee fully supports AID's efforts to provide emergency humanitarian relief, through Operation Lifeline Sudan [OLS] and independent non-OLS relief agencies, and to assist economic development and famine mitigation activities in areas outside the control of the Government of Sudan. Given the recent AID report that 2.6 million Sudanese face food shortages, the Committee strongly supports an increase in international disaster assistance funding over the fiscal year 1998 enacted level to meet this humanitarian challenge. Beyond the emergency relief efforts, the Committee encourages AID to use development and disaster assistance funds for capacity building and food production activities, in addition to famine mitigation, in areas of southern Sudan outside the control of the Government of Sudan, and to make funds from these accounts available to nongovernmental organizations for this purpose.

The Committee also urges AID to support agricultural development and crop marketing projects in areas of southern Sudan that

are secure, as well as transportation infrastructure improvement work throughout the region to facilitate food distribution.

NEPAL

The Committee recognizes the Government of Nepal and the Nepalese people for their efforts to host over 90,000 Bhutanese refugees and the enormous strain this puts on the country's resources. The Committee believes it would be in the interest of the Government of Nepal and the Government of Bhutan to resume discussion to resolve these issues to enable the refugees to return home. The Committee believes that recent actions by the Government of Bhutan to resettle northern Bhutanese in lands formerly belonging to refugees are regrettable and will not contribute to a peaceful settlement.

PATENT PROTECTIONS

The Committee is deeply concerned by the absence of any pharmaceutical patent protection in Jordan and Egypt. Due to Jordan's lack of patent protection and its ongoing production and export of counterfeit pharmaceutical products throughout the Middle East, American pharmaceutical companies lose from \$25,000,000 to \$50,000,000 annually. The Committee is also concerned that current Egyptian law governing product patents excludes pharmaceuticals, medicines, and foodstuffs. The Committee directs the administration to work with the Jordanian and Egyptian Governments to encourage the adoption of effective intellectual property protections.

PRIVATE VOLUNTARY ORGANIZATIONS

The Committee has again included language in the bill that is intended to ensure that the level of funding to private and voluntary organizations is at least maintained. This is consistent with current law and AID's commitment to enhance support for PVO's at a time when they are being increasingly called upon to implement U.S. foreign assistance programs.

CHILD SURVIVAL, BASIC EDUCATION, AND RELATED PROGRAMS

The Committee believes that protecting the health and well-being of children around the world must be a high priority goal of U.S. foreign assistance. The Committee is alarmed that 12 million children die every year from preventable diseases including respiratory infections, measles, and diarrhea. The Committee recognizes the importance of child survival programs in reducing the incidence of child mortality, disease, and disability. Therefore, the Committee urges that U.S. bilateral efforts and contributions to international organizations reflect a strong resource commitment to these activities.

The Committee believes that basic education programs are essential to both the well-being of the world's children and to achieving the long-term goal of broad-based economic development. These programs should be sustained at a minimum of \$100,000,000. In particular, the Committee believes girls' education should be addressed because it has multiple benefits, including improved child

survival and overall family health. The Committee is also very interested in the use of basic education programs in addressing the educational needs of children who are in or are leaving situations of hazardous and exploitative child labor. The Committee defines basic education to include early childhood, primary and lower secondary education, and childhood education teacher training programs. The Committee requests a report by April 1, 1999, on AID's plan to address child labor issues through basic education programs. In addition, the Committee requests that the report address how the agency intends to fully implement this program.

ORPHANS, DISPLACED, AND BLIND CHILDREN

The Committee recommends \$10,000,000 for the displaced children and orphans fund. The Committee also continues to support a program of at least \$1,000,000 to assist children who are blind. Many blind children in developing countries can be cured of their disability through simple operations and inexpensive care.

The Committee has provided authority to use up to \$25,000 in program funds for displaced and orphaned children and victims of war, to enable the AID office responsible for the design and management of these programs to monitor and oversee their implementation. AID is also encouraged to use other OEU resources as necessary to further the effectiveness of the oversight of these programs.

MATERNAL HEALTH INITIATIVE

The Committee is aware that an estimated 600,000 women die from pregnancy-related causes annually, and that the overwhelming majority of these lives could be saved with better healthcare and nutrition. AID supports a variety of activities devoted to the needs of pregnant women and mothers, but more attention and focus is needed. Accordingly, the Committee has recommended an initiative of not less than \$50,000,000 in fiscal year 1999. The Committee looks forward to consulting with AID, the National Council for International Health, WHO, and others in developing an effective strategy to address these problems.

MaterCare International (USA) is a professional organization of physicians, obstetrical providers, health care personnel, and educators dedicated to reducing maternal deaths and injuries throughout the developing world. MaterCare International (USA) provides training, emergency care, and family planning opportunities for persons in Sub-Saharan Africa. MaterCare International (USA) receives a percentage of its funds from private funding. To expand its activities, the Committee encourages AID to provide \$3,400,000 to Matercare International to reduce maternal mortality and improve health care.

PATRICK J. LEAHY WAR VICTIMS FUND

The Committee notes the significant contribution of the Leahy War Victims Fund in providing medical and related assistance to disabled war victims in over a dozen countries. Recently, world attention has focused increasingly on the problem of landmines, and the need for additional funds for the care and rehabilitation, and

social and economic reintegration, of landmine victims. Accordingly, the Committee recommends that \$12,000,000 be made available for such activities from development assistance, the Office of Transition Initiatives, and the "Nonproliferation, antiterrorism, demining, and related programs" account, for activities to assist landmine victims and other war victims suffering from permanent disabilities.

HIV/AIDS

The Committee is aware that the General Accounting Office is currently conducting a review of the administration of the AIDS programs at the Agency for International Development and UNAIDS. The Committee understands that GAO has raised concerns about the UNAIDS program by stating that there is: (1) a lack of guidance to agency field representatives regarding how they should interact; (2) miscommunication as to the scope of their mission; and (3) lack of commitment to working together by the different cosponsor representatives due to concerns about the role of UNAIDS as the organizational vehicle for the U.N. response.

While concerned about these preliminary findings, the Committee notes that the organization is only 2 years old and is trying to formulate policy and practices. The Committee urges the UNAIDS Secretariat to provide better practical information and technical support to the country teams, to focus and coordinate efforts, and to direct resources to establish and meet specific targets for improving education, prevention, and treatment in each country level.

Finally, the Committee notes that in the last 3 fiscal years, AID has not provided funding to UNAIDS in a timely manner. According to the United Nations, in 1997 the number of people infected with HIV increased by 6 million, a 15-percent increase in a single year. The total number of cumulative infections now exceeds 40 million people worldwide. The Committee, therefore, urges AID to expedite the provision of funding at no less than last year's level and collaborate with UNAIDS to increase the effectiveness of these programs.

POLIO ERADICATION

The Committee welcomes AID's support in the multilateral effort to eradicate polio by the year 2000 and once again expects a commitment of not less than \$25,000,000. Funds should be used to provide for the delivery of vaccines and the development of the infrastructure necessary to implement the program. The funding is intended to be in addition to the resources for the regular immunization programs of AID and to supplement other related activities. The Committee takes note of the important support of Rotary International in assuring the success of this effort.

IODINE DEFICIENCY

The Committee is aware that iodine deficiency is the leading preventable cause of mental retardation in children. Kiwanis International has joined with UNICEF to substantially eliminate iodine deficiency by 2000. The Committee recommends that AID provide up to \$2,000,000 through UNICEF to help meet this goal.

VITAMIN A

Reports indicate that vitamin A supplements in a capsule costing 2 cents given two to three times a year reduces child mortality rates by 23 percent. There are initial indications that giving vitamin A to pregnant women could also reduce maternal deaths by a minimum of 40 percent. The Committee requests AID expand funding for a vitamin A initiative.

UNIVERSITY DEVELOPMENT ASSISTANCE PROGRAMS

The Committee recognizes that U.S. universities have a significant role to play in U.S. development policies throughout the globe. Therefore, the Committee encourages AID and the Department of State to expand the involvement of colleges and universities in development activities. The Committee takes note of the important contribution made by a number of universities in this regard.

- The University of Hawaii has played a key role in Pacific regional development. The Committee encourages AID to support the university as it develops a new initiative to train health, social, and human service professionals in recipient countries.
- The University of Northern Iowa has effectively managed the Orava project in Slovakia which has incorporated democratic concepts and practices into schools and teacher education programs. The Committee encourages AID to continue to support and replicate in other countries this important work.
- The Committee recognizes the important contribution George Mason University is making to health care in Third World countries and recommends up to \$2,000,000 be made available to continue and expand these worthy activities.
- The Committee recognizes the important contribution Utah State University is making to irrigation programs in Third World countries and recommends that up to \$2,100,000 be made available to establish a World Irrigation Training Center at USU.
- The Committee is aware of the expertise at Mississippi State University in the development of water resources management plans. The Greater Istanbul Municipality, Turkey, is experiencing serious shortages of clean water supplies for its growing population. Discussions between Mississippi State University and Marmara University in Istanbul have resulted in a proposed plan of work to develop a water resources plan for the city. The Committee has provided \$500,000 to begin this project.
- The Arab-American University of Jenin [AAUJ] is being established to provide educational opportunities for young people in the West Bank and Gaza, a matter of critical need. The Committee directs AID to provide \$1,000,000 in order to establish a College of Agriculture at the AAUJ.
- The Committee is aware that the University of Vermont [UVM] has expertise in integrated pest management and insect pathology, and is involved in joint research and training programs with universities and agricultural research institutes in Israel, Taiwan, Turkey, and Ethiopia. The Committee directs that AID provide \$1,000,000 to build on these initiatives

by establishing an International Integrated Pest Management Training and Research Center at the University of Vermont. The center will serve as a focal point for research and technology transfer on biological control agents.

COOPERATIVE ASSOCIATION STATES FOR SCHOLARSHIPS

The Committee supports the programs known as the cooperative association States for scholarships [CASS] and expect AID to continue funding for this program at the same level provided in fiscal year 1998.

RURAL ELECTRIFICATION

The Committee continues to strongly support the inclusion of rural electrification in AID's planning as a critical component of a sound development strategy. The Committee encourages AID to provide support through the international program of U.S. electric cooperatives, recognizing their long and successful record overseas. The Committee also encourages AID to include the work of this program in its energy and electric utility assistance efforts in the New Independent States of the former Soviet Union.

AGRICULTURE DEVELOPMENT AND RESEARCH

Last year, the Committee expressed concern about the erosion in U.S. support for international agriculture programs. In real terms, this funding has shrunk from \$1,200,000,000 in fiscal year 1986 to \$240,000,000 in fiscal year 1997. While overall levels for foreign operations also declined during that period, funding for agriculture has suffered disproportionately. In fiscal year 1998 AID increased the amount somewhat, and has done so again in the request for fiscal year 1999. Because of the enormous population pressures and demand for food in the developing countries, and the expertise of U.S. universities in agriculture research and development, the Committee has provided \$305,000,000 for these activities in fiscal year 1999.

INTERNATIONAL FUND FOR AGRICULTURE DEVELOPMENT

The Committee continues to strongly support the International Fund for Agriculture Development [IFAD] and believes that the United States should continue to support and contribute to IFAD, including its efforts to implement the U.N. Convention to Combat Desertification. The Committee is aware that IFAD's next replenishment will be negotiated soon and believes that the United States should play an active and constructive role in that process. The administration should consult Congress prior to making any binding pledge.

DAIRY DEVELOPMENT

The Committee continues to place a high priority on dairy development and encourages AID to maintain funding for this program.

FARMER-TO-FARMER

The Committee strongly supports the Farmer-to-Farmer [FTF] Program in the NIS and elsewhere, and recommends that AID sup-

port these exchanges directly, in addition to the funding FTF receives from the Agriculture Department. The FTF Program gives American farmers and agribusiness entrepreneurs the opportunity to share their expertise with farmers in countries where agriculture has been stymied from decades of state control. In the process, FTF participants also make new friends for the United States and gain valuable experience for themselves. It is a cost-effective form of technical assistance because the American participants volunteer their time.

COOPERATIVE DEVELOPMENT PROJECTS

The Committee is aware of the decline in funding for the United States-Israel Cooperative Development Program [CDP] and Cooperative Development Research Program [CDR]. The Committee urges the administration to increase funding for CDR/CDP. These innovative programs have proven successful in bringing Israel's unique combination of technical expertise and language skills which benefit developing nations and the emerging democracies of Eastern Europe and the former Soviet Union.

TROPICAL PLANT AND ANIMAL RESEARCH INITIATIVE

The Committee requests AID to consider joint application from Israel and the State of Hawaii to collaborate on a research and development project directed to enhance the competitiveness of both in the rapidly increasing tropical fish and plant global market. Such collaboration would have the dual purpose of curtailing exploitation of wild stocks and commercializing cultivated stocks to enhance the economic development activities of the United States and Israel.

INTERNATIONAL FERTILIZER DEVELOPMENT CENTER

The Committee strongly supports the fertilizer-related research and development being conducted by the International Fertilizer Development Center [IFDC] and further directs AID to promptly make at least \$3,000,000 available for the core grant to the IFDC.

MICROENTERPRISE POVERTY PROGRAMS

The Committee believes that microcredit projects are an efficient and effective way to develop small enterprises, the key to employment and economic development. The Committee directs USAID to provide at least \$145,000,000 for microenterprise activities with at least one-half the resources targeted for a program offering loans of less than \$300. These loans should be made to the poorest 50 percent of those living below the poverty line, particularly women, or to support the institutional development of organizations primarily engaged in making such loans. The Committee also encourages USAID to invest a significantly increased proportion of microenterprise resources through its central mechanism for support of United States and indigenous nongovernmental organizations.

WOMEN IN DEVELOPMENT

The Committee encourages AID to provide \$15,000,000 for the Office of Women in Development [WID]. The Committee supports

efforts to better integrate the concerns of women into AID's programs and policies and encourages AID to undertake the institutional changes needed to support women in development. This recommendation for increased funding for WID reflects the Committee's belief that investing in women is crucial to reducing hunger and poverty, improving family well-being, and achieving sustainable economic growth.

PARKS IN PERIL

The Committee continues to strongly support the Parks in Peril Program which matches AID funds with private contributions to support biodiversity conservation in imperiled ecosystems in Latin America and the Caribbean.

BIODIVERSITY PROGRAMS

The Committee strongly supports continued funding for biodiversity conservation and tropical forest protection in developing countries, which are critical to U.S. economic prosperity, especially for the U.S. agricultural and pharmaceutical industries. AID conservation activities should continue to emphasize the use of nongovernmental organizations. AID through NGO partnerships should remain active in regions that are significant for global biodiversity, including in countries where AID does not have a presence or where AID missions have been closed, especially where lack of participation would undermine the success of a regional strategy.

RENEWABLE ENERGY

The Committee urges AID to continue the unique programs at its Office of Energy, Environment, and Technology, supporting its U.S. renewable energy private sector initiatives such as project preparation, training, multimedia, and related activities in cooperation with the Committee on Renewable Energy, Commerce, and Trade.

INTERNATIONAL EXECUTIVE SERVICE CORPS [IESC]

The Committee recognizes that for almost 35 years the International Executive Service Corps [IESC] has been promoting the long-term interests of the United States by providing strong volunteer services, creating new businesses, and increasing living standards. IESC is an important vehicle to promote aggressive business development and technology transfer that contributes to sound economic growth and sustainable development. The IESC activity also offers an opportunity for American firms to participate in this endeavor. The Committee, therefore, strongly urges that AID provide IESC with funds at a level comparable with fiscal year 1998 to ensure the continued availability of IESC services.

COLLABORATIVE RESEARCH SUPPORT PROJECTS [CRSP'S]

As in past years, the Committee supports the collaborative research support projects [CRSP's]. Over 40 U.S. universities are involved in the CRSP's and the funding provided by AID is leveraged, with contributions from the universities and recipient countries. The Committee expects AID to make its best efforts to at least maintain funding for the CRSP's in fiscal year 1999. The CRSP's

to receive funding include ABSP, BASIS, food security initiative, Post-Harvest Collaborative Agribusiness Support Program, sorghum/millet, bean, cowpea, peanut, pond dynamics/aquaculture, livestock/small ruminant, soil management, sustainable and natural resource management, and integrated pest management.

SOILS MANAGEMENT—CRSP

Activities such as the Soils Management Collaborative Research Support Program [SM—CRSP] plays a major, long-term role in assuring the productive capacity of the tropical world to meet global food demands. In addition, the broad systems approach through the development and use of decision support systems offers considerable promise for addressing micro issues such as farm level profitability as well as macro goals such as terrestrial sequestration of CO₂. The Committee recommends that the agency fund the SM—CRSP at a level that allows achievement of the goals for all approved projects within that program.

OPPORTUNITIES INDUSTRIALIZATION CENTERS, INTERNATIONAL [OIC]

The Committee recognizes that for more than 25 years, OIC International has helped developing countries establish sustainable, community-based, self-help programs. The Committee further recognizes that, at the request of AID, OIC is making a concerted effort to increase the amount of private funding it receives. The Committee directs AID to provide \$400,000 for OIC to cover the costs of operation as it completes its transition to greater private-sector funding.

OFFICE OF PRIVATE AND VOLUNTARY COOPERATION

The Committee recommends increased funding for AID's Office of Private and Voluntary Cooperation in fiscal year 1999. This office plays a central role in the partnership between AID and private voluntary organizations in providing humanitarian and development aid. The Committee also recognizes the important contribution of private voluntary organizations and cooperatives in establishing and administering food aid programs overseas.

PALESTINE BROADCASTING

The Committee is concerned about the hostile rhetoric against the United States and Israel which has been disseminated by media sources controlled by the Palestine Broadcasting Corp. While the Committee supports the concept of encouraging a free press in the areas under the jurisdiction of the Palestinian Authority, it believes that the United States should not provide funding to an organization whose broadcasts call for the destruction of the United States and voice support for acts of terrorism. The Committee believes that the Palestinian Broadcasting Corp., is an organization which restricts press freedoms. The Committee believes that independent journalists in the region who observe a code of professional journalism similar to the standards adopted by the Voice of America deserve the assistance of the United States.

LIMITATION ON ASSISTANCE

The Committee has included a provision, similar to last year, which seeks to ensure that U.S. assistance does not go to units of foreign security forces whose members have been credibly implicated in human rights abuses, unless the foreign government is taking effective measures to bring the individuals responsible to justice. By effective measures, the Committee intends that the individuals face appropriate and timely disciplinary action or impartial criminal prosecution in accordance with local law. The Committee notes that in order to implement this provision, it is necessary for U.S. Embassies to know which units are to receive U.S. assistance and to have in place the necessary agreements and mechanisms to effectively monitor their use of the assistance. The Committee expects U.S. Embassies to maintain this information so it is available to the Congress.

INTER-AMERICAN FOUNDATION

The Committee commends the Foundation for its thorough justification of project accomplishments and requirements and in recognition of this effort has provided a designated level of funding for the Inter-American Foundation in the "Development assistance" account. The Committee is encouraged by the fact that the Foundation has responded to Committee guidance and pursued private contributions to assist in the financial implementation of its programs. The Committee looks forward to a continuation of this effort in fiscal year 1999 and expects other foundations to follow the Inter-American Foundation lead.

INTERNATIONAL DISASTER ASSISTANCE

Appropriations, 1998	\$190,000,000
Budget estimate, 1999	205,000,000
Committee recommendation	200,000,000

The Committee has increased the disaster assistance account to \$200,000,000. With no shortage of natural or man made disasters the increase is timely and necessary.

MICRO AND SMALL ENTERPRISE DEVELOPMENT [MSED]

SUBSIDY APPROPRIATION

Appropriations, 1998	\$1,500,000
Budget estimate, 1999	1,500,000
Committee recommendation	1,500,000

ADMINISTRATIVE EXPENSES

Appropriations, 1998	\$500,000
Budget estimate, 1999	500,000
Committee recommendation	500,000

The Committee has provided \$1,500,000 for the subsidy for micro and small enterprise development programs and \$500,000 for administrative expenses with the view that MSED has effectively mobilized credit to strengthen the private sector.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM

SUBSIDY APPROPRIATION

Appropriations, 1998	\$3,000,000
Budget estimate, 1999	6,000,000
Committee recommendation	3,000,000

OPERATING EXPENSES

Appropriations, 1998	\$6,000,000
Budget estimate, 1999	6,053,000
Committee recommendation	4,000,000

The Committee has provided resources to sustain the urban and environmental credit program formerly known as the housing guarantee [HG] program. The program supports U.S. private sector initiatives which provide long-term financing for housing and urban infrastructure requirements such as sewage and water facilities.

DEBT RESTRUCTURING

Appropriations, 1998	\$27,000,000
Budget estimate, 1999	72,000,000
Committee recommendation	25,000,000

The Committee has provided \$25,000,000 to meet the administration's debt restructuring requirements as a component of economic assistance.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

Appropriations, 1998	
Budget estimate, 1999	\$5,000,000
Committee recommendation	3,000,000

In prior years, the Department of the Treasury has carried out technical assistance programs supported by transfers from the Agency for International Development. The Committee is aware that this worthwhile undertaking has been complicated by AID's lack of responsiveness. Therefore, the Committee has provided \$3,000,000 to support this request and directs AID to promptly transfer not less than \$2,000,000 to Treasury to augment these resources.

NATIONAL ADVISORY COUNCIL [NAC] ON INTERNATIONAL MONETARY AND FINANCIAL POLICIES

The Committee believes the new format for the NAC report embodied in this legislation can produce a report that is more focused, more timely, and more useful to Congress than previous NAC reports. The success of the new format relies very much on the administration's good faith and its capacity for providing an inclusive and thorough report. The Committee has included a requirement that the annual report include a discussion of the administration's efforts in pursuit of major policy initiatives embodied in existing law. In particular, the Committee expects the new annual report will discuss the administration's efforts in the IFI's to reform international trade and investment policy in borrower countries, to en-

hance human rights, and to encourage key policy changes in the IFI's themselves. The report should include references to other public sources where data included in previous NAC reports might be obtained. The Committee believes that much of the information about IFI loans and IFI operations that was previously mandated for inclusion in the NAC report should be available from the IFI's themselves. The Committee expects that the administration will encourage the IFI's to be more transparent and more forthcoming with regards the information on their operations and policies they make available to the public.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY
FUND

Appropriations, 1998	\$44,208,000
Budget estimate, 1999	44,552,000
Committee recommendation	44,552,000

The Foreign Service retirement and disability fund is a mandatory expense of the Agency for International Development.

AID OPERATING EXPENSES

Appropriations, 1998	\$473,000,000
Budget estimate, 1999	483,858,000
Committee recommendation	475,000,000

The Committee recommends an appropriation of \$475,000,000 for the operating expenses of the Agency for International Development to remain available until September 30, 2000.

OPERATING EXPENSES OF THE OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1998	\$29,047,000
Budget estimate, 1999	33,000,000
Committee recommendation	30,000,000

The Committee has provided \$30,000,000 for the Inspector General's Office.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

Appropriations, 1998	\$2,400,000,000
Budget estimate, 1999	2,513,600,000
Committee recommendation	2,305,600,000

The Committee has provided \$2,305,600,000 for economic support fund activities. The Committee has not provided funding for the Bank for the Economic Cooperation and Development in the Middle East and North Africa as requested by the administration.

The Congress is opposed to assuming new responsibilities as the largest donor for a new multilateral facility when arrears at existing institutions continue to exceed \$500,000,000. At a time when the Committee finds it difficult to fulfill existing obligations, new commitments make little fiscal sense.

MIDDLE EAST EARMARKS

Following consultations with the Governments of Israel and Egypt, the Committee has reduced the level of economic support

fund resources provided for each country. The Committee understands similar consultations were held with the administration; however, agreement was not reached prior to the submission of the fiscal year 1999 budget request.

The Committee welcomed Prime Minister Netanyahu's 1996 pledge to Congress to consult on a plan to phase out economic support for Israel while at the same time addressing ongoing and acute security requirements. In fiscal year 1999, the Committee is making the first reduction in a planned 10-year schedule and is providing \$1,080,000,000 in economic support funds for Israel. The Committee has provided \$775,000,000 for Egypt. Taking into account resources made available in title III, these levels reflect a net reduction of \$60,000,000 in Israel's economic assistance program and \$40,000,000 in Egypt's.

In changing emphasis in the Egyptian program, the Committee acknowledges the Government's efforts to privatize and expand trade and investment as a means to accelerate economic recovery and growth. To strengthen this private sector development, the Committee expects a shift away from large project support. To further this objective, the Committee has provided \$40,000,000 within funds made available to Egypt to establish an Enterprise Fund. The Committee directs the administration to consult with the Committee.

MIDDLE EAST REGIONAL COOPERATIVE PROGRAM

The Congress fully supports the Middle East Regional Cooperation Program [MERC], and its role in fostering scientific collaboration between Israel and its Arab neighbors. The MERC Program should remain fully funded at no less than \$7,000,000. The value of multiple lines of communication between nongovernmental institutions in the region is critical to the peace process, and should be continued. To that end, it is vital that the MERC Program's guidelines and criteria continue to limit the size of funded projects to no more than \$3,000,000 per year for 3 years in order to catalyze as many collaborations as feasible, thereby assuring the maximum possible impact.

PALESTINIAN-ISRAELI COOPERATION PROGRAM

The Committee recommends \$600,000 for the Palestinian-Israeli Cooperation Program. The Committee believes that at a time when many observers fear that the Middle East peace process is in danger of collapse, joint projects between Palestinians and Israelis are a constructive use of a small amount of money. Examples of past projects include meetings of experts on medical and scientific research, joint publications, theater productions, and activities for children. Past funding for these projects has been far below what was needed to meet the demand.

LATIN AMERICA AND THE CARIBBEAN

The Committee notes that since 1990, United States economic assistance to Latin America and the Caribbean has fallen by two-thirds, although assistance for Haiti has been sustained at a disproportionately high level. During the same period, poverty has

steadily increased as has the flood of illegal immigrants into the United States. The Committee believes that this hemisphere, other than Haiti, should be given higher priority in the allocation of economic support fund assistance.

WAR CRIMES TRIBUNAL

The Committee recognizes that the mission of the International War Crimes Tribunal for the Former Yugoslavia has been constrained by funding shortages. The tribunal has had limited success, in part because of lack of sufficient staffing and professional resources, as well as a lack of sufficient office equipment. The Committee notes that the tribunal recently dismissed the cases of 14 Bosnian Serbs due to a lack of resources to support prosecution, rather than a lack of evidence. The State Department notes that there is a significant need to secure the services of translators and to procure new office equipment, not otherwise provided for in existing funds. The Committee directs that \$3,000,000 from the Democracy and Human Rights Fund be provided to support the tribunal.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

Appropriations, 1998	\$485,000,000
Budget estimate, 1999	464,500,000
Committee recommendation	432,500,000

The Committee recommends \$432,500,000 for Eastern Europe and the Baltic nations. The Committee noted last year that fiscal year 1998 marked the final year of the administration's pledge for economic reconstruction in Bosnia-Herzegovina. This commitment was intended to restore a foundation for commercial and industrial growth and rebuild the mechanics of political institutions, in part to assure a timely and certain departure for American troops. The Committee notes the President has once again delayed the departure date for U.S. forces calling into question the effectiveness of a substantial expenditure of American foreign assistance. The Committee is concerned that the goals so clearly defined by the Dayton accords including refugee resettlement and repatriation, and treatment of war criminals have been difficult to achieve.

LEGAL INITIATIVES

The Committee supports AID's efforts to provide funds for legal reform in Central and Eastern Europe. To address the growth of crime in the region, the State and Justice Departments have sponsored prosecutor training programs that have made progress toward building the foundations of modern judicial systems. The Committee is aware that the current 2-year program provides on-site training four times a year. At this rate only 10 people in each country will have been trained. The Committee notes that distance learning technology could dramatically increase the number of prosecutors trained in this program, and urges AID to provide an additional \$250,000 to incorporate multimedia distance learning into the Central and Eastern Europe prosecutor training program.

The Committee notes that the American Bar Association [ABA] has done an excellent job in promoting democracy around the globe

through their continued support for the rule of law and legal infrastructure projects. These initiatives have played a significant role in fostering legal reforms and democracy by encouraging respect for the rule of law, building free markets and free trade, combating corruption and promoting sustainable development.

To build on this success, the Committee urges AID to sustain funding for ABA projects at a level consistent with fiscal year 1998 levels. The Committee takes special note of the Central and Eastern European Law Initiative [CEELI]. Through a variety of program components, CEELI is making legal expertise available to assist countries in the process of restructuring their legal systems. CEELI has focused its work in a number of critical priority areas, including constitutional reform, judicial restructuring, commercial and criminal law procedure, and legal education reform. CEELI has also helped develop and institutionalize self-sustaining indigenous nongovernmental organizations in more than 22 countries. The Committee notes that more than 5,000 U.S. attorneys, judges, and law professors from the United States have participated in CEELI, all as volunteers.

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER
SOVIET UNION

Appropriations, 1998	\$770,000,000
Budget estimate, 1999	925,000,000
Committee recommendation	740,000,000

The Committee recommends \$740,000,000 for the New Independent States [NIS] of the former Soviet Union. As in prior years, the bill makes applicable the provisions of section 498B(j) of the Foreign Assistance Act to funds appropriated under this heading, as well as making applicable the other provisions of chapter 11 of part I of that act to funds appropriated by the bill for the NIS.

The Committee believes that strengthening free market democracies throughout the NIS enhances U.S. interests through increased stability, security, and prosperity. Accordingly, the Committee has continued with past practices of earmarking support for Ukraine, Armenia, and Georgia. The Committee notes that, notwithstanding the level of funds provided for these three countries, more unearmarked funds are available for the NIS in fiscal year 1999 than in 1998, which is consistent with the administration's request for flexibility.

INDEPENDENT MEDIA

The Committee continues to support assistance for independent broadcast and print media throughout the former Soviet Union. The sustainability and political independence of media are necessary components of genuine economic and political reform. The Committee feels it is a priority to work toward legal environments in which media can better encourage civil society and respect for the rule of law. Effective support for free media also includes specialized training in commercial management with emphasis on financial skills, basic and advanced journalism training, and the development of the institutions and associations that constitute an independent media infrastructure. New initiatives include expanded support for high quality public interest programming, legal

literacy for media professionals, and effective use of regional and national media for disseminating health care information.

The Committee is encouraged by results achieved thus far, and recommends that AID provide funding necessary to build on this success and expand programs to include Russian far east.

CARELIFT INTERNATIONAL

The Committee supports the work of Carelift International and recognizes the great success it has had in providing used medical equipment to Russia and the New Independent States. The Committee also notes that Carelift International has a proven record of success in training medical providers overseas on the proper use and maintenance of American medical and dental equipment. The Committee directs USAID to make at least \$3,000,000 available to allow Carelift International to continue and expand its operations.

RESEARCH, TRAINING, EXCHANGES, AND PARTNERSHIPS

The Committee recommends the current level of funding for the Russian, Eurasian, and East European Research and Training Program (title VIII) from the two appropriation accounts for the NIS and central Europe. The Committee also supports funding for other graduate fellowship and training programs in both regions such as the Central and Eastern European Graduate Fellowship Program. Student exchange programs, in general, are to be distributed in a balanced manner among high school, college, and graduate/post-graduate categories.

PHYSICIANS EXCHANGES

The Committee is aware that the American College of Physicians has initiated a program aimed at improving professional medical education in the former Soviet republics. This cooperative endeavor, known as the Eurasian Medical Education Program, sends volunteer American physicians who have expertise in disease areas that are the major contributors to premature death in Russia, such as cardiovascular disease, diabetes and tuberculosis. The Committee commends AID for providing the funds for three pilot centers in Russia, and requests AID to consult with the Committee concerning fiscal year 1999 funding to sustain and expand the program.

VIOLENCE AGAINST WOMEN

The Committee has closely followed efforts by AID, the Department of State, and the Department of Justice to implement a Committee initiative against domestic violence in Russia. The Committee appreciates the efforts that have been made, but believes that supporting the women's crisis centers in Russia that are directly engaged in responding to this problem should be a priority use of the funds. In addition, more attention should be given to strengthening police and prosecutorial efforts to deter abuses in a broader number of communities where women's crisis centers exist. American police trainers should be carefully screened to ensure that they have the necessary expertise. The Committee recommends that funding for this initiative at least be maintained at the cur-

rent level. The Committee again requests the Department of State to submit a report by April 1, 1999, describing the actions taken, results to date, and future plans in this effort.

RUSSIAN ORPHANAGES

The Committee is aware of the growing lack of orphanages in many areas of Russia. The Committee is also made aware of concerns that orphanages lack the necessary medical facilities to care for orphans. The Committee supports \$3,000,000 for improving orphanage facilities.

SUSTAINABLE AGRICULTURE

The Committee again urges AID to provide funds to support sustainable agriculture programs through replicating the United States extension model at Russian agricultural colleges, as recommended in the fiscal year 1998 conference report. The Committee believes that this is a sound investment which should be continued.

PUSHCHINO PROJECT

The Russian-United States technical, education, and economic development consortium has made significant progress implementing a project entitled, "Uniting Science and Education and the Transfer of Technology to Support Sustainable Economic Development and Environmental Protection of South Central European Russia." The so-called Pushchino project has carried out activities which promote economic development, restore the environment and train entrepreneurs, agriculturalists, and environmental professionals. The results have been mutually beneficial particularly in the testing and development of technologies with practical applications including the control of wheat and barley root disease and remediation of environmental pollutants. The Committee urges continued funding for this collaboration between research institutions, universities, and private firms.

RUSSIAN FAR EAST

The Russian far east is recognized as vital to the overall development of Russia's market economy. Its rich natural resource base and proximity to the rapidly expanding Pacific rim economies have won it the attention of increasing numbers of industries and companies. However, attempts to coordinate trade promotional efforts have been sporadic and often ill conceived.

Meanwhile U.S. competitors in the region have been effective in integrating public and private sector activities. Partly in response to this situation, the United States and Russian governments agreed during the December 1994 meeting of the Gore-Chernomyrdin Commission in Moscow, to establish the United States west coast-Russian far east ad hoc working group. The working group is charged with developing a framework to increase trade and investment opportunities between the Russian far east and the United States west coast.

The role this working group can play to increase opportunities between the two regions is significant. The Committee recommends

that authority and funding for this group and the subsequent initiatives approved by this bilateral body be given priority.

The Russian Far East presents a unique set of investment conditions which are oftentimes overlooked in broad United States foreign assistance initiatives in Russia. The Partnership for Freedom Program will designate certain areas in Russia to receive priority consideration for United States investment. The Committee directs the State Department to designate the Russian Far East as a region to receive this priority treatment.

UNITED STATES RUSSIA INVESTMENT FUND

The Committee continues to be concerned about the record of the United States Russia Investment Fund [TUSRIF] with regard to investment in small- and medium-sized businesses in Russia, particularly in the Russian Far East. The Committee directs TUSRIF to increase investment in small- and medium-sized business projects in the Russian Far East.

RUSSIA AND IRAN

The Committee has once again conditioned assistance to Russia on Moscow's termination of financial and technical support for the Iran nuclear program. The Committee has included this provision in legislation for the last 3 years. However, the administration has opposed any restrictions arguing that the conditions would undermine reformers who offer the best hope for curtailing this dangerous program.

There is little evidence reformers have had a restraining effect on this program. In fact, the Committee is deeply concerned by reports of substantial expansion in the number of Russian scientists involved in training, technology transfer, and supervision of nuclear testing.

Iran's campaign to acquire a nuclear capability is a serious threat to U.S. security interests and its suspension should be of the highest priority in the United States dialog with Russia.

UKRAINE

The Committee has provided \$210,000,000 to continue economic, legal, and political reforms in Ukraine. The Committee believes absent a significant and sustained effort in each of these areas, Ukraine will face a serious economic crisis, made all the more likely due to the currency and market weakness across Asia.

While the Committee recognizes very recent efforts to advance economic reforms, given the inconsistent pattern of performance, the Committee has reduced overall funding and has structured a continuation of support on acceleration of improvements. The Committee expects the Government to continue with an aggressive program to rationalize and improve tax collection, reduce government spending and exercise fiscal responsibility. To assure these initiatives remain on track, the Committee has provided the administration with authority to withhold 50 percent of the funds for 120 days when the Secretary is required to report on the status of reforms.

Nuclear safety

The Committee has, once again, excluded nuclear safety initiatives from any restrictions. In addition to continuing funding for existing programs to prevent accidents and improve control and management, the Committee has provided \$1,000,000 to establish a personnel security system at each existing nuclear facility. In reviewing safety problems, the Committee learned that neither the Department of Energy nor the Department of Defense has provided any support to control access to civilian nuclear facilities in the Ukraine. Onsite visits to Chernobyl determined that there were virtually no procedures, plans or practices to control access to the core facility or respond to an unauthorized breach of perimeter security. The Committee was advised that the plant manager at Chernobyl and those at other facilities have requested U.S. assistance in developing and implementing security plans, however, U.S. officials refused to provide any support until directed by the Committee to do so. The \$1,000,000 earmark is intended to augment the initial \$100,000 provided. The Committee directs that 60 days after the date of enactment of this act, that the Departments of Energy and State provide a report on the status of implementation of this initiative and additional resources which may be necessary to provide a minimum security regime at all reactors. The report shall also include an assessment of personnel and related safety procedures at civilian nuclear facilities in each New Independent State.

Free market democracy fund

The Committee has provided \$700,000 to establish and support a small grants fund to be administered by the United States Ambassador to Ukraine in consultation with the Department of State's Coordinator for the NIS. The Committee has been made aware of a number of commercial, educational, health, humanitarian, political, and related activities in which prompt availability of small grants would have an immediate and clear impact on economic development and support for free market, democratic reforms. The Committee has established this pilot program with the understanding that the Department of State will consult on guidelines for its implementation and report on a quarterly basis on the use of the resources.

Agriculture

The Committee is disappointed by the lack of emphasis the AID mission has placed on supporting innovative approaches to agricultural development. AID continues to concentrate on reforming ministries rather than taking the initiative at the county and community level. As the Committee has repeatedly stated, growth in the agriculture sector is essential to Ukraine's economic recovery. The Committee directs AID to report within 60 days on prospects for developing a small farm business initiative with grants of less than \$5,000,000 to be provided outside Kiev to generate local reforms and agricultural growth and income.

GEORGIA

The Committee continues to be impressed by the Georgian Government's determined commitment to address critical issues of legal, economic, and political reforms. The Committee commends the Government for moving quickly to develop and implement a clear, effective plan of action for the use of resources provided by the Congress in fiscal year 1998, demonstrating the political will to produce crucial changes. The Committee intends that the \$95,000,000 made available in fiscal year 1999 be available to support small business development, management training, credit and investment programs, energy and infrastructure initiatives, and judicial reforms.

The Committee continues to be concerned by instability in Abkhazia and Russian influence over internal Georgian events. The Committee has provided funds to continue support for training and improvements of border security personnel to assure a prompt and complete withdrawal of Russian troops from Georgian territory.

ARMENIA

The Committee has provided \$90,000,000 for Armenia. Given Armenia's high level of dependence on nuclear energy, the Committee has designated \$4,000,000 for nuclear reactor safety improvements. Additionally, with the view that higher education is an essential building block in the transition to active free market economies, the Committee has provided \$10,000,000 as an endowment for the American University of Armenia.

AZERBAIJAN

The Committee has included a provision which restates section 907 of the FREEDOM Support Act. However, for funds appropriated in this bill, the Committee has continued the exemption to permit the administration to provide support for demilitarization and related programs. In addition, the administration may provide support to strengthen political institutions. Open, elected governments responsible to citizens interests are essential to long-term stability.

Like last year the Committee has also included a provision exempting humanitarian activities and financing and assistance from OPIC, the Trade and Development Agency, the Export-Import Bank, and activities carried out by the Foreign Commercial Service from section 907 of the FREEDOM Support Act.

EAST-WEST PIPELINE REPORT

Given the completion of the World Bank's feasibility study regarding the Baku-Ceyhan oil pipeline, the Committee urges financial institutions such as TDA, Exim, and OPIC to aggressively pursue funding for the Baku-Ceyhan pipeline.

The Committee believes that a pipeline crossing Turkey is in the best interests of the United States. An east-west pipeline would bring Caspian energy resources to international markets, support stability and democracy while providing a secure energy transport system.

The Committee requests the Secretary of Commerce in consultation with the Secretary of Energy and the Secretary of State to provide a report by March 1, 1999, describing the details and status of the U.S. Government's initiatives to facilitate the commercial viability of the Baku-Ceyhan pipeline.

MONGOLIA

The Committee has provided \$10,000,000 from funds made available under the headings "New Independent States" and "Development assistance." Resources have been provided to continue to support efforts by the Mongolian Government to accelerate legal, political, and economic reforms while addressing acute health, educational, and humanitarian needs. The Committee encourages AID and the coordinator to assume a minimum of a 5-year commitment in support for Mongolia's transition and to develop a strategy accordingly.

NUCLEAR CITIES

The Committee is aware that in March 1998 the United States-Russian Commission on Economic and Technical Cooperation created the nuclear cities initiative, to focus attention on the economic problems facing Russian nuclear weapons complexes. The initiative has the potential to significantly reduce the danger of nuclear proliferation from the brain drain of knowledgeable scientists, the potential theft of fissile material created by economic desperation, and sales of nuclear technology to countries of proliferation concern. The Committee is concerned that since the nuclear cities initiative was not created until after the President submitted his fiscal year 1999 budget request, this vital undertaking may not be adequately funded. The Committee, therefore, strongly recommends that sufficient funds be made available from the NIS account to support the implementation of the nuclear cities initiative, including the promotion of economic development and private sector investment in Russia's closed nuclear weapons complexes.

INDEPENDENT AGENCIES

AFRICAN DEVELOPMENT FOUNDATION

Funding for this account has been included under the "Development assistance" account.

INTER-AMERICAN FOUNDATION

Funding for this account has been included under the "Development assistance" account.

PEACE CORPS

Appropriations, 1998	\$222,000,000
Budget estimate, 1999	270,335,000
Committee recommendation	221,000,000

The Committee recommends an appropriation of \$221,000,000 for the Peace Corps for fiscal year 1999. The Committee is concerned that the Corps is making new commitments to send volunteers abroad without adequate consideration of budget pressures which

will not allow any increase in program levels for the foreseeable future. Moreover, according to volunteers, these commitments are being made without careful consideration as to the availability of worthwhile volunteer activities, safety issues or other problems associated with significant and rapid program expansion. For example, the Committee was advised that a Russian Government decision to require monthly renewal of visas meant volunteers would have to travel great distances far too frequently, seriously compromising the quality of their contribution as well as imposing enormous personal inconvenience. This Russian mandate resulted in the need for the Corps to redirect the assignments for an entire class of volunteers under short time constraints. The Committee urges the Peace Corps to exercise restraint in making political pledges which either resources or conditions do not allow the agency to sustain.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

Appropriations, 1998	\$230,000,000
Budget estimate, 1999	275,000,000
Committee recommendation	222,000,000

The Committee recommends \$222,000,000 for the International Narcotics and Law Enforcement Account [INL].

MEXICO

The Committee is aware that significant amounts of United States military equipment and training are being provided to the Mexican security forces to support counternarcotics activities. Additional equipment is leased or licensed for export including lethal equipment and helicopters. The Committee is concerned that Mexican security forces trained or equipped by the United States have been involved in counterinsurgency operations that have resulted in human rights violations. The Committee expects the administration to make every effort to prevent the misuse of U.S. training and equipment. The Committee requests the State Department, after consultation with the Defense Department, to submit a report to the Committee by April 1, 1999, describing the measures taken.

BALTICS

The Committee strongly supports programs in international criminal justice for Estonia, Latvia, and Lithuania. The Baltic nations have an excellent record in cooperating with U.S. law enforcement agencies. Specifically, Lithuania has worked with the United States to stem the counterfeiting of United States currency.

The Committee recommends continued support for law enforcement education programs and training designed to counter the influence of organized crime and corruption, enhance border control and intellectual property rights and stem financial crimes and the smuggling of aliens, narcotics, and illegal goods. The Committee believes that these programs bring a direct benefit to the United States by reducing worldwide organized crime and trafficking.

HERBICIDE USE

The Committee is aware of concerns about the health and environmental impacts of aerial fumigation of chemical herbicides in support of counternarcotics programs in tropical ecosystems. The Committee believes that prior to the use of tebuthiuron or any other herbicide currently under consideration, the State Department should ensure that a thorough, independent investigation is conducted in a country where its use is contemplated and that the results are made publicly available. The Committee notes that the manufacturer of tebuthiuron has advised against its use for coca eradication.

BIOLOGICAL CONTROL OF ILLICIT DRUG CROPS

The development of plant pathogens which are capable of destroying illicit drug crops including opium poppy, cocaine, and marijuana offer a potential weapon in the fight against illicit drugs. Montana State University has field tested some of these pathogens which have proved to be effective. This kind of research warrants continued financial support, and the Committee recommends funding for this activity.

MIGRATION AND REFUGEE ASSISTANCE

Appropriations, 1998	\$650,000,000
Budget estimate, 1999	650,000,000
Committee recommendation	650,000,000

The Committee recommends \$650,000,000 for the Migration and Refugee Assistance Program, of which \$70,000,000 is earmarked for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

CHILD REFUGEES

The Committee supports continued funding at last year's level under the "Migration and refugee" account for programs initiated through the United Nations High Commissioner for Refugees fund for unaccompanied and vulnerable refugee children.

EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

Appropriations, 1998	\$50,000,000
Budget estimate, 1999	20,000,000
Committee recommendation	20,000,000

The Committee recommends \$20,000,000 for the emergency refugee and migration assistance fund.

NONPROLIFERATION, ANTITERRORISM, DEMINING, AND RELATED PROGRAMS

Appropriations, 1998	\$133,000,000
Budget estimate, 1999	215,900,000
Committee recommendation	170,000,000

The Committee recommends \$170,000,000 for a consolidated account which includes the nonproliferation and disarmament fund, antiterrorism activities, demining programs, and funding for the

International Atomic Energy Agency and the Korean Peninsula Energy Development Organization.

	1998 enacted	1999 request	Committee recommendation
Antiterrorism	\$19,000,000	\$21,000,000	\$21,000,000
Nonproliferation and disarmament fund	15,000,000	15,000,000	15,000,000
Demining	20,000,000	50,000,000	35,000,000
International Atomic Energy Agency	36,000,000	40,000,000	40,000,000
Korean Peninsula Energy Development Organization	30,000,000	35,000,000	35,000,000
Nonproliferation and disarmament	15,000,000	15,000,000	15,000,000
Export assistance	3,000,000	5,000,000	4,000,000
Science centers	(18,000,000)	21,000,000	20,000,000
CTBT Prepcom	¹ 7,573,000	28,900,000	.....

¹ Fiscal year 1998 funding in ACDA and "International conference and contingencies" accounts. Up to \$13,000,000 authorized pursuant to Public Law 105-119.

NONPROLIFERATION AND DISARMAMENT

The Committee supports the activities carried out by this fund for controlling the spread of nuclear weapons and material, particularly efforts made to limit nuclear smuggling.

DEMINING

The Committee has provided \$35,000,000 for the Department of State's humanitarian demining programs, which may be made available through governments, nongovernmental organizations, and private contractors, for the removal of landmines and other unexploded ordnance [UXO], and related activities. The Committee intends that these programs will emphasize the training of indigenous civilian deminers, mine awareness and education, mapping and marking, surveys of mine incidents, and outreach to mine-affected areas to monitor the needs of mine and UXO victims. The Committee commends the United States Embassy in Laos for its efforts to support the creation of a United States NGO to train Laotians to defuse the Vietnam war-era UXO that litters that country.

COMPREHENSIVE TEST BAN TREATY PREPARATORY COMMISSION
[CTBT PREPCOM]

The Comprehensive Test Ban Treaty has not been ratified by the U.S. Senate. In addition, funding for the CTBT PrepCom was requested to acquire technical equipment by the Arms Control and Disarmament Agency which officials acknowledge will not provide new or unique data which would enhance the present ability of the United States to detect seismic events around the globe. Given these concerns, combined with pressure to fund existing vital programs in the "Nonproliferation, antiterrorism, demining, and related programs" account, the Committee did not recommend funding for the Commission's activities. The Committee has provided authority in related appropriations legislation to use ACDA resources to fund more limited activities. The Committee directs ACDA to provide a report to the Committee, 90 days after the date of enactment, which describes how the proposed monitoring stations could be reconfigured to provide unique and useful information to the United States.

SRI LANKA

The Committee again urges the administration to expand its support for antiterrorism programs in Sri Lanka, where Tamil guerrillas have mercilessly targeted innocent civilians. The Committee remains concerned about reports that civilians are being killed and maimed from landmines used by Sri Lankan Government forces as well as Tamil guerrillas.

TITLE III
MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

Appropriations, 1998	\$50,000,000
Budget estimate, 1999	50,000,000
Committee recommendation	50,000,000

The Committee recommends \$50,000,000 for the International Military Education and Training [IMET] Program.

The Committee has not continued the prior limitations on the international military education and training program for Indonesia. However, the Committee expects the Defense Security Assistance Agency to consult with the Committee regarding any plans to provide IMET to Indonesia, given past human rights concerns and the continued influence of the Armed Forces in Indonesian political and economic affairs. Any participants should be carefully vetted and courses should emphasize civilian control of the armed services.

FOREIGN MILITARY FINANCING

TOTAL PROGRAM LEVEL

Appropriations, 1998	\$3,356,550,000
Budget estimate, 1999	3,295,910,000
Committee recommendation	3,342,910,000

GRANT LEVEL

Appropriations, 1998	\$3,296,550,000
Budget estimate, 1999	3,275,910,000
Committee recommendation	3,322,910,000

(LIMITATION ON ADMINISTRATIVE EXPENSES)

Appropriations, 1998	\$23,250,000
Budget estimate, 1999	29,910,000
Committee recommendation	29,910,000

SUBSIDY APPROPRIATIONS—DIRECT LOANS

Appropriations, 1998	\$60,000,000
Budget estimate, 1999	20,000,000
Committee recommendation	20,000,000

(ESTIMATED LOAN PROGRAM)

Appropriations, 1998	\$657,000,000
Budget estimate, 1999	167,000,000
Committee recommendation	167,000,000

The Committee has eliminated funding for the Enhanced Peacekeeping Initiative. The administration was unable to identify a unique or credible function for the use of these resources nor potential recipients other than those already substantially supported by the Africa crisis response initiative. Justification material suggest the resources are to be made available for U.N. standby arrangements, activities with little congressional support.

BALTIC STATES AND NATO EXPANSION

The Committee has provided \$15,300,000 in FMF grant assistance to accelerate the Baltic States integration into NATO. The Committee regrets that budget constraints prevent matching last year's levels but remains supportive of this initiative. This assistance supports these democracies as they enhance their military capacities and adopt NATO standards. The Committee believes that FMF should be allocated among the three nations on a proportional basis.

The Committee has not continued the prior limitations on the international military education and training program for Indonesia. However, the Committee expects the Defense Security Assistance Agency to consult with the Committee regarding any plans to provide IMET to Indonesia, given past human rights concerns and the continued influence of the Armed Forces in Indonesian political and economic affairs. Any participants should be carefully vetted and courses should emphasize civilian control of the armed services.

LANDMINES

The Committee again includes language permitting demining equipment to be made available on a grant basis to foreign countries. The Committee strongly supports continued use of FMF funds for activities to assist in locating and destroying unexploded landmines and unexploded ordnance that maim and kill innocent people around the world.

EGYPTIAN COMMAND AND CONTROL SYSTEMS

The Committee understands that the Government of Egypt is considering the acquisition of a tactical command and control system for its army and is also in the process of acquiring a forward area air defense system. In order to maximize United States-Egyptian military cooperation during combined exercises and operations in wartime, the Committee strongly recommends that the Government of Egypt purchase systems manufactured by a United States company that are currently fielded and in use by the United States Army.

SPECIAL DEFENSE ACQUISITION FUND

The Committee recommends no new obligational authority for the special defense acquisition fund [SDAF] for fiscal year 1999. The language included in the fiscal year 1993 bill, which requires that all receipts into the fund be returned to the Treasury, remains in effect and will reduce the deficit by approximately \$19,000,000 in fiscal year 1999.

PEACEKEEPING OPERATIONS

Appropriations, 1998	\$77,500,000
Budget estimate, 1999	83,000,000
Committee recommendation	69,000,000

The Committee recommends an appropriation of \$69,000,000. The Committee has reduced funding for the "African Regional Peacekeeping" account in view of the substantial United States unilateral commitment to the African Crisis Response Initiative. The Committee also intends no more than \$5,000,000 be made available for Haiti.

TITLE IV
MULTILATERAL ECONOMIC ASSISTANCE

INTERNATIONAL FINANCIAL INSTITUTIONS SUMMARY

Appropriations, 1998	\$1,458,949,080
Budget estimate, 1999	1,148,762,980
Committee recommendation	874,610,980

The Committee recommends the total level of paid-in capital funding shown above to provide for contributions to the International Bank for Reconstruction and Development soft loan window, the International Development Association, the Inter-American Development Bank, the Asian Development Bank, and the European Bank for Reconstruction and Development. Treatment of arrears for multilateral institutions can be found in title VI.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION [IDA]

Appropriations, 1998	\$1,034,503,100
Budget estimate, 1999	800,000,000
Committee recommendation	800,000,000

The Committee recommends an appropriation of \$800,000,000 for IDA and expects the Secretary of the Treasury to work to make IDA resources available for Indonesia.

The Committee is concerned that World Bank lending and procurement procedures fail to prohibit or even address illegal software use within projects funded by the bank. This Committee cannot condone the use of World Bank funds to support projects in which U.S. software programs are stolen in violation of copyright law and trade-related treaty obligations. Therefore, the Committee urges the World Bank and other multilateral development banks to adopt, without further delay, lending and procurement guidelines that prohibit illegal software use by recipients (including contractors and any project subcontractors) of any bank loan proceeds or other funds. The Committee further directs the Treasury Department to assume leadership on this issue by promoting adoption of the recommended guidelines within each of the multilateral development banks.

The Committee has provided funding for IDA subject to an audit to be prepared by the General Accounting Office. The Committee is concerned by recent reports of corruption at IDA and its associated institution, the International Bank for Reconstruction and Development. The Committee recognizes efforts have been made through audits and investigations to resolve this problem, however, much of this activity has been conducted in secret. The Committee believes that efforts to improve ethical conduct and strengthen

standards of integrity succeed best if they are established and promoted as important and publicly upheld priorities of the institution's leadership.

The Committee has also requested a report from GAO addressing personnel policies, in particular, concerns about the lack of protection for individuals who volunteer information about financial or personnel improprieties. The Bank maintains rules which permit individuals accused of wrong doing to confront their accuser which the Committee believes may have a chilling affect on the inclination of employees to be forthcoming.

The Committee is aware that in response to concerns raised by the Committee as well as past and present World Bank female employees about serious deficiencies in the Bank's internal grievance procedures, Bank management sought the assistance of an independent legal expert to review the procedures and make recommendations for reform. That review has been completed and Bank management has indicated that it will release the report publicly and implement an open process that encourages recommendations from Bank employees and interested members of the public for reform of the grievance procedures. The Committee welcomes these steps and expects to be kept informed as it progresses. In an institution that is immune from the court process it is imperative that employees have confidence in grievance procedures that afford appropriate confidentiality, due process, and adequate remedies.

The Committee remains concerned about the maintenance of integrity and transparency in procurement financed by the multilateral lending banks. The elimination of fraud and manipulation, including the use of third-party procurement monitoring, can result in cost savings and quality improvements for goods and services purchased. The implementation of such techniques may also enhance U.S. competitiveness in procurement awards. Accordingly, the Committee requests that the institutions receiving contributions under this section provide a report outlining their individual program to combat fraud and manipulation, including whether the use of third-party procurement monitoring is employed.

INTER-AMERICAN DEVELOPMENT BANK

INTERREGIONAL PAID-IN CAPITAL

Appropriations, 1998	\$25,610,667
Budget estimate, 1999	25,610,667
Committee recommendation	25,610,667

LIMITATION ON CALLABLE CAPITAL

Appropriations, 1998	\$1,503,718,910
Budget estimate, 1999	1,503,718,910
Committee recommendation	1,503,718,910

ASIAN DEVELOPMENT BANK

PAID-IN CAPITAL

Appropriations, 1998	\$13,221,596
Budget estimate, 1999	13,221,596
Committee recommendation	13,221,596

LIMITATION ON CALLABLE CAPITAL

Appropriations, 1998	\$647,858,204
Budget estimate, 1999	647,858,204
Committee recommendation	647,858,204

Given the enormous importance the Committee attaches to resolving the economic crisis affecting most Asian nations, especially Korea, Thailand, and Indonesia, the Committee has fully funded the Asian Development Bank.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

PAID-IN CAPITAL

Appropriations, 1998	\$35,778,717
Budget estimate, 1999	35,778,717
Committee recommendation	35,778,717

LIMITATION ON CALLABLE CAPITAL

Appropriations, 1998	\$123,237,803
Budget estimate, 1999	123,237,803
Committee recommendation	123,237,803

The European Bank for Reconstruction and Development continues to play an important role in central and Eastern Europe and the former Soviet Union. The Committee notes that this institution intends to be self-sufficient in the near term and welcomes this development.

INTERNATIONAL MONETARY FUND

ENHANCED STRUCTURAL FACILITY

Appropriations, 1998	
Budget estimate, 1999	\$7,000,000
Committee recommendation	

The Committee believes that other institutions, particularly the International Development Association, along with regular International Monetary Fund [IMF] programs can provide support for programs intended to be funded under this facility.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Appropriations, 1998	\$192,000,000
Budget estimate, 1999	314,000,000
Committee recommendation	170,000,000

The Committee has provided \$170,000,000 for the "International organizations and programs" account. This amount does not include funding for the Korea Peninsula Economic Development Organization [KEDO] and the International Atomic Energy Agency [IAEA] which are provided for in the nonproliferation, antiterrorism, demining, and related programs section of the bill. It also does not include funds for UNICEF, made available under the heading "Development Assistance."

The Committee has included language earmarking \$5,000,000 for a U.S. contribution to the World Food Program, which has a central role in responding to famines and food emergencies around the world.

U.N. FUND FOR VICTIMS OF TORTURE

The Committee is aware that the use of torture is common for victims in scores of countries today. The U.N. Fund for Victims of Torture provides financial support to treatment programs based in the United States and abroad. The Committee recommends an increase for the U.S. contribution to the voluntary fund in fiscal year 1999 and continues to urge the Department of State to encourage other governments to increase their own contributions. The Committee hopes that by increasing U.S. support for efforts to assist torture victims other governments will be encouraged to do likewise.

U.N. CLIMATE STABILIZATION FUND

The Committee is opposed to efforts by the administration to use scarce foreign assistance resources to fund activities to induce or compel compliance with agreements and treaties not yet ratified nor in force. In particular, the Committee strongly objects to representations in budget justification materials describing the need to provide assistance to support the Kyoto protocol, portions of which are characterized as legally binding. Therefore, the Committee has reduced funding for fiscal year 1999 for the Climate Stabilization Fund and has withheld the availability of funds until the administration provides an assessment of the disposition of fiscal years 1998 and 1999 funding, a detailed description of activities and programs, and the number of personnel assigned or detailed to these programs.

TITLE V
GENERAL PROVISIONS

- SEC. 501.—Obligation of funds.
- SEC. 502.—Restricts transfer of development assistance.
- SEC. 503.—Limits residential expenses.
- SEC. 504.—Limits AID entertainment expenses.
- SEC. 505.—Limits other agency entertainment expenses.
- SEC. 506.—Prohibition on financing of nuclear goods.
- SEC. 507.—Restricts funding for Cuba, Iraq, Libya, North Korea, Iran, Sudan, and Syria.
- SEC. 508.—Restricts aid to countries which undergo a coup.
- SEC. 509.—Requires notification of any transfer of funds to an account to which it was not appropriated.
- SEC. 510.—Deobligation/reobligation authority.
- SEC. 511.—Restricts the availability of funds to current fiscal year.
- SEC. 512.—Limits assistance to countries in default.
- SEC. 513.—Restricts Export-Import Bank and OPIC from funding exports or activities which harm U.S. producers engaging in similar businesses.
- SEC. 514.—Restricts funding for surplus commodities.
- SEC. 515.—Requires notification of spending changes.
- SEC. 516.—Restricts funds for international organizations and programs.
- SEC. 517.—Economic support fund assistance for Israel.
- SEC. 518.—Prohibits funding for abortions and involuntary sterilization.
- SEC. 519.—Prohibition on funds for foreign organizations that perform abortion.
- SEC. 520.—North Korean narcotics report.
- SEC. 521.—Special notification for India, Colombia, Dominican Republic, Haiti, Liberia, Pakistan, Serbia, Sudan, or Democratic Republic of the Congo.
- SEC. 522.—Definition of program, project and activity.
- SEC. 523.—Child survival and AIDS programs.
- SEC. 524.—Prohibits indirect funding to Cuba, Iraq, Libya, Iran, Syria, North Korea, or People's Republic of China.
- SEC. 525.—Technical change to AECA
- SEC. 526.—Notification of excess defense equipment.
- SEC. 527.—Waives authorization requirement.
- SEC. 528.—Prohibits bilateral assistance to terrorist nations.
- SEC. 529.—Allows for commercial leasing of defense articles.
- SEC. 530.—Allows U.S. insurance companies to bid for insurance contracts.
- SEC. 531.—Restricts stingers for Persian Gulf nations.
- SEC. 532.—Provides for debt-for-development programs.

SEC. 533.—Requires separate accounts for local currencies and cash transfers.

SEC. 534.—Compensation for U.S. executive directors to international financial institutions.

SEC. 535.—Compliance with U.N. sanctions against Iraq.

SEC. 536.—Competitive pricing for sales of defense articles.

SEC. 537.—Authorities for Peace Corps, IFAD, Inter-American Foundation and African Development Foundation.

SEC. 538.—Restricts impacts on U.S. jobs.

SEC. 539.—Restricts Kosovo related sanctions against Serbia and Montenegro.

SEC. 540.—Provides special authorities.

SEC. 541.—Sense of the Congress regarding the Arab League boycott of Israel.

SEC. 542.—Allows economic support funds to be used for counternarcotic programs in Latin America and Caribbean.

SEC. 543.—Requires notification for funding of nongovernmental organizations and Public Law 480 programs in countries subject to restrictions.

SEC. 544.—Requires notification of reprogramming of earmarked funds.

SEC. 545.—Defines ceilings and earmarks.

SEC. 546.—Prohibits funds for publicity or propaganda.

SEC. 547.—Purchase of American goods.

SEC. 548.—Prohibits payments to the United Nations.

SEC. 549.—Requires expenditure of consulting services be matter of public record.

SEC. 550.—Requires private voluntary organizations to be able to provide documents.

SEC. 551.—Prohibits assistance to foreign governments that export lethal military equipment to countries supporting international terrorism.

SEC. 552.—Withholds assistance for parking fines owed by foreign countries.

SEC. 553.—Limits assistance for the PLO.

SEC. 554.—Allows drawdown for United Nations War Crimes Tribunal.

SEC. 555.—Provides demining equipment to foreign countries.

SEC. 556.—Restrictions concerning Palestinian authority.

SEC. 557.—Prohibits payment of certain expenses for IMET and foreign military financing.

SEC. 558.—Provides for special debt relief to the poorest.

SEC. 559.—Provisions relative to loans eligible for sale, reduction, or cancellation.

SEC. 560.—Limits assistance for Haiti.

SEC. 561.—Requires report detailing recipient nation's support for the United States at the United Nations.

SEC. 562.—Burma labor report.

SEC. 563.—Allows Haiti police and Coast Guard to purchase defense articles and services.

SEC. 564.—Limitations on assistance to security forces.

SEC. 565.—Limitations on international financial institution support for Cambodia.

SEC. 566.—Limitations on transfer of military equipment to East Timor.

SEC. 567.—Restrictions on U.N. voluntary contributions.

SEC. 568.—Limitations on aid to countries offering sanctuary to war criminals.

SEC. 569.—Excess Defense Article for Europe.

SEC. 570.—Stockpiling.

SEC. 571.—Religious discrimination in Russia.

SEC. 572.—Report on costs of greenhouse gas agency expenditures.

SEC. 573.—Violations of Libya sanctions.

SEC. 574.—Aid to the Democratic Republic of Congo.

SEC. 575.—Export financing transfer authorities.

SEC. 576.—New Independent States.

SEC. 577.—Publication of certain notifications.

SEC. 578.—Report on arms exports.

SEC. 579.—National Advisory Council.

SEC. 580.—Limitations on Palestinian authority aid.

TITLE VI—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FISCAL YEAR 1998 SUPPLEMENTAL

PAYMENTS FOR AMOUNTS PREVIOUSLY DUE

Appropriations, 1998	\$360,012,100
Budget estimate, 1999	509,000,000
Committee recommendation	310,652,000

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

GLOBAL ENVIRONMENT FACILITY

Appropriations, 1998	\$47,500,000
Budget estimate, 1999	300,000,000
Committee recommendation	47,500,000

INTER-AMERICAN DEVELOPMENT BANK

FUND FOR SPECIAL OPERATIONS

Appropriations, 1998	\$20,835,000
Budget estimate, 1999	21,152,000
Committee recommendation	21,152,000

ENTERPRISE FOR THE AMERICAS

MULTILATERAL INVESTMENT FUND

Appropriations, 1998	\$30,000,000
Budget estimate, 1999	50,000,000
Committee recommendation	50,000,000

ASIAN DEVELOPMENT FUND

Appropriations, 1998	\$40,000,000
Budget estimate, 1999	187,000,000
Committee recommendation	187,000,000

AFRICA DEVELOPMENT FUND

Appropriations, 1998	\$45,000,000
Budget estimate, 1999	88,300,000
Committee recommendation	5,000,000

The Committee has completed arrears payments for the Inter-American Development Bank Fund for Special Operations, the Asian Development Fund, and the African Development Fund, consistent with special treatment provided by the Committee on the Budget.

The Committee has provided the requested level for the Enterprise for the Americas Multilateral Investment Fund. The Committee did not increase the amount made available to reduce MIF arrears payments due to ongoing, serious concerns about the Inter-

American Bank's management of MIF resources. The Committee expects prompt action to improve the quality and amount of attention the Bank dedicates to MIF projects.

The Committee has provided last year's level of funding for payments of arrears to the International Bank for Reconstruction and Development's Global Environment Facility.

LOANS TO INTERNATIONAL MONETARY FUND

NEW ARRANGEMENTS TO BORROW

Appropriations, 1998	
Budget estimate, supplemental, 1998	\$3,361,000,000
Committee recommendation	3,361,000,000

QUOTA INCREASE

Appropriations, 1998	
Budget estimate, supplemental, 1998	\$14,500,000,000
Committee recommendation	14,500,000,000

The Committee has included funding for the new arrangements to borrow and the quota increase for the International Monetary Fund, consistent with the fiscal year 1998 supplemental request. The Committee has also included language as passed by the Senate regarding IMF reforms designed to improve management of and timely access to decisionmaking and information relevant to the Fund's lending practices. In view of the impact the Asian crisis has had on the IMF's liquidity and usable resources and the real prospect of additional imminent requirements, the Committee views the replenishment of IMF resources as a high priority.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE
STANDING RULES OF THE SENATE

Rule XVI, paragraph 7 requires that every report on a general appropriation bill filed by the Committee must identify each recommended amendment, with particularity, which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

Items providing funding for fiscal year 1999 which lack authorization are as follows:

Export-Import Bank	\$785,000,000
Trade and Development Agency	43,000,000
Development assistance, including Inter-American Foundation, African Development Foundation	1,885,000,000
International disaster assistance	200,000,000
Debt restructuring	25,000,000
Treasury technical assistance	3,000,000
Micro and Small Enterprise Development Program	2,000,000
Urban and Environmental Credit Program	7,000,000
AID operating expenses	475,000,000
AID operating expenses, Office of Inspector General	30,000,000
Economic support fund	2,305,600,000
Assistance for Eastern Europe and the Baltics	432,600,000
Assistance for the New Independent States of the former Soviet Union	740,000,000
Peace Corps	221,000,000
International narcotics control	222,000,000
Migration and refugee assistance	650,000,000
Nonproliferation, antiterrorism, demining, and related programs ...	170,000,000
International military education and training	50,000,000
Foreign Military Financing Program	3,322,910,000
Peacekeeping operations	69,000,000
International organizations and programs	170,000,000

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI, OF THE
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, the Committee ordered reported, S. 2334, an original Foreign Operations appropriations bill, 1999, subject to amendment and subject to appropriate scorekeeping, by a recorded vote of 26-1, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Stevens	Mr. Faircloth
Mr. Cochran	
Mr. Specter	
Mr. Domenici	
Mr. Bond	
Mr. Gorton	
Mr. McConnell	
Mr. Burns	

Mr. Shelby
 Mr. Gregg
 Mr. Bennett
 Mr. Campbell
 Mrs. Hutchison
 Mr. Byrd
 Mr. Inouye
 Mr. Hollings
 Mr. Leahy
 Mr. Bumpers
 Mr. Lautenberg
 Mr. Harkin
 Ms. Mikulski
 Mr. Reid
 Mr. Kohl
 Mrs. Murray
 Mr. Dorgan
 Mrs. Boxer

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
 STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee report on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman.

FOREIGN ASSISTANCE ACT OF 1961

PART I

Chapter 1—Policy; Development Assistance Authorizations

* * * * *
Sec. 108. Private Sector Revolving Fund.—(a) * * *
 * * * * *

(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.]

(C) No guarantee of any loan may guarantee more than 50 percent of the principal amount of any such loan, except guarantees of loans in support of microenterprise activities may guarantee up to 70 percent of the principal amount of any such loan.

* * * * *

Sec. 123. Private and Voluntary Organizations and Cooperatives in Overseas Development.—(a) * * *

[(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.]

* * * * *

Chapter 2—Other Programs

* * * * *

Title III—Housing and Other Credit Guaranty Programs

* * * * *

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.】 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.

* * * * *

Sec. 223. General Provisions.—(a) * * *

* * * * *

(j) Guaranties shall be issued under section 222 only for housing projects which are coordinated with and complementary to any development assistance being furnished under chapter 1 of this part and which 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. 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 Egypt.】

* * * * *

Chapter 3—International Organizations and Programs

* * * * *

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 Burma, Iraq, North Korea, Syria, 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, *or at the discretion of the President, Communist countries listed in section 620(f) of this Act.*

* * * * *

PART II

* * * * *

Chapter 2—Military Assistance

* * * * *

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 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) (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 [and], \$60,000,000 for fiscal year 1998 and \$340,000,000 for fiscal year 1999.

(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. Of the amount specified in subparagraph (A) for fiscal year 1998, not more than \$40,000,000 may be made available for stockpiles in the Republic of Korea and not more than \$20,000,000 may be made available for stockpiles in Thailand. *Of the amount specified in subparagraph (A) for fiscal year 1999, not more than \$320,000,000 may be made available for stockpiles in the Republic of Korea and not more than \$20,000,000 may be made available for stockpiles in Thailand.*

* * * * *

Sec. 516. AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.

(a) AUTHORIZATION.—* * *

* * * * *

(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 30 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 re-programming 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.

(3) PUBLICATION.—Each notice required by this subsection shall be published in the Federal Register as soon as practicable after it has been provided to the congressional committees specified in section 634A(a). 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 notice has been provided pursuant to this subsection to such committees shall be published.

* * * * *

Chapter 4—Economic Support Fund

Sec. 531. Authority.—(a) * * *

* * * * *

[(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.]

* * * * *

PART III

Chapter 1—General Provisions

* * * * *

[Sec. 609. Special Account.—(a) In cases where any commodity is to be furnished on a grant basis under chapter 4 of part I under arrangements which will result in the accrual of proceeds to the recipient country from the sale thereof, the President shall require the recipient country to establish a Special Account, and

[(1) deposit in the Special Account, under terms and conditions as may be agreed upon, currency of the recipient country in amounts equal to such proceeds;

[(2) make available to the United States Government such portion of the Special Account as may be determined by the President to be necessary for the requirements of the United States Government: *Provided*, That such portion shall not be less than 10 per centum in the case of any country to which such minimum requirement has been applicable under any Act repealed by this Act; and

[(3) utilize the remainder of the Special Account for programs agreed to by the United States Government to carry out the purposes for which new funds authorized by this Act would

themselves be available: *Provided*, 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 United States Government.

[(b) Any unencumbered balances of funds which remain in the Account upon termination of assistance to such country under this Act shall be disposed of for such purposes as may, subject to approval by Act of the Congress, be agreed to between such country and the United States Government.]

* * * * *

Sec. 534. Administration of Justice.—(a) * * *

* * * * *

[(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.]

* * * * *

(e) Personnel of the Department of Defense and members of the United States Armed Forces may not participate in the provision of training under this section. [Of the funds made available to carry out this section, not more than \$10,000,000 may be made available in fiscal year 1991 to carry out the provisions of subsection (b)(3) of this section. The authority of this section shall expire on September 30, 1991.]

* * * * *

ARMS EXPORT CONTROL ACT

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) 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;
- (3) the President first considers the effects of the lease of the articles on the national technology and industrial base, particularly the extent, if any, to which the lease reduces the opportunities of entities in the national technology and industrial base to sell new equipment to the country or countries to which the articles are leased; and
- (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, 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. The President may waive the requirement of paragraph (4) for reimbursement of depreciation for any defense article which has passed three-quarters of its normal service life if the President determines that to do so is important to the national security interest of the United States.

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 [1998] *the current fiscal year* 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.

(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.

* * * * *

FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS ACT, 1985 (PUBLIC LAW 98-473)

TITLE I—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

* * * * *

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, \$750,000,000, for the first installment of the United States contribution to the seventh replenishment, to remain available until expended, and \$150,000,000 for the United States contribution to the sixth replenishment, to remain available until expended: *Provided*, That no such payment may be made while the United States Executive Director to the International Bank for Reconstruction and Development is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position of level V of the Executive Schedule under section 5316 of title 5, United States Code: *Provided further*, That there is hereby enacted into law the amendment made by section 901 of S. 2582, as reported by the Committee on Foreign Relations for loans shall remain available of obligation until September 30, 1986: *Provided further*, That of the funds appropriated under this paragraph, \$2,000,000 shall be transferred to and made available for "Science and technology, Development Assistance", which sum shall be made available only for cooperative projects among the United States, Israel and developing countries.

* * * * *

【Private and Voluntary Organizations: None of the funds appropriated or otherwise made available in this Act for development assistance may be made available after January 1, 1986, to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 25 percent of its total annual funding for international activities from sources other than the United States Government, notwithstanding section 123(g) of the Foreign Assistance Act of 1961.】

* * * * *

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS
APPROPRIATIONS ACT, 1989 (PUBLIC LAW 100-461)

TITLE I—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

* * * * *

SUB-SAHARAN AFRICA, DEVELOPMENT ASSISTANCE

For necessary expenses to carry out the provisions of sections 103 through 106 and section 121 of the Foreign Assistance Act of 1961, \$500,000,000, for assistance only for Sub-Saharan Africa, which shall be in addition to any amounts otherwise made available for such purposes: *Provided*, That any of the funds which are appropriated under this heading may be used for assistance for Sub-Sa-

haran Africa to carry out any economic development assistance activities under the Foreign Assistance Act of 1961: *Provided further*, That assistance made available under this heading shall be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant: *Provided further*, That these objectives may, in part, be achieved through the integration of women in the development process, appropriate consultation with private voluntary organizations, African and other organizations with a local perspective on the development process, and inclusion of the perspectives and participation of those affected by the provision of assistance: *Provided further*, That assistance made available under this heading shall be provided in accordance with the policies contained in section 102 of the Foreign Assistance Act of 1961: *Provided further*, That assistance made available under this heading should be provided, when consistent with the objectives of such assistance, through African, United States and other private and voluntary organizations which have demonstrated effectiveness in the promotion of local grass-roots activities on behalf of long-term development in Sub-Saharan Africa: *Provided further*, That assistance made available under this heading should be used to help overcome shorter-term constraints to long term development; to promote reform of sectoral economic policies to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities; to bring about appropriate sectoral restructuring of the Sub-Saharan African economies; to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development: *Provided further*, That assisted policy reforms should take into account the need to protect vulnerable groups: *Provided further*, That assistance made available under this heading shall be used to increase agricultural production in ways which protect and restore the natural resource base, especially food production; to maintain and improve basic transportation and communication networks; to maintain and restore the renewable natural resource base in ways which increase agricultural production; to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care; to provide increased access to voluntary family planning services; to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education; and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas: *Provided further*, That the Administrator of the Agency for International Development should target the equivalent of 10 percent of the funds appropriated under this heading for each of the following: (1) maintaining and restoring the renewable natural resource base in ways which increase agricultural production, including components of agriculture activities which are consistent with this objective, (2) health activities, and (3) voluntary family planning[: *Provided further*, That local currencies generated by the sale of imports or foreign exchange by the

government of a country in Sub-Saharan Africa from funds appropriated under this heading shall be deposited in a special account established by that government: *Provided further*, That these local currencies shall be available only for use, in accordance with an agreement with the United States, for development activities which are consistent with the policy directions of section 102 of the Foreign Assistance Act of 1961 and for necessary administrative requirements of the United States Government]: *Provided further*, That in order to carry out the purposes of this heading, section 604(a) of the Foreign Assistance Act of 1961, and similar provisions of law, shall not apply with respect to the implementation of assistance activities consistent with the purposes of this heading: *Provided further*, That the funds made available under this heading shall be provided only on a grant basis.

* * * * *

PUBLIC LAW 104-164

SEC. 105. EXCESS DEFENSE ARTICLES FOR CERTAIN EUROPEAN COUNTRIES.

Notwithstanding section 516(e) of the Foreign Assistance Act of 1961, as added by this Act, during each of the fiscal years [1996 and 1997] 1998 and 1999, funds available to the Department of Defense may be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of section 516 of such Act to countries that are eligible to participate in the Partnership for Peace and that are eligible for assistance under the Support for East European Democracy [SEED] Act of 1989.

GOVERNMENT PERFORMANCE AND RESULTS ACT [GPRA]

According to the General Accounting Office, USAID's annual performance plan partially meets the Result Act requirements. In general, while the plan includes objective and quantitative development goals and indicators, the plan does not provide enough information to link USAID's strategies and performance with intended development results. GAO suggests that the plan could be improved to better meet the purposes of the Results Act if it (1) included indicators that more directly measured the effectiveness of USAID programs; and (2) provided a more explicit description of the strategies and external factors associated with meeting its six development goals.

While the Committee believes the act establishes important objectives, it recognizes it is difficult to quantify or measure on a consistent basis the impact of development programs, especially those involving long-term commitments of resources. For example, while it may be possible to partially evaluate maternal health care programs by recording a reduction in delivery-related mortalities, other information such as maternal longevity, which may directly result from improved care, may not be statistics that are either immediately available or possible to include in a survey of effectiveness. A statistical approach in evaluation of development programs may produce unwanted results; the Committee wishes to avoid outcomes such as registering the number of program participants

rather than meeting more important objectives such as outreach or quality.

To avoid further confusion, which has been evident in AID's management of GPRA requirements, the Committee directs the AID Assistant Administrator for Management to consult with the General Accounting Office and jointly provide recommendations to the Committee on how to evaluate the use of resources and program effectiveness. The Committee discourages a quantitative approach or analysis for a solution to meeting GPRA expectations.

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts for 1999: Subcommittee on Foreign Operations, Export Financing, and Related Programs:				
Defense discretionary				
Nondefense discretionary	12,600	12,554	12,575	¹ 12,595
Violent crime reduction fund				
Mandatory	45	45	45	45
Projections of outlays associated with the recommendation:				
1999				² 4,945
2000				3,123
2001				2,317
2002				908
2003 and future year				1,337
Financial assistance to State and local governments for 1998 in bill	NA		NA	

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

NA: Not applicable.

Note.—Consistent with the supplemental funding recommended in the bill for arrearages and for the International Monetary Fund, and in accordance with section 314(b) of the Congressional Budget Act of 1974, as amended, the Committee anticipates that the Budget Committee will file revised section 302(a) allocations for the Committee on Appropriations reflecting an upward adjustment of \$18,172,000,000 in budget authority for fiscal year 1998 and \$25,000,000 in outlays for fiscal year 1999.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1999

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
TITLE I—EXPORT AND INVESTMENT ASSISTANCE					
EXPORT-IMPORT BANK OF THE UNITED STATES					
Limitation on Program Activity:					
Subsidy appropriation	\$683,000,000	\$808,000,000	\$785,000,000	+\$102,000,000	—\$23,000,000
(Direct loan authorization)	(1,330,000,000)	(1,325,000,000)	(1,325,000,000)	(—5,000,000)	.....
(Guaranteed loan authorization)	(11,300,000,000)	(15,401,000,000)	(15,401,000,000)	(+4,101,000,000)	.....
Administrative expenses	48,614,000	51,940,000	49,000,000	+386,000	—2,940,000
Negative subsidy	—51,000,000	—25,000,000	—25,000,000	+26,000,000	.....
Total, Export-Import Bank of the United States	680,614,000	834,940,000	809,000,000	+128,386,000	—25,940,000
INTERNATIONAL ASSISTANCE PROGRAMS					
OVERSEAS PRIVATE INVESTMENT CORPORATION					
Noncredit account:					
Administrative expenses	32,000,000	34,000,000	32,000,000	.....	—2,000,000
Insurance fees and other offsetting collections	—251,000,000	—260,000,000	—260,000,000	—9,000,000	.....
Direct loans:					
Loan subsidy	4,000,000	4,000,000	4,000,000	.....	.....
(Loan authorization)	(133,000,000)	(200,000,000)	(200,000,000)	(+67,000,000)	.....
Guaranteed loans:					
Loan subsidy	56,000,000	46,000,000	46,000,000	—10,000,000	.....
(Loan authorization)	(1,800,000,000)	(2,600,000,000)	(2,600,000,000)	(+800,000,000)	.....
Total, Overseas Private Investment Corporation	—159,000,000	—176,000,000	—178,000,000	—19,000,000	—2,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
TRADE AND DEVELOPMENT AGENCY					
Trade and Development Agency	41,500,000	50,000,000	43,000,000	+ 1,500,000	- 7,000,000
Total, title I, Export and investment assistance	563,114,000	708,940,000	674,000,000	+ 110,886,000	- 34,940,000
(Loan authorizations)	(14,563,000,000)	(19,526,000,000)	(19,526,000,000)	(+ 4,963,000,000)	.....
TITLE II—BILATERAL ECONOMIC ASSISTANCE					
INTERNATIONAL ASSISTANCE PROGRAMS					
Agency for International Development					
Child survival and disease programs fund	650,000,000	502,836,000	.....	- 650,000,000	- 502,836,000
Development assistance	1,210,000,000	1,265,798,000	1,890,000,000	+ 680,000,000	+ 624,202,000
International disaster assistance	190,000,000	205,000,000	200,000,000	+ 10,000,000	- 5,000,000
Micro and Small Enterprise Development program account:					
Subsidy appropriations	1,500,000	1,500,000	1,500,000	.....	.....
(Direct loan authorization)	(1,000,000)	(1,000,000)	(1,000,000)	.....	.....
(Guaranteed loan authorization)	(48,000,000)	(48,000,000)	(48,000,000)	.....	.....
Administrative expenses	500,000	500,000	500,000	.....	.....
Urban and environmental credit program account:					
Subsidy appropriations	3,000,000	6,000,000	3,000,000	.....	- 3,000,000
(Guaranteed loan authorization)	(46,000,000)	(68,000,000)	(68,000,000)	(+ 22,000,000)	.....
Administrative expenses	6,000,000	6,053,000	4,000,000	- 2,000,000	- 2,053,000
Development credit authority program account (by transfer) .....	.....	(15,000,000)	.....	.....	(- 15,000,000)
Subtotal, development assistance	2,061,000,000	1,987,687,000	2,099,000,000	+ 38,000,000	+ 111,313,000

Payment to the Foreign Service Retirement and Disability Fund	44,208,000	44,552,000	44,552,000	+ 344,000	.....
Operating expenses of the Agency for International Development	473,000,000	483,858,000	475,000,000	+ 2,000,000	- 8,858,000
Operating expenses of the Agency for International Development Office of Inspector General	29,047,000	33,000,000	30,000,000	+ 953,000	- 3,000,000
Total, Agency for International Development	2,607,255,000	2,549,097,000	2,648,552,000	+ 41,297,000	+ 99,455,000
Other Bilateral Economic Assistance					
Economic support fund:					
Camp David countries	2,015,000,000	2,015,000,000	1,855,000,000	- 160,000,000	- 160,000,000
Other	385,000,000	498,600,000	450,600,000	+ 65,600,000	- 48,000,000
Subtotal, Economic support fund	2,400,000,000	2,513,600,000	2,305,600,000	- 94,400,000	- 208,000,000
International fund for Ireland					
Assistance for Eastern Europe and the Baltic States	19,600,000	.....	.....	- 19,600,000	.....
Assistance for the New Independent States of the former Soviet Union	485,000,000	464,500,000	432,500,000	- 52,500,000	- 32,000,000
.....	770,000,000	925,000,000	740,000,000	- 30,000,000	- 185,000,000
Department of the Treasury					
Debt restructuring	27,000,000	72,000,000	25,000,000	- 2,000,000	- 47,000,000
International affairs technical assistance .....	.....	5,000,000	3,000,000	+ 3,000,000	- 2,000,000
United States community adjustment and investment program .....	.....	37,000,000	.....	.....	- 37,000,000
Subtotal, Department of the Treasury	27,000,000	114,000,000	28,000,000	+ 1,000,000	- 86,000,000
Total, Other Bilateral Economic Assistance	3,701,600,000	4,017,100,000	3,506,100,000	- 195,500,000	- 511,000,000
INDEPENDENT AGENCIES					
Inter-American Foundation .....	.....	22,000,000	.....	.....	- 22,000,000
Appropriations	(22,000,000)	.....	(18,000,000)	(- 4,000,000)	(+ 18,000,000)
(By transfer) .....	.....	.....	.....	.....	.....
African Development Foundation .....	.....	14,000,000	.....	.....	- 14,000,000
Appropriations .....	.....	.....	.....	.....	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
(By transfer)	(14,000,000)	.....	.....	(- 14,000,000)	.....
Peace Corps .....	.....	.....	.....	.....	.....
Department of State	222,000,000	270,335,000	221,000,000	- 1,000,000	- 49,335,000
International narcotics control	215,000,000	275,000,000	222,000,000	+ 7,000,000	- 53,000,000
Narcotics interdiction	15,000,000	.....	.....	- 15,000,000	.....
Migration and refugee assistance	650,000,000	650,000,000	650,000,000	.....	.....
Refugee resettlement assistance	5,000,000	.....	.....	- 5,000,000	.....
United States Emergency Refugee and Migration Assistance Fund	50,000,000	20,000,000	20,000,000	- 30,000,000	.....
Nonproliferation, anti-terrorism, demining and related programs	133,000,000	215,900,000	170,000,000	+ 37,000,000	- 45,900,000
Total, Department of State	1,068,000,000	1,160,900,000	1,062,000,000	- 6,000,000	- 98,900,000
Total, title II, Bilateral economic assistance	7,598,855,000	8,033,432,000	7,437,652,000	- 161,203,000	- 595,780,000
(By transfer)	(36,000,000)	(15,000,000)	(18,000,000)	(- 18,000,000)	(+ 3,000,000)
(Loan authorizations)	(95,000,000)	(117,000,000)	(117,000,000)	(+ 22,000,000)	.....
TITLE III—MILITARY ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Military Education and Training	50,000,000	50,000,000	50,000,000	.....	.....
Foreign Military Financing Program:					
Grants:					
Camp David countries	3,100,000,000	3,100,000,000	3,160,000,000	+ 60,000,000	+ 60,000,000
Other	196,550,000	175,910,000	162,910,000	- 33,640,000	- 13,000,000

Subtotal, grants (Limitation on administrative expenses)	3,296,550,000 (23,250,000)	3,275,910,000 (29,910,000)	3,322,910,000 (29,910,000)	+26,360,000 (+6,660,000)	+47,000,000
Direct concessional loans:					
Subsidy appropriation (Loan authorization)	60,000,000 (657,000,000)	20,000,000 (167,000,000)	20,000,000 (167,000,000)	-40,000,000 (-490,000,000)	
FMF program level	(3,953,550,000)	(3,442,910,000)	(3,489,910,000)	(-463,640,000)	(+47,000,000)
Total, Foreign military assistance	3,356,550,000	3,295,910,000	3,342,910,000	-13,640,000	+47,000,000
Special Defense Acquisition Fund: Offsetting collections	-106,000,000	-19,000,000	-19,000,000	+87,000,000	
Peacekeeping operations	77,500,000	83,000,000	69,000,000	-8,500,000	-14,000,000
Total, title III, Military assistance (Limitation on administrative expenses)	3,378,050,000 (23,250,000)	3,409,910,000 (29,910,000)	3,442,910,000 (29,910,000)	+64,860,000 (+6,660,000)	+33,000,000
(Loan authorization)	(657,000,000)	(167,000,000)	(167,000,000)	(-490,000,000)	
TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Financial Institutions					
World Bank Group					
Contribution to the International Bank for Reconstruction and Development:					
Contribution to the Global Environment Facility	1,034,503,100	107,500,000	800,000,000	-234,503,100	-107,500,000
Contribution to the International Development Association		800,000,000	800,000,000		
Total, World Bank Group	1,034,503,100	907,500,000	800,000,000	-234,503,100	-107,500,000
Contribution to the Inter-American Development Bank:					
Paid-in capital	25,610,667	25,610,667	25,610,667		
(Limitation on callable capital subscriptions)	(1,503,718,910)	(1,503,718,910)	(1,503,718,910)		
Total, contribution to the Inter-American Development Bank	25,610,667	25,610,667	25,610,667		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Contribution to the Asian Development Bank:					
Paid-in capital	13,221,596	13,221,596	13,221,596		
(Limitation on callable capital subscriptions)	(647,858,204)	(647,858,204)	(647,858,204)		
Contribution to the Asian Development fund		95,000,000			-95,000,000
Total, contribution to the Asian Development Bank	13,221,596	108,221,596	13,221,596		-95,000,000
Contribution to the African Development Fund		66,700,000			-66,700,000
Contribution to the European Bank for Reconstruction and Development:					
Paid-in capital	35,778,717	35,778,717	35,778,717		
(Limitation on callable capital subscriptions)	(123,237,803)	(123,237,803)	(123,237,803)		
North American Development Bank:					
Paid-in capital	56,500,000				-56,500,000
(Limitation on callable capital subscriptions)	(318,750,000)				(-318,750,000)
International Monetary Fund					
Contribution to the enhanced structural adjustment facility		7,000,000			-7,000,000
Total, International Financial Institutions	1,165,614,080	1,150,810,980	874,610,980	-291,003,100	-276,200,000
(Limitation on callable capital subscript)	(2,593,564,917)	(2,274,814,917)	(2,274,814,917)	(-318,750,000)	
International Organizations and Programs					
International organizations and programs	192,000,000	314,000,000	170,000,000	-22,000,000	-144,000,000
(By transfer)	(2,500,000)	(2,500,000)	(2,500,000)		
Total, title IV, Multilateral economic assistance	1,357,614,080	1,464,810,980	1,044,610,980	-313,003,100	-420,200,000
(By transfer)	(2,500,000)	(2,500,000)	(2,500,000)		

	(2,593,564,917)	(2,274,814,917)	(2,274,814,917)	(- 318,750,000)	
(Limitation on callable capital subscript)					
TITLE VI—MULTILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
PAYMENTS FOR AMOUNTS PREVIOUSLY DUE					
Contribution to the International Bank for Reconstruction and Development:					
Contribution to the Global Environment Facility	47,500,000	192,500,000		-47,500,000	-192,500,000
Fiscal year 1998 supplemental			47,500,000	+47,500,000	+47,500,000
Contribution to the Inter-American Development Bank:					
Fund for special operations	20,835,000	21,152,000		-20,835,000	-21,152,000
Fiscal year 1998 supplemental			21,152,000	+21,152,000	+21,152,000
Contribution to the Enterprise for the Americas Multilateral Investment Fund	30,000,000	50,000,000		-30,000,000	-50,000,000
Fiscal year 1998 supplemental			50,000,000	+50,000,000	+50,000,000
Total contribution to the Inter-American Development Bank	50,835,000	71,152,000	71,152,000	+20,317,000	.....
Contribution to the Asian Development fund	150,000,000	155,000,000		-150,000,000	-155,000,000
Fiscal year 1998 supplemental			187,000,000	+187,000,000	+187,000,000
Contribution to the African Development Fund	45,000,000	88,300,000		-45,000,000	-88,300,000
Fiscal year 1998 supplemental			5,000,000	+5,000,000	+5,000,000
INTERNATIONAL MONETARY PROGRAMS					
United States Quota (Fiscal year 1998 supplemental)			14,500,000,000	+14,500,000,000	+14,500,000,000
Loans to International Monetary fund (Fiscal year 1998 supplemental)			3,361,000,000	+3,361,000,000	+3,361,000,000
Total, International Monetary programs .....	.....	.....	17,861,000,000	+17,861,000,000	.....
Total, title VI, Multilateral economic assistance	293,335,000	506,952,000	18,171,652,000	+17,878,317,000	+17,664,700,000
(Fiscal year 1999 appropriations)	(293,335,000)	(506,952,000)	.....	(- 293,335,000)	(- 506,952,000)
(Fiscal year 1998 appropriations) .....	.....	.....	(18,171,652,000)	(+ 18,171,652,000)	(+ 18,171,652,000)
Grand total	13,190,968,080	14,124,044,980	30,770,824,980	+17,579,856,900	+16,646,780,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
(Fiscal year 1999 appropriations)	(13,190,968,080)	(14,124,044,980)	(12,599,172,980)	(- 591,795,100)	(- 1,524,872,000)
(Fiscal year 1998 appropriations) .....	.....	.....	(18,171,652,000)	(+ 18,171,652,000)	(+ 18,171,652,000)
(By transfer)	(38,500,000)	(17,500,000)	(20,500,000)	(- 18,000,000)	(+ 3,000,000)
(Limitation on administrative expenses)	(23,250,000)	(29,910,000)	(29,910,000)	(+ 6,660,000)	.....
(Limitation on callable capital subscript)	(2,593,564,917)	(2,274,814,917)	(2,274,814,917)	(- 318,750,000)	.....
(Loan authorizations)	(15,315,000,000)	(19,810,000,000)	(19,810,000,000)	(+ 4,495,000,000)	.....