Public Law 95-384
95th Congress

An Act

Sept. 26, 1978
[S. 3075]

To amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1979, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

International Security Assistance Act of 1978.

SHORT TITLE

22 USC 2151 note.

SECTION 1. This Act may be cited as the "International Security Assistance Act of 1978".

CONTINGENCY FUND

22 USC 2261.

SEC. 2. Section 451(a) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1978 not to exceed $5,000,000" and inserting in lieu thereof "fiscal year 1979 not to exceed $5,000,000".

INVOLVEMENT OF UNITED STATES PERSONNEL IN NARCOTICS CONTROL ENFORCEMENT ACTIVITIES ABROAD

22 USC 2291.

SEC. 3. Section 481(c)(1) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentences: "No such officer or employee may interrogate or be present during the interrogation of any United States person arrested in any foreign country with respect to narcotics control efforts without the written consent of such person. The provisions of this paragraph shall not apply to the activities of the United States Armed Forces in carrying out their responsibilities under applicable Status of Forces arrangements.".

USE OF HERBICIDES TO ERADICATE MARIHUANA

22 USC 2291.

SEC. 4. Section 481 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(d)(1) Assistance authorized by this chapter may not be made available or used for any program involving the spraying of a herbicide to eradicate marihuana plants if the use of that herbicide is likely to cause serious harm to the health of persons who may use or consume the sprayed marihuana. This prohibition shall not apply if the herbicide is used in conjunction with another substance that will clearly and readily warn potential users and consumers of the sprayed marihuana that a herbicide has been used on it.

"(2) The Secretary of State shall inform the Secretary of Health, Education, and Welfare of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a program receiving assistance under this chapter. The Secretary of Health, Education, and Welfare, on the basis of scientific information and testing and after receiving comments from the Secretary of Agriculture and the Administrator of the Environmental Protection Agency, shall promptly advise the Secretary of State if the use of that herbicide is likely to cause serious harm to the health of persons

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who may use or consume marihuana sprayed with that herbicide. If the Secretary of State is so advised with respect to any herbicide, the prohibition contained in paragraph (1) shall apply with respect to the use of that herbicide.

"(3) The Secretary of State shall submit a comprehensive report to the Congress not later than January 1 of each year explicitly detailing all efforts he has taken to ensure compliance with the requirements of this subsection and to prevent the spraying of marihuana with herbicides that are likely to cause serious harm to human health.". Report to Congress.

INTERNATIONAL NARCOTICS CONTROL

SEC. 5. (a) Section 482 of the Foreign Assistance Act of 1961 is amended by striking out "$39,000,000 for the fiscal year 1978" and inserting in lieu thereof "$40,000,000 for the fiscal year 1979". 22 USC 2291a.

(b) Such section is further amended—

(1) by inserting "(a)" immediately before "To carry out"; and

(2) by adding at the end of the section the following new subsection:

"(b) Funds authorized to be appropriated by this section shall not be made available for the procurement of weapons or ammunition under this chapter.". Restriction.

HUMAN RIGHTS

SEC. 6. (a) Paragraph (1) of section 502B(a) of the Foreign Assistance Act of 1961 is amended to read as follows: 22 USC 2304.

"(1) The United States shall, in accordance with its international obligations as set forth in the Charter of the United Nations and in keeping with the constitutional heritage and traditions of the United States, promote and encourage increased respect for human rights and fundamental freedoms throughout the world without distinction as to race, sex, language, or religion. Accordingly, a principal goal of the foreign policy of the United States shall be to promote the increased observance of internationally recognized human rights by all countries.".

(b) Paragraph (2) of such section is amended by striking out "It is further the policy of the United States that, except" and inserting in lieu thereof "Except".

(c) Paragraph (3) of such section is amended by striking out "the foregoing policy" and inserting in lieu thereof "paragraphs (1) and (2),".

(d)(1) Paragraph (2) of such section is amended by adding at the end thereof the following new sentence: "Security assistance may not be provided to the police, domestic intelligence, or similar law enforcement forces of a country, and licenses may not be issued under the Export Administration Act of 1969 for the export of crime control and detection instruments and equipment to a country, the government of which engages in a consistent pattern of gross violations of internationally recognized human rights unless the President certifies in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that extraordinary circumstances exist warranting provision of such assistance and issuance of such licenses.". 50 USC app. 2401 note.

(2) Section 4 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new subsection: 50 USC app. 2403.

"(m)(1) Crime control and detection instruments and equipment shall be approved for export by the Secretary of Commerce only pursuant to a validated export license.

"(2) The provisions of this subsection shall not apply with respect to exports to countries which are members of the North Atlantic Treaty Organization or to Japan, Australia, or New Zealand.".

22 USC 2304.

(e) Section 502B(a)(2) of the Foreign Assistance Act of 1961, as amended by subsection (d)(1) of this section, is further amended by adding at the end thereof the following new sentence: "Assistance may not be provided under chapter 5 of this part to a country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights unless the President certifies in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that extraordinary circumstances exist warranting provision of such assistance.".

22 USC 2347.

MILITARY ASSISTANCE

SEC. 7. (a) Subsection (a)(1) of section 504 of the Foreign Assistance Act of 1961 is amended to read as follows:

22 USC 2312.

Appropriation authorization.

Limitation.

"(a)(1) There is authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $133,500,000 for the fiscal year 1979. Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1979:

"Portugal	$27,900,000
"Spain	41,000,000
"Jordan	45,000,000
"Philippines	17,100,000
"Greece	35,000,000

The amount specified in this paragraph for military assistance to any such country for the fiscal year 1979 may be increased by not more than 10 percent of such amount if the President deems such increase necessary for the purposes of this chapter.".

22 USC 2321j.

(b) Section 516(a) of such Act is amended by inserting immediately before the period at the end thereof ", and until September 30, 1981, to the extent necessary to carry out obligations incurred under this chapter during the fiscal year 1978 with respect to Indonesia and Thailand".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

22 USC 2321h.

SEC. 8. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$270,000,000 for the fiscal year 1978" and inserting in lieu thereof "$90,000,000 for the fiscal year 1979".

INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

22 USC 2321i.

SEC. 9. (a) Section 515 of the Foreign Assistance Act of 1961 is amended in the first sentence of subsection (b)(1)—

(1) by striking out "fiscal year 1978" and inserting in lieu thereof "fiscal year 1979"; and

(2) by striking out "Brazil" and inserting in lieu thereof "Turkey, Indonesia, Thailand".

(b) Such section is amended in subsection (d) by striking out "may not exceed 865 for the fiscal year 1978" and inserting in lieu thereof ", including any such members serving on a reimbursable basis pursuant to subsection (b)(3), may not exceed 790 for the fiscal year 1979".

(c) Such section is amended in subsection (f) by striking out "1976" in the last sentence and inserting in lieu thereof "1977, except that the President may assign an aggregate total of not to exceed eight additional defense attachés to such countries in order to perform overseas management functions under this subsection".

(d) Such section is amended in subsection (g) by inserting "for fixed" immediately before "periods of time" in the second sentence.

(e) Such section is amended by adding at the end thereof the following new subsection:

"(h) The President shall continue to instruct United States diplomatic and military personnel in United States missions abroad that they should not encourage, promote, or influence the purchase by any foreign country of United States-made military equipment, unless they are specifically instructed to do so by an appropriate official of the executive branch.".

ECONOMIC SUPPORT FUND

SEC. 10. (a) Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended to read as follows:

"CHAPTER 4—ECONOMIC SUPPORT FUND

"SEC. 531. AUTHORITY.—(a)(1) The Congress recognizes that under special economic, political, or security conditions the national interests of the United States may require economic support for countries or in amounts which could not be justified solely under chapter 1 of part I. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. In planning assistance intended for economic development under this chapter, the President shall take into account, to the maximum extent feasible, the policy directions of section 102. 22 USC 2346. 22 USC 2151.

"(2) The Secretary of State shall be responsible for policy decisions and justifications for economic support programs under this chapter, including determinations of whether there will be an economic support program for a country and the amount of the program for each country. The Secretary shall exercise this responsibility in cooperation with the Administrator of the agency primarily responsible for administering part I. 22 USC 2151.

"(b)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1979, $1,902,000,000. Appropriation authorization.

"(2) Amounts appropriated to carry out this chapter are authorized to remain available until expended.

"(c) Amounts appropriated to carry out this chapter shall be available for economic programs only and may not be used for military or paramilitary purposes.

"SEC. 532. MIDDLE EAST PROGRAM.—(a) The Congress recognizes that a peaceful and lasting resolution of the divisive issues that have contributed to tension and conflict between countries in the Middle 22 USC 2346a.

East is essential to the security of the United States and the cause of world peace. The Congress declares and finds that the United States can and should play a constructive role in securing a just and durable peace in the Middle East by facilitating increased understanding between the Arab countries and Israel and by assisting the countries in the region in their efforts to achieve economic progress and political stability, which are the essential foundations for peace. It is the sense of the Congress that United States assistance programs in the Middle East should be designed to promote mutual respect and security among the countries in the region and to foster a climate conducive to increased economic development, thereby contributing to a community of free, secure, and prospering countries in the Middle East.

Funds available to Middle East.

"(b)(1) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, not less than $785,000,000 shall be available only for Israel, not less than $750,000,000 shall be available only for Egypt, and not less than $93,000,000 shall be available only for Jordan.

"(2) The total amount of funds allocated for Israel under this chapter for the fiscal year 1979 may be made available as a cash transfer. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfers made to Israel does not cause an adverse impact on the total amount of nonmilitary exports from the United States to Israel.

"(3) Not less than two-thirds of the assistance furnished to Israel, and not less than two-thirds of the assistance furnished to Egypt, under this chapter for the fiscal year 1979 shall be provided on a grant basis.

"(4) The President is requested to provide that at least $65,000,000 of the funds allocated for Egypt under this chapter for the fiscal year 1979 shall be available for the development and encouragement of private enterprise in Egypt. Programs financed under this paragraph shall be developed in close consultation with the Overseas Private Investment Corporation. It is the intent of the Congress that the funds made available under this paragraph should be used, to the maximum extent feasible, to encourage other donors, especially the Arab countries that are members of the Organization of Petroleum Exporting Countries, to participate in private enterprise development in Egypt. Funds made available under this paragraph may be used, among other things, for lending to Egyptian private business enterprise, to provide necessary surveys, services, and programs to encourage and support private enterprise development, and to contract for personnel to assist such programs.

"(5) It is the sense of the Congress that programs which stress regional development or regional scientific and technical cooperation between Israel and its Arab neighbors can contribute in an important way to the mutual understanding that must serve as the basis for permanent peace in the Middle East. Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, not less than $5,000,000 shall be available only to fund regional programs which stress development or scientific and technical cooperation between Israel and its Arab neighbors or programs which would be used for Arab-Israeli cooperation once normalization of relations between Israel and the Arab nations occurs.

"(6)(A) Funds appropriated to carry out this chapter for the fiscal year 1979 may not be expended for construction of the proposed potash

production facility in Jordan until the President has determined, and has reported his determination to the Congress, that Jordan has obtained firm commitments from other sources for the financing, in addition to the proposed United States contribution, which will be required for that project.

"(B) Funds appropriated to carry out this chapter for the fiscal year 1979 may not be expended for construction of the proposed Maqarin Dam and Jordan Valley Irrigation System until the President has determined, and has reported his determination to the Congress, that Jordan has obtained firm commitments from other sources for the financing, in addition to the proposed United States contribution, which will be required for that project.

"SEC. 533. SOUTHERN AFRICA PROGRAM.—(a) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, $60,000,000 shall be available only for the countries of southern Africa to address the problems caused by the economic dislocation resulting from the conflict in that region and for education and job training assistance. Such funds may be used to provide humanitarian assistance to African refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts, and to provide economic support to countries in the region. 22 USC 2346b.

"(b) No assistance may be furnished under this section to Mozambique, Angola, Tanzania, or Zambia, except that the President may waive this prohibition with respect to any such country if he determines, and so reports to the Congress, that furnishing such assistance to such country would further the foreign policy interests of the United States.

"SEC. 534. TURKEY AND CYPRUS PROGRAMS.—(a) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, not less than $15,000,000 shall be available only for refugee relief and reconstruction on Cyprus. 22 USC 2346c.

"(b) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, not less than $50,000,000 shall be available only for Turkey.".

(b)(1) Section 502B(d)(2)(A) of the Foreign Assistance Act of 1961 is amended by striking out "security supporting assistance" and inserting in lieu thereof "economic support fund". 22 USC 2304.

(2) The second sentence of section 610(b) of such Act is repealed. Repeal.

(3) Section 653(b) of such Act is amended by striking out "security supporting assistance" each of the three places it appears and inserting in lieu thereof "assistance under chapter 4 of part II of this Act". 22 USC 2360. 22 USC 2413.

(4) Sections 669(a) and 670(a) of such Act are each amended by inserting "(including assistance under chapter 4 of part II)" immediately after "economic assistance" and by striking out "or security supporting". 22 USC 2429, 2429a.

(5) Section 406(a) of the International Security Assistance and Arms Export Control Act of 1976 is amended by striking out "or security supporting assistance" and inserting in lieu thereof "assistance, no assistance under chapter 4 of part II,". 22 USC 2370 note.

(6) After September 30, 1978, any reference in any law to security supporting assistance shall be deemed to be a reference to assistance under chapter 4 of part II of the Foreign Assistance Act of 1961. 22 USC 2346 note. 22 USC 2346.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

22 USC 2347a. SEC. 11. (a) Section 542 of the Foreign Assistance Act of 1961 is amended by striking out "$31,000,000 for the fiscal year 1978" and inserting in lieu thereof "$31,800,000 for th fiscal year 1979".

22 USC 2347b. (b) Section 543 of such Act is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new paragraph:

"(3) to increase the awareness of nationals of foreign countries participating in such activities of basic issues involving internationally recognized human rights.".

ASSISTANCE FOR PEACEKEEPING OPERATIONS

SEC. 12. (a) Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"CHAPTER 6—PEACEKEEPING OPERATIONS

22 USC 2348. "SEC. 551. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries and international organizations, on such terms and conditions as he may determine, for peacekeeping operations and other programs carried out in furtherance of the national security interests of the United States.

22 USC 2348a. "SEC. 552. AUTHORIZATION OF APPROPRIATIONS.—(a) There is authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, $30,900,000 for the fiscal year 1979.

"(b) Amounts appropriated under this section are authorized to remain available until expended.

22 USC 2348b. "SEC. 553. MIDDLE EAST SPECIAL REQUIREMENTS FUND.—(a) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, $3,500,000 may be used only for special requirements related to international peacekeeping in the Middle East.

"(b) The President may obligate or expend funds under this section for a foreign country or international organization only if—

Report to Speaker of the House and congressional committees.

"(1) he has transmitted to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations and the chairman of the Committee on Appropriations of the Senate a report setting forth—

"(A) the name of such country or organization;

"(B) the amount of such funds to be made available to such country or organization;

"(C) the purpose for which such funds are to be made available to such country or organization; and

"(D) the reasons why it is in the national interest to use funds under this section for such purpose rather than—

"(i) using other available funds; or

"(ii) if no other funds are available for such purpose, awaiting the enactment of legislation making funds specifically available for such purpose;

"(2) a period of 30 calendar days has elapsed since the Congress received such report; and

"(3) the Congress did not adopt, during such 30-day period, a concurrent resolution stating in substance that the Congress does not approve the proposed use of funds described in such report.

"SEC. 554. ADMINISTRATIVE AUTHORITIES.—Except where expressly provided to the contrary, any reference in any law to part I of this Act shall be deemed to include reference to this chapter and any reference in any law to part II of this Act shall be deemed to exclude reference to this chapter.". 22 USC 2348c. 22 USC 2151. 22 USC 2301.

(b) Section 502B(d)(2)(A) of such Act is amended— *Ante*, p. 735.

(1) by inserting "or chapter 6 (peacekeeping operations)" immediately after "and training)"; and

(2) by striking out "or part VI (assistance to the Middle East) of this Act".

(c)(1) Section 620B of such Act is amended in paragraph (1) by striking out "or 5" and inserting in lieu thereof "5, or 6". 22 USC 2372.

(2) Section 653(b) of such Act is amended— *Ante*, p. 735.

(A) by striking out "part V" both places it appears and inserting in lieu thereof "chapter 6 of part II"; and

(B) by inserting immediately before the comma in paragraph (2) "or assistance under chapter 6 of part II".

(3) Section 669(a) and 670(a) of such Act are each amended by inserting "providing assistance under chapter 6 of part II," immediately after "training,". *Ante*, p. 735.

(4) Part VI of such Act is repealed. Repeal.

(5) Section 406(a)(1) of the International Security Assistance and Arms Export Control Act of 1976 is amended by inserting "no assistance under chapter 6 of part II," immediately before "and no military" in the first sentence. 22 USC 2441–2443. 22 USC 2370 note.

UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN

SEC. 13. (a) Section 620(x) of the Foreign Assistance Act of 1961 shall be of no further force and effect upon the President's determination and certification to the Congress that the resumption of full military cooperation with Turkey is in the national interest of the United States and in the interest of the North Atlantic Treaty Organization and that the Government of Turkey is acting in good faith to achieve a just and peaceful settlement of the Cyprus problem, the early peaceable return of refugees to their homes and properties, and continued removal of Turkish military troops from Cyprus in the context of a solution to the Cyprus problem, and the early serious resumption of inter-communal talks aimed at a just, negotiated settlement. Cyprus conflict. 22 USC 2370 note. 22 USC 2370.

(b) The Foreign Assistance Act of 1961 is amended by inserting immediately after section 620B the following new section:

"SEC 620C. UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN.—(a) The Congress declares that the achievement of a just and lasting Cyprus settlement is and will remain a central objective of United States foreign policy. The Congress further declares that any action of the United States with respect to section 620(x) of this Act shall not signify a lessening of the United States commitment to a just solution to the conflict on Cyprus but is authorized in the expectation that this action will be conducive to achievement of a Cyprus solution and a general improvement in relations among Greece, Tur- 22 USC 2373.

key, and Cyprus and between those countries and the United States. The Congress finds that—

"(1) a just settlement on Cyprus must involve the establishment of a free and independent government on Cyprus and must guarantee that the human rights of all of the people of Cyprus are fully protected;

"(2) a just settlement on Cyprus must include the withdrawal of Turkish military forces from Cyprus;

"(3) the guidelines for inter-communal talks agreed to in Nicosia in February 1977 and the United Nations resolutions regarding Cyprus provide a sound basis for negotiation of a just settlement on Cyprus;

"(4) serious negotiations, under United Nations auspices, will be necessary to achieve agreement on, and implementation of, constitutional and territorial terms within such guidelines; and

"(5) the recent proposals by both Cypriot communities regarding the return of the refugees to the city of New Famagusta (Varosha) constitute a positive step and the United States should actively support the efforts of the Secretary General of the United Nations with respect to this issue.

"(b) United States policy regarding Cyprus, Greece, and Turkey shall be directed toward the restoration of a stable and peaceful atmosphere in the Eastern Mediterranean region and shall therefore be governed by the following principles:

"(1) The United States shall actively support the resolution of differences through negotiations and internationally established peaceful procedures, shall encourage all parties to avoid provocative actions, and shall strongly oppose any attempt to resolve disputes through force or threat of force.

"(2) The United States will accord full support and high priority to efforts, particularly those of the United Nations, to bring about a prompt, peaceful settlement on Cyprus.

"(3) All defense articles furnished by the United States to countries in the Eastern Mediterranean region will be used only in accordance with the requirements of this Act, the Arms Export Control Act, and the agreements under which those defense articles were furnished.

22 USC 2751 note.

"(4) The United States will furnish security assistance for Greece and Turkey only when furnishing that assistance is intended solely for defensive purposes, including when necessary to enable the recipient country to fulfill its responsibilities as a member of the North Atlantic Treaty Organization, and shall be designed to ensure that the present balance of military strength among countries of the region, including between Greece and Turkey, is preserved. Nothing in this paragraph shall be construed to prohibit the transfer of defense articles to Greece or Turkey for legitimate self defense or to enable Greece or Turkey to fulfill their North Atlantic Treaty Organization obligations.

"(5) The United States shall use its influence to ensure the continuation of the ceasefire on Cyprus until an equitable negotiated settlement is reached.

"(6) The United States shall use its influence to achieve the withdrawal of Turkish military forces from Cyprus in the context of a solution to the Cyprus problem.

"(c) Because progress toward a Cyprus settlement is a high priority of United States policy in the Eastern Mediterranean, the President and the Congress shall continually review that progress and shall determine United States policy in the region accordingly. To facilitate such a review the President shall, within 60 days after the date of enactment of this section and at the end of each succeeding 60-day period, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report on progress made toward the conclusion of a negotiated solution of the Cyprus problem. Such transmissions shall include any relevant reports prepared by the Secretary General of the United Nations for the Security Council.

Report to Speaker of the House and Senate committee.

"(d) In order to ensure that United States assistance is furnished consistent with the policies established in this section, the President shall, whenever requesting any funds for security assistance under this Act or the Arms Export Control Act for Greece and Turkey, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate his certification, with a full explanation thereof, that the furnishing of such assistance will be consistent with the principles set forth in subsection (b). The President shall also submit such a certification with any notification to the Congress, pursuant to section 36(b) of the Arms Export Control Act, of a proposed sale of defense articles or services to Greece or Turkey.".

Certification to Speaker of the House and Senate committee. 22 USC 2751 note.

22 USC 2776.

ANNUAL MILITARY ASSISTANCE REPORT

SEC. 14. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended by the International Development and Food Assistance Act of 1978, is amended by inserting immediately after section 654 the following new section:

"SEC. 657. ANNUAL REPORT ON MILITARY ASSISTANCE AND MILITARY EXPORTS.—Not later than February 1 of each year, the President shall transmit to the Congress an annual report for the fiscal year ending the previous September 30, showing the aggregate dollar value and quantity of defense articles and defense services, and of military education and training, furnished by the United States to each foreign country and international organization, by category, specifying whether they were furnished by grant under chapter 2 or chapter 5 of part II of this Act, by sale under chapter 2 of the Arms Export Control Act, by commercial sale licensed under section 38 of that Act, or by other authority.".

22 USC 2417.

22 USC 2311, 2347. 22 USC 2761. 22 USC 2778.

ARMS TRANSFER POLICY

SEC. 15. (a) Section 1 of the Arms Export Control Act is amended by adding at the end thereof the following new paragraph:

22 USC 2751.

"It is the sense of the Congress that the President maintain adherence to a policy of restraint in conventional arms transfers and that, in implementing this policy worldwide, a balanced approach should be taken and full regard given to the security interests of the United States in all regions of the world and that particular attention should be paid to controlling the flow of conventional arms to the nations of the developing world. To this end, the President is encouraged to continue discussions with other arms suppliers in order to restrain the flow of conventional arms to less developed countries.".

Report to Congress. 22 USC 2751 note.

(b) Not later than December 31, 1979, the President shall transmit to the Congress a detailed report assessing the results and commenting on the implications of the multilateral discussions referred to in the amendment made by subsection (a).

SALES FROM STOCK

22 USC 2761.

SEC. 16. Section 21(e)(1) of the Arms Export Control Act is amended—

(1) by striking out "and" at the end of subparagraph (B);

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new subparagraph:

"(D) the recovery of ordinary inventory losses associated with the sale from stock of defense articles that are being stored at the expense of the purchaser of such articles.".

RENEGOTIATION ACT OF 1951

22 USC 2762.

SEC. 17. Section 22 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

"(c) The provisions of the Renegotiation Act of 1951 do not apply to contracts for the procurement of defense articles and defense services heretofore or hereafter entered into under this section or predecessor provisions of law.".

50 USC app. 1211 note.

ANNUAL ARMS SALES PROPOSAL

22 USC 2765.

SEC. 18. (a) Section 25 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

Report to congressional committees.

"(d) On or before November 15 of each year, the President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate the Arms Sales Proposal covering all sales under this Act (other than sales to members of the North Atlantic Treaty Organization, Japan, Australia, and New Zealand) of major defense equipment for $7,000,000 or more, or of any other defense articles or defense services for $25,000,000 or more, which are considered eligible for approval during the fiscal year beginning on October 1 of such year.".

(b) Subsection (c) of such section is amended by striking out "this section" and inserting in lieu thereof "subsection (a) or (b)".

DEFENSE REQUIREMENT SURVEYS

SEC. 19. Chapter 2 of the Arms Export Control Act is amended by adding at the end thereof the following new section:

22 USC 2766.

"SEC. 26. DEFENSE REQUIREMENT SURVEYS.—(a) The Congress finds that defense requirement surveys prepared by the United States for foreign countries have had a significant impact on subsequent military procurement decisions of those countries. It is the policy of the United States that the results of defense requirement surveys conducted by the United States clearly do not represent a commitment by the United States to provide any military equipment to any foreign country. Fur-

ther, recommendations in such surveys should be consistent with the arms export control policy provided for in this Act.

"(b) As part of the quarterly report required by section 36(a) of this Act, the President shall include a list of all defense requirement surveys authorized during the preceding calendar quarter, specifying the country with respect to which the survey was or will be conducted, the purpose of the survey, and the number of United States Government personnel who participated or will participate in the survey. 22 USC 2776.

"(c) Upon a request of the chairman of the Committee on International Relations of the House of Representatives or the chairman of the Committee on Foreign Relations of the Senate, the President shall grant that committee access to defense requirement surveys conducted by United States Government personnel.".

FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

SEC. 20. (a) Section 31(a) of the Arms Export Control Act is amended by striking out "$677,000,000 for the fiscal year 1978" and inserting in lieu thereof "$682,000,000 for the fiscal year 1978 and $674,300,000 for the fiscal year 1979". 22 USC 2771.

(b) Section 31(b) of such Act is amended by striking out "$2,102,350,000 for the fiscal year 1978, of which" and inserting in lieu thereof "$2,152,350,000 for the fiscal year 1978 and $2,085,500,000 for the fiscal year 1979, of which amount for each such year".

(c) Section 31(c) of such Act is amended by striking out "fiscal year 1978" and inserting in lieu thereof "fiscal year 1979".

(d) Section 31(d) of such Act is amended by striking out "$100,000,000" and inserting in lieu thereof "$150,000,000".

FULL DISCLOSURE REPORTS

SEC. 21. Section 36(b)(1) of the Arms Export Control Act is amended— 22 USC 2776.

(1) by amending subparagraph (D) to read as follows:

"(D) an evaluation, prepared by the Director of the Arms Control and Disarmament Agency in consultation with the Secretary of State and the Secretary of Defense, of the manner, if any, in which the proposed sale would—

"(i) contribute to an arms race;

"(ii) increase the possibility of an outbreak or escalation of conflict;

"(iii) prejudice the negotiation of any arms controls; or

"(iv) adversely affect the arms control policy of the United States;";

(2) by striking out "and" at the end of subparagraph (L);

(3) by striking out the period at the end of subparagraph (M) and inserting in lieu thereof a semicolon; and

(4) by inserting immediately after subparagraph (M) the following new subparagraphs:

"(N) the projected delivery dates of the defense articles to be offered;

"(O) a detailed description of weapons and levels of munitions that may be required as support for the proposed sale; and

"(P) an analysis of the relationship of the proposed sale to projected procurements of the same item.".

USE OF FOREIGN CURRENCY

22 USC 1754.

SEC. 22. (a) Section 502(b) of the Mutual Security Act of 1954 is amended to read as follows:

"(b)(1)(A) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law— 31 USC 724.

"(i) local currencies owned by the United States which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961 and of the requirements of the United States Government in payment of its obligations outside of the United States, as such requirements may be determined from time to time by the President; and 22 USC 2362.

"(ii) any other local currencies owned by the United States in amounts not to exceed the equivalent of $75 per day per person or the maximum per diem allowance established under the authority of subchapter I of chapter 57 of title 5 of the United States Code for employees of the United States Government while traveling in a foreign country, whichever is greater, exclusive of the actual cost of transportation; 5 USC 5701 *et seq.*

shall be made available to Members and employees of the Congress for their local currency expenses when authorized as provided in subparagraph (B).

"(B) The authorization required for purposes of subparagraph (A) may be provided—

"(i) by the Speaker of the House of Representatives in the case of a Member or employee of the House;

"(ii) by the chairman of a standing or select committee of the House of Representatives in the case of a member or employee of that committee;

"(iii) by the President of the Senate, the President pro tempore of the Senate, the Majority Leader of the Senate, or the Minority Leader of the Senate, in the case of a Member or employee of the Senate;

"(iv) by the chairman of a standing, select, or special committee of the Senate in the case of a member or employee of that committee or of an employee of a member of that committee; and

"(v) by the chairman of a joint committee of the Congress in the case of a member or employee of that committee.

"(C) Whenever local currencies owned by the United States are not otherwise available for purposes of this subsection, the Secretary of the Treasury shall purchase such local currencies as may be necessary for such purposes, using any funds in the Treasury not otherwise appropriated.

Congressional report.

"(2) On a quarterly basis, the chairman of each committee of the House of Representatives or the Senate and of each joint committee of the Congress (A) shall prepare a consolidated report (i) which itemizes the amounts and dollar equivalent values of each foreign currency expended and the amounts of dollar expenditures from appropriated funds in connection with travel outside the United States, stating the purposes of the expenditures including per diem (lodging and meals), transportation, and other purposes, and (ii) which shows the total itemized expenditures, by such committee and by each member or employee of such committee (including in the case of a committee of the Senate, each employee of a member of the com-

mittee who received an authorization under paragraph (1) from the chairman of the committee); and (B) shall forward such consolidated report to the Clerk of the House of Representatives (if the committee is a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Secretary of the Senate (if the committee is a committee of the Senate or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such consolidated report shall be open to public inspection and shall be published in the Congressional Record within ten legislative days after the report is forwarded pursuant to this paragraph. In the case of the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives, such consolidated report may, in the discretion of the chairman of the committee, omit such information as would identify the foreign countries in which members and employees of that committee traveled.

Publication in Congressional Record.

"(3)(A) Each Member or employee who receives an authorization under paragraph (1) from the Speaker of the House of Representatives, the President of the Senate, the President pro tempore of the Senate, the Majority Leader of the Senate, or the Minority Leader of the Senate, shall within thirty days after the completion of the travel involved, submit a report setting forth the information specified in paragraph (2), to the extent applicable, to the Clerk of the House of Representatives (in the case of a Member of the House or an employee whose salary is disbursed by the Clerk of the House) or the Secretary of the Senate (in the case of a Member of the Senate or an employee whose salary is disbursed by the Secretary of the Senate). In the case of an authorization for a group of Members or employees, such reports shall be submitted for all Members of the group by its chairman, or if there is no designated chairman, by the ranking Member or if the group does not include a Member, by the senior employee in the group. Each report submitted pursuant to this subparagraph shall be open to public inspection.

Congressional report.

"(B) On a quarterly basis, the Clerk of the House of Representatives and the Secretary of the Senate shall each prepare a consolidation of the reports received by them under this paragraph with respect to expenditures during the preceding quarter by each Member and employee or by each group in the case of expenditures made on behalf of a group which are not allocable to individual members of the group. Each such consolidation shall be open to public inspection and shall be published in the Congressional Record within ten legislative days after its completion.".

Congressional report.

Publication in Congressional Record.

(b) Notwithstanding section 30 of this Act, the amendment made by subsection (a) of this section shall take effect on the date of enactment of this Act.

Effective date. 22 USC 1754 note.

SPECIAL SECURITY ASSISTANCE PROGRAM FOR THE MODERNIZATION OF THE ARMED FORCES OF THE REPUBLIC OF KOREA

SEC. 23. (a)(1) The President is authorized until December 31, 1982—

22 USC 2428b.

(A) to transfer, without reimbursement, to the Republic of Korea, only in conjunction with the withdrawal of the 2d Infantry Division and support forces from Korea, such United States

Government-owned defense articles as he may determine which are located in Korea in the custody of units of the United States Army scheduled to depart from Korea; and

(B) to furnish to the Republic of Korea, without reimbursement, defense services (including technical and operational training) in Korea directly related to the United States Government-owned defense articles transferred to the Republic of Korea under this subsection.

(2) Any transfer under the authority of this section shall be made in accordance with all the terms and conditions of the Foreign Assistance Act of 1961 applicable to the furnishing of defense articles and defense services under chapter 2 of part II of that Act, except that no funds heretofore or hereafter appropriated under that Act shall be available to reimburse any agency of the United States Government for any such transfer or related services.

22 USC 2151 note.
22 USC 2311.

(b) In order that transfers of defense articles under subsection (a) will not cause significant adverse impact on the readiness of the Armed Forces of the United States, the President is authorized, in lieu of such transfers, to transfer additional defense articles from the stocks of the Department of Defense, wherever located, to the Republic of Korea to compensate for the military capability of defense articles withdrawn from Korea in any case where he determines that—

(1) the transfer of specific defense articles located in Korea would have a significant adverse impact on the readiness of the United States Armed Forces;

(2) the defense capability provided by those defense articles is needed by the Armed Forces of the Republic of Korea in order to maintain the military balance on the Korean peninsula; and

(3) a comparable defense capability could be provided by less advanced defense articles in the stocks of the Department of Defense which could be transferred without significant adverse impact on the readiness of the United States Armed Forces.

Report to Congress.

The President shall report to the Congress each determination made under this subsection prior to the transfer of the defense articles described in such determination.

(c) The President shall transmit to the Congress, together with the presentation materials for security assistance programs proposed for each fiscal year through and including the fiscal year 1983, a report describing the types, quantities, and value of defense articles furnished or intended to be furnished to the Republic of Korea under this section.

(d) The President should also transmit to the Congress, 120 days prior to each phase of troop withdrawal, a report on the viability of the withdrawal. This report should include assessments of the military balance on the Korean peninsula, the impact of withdrawal on the military balance, the adequacy of United States military assistance to the Republic of Korea, the impact of withdrawal on the United Nations and the Republic of Korea command structure, Republic of Korea defensive fortifications and defense industry developments, the United States reinforcement capability, and the progress of diplomatic efforts to reduce tensions in the area.

Congressional consultation.

(e) (1) It is the sense of the Congress that further withdrawal of ground forces of the United States from the Republic of Korea may seriously risk upsetting the military balance in that region and requires full advance consultation with the Congress.

(2) Prior to any further withdrawal, the President shall report to the Congress on the effect of any proposed withdrawal plan on preserving deterrence in Korea, the reaction anticipated from North Korea, the effect of the plan on increasing incentives for the Republic of Korea to develop an independent nuclear deterrent, the effect of any withdrawal on our long-term military and economic partnership with Japan, the effect of any proposed withdrawal on the United States-Chinese and United States-Soviet military balance, and the possible implications of any proposed withdrawal on the Soviet-Chinese military situation. Report to Congress.

UNITED STATES RELATIONS WITH THE SOVIET UNION

SEC. 24. (a) The Congress finds and declares that a sound and stable relationship with the Soviet Union will help achieve the objectives of the Foreign Assistance Act of 1961 and the Arms Export Control Act, strengthen the security of the United States, and improve the prospects for world peace. 22 USC 2151 note. 22 USC 2151 note. 22 USC 2751 note.

(b) Therefore, it is the sense of the Congress that the President, in cooperation with the Congress and knowledgeable members of the public, should make a full review of United States policy toward the Soviet Union. This review should cover, but not be limited to— Review.

(1) an overall reevaluation of the objectives and priorities of the United States in its relations with the Soviet Union;

(2) the evolution of and sources of all bargaining power of the United States with respect to the Soviet Union and how that bargaining power might be enhanced;

(3) what linkages do exist and what linkages should or should not exist between various elements of United States-Soviet relations such as arms control negotiations, human rights issues, and economic and cultural exchanges;

(4) the policies of the United States toward human rights conditions in the Soviet Union and how improved Soviet respect for human rights might be more effectively achieved;

(5) the current status of strategic arms limitations talks and whether such talks should be continued in their present framework or terminated and renewed in some other forum;

(6) the current status of other arms control negotiations between the United States and the Soviet Union;

(7) the challenges posed by Soviet and Cuban involvement in developing countries and a study of appropriate policy responses and instruments to meet those challenges more effectively;

(8) the impact of our relations with the People's Republic of China on our relations with the Soviet Union;

(9) the impact of strategic parity on relations between the United States and the Soviet Union and on the ability of the United States to meet its obligations under the North Atlantic Treaty;

(10) United States economic, technological, scientific, and cultural relations with the Soviet Union and whether those relations are desirable and should be continued, expanded, restricted, or linked to other aspects of relations between the United States and the Soviet Union;

(11) the evolution of Soviet domestic politics and the relationship between Soviet domestic politics and its foreign policy behavior, especially towards the United States; and

(12) what improvements should be made in the institutions and procedures of United States foreign policy in order to ensure a coherent and effective policy towards the Soviet Union.

Report to Congress.

(c) The President should report the results of the review called for by subsection (b) to the Congress not later than December 31, 1978.

REPORT ON REVIEW OF ARMS SALES CONTROLS ON NON-LETHAL ITEMS

22 USC 2751 note.

SEC. 25. The President shall, within 120 days after the enactment of this Act, report in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate the results of the review conducted pursuant to section 27 of the International Security Assistance Act of 1977.

22 USC 2751 note.

UNITED STATES-REPUBLIC OF CHINA MUTUAL DEFENSE TREATY

22 USC 2151 note.

SEC. 26. (a) The Congress finds that—

(1) the continued security and stability of East Asia is a matter of major strategic interest to the United States;

(2) the United States and the Republic of China have for a period of twenty-four years been linked together by the Mutual Defense Treaty of 1954;

6 UST 433.

(3) the Republic of China has during that twenty-four-year period faithfully and continually carried out its duties and obligations under that treaty; and

(4) it is the responsibility of the Senate to give its advice and consent to treaties entered into by the United States.

Consultation.

(b) It is the sense of the Congress that there should be prior consultation between the Congress and the executive branch on any proposed policy changes affecting the continuation in force of the Mutual Defense Treaty of 1954.

RHODESIA EMBARGO

22 USC 287c note.

SEC. 27. In furtherance of the foreign policy interests of the United States, the Government of the United States shall not enforce sanctions against Rhodesia after December 31, 1978, provided that the President determines that—

(1) the Government of Rhodesia has demonstrated its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues; and

(2) a government has been installed, chosen by free elections in which all political and population groups have been allowed to participate freely, with observation by impartial, internationally-recognized observers.

NEGOTIATIONS BETWEEN ISRAEL AND EGYPT

22 USC 2346a note.

SEC. 28. (a) The Congress finds that—

(1) a lasting settlement of the Arab-Israel conflict is vital to United States national interests as well as to the interests of the countries of the region;

(2) support for a strong and secure Israel and the maintenance for this purpose of Israel's effective defense capabilities as essential to peace remains a fundamental tenet of United States foreign policy;

(3) direct, face-to-face negotiations between Israel and Egypt without preconditions is an historic opening for peace, and the support of such negotiations by other moderate Arab countries, can best promote a peace settlement based on mutual concessions and accommodations;

(4) the establishment of secure, recognized, and defensible borders between Israel and its neighbors will discourage hostilities; and

(5) full, normalized relations between Israel and its Arab neighbors, including trade, travel, tourism, communications, and diplomatic relations are vital for peace.

(b) It is the sense of the Congress that the Government of the United States should continue to promote direct negotiations between Israel and Egypt and to encourage other Arab countries to enter into negotiations leading to peace treaties with Israel.

(c) It is further the sense of the Congress that the United States should be responsive to Israel's economic needs and defense requirements, including the provision of additional advanced aircraft, in order to maintain Israel's defense capability which is essential to peace.

REPORTS TO CONGRESS

SEC. 29. (a) Section 8(d) of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971, is amended in the second sentence by striking out "Additionally, the President shall also submit a quarterly report to the Congress" and inserting in lieu thereof "The annual presentation materials for security assistance programs shall include a table". 22 USC 2321b. 84 Stat. 2054.

(b) Section 408(b) of the International Security Assistance and Arms Export Control Act of 1976 is amended by striking out "(1)" and by repealing paragraph (2). 22 USC 2291 note.

(c)(1) The International Security Assistance and Arms Export Control Act of 1976 is amended— Repeals.

(A) in section 202, by striking out "(a)" immediately after "SEC. 202." and by repealing subsection (b); 90 Stat. 734. 22 USC 2751 note.

(B) by repealing section 217; 22 USC 2751 note.

(C) by repealing section 218; and 22 USC 2751 note.

(D) in section 407, by striking out "(a)" and by repealing subsection (b). 22 USC 2751 note.

(2) The International Security Assistance Act of 1977 is amended— 22 USC 2151 note.

(A) in section 9—

(i) by striking out "REVIEW OF" in the section heading; 22 USC 2346 note.

(ii) by striking out "(a)" immediately after "SEC. 9."; and

(iii) by repealing subsections (b) through (e); and

(B) by repealing section 23. 22 USC 2751 note.

(3) Section 5 of the Emergency Security Assistance Act of 1973 is repealed. 87 Stat. 837.

(4) Section 17 of the Foreign Assistance Act of 1974 is repealed. 22 USC 2311 note.

SAVINGS PROVISION

22 USC 1754 note.

SEC. 30. Enactment of this Act shall not affect the authorizations of appropriations and limitations of authority applicable to the fiscal year 1978 which are contained in provisions of law amended by this Act (other than sections 31 (a), (b), and (d) of the Arms Export Control Act).

Ante, p. 741.

Approved September 26, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1141, accompanying H.R. 12514 (Comm. on International Relations) and No. 95-1546 (Comm. of Conference).

SENATE REPORT No. 95-841 (Comm. on Foreign Relations).

CONGRESSIONAL RECORD, Vol. 124 (1978):

June 5, July 25, 26, considered and passed Senate.

July 31, Aug. 1, H.R. 12514 considered in House.

Aug. 2, considered and passed House, amended, in lieu of H.R. 17514.

Sept. 11, Senate agreed to conference report.

Sept. 12, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 39:

Sept. 26, Presidential statement.