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HOUSE OF REPRESENTATIVES
REPORT
105–

FOREIGN POLICY REFORM ACT

MAY , 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

SUPPLEMENTAL REPORT

[To accompany H.R. 1486]

This supplemental report shows the cost estimate of the Congressional Budget Office and changes in existing law made by the bill (H.R. 1486), as reported, which was not included in the report submitted on May 9, 1997 (H. Rept. 105–94).

This supplemental report is submitted in accordance with clause 2(l)(5)(ii) of Rule XI of the Rules of the House of Representatives.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 12, 1997.

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

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1486, the Foreign Policy Reform Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts an Joseph C. Whitehill and Sunita D'Monte.

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 1486—Foreign Policy Reform Act

Summary: H.R. 1486 would consolidate various international affairs agencies, would authorize appropriations for foreign assistance programs, the Department of State, and related agencies, and would authorize the sale of 14 naval vessels.

Assuming appropriation of the authorized amounts, CBO estimates that enacting H.R. 1486 would result in additional discretionary spending of $33 billion over the 1998–2002 period. The legislation would increase direct spending by $11 million in 1998 and by $0.3 billion over the next five years; therefore, pay-as-you-go procedures would apply. The sale of naval vessels would generate an estimated $163 million in offsetting receipts.

The bill contains a provision that would result in costs to state, local, or tribal governments. CBO is unsure whether this provision constitutes an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but mandate costs, if any, would be well below the threshold established in the law ($50 million in 1996, adjusted annually for inflation). H.R. 1486 would impose no new private-sector mandates as defined in UMRA.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1486 is shown in the table. For the purpose of this estimate, CBO assumes that all amounts authorized would be appropriated by the start of each fiscal year and that outlays would follow historical spending patterns.

[By fiscal year in millions of dollars]

	1997	1998	1999	2000	2001	2002
DIRECT SPENDING						
Proposed changes refugee determination: [1]						
Estimated budget authority	0	0	20	60	70	80
Estimated outlays	0	0	20	60	70	80
Other proposed changes:						
Estimated budget authority	0	11	15	15	16	17
Estimated outlays	0	11	15	15	16	17
Total change in direct spending:						
Estimated budget authority	0	11	35	75	86	87
Estimated outlays	0	11	35	75	86	97
ASSET SALES [2]						
Estimated budget authority	0	−163	0	0	0	0
Estimated outlays	0	−163	0	0	0	0
SPENDING SUBJECT TO APPROPRIATION						
Spending under current law: [3]						
Estimated authorization level [4]	15,740	0	0	0	0	0
Estimated outlays	16,322	7,073	2,974	1,513	702	383
Proposed changes:						
Estimated authorization level	0	16,467	16,099	621	633	646
Estimated outlays	0	9,337	13,547	6,031	2,592	1,601
Spending under the bill: [3]						
Estimated budget authorization level [4]	15,740	16,467	16,099	621	633	646

[By fiscal year in millions of dollars]

	1997	1998	1999	2000	2001	2002
Estimated outlays	16,322	16,410	16,521	7,544	3,294	1,984

[1] Spending for Medicaid, Food Stamps, and Supplemental Security Income. Under current law, CBO estimates that spending for these programs will be $150 billion in 1997 and will rise to $208 billion in 2002.
[2] Under recent budget resolutions, proceeds from assets sales are counted in the budget totals for purposes of Congressional scoring. Under the Balanced Budget Act, however, proceeds from asset sales are not counted in determining compliance with the discretionary spending limits or pay-as-you-go requirement.
[3] Funding for foreign assistance programs, the Department of State, and related agencies.
[4] The 1997 level is the amount appropriated for that year.

Basis of estimate:

DIRECT SPENDING

This bill would increase direct spending by an estimated $0.3 billion over the next five years.

Refugee Determination.—Section 1218 would extend a provision of U.S. immigration law that favors the automatic admission as refugees of certain nationals of the former Soviet Union (chiefly Jews and evangelical Christians), Vietnam, Laos, and Cambodia. Applicants for admission need only assert that they have a fear of persecution and a "credible basis" (not the stricter "well-founded basis" that others must prove) for that fear. (These provisions are commonly known as the Lautenberg criteria.)

These criteria were first enacted in November 1989, and have been renewed several times since then. They currently cover applicants for refugee status who apply through September 30, 1997. Section 1218 would extend that deadline for two years, through September 30, 1999.

Under current law (section 207 of the Immigration and Nationality Act), the annual ceiling on refugee admissions is set by the President after consultation with the Congress. The refugees affected by this bill are accommodated within that ceiling. However, CBO believes that these criteria lead the President and the Congress to set a higher ceiling for refugee admissions than they otherwise would. That is, without these criteria, refugee admissions would be lower. There is no mechanism by which lower admissions of, for example, Soviet Jews and evangelicals would automatically lead to higher admissions of, say, Rwandans or Bosnians.

According to the Department of State, approximately 2,000 people in the former Soviet Union currently apply for admission each month as refugees, and about three-quarters of them are found to meet those criteria. (They are the principal beneficiaries of the provision.) Those figures are significantly smaller than the peak levels of the early 1990s. Because there are lags in scheduling applicants for interviews and then in assembling travel documents, CBO expects that extending the criteria for fiscal years 1998 and 1999 would boost the number of entries in 1999 and 2000. By the end of 1999, an estimated 18,000 more refugees would be in the United States as a result of the extension; by the end of 2000, an estimated 36,000.

According to the annual Report to the Congress of the Office of Refugee Resettlement in the Department of Health and Human Services, about 10 percent of these refugees go on Supplemental Security Income (SSI), 60 percent on Food Stamps, and up to 60 percent on Medicaid. (Also, some go on Aid to Families with De-

pendent Children, which has now been converted to a block grant at fixed levels of funding; on general assistance, which is state-funded; or on short-term refugee assistance, a federally-funded program that is subject to appropriation.) Last year's welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193), curtailed the eligibility of most immigrants for welfare benefits, but spared refugees during their first five years in the United States. Based on these past patterns of welfare participation, CBO estimates that extra outlays in the SSI, Food Stamp, and Medicaid programs would total $20 million in 1999 and would grow to $80 million in 2002.

Appropriation of Interest.—The bill contains several sections that authorize the deposit of certain funds into interest-bearing accounts and the spending of subsequent interest earnings without further appropriation. Sections 1205, 1202, and 1204 provide this authority for proceeds from the sale of overseas property, the Foreign Service National Separation Liability Trust Fund and the International Center Reserve Fund, respectively. CBO estimates that these provisions would increase direct spending by $7 million to $10 million a year. Section 1402 authorizes recipients of grants from the National Endowment for Democracy to deposit grant funds in interest-bearing accounts and to use the interest for the same purpose for which the grant was made. Under current law, the grantees refund their interest earnings to the government. CBO estimates that under this provision the Treasury would forgo collections of less than $60,000 a year.

Recovery of Health Care Costs.—Section 1214 would authorize the Secretary of State to recover from insurance companies the reasonable costs of health care services provided by the department and to deposit the funds as offsetting collections. These amounts would be available for spending. The provision would increase mandatory payments for Federal Employee Health Benefits (FEHB) and discretionary appropriations. CBO estimates that the department would collect and spend $12 million in 1998. Collections in 1999 through 2002 were estimated assuming that collections grow at the same rate as inflation in health care costs, rising to $17 million by 2002.

CBO assumes that, after a short lag, insurance companies would recover the amount paid to the State Department plus 15 percent for administrative overhead through higher FEHB premiums. The government pays 72 percent of FEHB premiums; of this, 45 percent is paid through a mandatory government payment for annuitants and 55 percent is paid through discretionary appropriations. Additional mandatory spending would average about $5 million a year, and increases in discretionary spending would average $6 million a year.

Reappropriations.—The bill contains two provisions that would extend the availability of funds by specifying that the funds "shall" remain available until expended. Section 1203 would extend the availability of funds deposited into the Capital Investment Fund and section 1216 would extend the availability of fees for commercial services. CBO estimates that reappropriations from both sections would be less than $500,000.

Authority to Provide Services on a Reimbursable Basis.—H.R. 1486 contains several provisions that would allow the Department of State to provide various services on a fee-for-service or reimbursable basis. CBO estimates that collections and spending from the provisions would total less than $500,000 per year. Section 1209 allows the department to accept reimbursement for the expenses of pursuing a claim against a foreign government or entity. Section 1213 authorizes the department to provide training services to corporate employees, their families, and Congressional employees on a reimbursable basis and to collect a new fee for the use of the Foreign Affairs Training Center. And finally, section 1215 would authorize the department to collect a new fee for the use of diplomatic reception rooms. All provisions specify that amounts collected would be deposited as offsetting collections and would remain available until expended.

Termination Expenses.—Section 704 authorizes the President to deobligate and reobligate development assistance funds for countries whose assistance program is terminated. The reobligation would cover equitable settlements of third parties whose contracts were canceled when the assistance ended. CBO cannot estimate the budgetary effect of this section.

ASSET SALES

Chapter 5 would authorize the Secretary of the Navy to sell 14 naval vessels to certain foreign countries. Based on information from the Navy, CBO estimates the sale would generate $163 million in offsetting receipts in 1998.

Under recent budget resolutions, proceeds from asset sales have been counted in the budget totals for purposes of Congressional scoring. Under the Balanced Budget Act, however, proceeds from asset sales are not counted in determining compliance with the discretionary spending limits or pay-as-you-go requirement.

SPENDING SUBJECT TO APPROPRIATIONS

CBO estimates the bill would authorize appropriations of $16.5 billion in 1998, $16.1 billion in 1999, and $0.6 billion per year thereafter for foreign assistance programs, the Department of State, and other Ireland agencies. The estimate includes authorizations that specify both the dollar amounts and fiscal years, and the permanent, indefinite authorization for the appropriation of collections in special funds in the amounts discussed below under governmental receipts. In addition, the bill would authorize indefinite appropriations discussed below.

Department of State Rewards Program.—Subject to appropriations action, section 1201 would authorize the President to take up to 2 percent of the earnings from the assets of foreign governments that have been blocked under the International Emergency Powers Act.

Based on information from the Treasury Department, CBO estimates that 2 percent of the earnings on blocked assets would be $2 million per year. The funds would be available for the Department of State to pay rewards for the prevention of international terrorism, narcotics trafficking, and other crimes. The assets affected are not the property of the U.S. Government. Any taking

would create a claim against the U.S. Government that would need to be resolved when normal relations between the United States and the countries are restored. The Department of State currently provides rewards totaling approximately $2 million a year, and this estimate assumes that section 1201 would result in an authorization of that amount each year.

Indefinite Authorizations for Currency Fluctuations.—Section 1102 (f) authorizes such sums as may be necessary in 1998 and 1999 for international organizations and programs to compensate for adverse fluctuations in exchange rates. Any funds appropriated for this purpose would only be obligated and expended subject to an OMB certification. Section 1107 authorizes such sums as may be necessary in 1998 and 1999 for the Arms Control and Disarmament Agency (ACDA) to compensate for increases in pay, employee benefits, and adverse fluctuations in exchange rates.

Currency fluctutations are extremely difficult to estimate in advance. The spending to meet the foreign currency requirements for the two programs could be higher or lower than the amounts specifically authorized in the bill. Therefore, this estimate includes no costs associated with currency fluctuations.

GOVERNMENTAL RECEIPTS

The bill contains two provisions that would authorize collections of certain passport and consular fees to be deposited into special funds of the Treasury. CBO estimates these provisions would not affect governmental receipts or direct spending. The State Department already has the authority to collect these fees, and the authority to spend them would be subject to appropriation and is included as such in the table above.

Section 1210 would authorize the deposit of passport and consular fees into a special fund of the Treasury. These collections would be available to the Department of State in such amounts as are provided for in advance in appropriations Acts. CBO estimates the department would collect $446 million in 1998 and $483 million in 2002.

Similarly, section 1211 would establish a Machine Readable Visa fee account such that collections of the fee, a surcharge for processing certain types of visas, would be deposited into a special fund of the Treasury and would be available to the Department in such amounts as are provided for in advance in appropriations acts. CBO estimates that the department would collect $143 million in 1998 and $155 million in 2002.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act of 1985 establishes pay-as-you-go procedures for legislation affecting direct spending or receipts through fiscal year 1998. CBO estimates that enactment of H.R. 1486 would cause an increase in direct spending of $11 million in 1998.

Estimated impact on State, local, tribal governments: While H.R. 1486 would, by itself, establish no new enforceable duties on state, local, or tribal governments, increasing the number of refugees admitted to the United States, as required by the bill, would increase the costs associated with SSI supplementary payments. Approximately ten percent of the additional refugees would be eligible for federal SSI payments. Most states would be required under current

law to supplement the federal payments to these individuals. CBO cannot determine whether these additional payments would be considered the direct costs of a mandate for the purposes of UMRA. In any event, CBO estimates that the additional costs to states would not exceed $5 million annually.

States would face other costs as a result of the increases in the number of refugees admitted to the United States, but these costs would result either from state public assistance requirements that are not controlled by the federal government, or from an increase in the number of people eligible for federal entitlement programs. Because the bill would not increase the stringency of conditions for these entitlement programs, the costs associated with these provisions do not constitute mandate costs under the law.

The bill also contains a provision that would encourage foreign governments to pay parking fines they owe to Maryland, Virginia, New York State, New York City, and the District of Columbia. Section 308 of the bill would require that an amount equal to 110 percent of the total unpaid parking fines owed by foreign governments be withheld from the foreign aid for those countries. The funds would become available for obligation once the parking fines are paid.

Estimated impact on the private sector: H.R. 1486 would impose no new private-sector mandates as defined in UMRA.

Estimate prepared by: Federal Cost: Joseph C. Whitehill, Sunita D'Monte, Kathy Ruffing, Dorothy A. Rosenbaum, Robin Rudowitz, and Jeffrey Lemieux; impact on State, Local, and Tribal Governments: Pepper Santalucia; impact on the Private Sector: Lesley Frymier.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 5, UNITED STATES CODE

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PART III—EMPLOYEES

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Subpart B—Employment and Retention

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CHAPTER 35—RETENTION PREFERENCE, RESTORATION, AND REEMPLOYMENT

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SUBCHAPTER IV—REEMPLOYMENT AFTER SERVICE WITH AN INTERNATIONAL ORGANIZATION

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§ 3582. Rights of transferring employees

(a) * * *

(b) An employee entitled to the benefits of subsection (a) of this section is entitled to be reemployed within 30 days of his application for reemployment in his former position or a position of like seniority, status, and pay in the agency from which he transferred, if—

(1) he is separated from the international organization within 5 years, or any extension thereof, after entering on duty with the international organization or within such shorter period as may be named by the head of the agency at the time of consent to transfer; and

(2) he applies for reemployment not later than 90 days after the separation.

[On reemployment, he is entitled to the rate of basic pay to which he would be entitled had he remained in the civil service. On reemployment, the agency shall restore his sick leave account, by credit or charge, to its status at the time of transfer. The period of separation caused by his employment with the international organization and the period necessary to effect reemployment are deemed creditable service for all appropriate civil service employment purposes. On reemployment, he is entitled to be paid, under such regulations as the President may prescribe and from appropriations or

funds of the agency from which transferred, an amount equal to the difference between the pay, allowances, post differential, and other monetary benefits paid by the international organization and the pay, allowances, post differential, and other monetary benefits that would have been paid by the agency had he been detailed to the international organization under section 3343 of this title. Such a payment shall be made to an employee who is unable to exercise his reemployment right because of disability incurred while on transfer to an international organization under this subchapter and, in the case of any employee who dies while on such a transfer or during the period after separation from the international organization in which he is properly exercising or could exercise his reemployment right, in accordance with subchapter VIII of chapter 55 of this title. This subsection does not apply to a congressional employee nor may any payment provided for in the preceding two sentences of this subsection be based on a period of employment with an international organization occurring before the first day of the first pay period which begins after December 29, 1969.] *On reemployment, he is entitled to the rate of basic pay to which he would have been entitled had he remained in the civil service. On reemployment, the agency shall restore his sick leave account, by credit or charge, to its status at the time of transfer. The period of separation caused by his employment with the international organization and the period necessary to effect reemployment are deemed creditable service for all appropriate civil service employment purposes. This subsection does not apply to a congressional employee.*

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Subpart D—Pay and Allowances

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CHAPTER 55—PAY ADMINISTRATION

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SUBCHAPTER V—PREMIUM PAY

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§ 5542. Overtime rates; computation

(a) * * *

* * * * * * *

(e) Notwithstanding subsection (d)(1) of this section, all hours of overtime work scheduled in advance of the administrative workweek shall be compensated under subsection (a) if that work involves duties as authorized by section 3056(a) of [title 18, United States Code,] *title 18 or section 37(a)(3) of the State Department Basic Authorities Act of 1956,* and if the investigator performs, on that same day, at least 2 hours of overtime work not scheduled in advance of the administrative workweek.

* * * * * * *

§ 5544. Wage-board overtime and Sunday rates; computation

(a) An employee whose pay is fixed and adjusted from time to time in accordance with prevailing rates under section 5343 or 5349 of this title, or by a wage board or similar administrative authority serving the same purpose, is entitled to overtime pay for overtime work in excess of 8 hours a day or 40 hours a week. However, an employee subject to this subsection who regularly is required to remain at or within the confines of his post of duty in excess of 8 hours a day in a standby or on-call status is entitled to overtime pay only for hours of duty, exclusive of eating and sleeping time, in excess of 40 a week. The overtime hourly rate of pay is computed as follows:

(1) If the basic rate of pay of the employee is fixed on a basis other than an annual or monthly basis, multiply the basic hourly rate of pay by not less than one and one-half.

(2) If the basic rate of pay of the employee is fixed on an annual basis, divide the basic annual rate of pay by 2,087, and multiply the quotient by one and one-half. *For employees serving outside the United States in areas where Sunday is a routine workday and another day of the week is officially recognized as the day of rest and worship, the Secretary of State may designate the officially recognized day of rest and worship as the day with respect to which the preceding sentence shall apply instead of Sunday.*

(3) If the basic rate of pay of the employee is fixed on a monthly basis, multiply the basic monthly rate of pay by 12 to derive a basic annual rate of pay, divide the basic annual rate of pay by 2,087, and multiply the quotient by one and one-half.

An employee subject to this subsection whose regular work schedule includes an 8-hour period of service a part of which is on Sunday is entitled to additional pay at the rate of 25 percent of his hourly rate of basic pay for each hour of work performed during that 8-hour period of service. Time spent in a travel status away from the official duty station of an employee subject to this subsection is not hours of work unless the travel (i) involves the performance of work while traveling, (ii) is incident to travel that involves the performance of work while traveling, (iii) is carried out under arduous conditions, or (iv) results from an event which could not be scheduled or controlled administratively. The first and third sentences of this subsection shall not be applicable to an employee who is subject to the overtime pay provisions of section 7 of the Fair Labor Standards Act of 1938. In the case of an employee who would, were it not for the preceding sentence, be subject to the first and third sentences of this subsection, the Office of Personnel Management shall by regulation prescribe what hours shall be deemed to be hours of work and what hours of work shall be deemed to be overtime hours for the purpose of such section 7 so as to ensure that no employee receives less pay by reason of the preceding sentence.

* * * * * * *

§ 5545a. Availability pay for criminal investigators

(a) For purposes of this section—

(1) * * *

(2) the term "criminal investigator" means a law enforcement officer as defined under section 5541(3) (other than an officer occupying a position under title II of ❙Public Law 99–399)❙ *Public Law 99–399, subject to subsection (k))* who is required to—

(A) * * *

* * * * * * *

(k)(1) For purposes of this section, the term "criminal investigator" includes an officer occupying a position under title II of Public Law 99–399 if—

(A) subject to subparagraph (C), such officer meets the definition of such term under paragraph (2) of subsection (a) (applied disregarding the parenthetical matter before subparagraph (A) thereof);

(B) the primary duties of the position held by such officer consist of performing—

(i) protective functions; or

(ii) criminal investigations; and

(C) such officer satisfies the requirements of subsection (d) without taking into account any hours described in paragraph (2)(B) thereof.

(2) In applying subsection (h) with respect to an officer under this subsection—

(A) any reference in such subsection to "basic pay" shall be considered to include amounts designated as "salary";

(B) paragraph (2)(A) of such subsection shall be considered to include (in addition to the provisions of law specified therein) sections 609(b)(1), 805, 806, and 856 of the Foreign Service Act of 1980; and

(C) paragraph (2)(B) of such subsection shall be applied by substituting for "Office of Personnel Management" the following: "Office of Personnel Management or the Secretary of State (to the extent that matters exclusively within the jurisdiction of the Secretary are concerned)".

§ 5546. Pay for Sunday and holiday work

(a) An employee who performs work during a regularly scheduled 8-hour period of service which is not overtime work as defined by section 5542(a) of this title a part of which is performed on Sunday is entitled to pay for the entire period of service at the rate of his basic pay, plus premium pay at a rate equal to 25 percent of his rate of basic pay. *For employees serving outside the United States in areas where Sunday is a routine workday and another day of the week is officially recognized as the day of rest and worship, the Secretary of State may designate the officially recognized day of rest and worship as the day with respect to which the preceding sentence shall apply instead of Sunday.*

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Subpart F—Labor-Management and Employee Relations

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§ 7103. Definitions; application

(a) For the purpose of this chapter—

(1) "person" means an individual, labor organization, or agency;

(2) "employee" means an individual—

(A) employed in an agency; or

(B) whose employment in an agency has ceased because of any unfair labor practice under section 7116 of this title and who has not obtained any other regular and substantially equivalent employment, as determined under regulations prescribed by the Federal Labor Relations Authority;

but does not include—

(i) * * *

* * * * * * *

(iv) an officer or employee in the Foreign Service of the United States employed in the Department of State, the International Communication Agency, [the United States International Development Cooperation Agency] *the United States Agency for International Development*, the Department of Agriculture, or the Department of Commerce; or

* * * * * * *

SECTION 8A OF THE INSPECTOR GENERAL ACT OF 1978

SPECIAL PROVISIONS RELATING TO THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SEC. 8A. (a) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the [Agency for International Development—

[(1) shall supervise] *Agency for International Development shall supervise*, direct, and control all security activities relating to the programs and operations of that Agency, subject to the supervision of the Administrator of that Agency[; and].

[(2) to the extent requested by the Director of the United States International Development Cooperation Agency (after consultation with the Administrator of the Agency for International Development), shall supervise, direct, and control all audit, investigative, and security activities relating to programs and operations within the United States International Development Cooperation Agency.]

* * * * * * *

[(c) The semiannual reports required to be submitted to the Administrator of the Agency for International Development pursu-

ant to section 5(b) of this Act shall also be submitted to the Director of the United States International Development Cooperation Agency.]

* * * * * * *

[(f) The reference in section 7(a) of this Act to an employee of the establishment shall, with respect to the Inspector General of the Agency for International Development, be construed to include an employee of or under the United States International Development Cooperation Agency.]

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INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1980

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TITLE III—DEVELOPMENT ASSISTANCE PROGRAMS

* * * * * * *

WORLD HUNGER

SEC. 316. (a) In order to further the purposes of section 103 of the Foreign Assistance Act of 1961, the [Director of the United States International Development Cooperation Agency] *Administrator of the United States Agency for International Development* shall encourage the ongoing work of private and voluntary organizations to deal with world hunger problems abroad. To this end, the [Director] *Administrator* shall help facilitate widespread public discussion, analysis, and review of the issues raised by the Report of the Presidential Commission on World Hunger of March 1980, especially the issues raised by the Commission's call for increased public awareness of the political, economic, technical, and social factors relating to hunger and poverty.

(b) As a means of carrying out subsection (a), and to ensure the effectiveness of private and voluntary organizations in dealing with world hunger abroad, the [Director] *Administrator* is urged to provide assistance to private and voluntary organizations engaged in facilitating public discussion of hunger and other related issues.

* * * * * * *

TITLE V—AFRICAN DEVELOPMENT FOUNDATION

* * * * * * *

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 510. There are authorized to be appropriated to carry out this title, in addition to amounts otherwise available for that purpose, [$3,872,000 for fiscal year 1986 and $3,872,000 for fiscal year 1987] *$11,500,000 for fiscal year 1998 and $10,000,000 for fiscal year 1999.* Funds appropriated under this section are authorized to remain available until expended.

* * * * * * *

STATE DEPARTMENT BASIC AUTHORITIES ACT OF 1956

AN ACT To provide certain basic authority for the Department of State.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State Department Basic Authorities Act of 1956".

TITLE I—BASIC AUTHORITIES GENERALLY

ORGANIZATION OF THE DEPARTMENT OF STATE

SECTION 1. (a) * * *

* * * * * * *

(c) ASSISTANT SECRETARIES.—

(1) * * *

* * * * * * *

(3) ASSISTANT SECRETARY FOR HUMAN RESOURCES.—There shall be in the Department of State an Assistant Secretary for Human Resources who shall be responsible to the Secretary of State for matters relating to human resources including the implementation of personnel policies and programs within the Department of State and international affairs functions and activities carried out through the Department of State. The Assistant Secretary shall have substantial professional qualifications in the field of human resource policy and management.

(4) ASSISTANT SECRETARY FOR DIPLOMATIC SECURITY.—There shall be in the Department of State an Assistant Secretary for Diplomatic Security who shall be responsible to the Secretary of State for matters relating to diplomatic security. The Assistant Secretary shall have substantial professional qualifications in the field of Federal law enforcement, intelligence, or security.

* * * * * * *

(e) OTHER SENIOR OFFICIALS.—**[**In**]** *(1) In* addition to officials of the Department of State who are otherwise authorized to be appointed by the President, by and with the advice and consent of the Senate, and to be compensated at level IV of the Executive Schedule of section 5315 of title 5, United States Code, four other such appointments are authorized.

(2) COORDINATOR FOR COUNTERTERRORISM.—

(A) There shall be within the office of the Secretary of State a Coordinator for Counterterrorism (hereafter in this paragraph referred to as the "Coordinator") who shall be appointed by the President, by and with the advice and consent of the Senate.

(B)(i) The Coordinator shall perform such duties and exercise such power as the Secretary of State shall prescribe.

(ii) The principal duty of the Coordinator shall be the overall supervision (including policy oversight of resources) of international counterterrorism activities. The Coordinator shall be the principal adviser to the Secretary of State on international counterterrorism matters. The Coordinator shall be the principal counterterrorism official within the senior management of

the Department of State and shall report directly to the Secretary of State.

(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.

* * * * * * *

SEC. 25. (a) * * *

* * * * * * *

(f) The authorities available to the Secretary of State under this section with respect to the Department of State shall be available to the Director of the United States Information Agency and the [Director of the United States International Development Cooperation Agency] *Administrator of the United States Agency for International Development* with respect to their respective agencies.

SEC. 26. (a) * * *

(b) The authority available to the Secretary of State under this section shall be available to the Director of the United States Information Agency, the chairman of the Board for International Broadcasting, and the [Director of the United States International Development Cooperation Agency] *Administrator of the United States Agency for International Development* with respect to their respective agencies.

* * * * * * *

SEC. 29. Whenever the Secretary of State determines that educational facilities are not available, or that existing educational facilities are inadequate, to meet the needs of children of United States citizens stationed outside the United States who are engaged in carrying out Government activities, the Secretary may, in such manner as he deems appropriate and under such regulations as he may prescribe, establish, operate, and maintain primary schools, and school dormitories and related educational facilities for primary and secondary schools, outside the United States, make grants of funds for such purposes, or otherwise provide for such educational facilities. The authorities of the Foreign Service Buildings Act, 1926, and of paragraphs (h) and (i) of section 3 of this Act, may be utilized by the Secretary in providing assistance for educational facilities. Such assistance may include hiring, transporting, and payment of teachers and other necessary personnel. *Notwithstanding any other provision of law, where the children of United States citizen employees of an agency of the United States Government who are stationed outside the United States attend educational facilities assisted by the Department of State under this section, such agency is authorized make grants to, or otherwise to reimburse or credit with advance payment, the Department of State for funds used in providing assistance to such educational facilities.*

* * * * * * *

SEC. 32. The Secretary of State may pay, without regard to section 5702 of title 5, United States Code, subsistence expenses of (1) special agents of the Department of State who are on authorized protective missions, and (2) members of the Foreign Service and employees of the Department who are required to spend extraordinary amounts of time in travel status. The authorities available to the Secretary of State under this section with respect to the Department of State shall be available to the Director of the United States Information Agency and the [Director of the United States International Development Cooperation Agency] *Administrator of the United States Agency for International Development* with respect to their respective agencies, except that the authority of clause (2) shall be available with respect to those agencies only in the case of members of the Foreign Service and employees of the agency who are performing security-related functions abroad.

SEC. 33. The following documents shall have the same force and effect as proof of United States citizenship as certificates of naturalization or of citizenship issued by the Attorney General or by a court having naturalization jurisdiction:

(1) A passport, during its period of validity (if such period is the maximum period authorized by law), issued by the Secretary of State to a citizen of the United States.

(2) The report, designated as a "Report of Birth Abroad of a Citizen of the United States", issued by a consular officer *(or any United States citizen employee of the Department of State designated by the Secretary of State to adjudicate nationality abroad pursuant to such regulations as the Secretary may prescribe)* to document a citizen born abroad.

SEC. 34. (a) * * *

* * * * * * *

(c) EMERGENCY WAIVER OF NOTIFICATION REQUIREMENT.—The Secretary of State may waive the notification requirement of subsection (a), if the Secretary determines that failure to do so would pose a substantial risk to human health or welfare. In the case of any waiver under this subsection, notification to the appropriate congressional committees shall be provided as soon as practicable, but not later than 3 days after taking the action to which the notification requirement was applicable, and shall contain an explanation of the emergency circumstances.

* * * * * * *

[SEC. 36. (a)(1) The Secretary of State shall establish and publicize a program under which rewards may be paid to any individual who furnishes information—

[(A) leading to the arrest or conviction in any country, of any individual for the commission of an act of international terrorism, or

[(B) leading to the arrest or conviction, in any country, of any individual for conspiring or attempting to commit an act of international terrorism, or

[(C) leading to the prevention, frustration, or favorable resolution of an act of international terrorism.

if the act of international terrorism is against a United States person or United States property.

[(2) For purposes of this subsection, the term "act of international terrorism" includes any act substantially contributing to the acquisition of unsafeguarded special nuclear material (as defined in section 830(8) of the Nuclear Proliferation Prevention Act of 1994) or any nuclear explosive device (as defined in section 830(4) of that Act) by an individual, group, or non-nuclear-weapon state (as defined in section 830(5) of that Act).

[(b)(1) The Secretary of State, upon the request of a chief of mission and with the concurrence of the Attorney General, may pay a reward to any individual who furnishes information leading to—

[(A) the arrest or conviction in any country of any individual for committing, primarily outside the territorial jurisdiction of the United States, any narcotics-related offense if that offense involves or is a significant part of conduct that involves—

[(i) a violation of United States drug laws which occurs primarily outside the territorial jurisdiction of the United States and which is such that the individual would be a major violator of such laws; or

[(ii) the killing or kidnapping outside the territorial jurisdiction of the United States of—

[(I) any officer, employee, or contract employee of the United States Government while such individual is engaged in official duties, or on account of that individual's official duties, in connection with the enforcement of United States drug laws or the implementing of United States drug control objectives; or

[(II) a member of the immediate family of any such individual on account of that individual's official duties in connection with the enforcement of United States drug laws or the implementation of United States drug control objectives; or

[(iii) an attempt or conspiracy to do any of the acts described in clause (i) or (ii); or

[(B) the prevention or frustration of an act described in subparagraph (A).

[(2) The purpose of the rewards under this subsection is to assist narcotics law enforcement in the effective arrest and prosecution of major narcotics traffickers and, wherever appropriate, to offer rewards in connection with the killing of, or the attempt to kill, any United States officer or employee, in connection with the performance of narcotics control duties by such officer or employee, or any member of the family of such officer or employee. To ensure that the rewards program authorized by this subsection, especially paragraph (1)(A)(i), does not duplicate or interfere with the payment of informants or the purchase of evidence or information, as authorized to the Department of Justice, the offering, administration, and payment of rewards under this subsection, including procedures for—

[(A) identifying individuals, organizations, and offenses with respect to which rewards will be offered,

[(B) the publication of rewards,

[(C) offering of joint rewards with foreign governments,

[(D) the receipt and analysis of data,

[(E) the payment and the approval of payment, and

[(F) the recommendations of rewards by chiefs of mission to the Secretary of State and the Attorney General,

shall be governed by procedures approved by the Secretary of State and the Attorney General.

[(c) A reward under this section may not exceed $2,000,000. A reward of $100,000 or more may not be made without the approval of the President or the Secretary of State personally.

[(d) Before making a reward under subsection (a) in a matter over which there is Federal criminal jurisdiction, the Secretary of State shall advise and consult with the Attorney General.

[(e) Any reward granted under this section shall be certified for payment by the Secretary of State. If the Secretary determines that the identity of the recipient of a reward or of the members of the recipient's immediate family must be protected, the Secretary may take such measures in connection with the payment of the reward as he deems necessary to effect such protection.

[(f) An officer or employee of any governmental entity who, while in the performance of his or her official duties, furnishes information described in subsection (a) or (b) shall not be eligible for a reward under this section.

[(g) There are authorized to be appropriated, without fiscal year limitation, $5,000,000 for use in paying rewards under this section, up to $2,000,000 of which may be used for rewards for information described in subsection (b)(1). In addition to the amount authorized to be appropriated by the preceding sentence, there are authorized to be appropriated, without fiscal year limitation, $5,000,000 for "Administration of Foreign Affairs" for use in paying rewards for information described in subsection (b)(1). Additional funds to pay rewards under this section shall be authorized to be appropriated in the annual authorizing legislation for the Department of State.

[(h) Not later than 30 days after paying any reward under this section, the Secretary of State shall submit a report to the Congress with respect to that reward. The report, which may be submitted on a classified basis if necessary, shall specify the amount of the reward paid, to whom the reward was paid, and the acts with respect to which the reward was paid, and shall discuss the significance of the information for which the reward was paid in dealing with those acts.

[(i) As used in this section—

[(1) the term "United States drug laws" means the laws of the United States for the prevention and control of illicit traffic in controlled substances (as such term is defined for purposes of the Controlled Substances Act); and

[(2) the term "member of the immediate family" includes—

[(A) a spouse, parent, brother, sister, or child of the individual;

[(B) a person to whom the individual stands in loco parentis; and

[(C) any other person living in the individual's household and related to the individual by blood or marriage.]

SEC. 36. DEPARTMENT OF STATE REWARDS PROGRAM.

(a) ESTABLISHMENT.—(1) There is established a program for the payment of rewards to carry out the purposes of this section.

(2) The rewards program established by this section shall be administered by the Secretary of State, in consultation, where appropriate, with the Attorney General.

(b) PURPOSE.—(1) The rewards program established by this section shall be designed to assist in the prevention of acts of international terrorism, international narcotics trafficking, and other related criminal acts.

(2) At the sole discretion of the Secretary of State and in consultation, as appropriate, with the Attorney General, the Secretary may pay a reward to any individual who furnishes information leading to—

(A) the arrest or conviction in any country of any individual for the commission of an act of international terrorism against a United States person or United States property;

(B) the arrest or conviction in any country of any individual conspiring or attempting to commit an act of international terrorism against a United States person or United States property;

(C) the arrest or conviction in any country of any individual for committing, primarily outside the territorial jurisdiction of the United States, any narcotics-related offense if that offense involves or is a significant part of conduct that involves—

(i) a violation of United States narcotics laws and which is such that the individual would be a major violator of such laws; or

(ii) the killing or kidnapping of—

(I) any officer, employee, or contract employee of the United States Government while such individual is engaged in official duties, or on account of that individual's official duties, in connection with the enforcement of United States narcotics laws or the implementing of United States narcotics control objectives; or

(II) a member of the immediate family of any such individual on account of that individual's official duties, in connection with the enforcement of United States narcotics laws or the implementing of United States narcotics control objectives; or

(iii) an attempt or conspiracy to commit any of the acts described in clause (i) or (ii); or

(D) the arrest or conviction in any country of any individual aiding or abetting in the commission of an act described in subparagraphs (A) through (C); or

(E) the prevention, frustration, or favorable resolution of an act described in subparagraphs (A) through (C).

(c) COORDINATION.—(1) To ensure that the payment of rewards pursuant to this section does not duplicate or interfere with the payment of informants or the obtaining of evidence or information, as authorized to the Department of Justice, the offering, administration, and payment of rewards under this section, including procedures for—

(A) identifying individuals, organizations, and offenses with respect to which rewards will be offered;

(B) the publication of rewards;

(C) offering of joint rewards with foreign governments;

(D) the receipt and analysis of data; and

(E) the payment and approval of payment,

shall be governed by procedures developed by the Secretary of State, in consultation with the Attorney General.

(2) Before making a reward under this section in a matter over which there is Federal criminal jurisdiction, the Secretary of State shall advise and consult with the Attorney General.

(d) FUNDING.—(1) There is authorized to be appropriated to the Department of State from time to time such amounts as may be necessary to carry out the purposes of this section, notwithstanding section 102 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99–93).

(2) No amount of funds may be appropriated which, when added to the amounts previously appropriated but not yet obligated, would cause such amounts to exceed $15,000,000.

(3) To the maximum extent practicable, funds made available to carry out this section should be distributed equally for the purpose of preventing acts of international terrorism and for the purpose of preventing international narcotics trafficking.

(4) Amounts appropriated to carry out the purposes of this section shall remain available until expended.

(e) LIMITATION AND CERTIFICATION.—(1) A reward under this section may not exceed $2,000,000.

(2) A reward under this section of more than $100,000 may not be made without the approval of the President or the Secretary of State.

(3) Any reward granted under this section shall be approved and certified for payment by the Secretary of State.

(4) The authority of paragraph (2) may not be delegated to any other officer or employee of the United States Government.

(5) If the Secretary determines that the identity of the recipient of a reward or of the members of the recipient's immediate family must be protected, the Secretary may take such measures in connection with the payment of the reward as he considers necessary to effect such protection.

(f) INELIGIBILITY.—An officer or employee of any governmental entity who, while in the performance of his or her official duties, furnishes information described in subsection (b) shall not be eligible for a reward under this section.

(g) REPORTS.—(1) Not later than 30 days after paying any reward under this section, the Secretary of State shall submit a report to the appropriate congressional committees with respect to such reward. The report, which may be submitted on a classified basis if necessary, shall specify the amount of the reward paid, to whom the reward was paid, and the acts with respect to which the reward was paid. The report shall also discuss the significance of the information for which the reward was paid in dealing with those acts.

(2) Not later than 60 days after the end of each fiscal year, the Secretary of State shall submit an annual report to the appropriate congressional committees with respect to the operation of the rewards program authorized by this section. Such report shall provide information on the total amounts expended during such fiscal year to carry out the purposes of this section, including amounts spent to publicize the availability of rewards.

(h) PUBLICATION REGARDING REWARDS OFFERED BY FOREIGN GOVERNMENTS.—Notwithstanding any other provision of this section, at the sole discretion of the Secretary of State the resources of the rewards program authorized by this section, shall be available for the publication of rewards offered by foreign governments regarding acts of international terrorism which do not involve United States persons or property or a violation of the narcotics laws of the United States.

(i) DEFINITIONS.—As used in this section—

(1) the term "appropriate congressional committees" means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate;

(2) the term "act of international terrorism" includes, but is not limited to—

(A) any act substantially contributing to the acquisition of unsafeguarded special nuclear material (as defined in section 830(8) of the Nuclear Proliferation Prevention Act of 1994) or any nuclear explosive device (as defined in section 830(4) of that Act) by an individual, group, or non-nuclear weapon state (as defined in section 830(5) of that Act); and

(B) any act, as determined by the Secretary of State, which materially supports the conduct of international terrorism, including the counterfeiting of United States currency or the illegal use of other monetary instruments by an individual, group, or country supporting international terrorism as determined for purposes of section 6(j) of the Export Administration Act of 1979;

(3) the term "United States narcotics laws" means the laws of the United States for the prevention and control of illicit traffic in controlled substances (as such term is defined for purposes of the Controlled Substances Act); and

(4) the term "member of the immediate family" includes—

(A) a spouse, parent, brother, sister, or child of the individual;

(B) a person to whom the individual stands in loco parentis; and

(C) any other person living in the individual's household and related to the individual by blood or marriage.

(j) DETERMINATIONS OF THE SECRETARY.—A determination made by the Secretary of State under this section shall be final and conclusive and shall not be subject to judicial review.

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EXPENSES RELATING TO PARTICIPATION IN ARBITRATIONS OF CERTAIN DISPUTES

SEC. 38. (a) * * *

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(c) PROCUREMENT OF SERVICES.—The Secretary of State may use competitive procedures or procedures other than competitive procedures to procure the services of experts for use in preparing or prosecuting a proceeding before an international tribunal or a claim by or against a foreign government or other foreign entity,

whether or not the expert is expected to testify, or to procure *personal and* other support services for such proceedings or claims. The Secretary need not provide any written justification for the use of procedures other than competitive procedures when procuring such services under this subsection and need not furnish for publication in the Commerce Business Daily or otherwise any notice of solicitation or synopsis with respect to such procurement.

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DEFENSE TRADE CONTROLS REGISTRATION FEES

SEC. 45. (a) DEFENSE TRADE CONTROLS REGISTRATION FEES.—For each fiscal year, [$700,000 of the] *all* registration fees collected by the Office of Defense Trade Controls of the Department of State shall be credited to a Department of State account, to be available without fiscal year limitation. Fees credited to that account shall be available only for payment of expenses incurred for—

(1) contract personnel to assist in the evaluation of defense trade controls license applications, reduction in processing time for license applications, and improved monitoring of compliance with the terms of licenses; [and]

(2) the automation of defense trade control [functions] *functions, including compliance and enforcement activities,* and the processing of defense trade control license applications, including the development, procurement, and utilization of computer equipment and related software[.]*; and*

(3) the enhancement of defense trade export compliance and enforcement activities to include compliance audits of United States and foreign parties, the conduct of administrative proceedings, end-use monitoring of direct commercial arms sales and transfer, and cooperation in criminal proceedings related to defense trade export controls.

* * * * * * *

SEC. 52. FEES FOR COMMERCIAL SERVICES.

(a) * * *

(b) USE OF FEES.—Funds collected under the authority of subsection (a) shall be deposited as an offsetting collection to any Department of State appropriation to recover the costs of providing commercial services. *Funds deposited under this subsection shall remain available for obligation until expended.*

SEC. 53. FEES FOR USE OF THE NATIONAL FOREIGN AFFAIRS TRAINING CENTER.

The Secretary is authorized to charge a fee for use of the National Foreign Affairs Training Center Facility of the Department of State. Funds collected under the authority of this section, including reimbursements, surcharges, and fees, shall be deposited as an offsetting collection to any Department of State appropriation to recover the costs of such use and shall remain available for obligation until expended.

SEC. 54. FEE FOR USE OF DIPLOMATIC RECEPTION ROOMS.

The Secretary of State is authorized to charge a fee for use of the diplomatic reception rooms of the Department of State. Amounts

collected under the authority of this section (including any reimbursements and surcharges) shall be deposited as an offsetting collection to any Department of State appropriation to recover the costs of such use and shall remain available for obligation until expended.

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FOREIGN SERVICE ACT OF 1980

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TITLE I—THE FOREIGN SERVICE OF THE UNITED STATES

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CHAPTER 2—MANAGEMENT OF THE SERVICE

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SEC. 202. OTHER AGENCIES UTILIZING THE FOREIGN SERVICE PERSONNEL SYSTEM.—(a)(1) The Director of the United States Information Agency and the [Director of the United States International Development Cooperation Agency] *Administrator of the United States Agency for International Development* may utilize the Foreign Service personnel system with respect to their respective agencies in accordance with this Act.

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SEC. 209. INSPECTOR GENERAL.—(a) * * *

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(c)(1) * * *

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(4) In the case of a formal interview where an employee is the likely subject or target of an Inspector General criminal investigation, the Inspector General shall make all best efforts to provide the employee with notice of the full range of his or her rights, including the right to retain counsel and the right to remain silent, as well as the identification of those attending the interview.

(5) In carrying out the duties and responsibilities established under this section, the Inspector General shall develop and provide to employees—

(A) information detailing their rights to counsel; and

(B) guidelines describing in general terms the policies and procedures of the Office of Inspector General with respect to individuals under investigation, other than matters exempt from disclosure under other provisions of law.

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SEC. 210. BOARD OF THE FOREIGN SERVICE.—The President shall establish a Board of the Foreign Service to advise the Secretary of State on matters relating to the Service, including furtherance of the objectives of maximum compatibility among agencies authorized by law to utilize the Foreign Service personnel sys-

tem and compatibility between the Foreign Service personnel system and the other personnel systems of the Government. The Board of the Foreign Service shall be chaired by an individual appointed by the President and shall include one or more representatives of the Department of State, the United States Information Agency, the [United States International Development Cooperation Agency] *United States Agency for International Development*, the Department of Agriculture, the Department of Commerce, the Department of Labor, the Office of Personnel Management, the Office of Management and Budget, the Equal Employment Opportunity Commission, and such other agencies as the President may designate.

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CHAPTER 6—PROMOTION AND RETENTION

SEC. 601. PROMOTIONS.—(a) * * *

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(c)(1) * * *

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[(4) Not later than March 1 of each year, the Secretary of State shall submit a report to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate which shall—

[(A) describe the steps taken and planned in furtherance of—

[(i) maximum compatibility among agencies utilizing the Foreign Service personnel system, as provided for in section 203, and

[(ii) the development of uniform policies and procedures and consolidated personnel functions, as provided for in section 204;

[(B) specify the upper and lower limits planned by each such agency for recruitment, advancement, and retention of members of the Service, as provided for in section 601(c)(2), including, with respect to each of the relevant promotion competition groups, the projected ranges of rates of appointment, promotion, and attrition over each of the next 5 fiscal years, as well as a comparison of such projections with the projections for the preceding year and with actual rates of appointment, promotion, and attrition, including a full explanation of any deviations from projections reported in the preceding year; and

[(C) specify the numbers of members of the Service who are assigned to positions classified under section 501 which are more than one grade higher or lower than the personal rank of the member.]

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SEC. 609. RETIREMENT BENEFITS.—(a) A member of the Service—

(1) who is retired under section 607(c)(2); or

(2) who is retired under section 607(c)(1) or 608(b) or 611—

(A) after becoming eligible for voluntary retirement under section 811, *or any other applicable provision of chapter 84 of title 5, United States Code,* or

shall receive retirement benefits in accordance with section 806 *or section 855, as appropriate*.

(b) Any member of the Service (other than a member to whom subsection (a) applies) who is retired under section 607(c)(1) or 608(b) or 611 shall receive—

(1) * * *

(2)*(A) for those participants in the Foreign Service Retirement and Disability System,* a refund as provided in section 815 of the contributions made by the members to the Foreign Service Retirement and Disability Fund, except that in lieu of such refund a member who has at least 5 years of service credit toward retirement under the Foreign Service Retirement and Disability System (excluding military and naval service) may elect to receive an annuity, computed under section 806, commencing at age 60*; and (B) for those participants in the Foreign Service Pension System, benefits as provided in section 851*.

In the event that a member of the Service has elected to receive retirement benefits under paragraph (2) and dies before reaching age 60 *(for participants in the Foreign Service Retirement and Disability System) or age 62 (for participants in the Foreign Service Pension System)*, his or her death shall be considered a death in service within the meaning of section 809.

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SEC. 610. SEPARATION FOR CAUSE.—(a)(1) * * *

(2) ⟦A member⟧ *Except in the case of an individual who has been convicted of a crime for which a sentence of imprisonment of more than 1 year may be imposed, a member* of the Service (other than a United States citizen employed under section 311 who is not a family member) who is a member of the Senior Foreign Service or is assigned to a salary class in the Foreign Service Schedule and who either (A) is serving under a career appointment, or (B) if separation is to be by reason of misconduct, is serving under a limited appointment, shall not be separated from the Service under this section until the member has been granted a hearing before the Foreign Service Grievance Board and the cause for separation established at such hearing, unless the member waives in writing the right to a hearing or, notwithstanding section 1106(8) of this Act, unless the member has been convicted of a crime related to the cause for separation, subject to reinstatement with back pay (for any period during which separation for cause had not been established by such a hearing) if such conviction is reversed on appeal. If such cause is not established at such hearing, the Grievance Board shall have the authority to direct the Department to pay reasonable attorneys fees to the extent and in the manner provided by section 1107(b)(5) of this Act. The hearing provided under this paragraph shall be in accordance with the hearing procedures applicable to grievances under section 1106 and shall be in lieu of any other administrative procedure authorized or required by this or

any other law. Section 1110 shall apply to proceedings under this paragraph.

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CHAPTER 7—CAREER DEVELOPMENT, TRAINING, AND ORIENTATION

SEC. 701. INSTITUTION FOR TRAINING.—(a) * * *

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(d)(1) * * *

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[(4) The authorities of section 704 shall apply to training and instruction provided under this section.]

(e)(1) The Secretary of State may, in the discretion of the Secretary, provide appropriate training and related services through the institution to employees of United States companies engaged in business abroad, and to the families of such employees.

(2) In the case of any company under contract to provide services to the Department of State, the Secretary of State is authorized to provide job-related training and related services to any company employee who is performing such services.

(3) Training under this subsection shall be on a reimbursable or advance-of-funds basis. Such reimbursements or advances shall be credited to the currently available applicable appropriation account.

(4) Training and related services under this subsection is authorized only to the extent that it will not interfere with the institution's primary mission of training employees of the Department and of other agencies in the field of foreign relations.

(f)(1) The Secretary of State is authorized to provide on a reimbursable basis training programs to Members of Congress or the judiciary.

(2) Congressional staff members and employees of the judiciary may participate on a reimbursable, space-available basis in training programs offered by the institution.

(3) Reimbursements collected under this subsection shall be credited to the currently available applicable appropriation account.

(4) Training under this subsection is authorized only to the extent that it will not interfere with the institution's primary mission of training employees of the Department of State and of other agencies in the field of foreign relations.

(g) The authorities of section 704 shall apply to training and instruction provided under this section.

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SEC. 706. CAREER COUNSELING.—(a) In order to facilitate their transition from the Service, the Secretary may provide (by contract or otherwise, subject to the availability of appropriations) professional career counseling, advice, and placement assistance to members of the Service, and to former members of the Service who were assigned to receive counseling and assistance under this subsection before they were separated from the Service, other than those separated for cause. *Career counseling and related services provided pursuant to this Act shall not be construed to permit an assignment*

to training or to another assignment that consists primarily of paid time to conduct a job search and without other substantive duties, except that career members of the Service who upon their separation are not eligible to receive an immediate annuity and have not been assigned to a post in the United States during the 12 months prior to their separation from the Service may be permitted up to 2 months of paid time to conduct a job search.

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CHAPTER 8—FOREIGN SERVICE RETIREMENT AND DISABILITY

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SUBCHAPTER II—FOREIGN SERVICE PENSION SYSTEM

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SEC. 855. ENTITLEMENT TO ANNUITY.—(a) * * *

(b)(1) Any participant who retires voluntarily or mandatorily under section 607, 608, *611,* 811, 812, or 813 under conditions authorizing an immediate annuity for participants in the Foreign Service Retirement and Disability System *and for participants in the Foreign Service Pension System* and who has completed at least 5 years as a member of the Foreign Service shall be entitled to an immediate annuity computed under paragraph (2).

* * * * * * *

(3) any participant who is involuntarily retired or separated under section 607, 608, **[**or 610**]** *610, or 611* and who would if a participant under subchapter I, become eligible for a refund of contributions or a deferred annuity under subchapter I, shall, in lieu thereof, receive benefits for an involuntary separation under this subchapter.

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CHAPTER 9—TRAVEL, LEAVE, AND OTHER BENEFITS

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SEC. 904. HEALTH CARE.—(a) The Secretary of State shall establish a health care program to promote and maintain the physical and mental health of members of the Service, and (when incident to service abroad) other designated eligible Government employees, **[**and**]** members of the families of such members and employees*, and (for care provided abroad) such other persons as are designated by the Secretary of State*.

* * * * * * *

(d) If an individual eligible for health care under this section incurs an illness, injury, or medical condition which requires treatment while assigned to a post abroad located overseas pursuant to Government authorization, *subject to subsections (g) through (i)* the Secretary may pay the cost of such treatment.

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(g)(1)(A) In the case of a covered beneficiary who is provided health care under this section and who is enrolled in a covered health benefits plan of a third-party payer, the United States shall

have the right to collect from the third-party payer a reasonable charge amount for the care to the extent that the payment would be made under such plan for such care under the conditions specified in paragraph (2) if a claim were submitted by or on behalf of the covered beneficiary.

(B) Such a covered beneficiary is not required to pay any deductible, copayment, or other cost-sharing under the covered health benefits plan or under this section for health care provided under this section.

(2) With respect to health care provided under this section to a covered beneficiary, for purposes of carrying out paragraph (1)—

(A) the reasonable charge amount (as defined in paragraph (9)(C)) shall be treated by the third-party payer as the payment basis otherwise allowable for the care under the plan;

(B) under regulations, if the covered health benefits plan restricts or differentiates in benefit payments based on whether a provider of health care has a participation agreement with the third-party payer, the Secretary shall be treated as having such an agreement as results in the highest level of payment under this subsection;

(C) no provision of the health benefit plan having the effect of excluding from coverage or limiting payment of charges for certain care shall operate to prevent collection under subsection (a), including (but not limited to) any provision that limits coverage or payment on the basis that—

(i) the care was provided outside the United States,

(ii) the care was provided by a governmental entity,

(iii) the covered beneficiary (or any other person) has no obligation to pay for the care,

(iv) the provider of the care is not licensed to provide the care in the United States or other location,

(v) a condition of coverage relating to utilization review, prior authorization, or similar utilization control has not been met, or

(vi) in the case that drugs were provided, the provision of the drugs for any indicated purpose has not been approved by the Federal Food, Drug, and Cosmetic Administration;

(D) if the covered health benefits plan contains a requirement for payment of a deductible, copayment, or similar cost-sharing by the beneficiary—

(i) the beneficiary's not having paid such cost-sharing with respect to the care shall not preclude collection under this section, and

(ii) the amount the United States may collect under this section shall be reduced by application of the appropriate cost-sharing;

(E) amounts that would be payable by the third-party payer under this section but for the application of a deductible under subparagraph (D)(ii) shall be counted towards such deductible notwithstanding that under paragraph (1)(B) the individual is not charged for the care and did not pay an amount towards such care; and

(F) the Secretary may apply such other provisions as may be appropriate to carry out this section in an equitable manner.

(3) In exercising authority under paragraph (1)—

(A) the United States shall be subrogated to any right or claim that the covered beneficiary may have against a third-party payer;

(B) the United States may institute and prosecute legal proceedings against a third-party payer to enforce a right of the United States under this section; and

(C) the Secretary may compromise, settle, or waive a claim of the United States under this section.

(4) No law of any State, or of any political subdivision of a State, shall operate to prevent or hinder collection by the United States under this section.

(5) If collection is sought from a third-party payer for health care furnished a covered beneficiary under this section, under regulations medical records of the beneficiary shall be made available for inspection and review by representatives of the third-party payer for the sole purpose of permitting the third-party payer to verify, consistent with this subsection that—

(A) the care for which recovery or collection is sought were furnished to the beneficiary; and

(B) except as otherwise provided in this subsection, the provision of such care to the beneficiary meets criteria generally applicable under the covered health benefits plan.

(6) The Secretary shall establish (and periodically update) a schedule of reasonable charge amounts for health care provided under this section. The amount under such schedule for health care shall be based on charges or fee schedule amounts recognized by third-party payers under covered health benefits plans for payment purposes for similar health care services furnished in the Metropolitan Washington, District of Columbia, area.

(7) The Secretary shall establish a procedure under which a covered beneficiary may elect to have subsection (h) apply instead of this subsection with respect to some or all health care provided to the beneficiary under this section.

(8) Amounts collected under this subsection, under subsection (h), or under any authority referred to in subsection (i), from a third-party payer or from any other payer shall be deposited as an offsetting collection to any Department of State appropriation and shall remain available until expended.

(9) For purposes of this section:

(A) The term "covered beneficiary" means a member or employee (or family member of such a member of employee) described in subsection (a) who is enrolled under a covered health benefits plan.

(B)(i) Subject to clause (ii), the term "covered health benefits plan" means a health benefits plan offered under the Federal Employees Health Benefits Program under chapter 89 of title 5, United States Code.

(ii) Such term does not include such a health benefits plan (such as a plan of a staff-model health maintenance organization) as the Secretary determines pursuant to regulations to be structured in a manner that impedes the application of this

subsection to individuals enrolled under the plan. To the extent practicable, the Secretary shall seek to disseminate to members of the Service and designated employees described in subsection (a) who are eligible to receive health care under this section the names of plans excluded under this clause.

(C) The term "reasonable charge amount" means, with respect to health care provided under this section, the amount for such care specified in the schedule established under paragraph (6).

(D) The term "third-party payer" means an entity that offers a covered health benefits plan.

(h)(1) In the case of an individual who—

(A) receives health care pursuant to this section; and

(B)(i) is not a covered beneficiary (including by virtue of enrollment only in a health benefits plan excluded under subsection (g)(9)(B)(ii)), or

(ii) is such a covered beneficiary and has made an election described in subsection (g)(7) with respect to such care,

the Secretary is authorized to collect from the individual the full reasonable charge amount for such care.

(2) The United States shall have the same rights against such individuals with respect to collection of such amounts as the United States has with respect to collection of amounts against a third-party payer under subsection (g), except that the rights under this subsection shall be exercised without regard to any rules for deductibles, coinsurance, or other cost-sharing.

(i) Subsections (g) and (h) shall apply to reimbursement for the cost of hospitalization and related outpatient expenses paid for under subsection (d) only to the extent provided in regulations. Nothing in this subsection, or subsections (g) and (h), shall be construed as limiting any authority the Secretary otherwise has with respect to obtaining reimbursement for the payments made under subsection (d).

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CHAPTER 10—LABOR-MANAGEMENT RELATIONS

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SEC. 1003. APPLICATION.—(a) This chapter applies only with respect to the Department of State, the United States Information Agency, the [United States International Development Cooperation Agency] *United States Agency for International Development*, the Department of Agriculture, and the Department of Commerce.

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SEC. 1017. STANDARDS OF CONDUCT FOR LABOR ORGANIZATIONS.—(a) * * *

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(e)(1) Notwithstanding any other provision of this chapter—

[(2) For the purposes of paragraph (1)(A)(ii) and paragraph (1)(B), the term "management official" shall not include chiefs of mission, principal officers and their deputies, and administrative and personnel officers abroad.]

(2) For the purposes of paragraph (1)(A)(ii) and paragraph (1)(B), the term "management official" does not include chiefs of mission, principal officers or their deputies, administrative and personnel officers abroad, or individuals described in section 1002(12)(B), (C), and (D) who are not involved in the administration of this chapter or in the formulation of the personnel policies and programs of the Department.

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CHAPTER 11—GRIEVANCES

SEC. 1101. DEFINITION OF GRIEVANCE.—(a) * * *

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(c) This chapter applies only with respect to the Department of State, the United States Information Agency, the [United States International Development Cooperation Agency] *United States Agency for International Development*, the Department of Agriculture, and the Department of Commerce.

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INTERNAL REVENUE CODE OF 1986

Subtitle A—Income Taxes

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CHAPTER 1—NORMAL TAXES AND SURTAXES

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Subchapter B—Computation of Taxable Income

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PART VII—ITEMIZED DEDUCTIONS FOR INDIVIDUALS

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SEC. 170. CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.

(a) * * *

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(m) OTHER CROSS REFERENCES.—

(1) * * *

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(7) For treatment of gifts accepted by the Secretary of State, the Director of the International Communication Agency, or the [Director of the United States International Development Cooperation Agency] *Administrator of the United States Agency for International Development*, as gifts to or for the use

of the United States, see section 25 of the State Department Basic Authorities Act of 1956.

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Subtitle B—Estate and Gift Taxes

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CHAPTER 11—ESTATE TAXES

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Subchapter A—Estate of Citizens or Residents

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PART IV—TAXABLE INCOME

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SEC. 2055. TRANSFERS FOR PUBLIC, CHARITABLE, AND RELIGIOUS USES.

(a) * * *

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(g) CROSS REFERENCES.—

(1) * * *

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(6) For treatment of gifts, devises, or bequests accepted by the Secretary of State, the Director of the International Communication Agency, or the [Director of the United States International Development Cooperation Agency] *Administrator of the United States Agency for International Development* as gifts, devises, or bequests to or for the use of the United States, see section 25 of the State Department Basic Authorities Act of 1956.

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TITLE 49, UNITED STATES CODE

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SUBTITLE VII—AVIATION PROGRAMS

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PART A—AIR COMMERCE AND SAFETY

SUBPART I—GENERAL

CHAPTER 401—GENERAL PROVISIONS

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§ 40118. Government-financed air transportation

(a) * * *

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(d) CERTAIN TRANSPORTATION BY AIR OUTSIDE THE UNITED STATES.—Notwithstanding subsections (a) and (c) of this section, any amount appropriated to the Secretary of State, the Director of the United States Information Agency, the Director of the [United States International Development Cooperation Agency] *Administrator of the United States Agency for International Development*, or the Director of the Arms Control and Disarmament Agency may be used to pay for the transportation of an officer or employee of the Department of State or one of those agencies, a dependent of the officer or employee, and accompanying baggage, by a foreign air carrier when the transportation is between 2 places outside the United States.

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CHAPTER 449—SECURITY

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§ 44908. Travel advisory and suspension of foreign assistance

(a) TRAVEL ADVISORIES.—On being notified by the Secretary of Transportation that the Secretary of Transportation has decided under section 44907(d)(2)(A)(ii) of this title that a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from a foreign airport that the Secretary of Transportation has decided under section 44907 of this title does not maintain and carry out effective security measures, the Secretary of State—

(1) immediately shall issue a travel advisory for that airport;

[(2) shall publish the advisory in the Federal Register; and]

[(3)] *(2)* shall publicize the advisory widely.

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SECTION 6 OF THE EXPORT ADMINISTRATION ACT OF 1979

FOREIGN POLICY CONTROLS

SEC. 6. (a) * * *

* * * * * * *

(g) EXCLUSION FOR MEDICINE AND MEDICAL SUPPLIES AND FOR CERTAIN FOOD EXPORTS.—This section does not authorize export controls on medicine or medical supplies. This section also does not authorize export controls on donations of goods (including, but not limited to, food, educational materials, seeds and hand tools, medicines and medical supplies, water resources equipment, clothing

and shelter materials, and basic household supplies) that are intended to meet basic human needs. Before export controls on food are imposed, expanded, or extended under this section, the Secretary shall notify the Secretary of State in the case of export controls applicable with respect to any developed country and shall notify the [Director of the United States International Development Cooperation Agency] *Administrator of the United States Agency for International Development* in the case of export controls applicable with respect to any developing country. The Secretary of State with respect to developed countries, and the [Director] *Administrator* with respect to developing countries, shall determine whether the proposed export control on food would cause measurable malnutrition and shall inform the Secretary of that determination. If the Secretary is informed that the proposed export controls on food would cause measurable malnutrition, then those controls may not be imposed, expanded, or extended, as the case may be, unless the President determines that those controls are necessary to protect the national security interest of the United States, or unless the President determines that arrangements are insufficient to ensure that the food will reach those most in need. Each such determination by the Secretary of State or the [Director of the United States International Development Cooperation Agency] *Administrator of the United States Agency for International Development*, and any such determination by the President, shall be reported to the Congress, together with a statement of the reasons for that determination. It is the intent of Congress that the President not impose export controls under this section on any goods or technology if he determines that the principal effect of the export of such goods or technology would be to help meet basic human needs. The subsection shall not be construed to prohibit the President from imposing restrictions on the export of medicine or medical supplies or of food under the International Emergency Economic Powers Act. This subsection shall not apply to any export control on medicine, medical supplies, or food, except for donations, which is in effect on the date of the enactment of the Export Administration Amendments Act of 1985. Notwithstanding the proceding provisions of this subsection, the President may impose export controls under this section on medicine, medical supplies, food, and donations of goods in order to carry out the policy set forth in paragraph (13) of section 3 of this Act.

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FOREIGN ASSISTANCE ACT OF 1961

PART I

CHAPTER 1—POLICY; DEVELOPMENT ASSISTANCE AUTHORIZATIONS

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SEC. 104. POPULATION AND HEALTH.—(a) * * *

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[(c) ASSISTANCE FOR HEALTH AND DISEASE PREVENTION.—(1) In order to contribute to improvements in the health of the greatest number of poor people in developing countries, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for health programs. Assistance under this subsection shall be used primarily for basic integrated health services, safe water and sanitation, disease prevention and control, and related health planning and research. The assistance shall emphasize self-sustaining community-based health programs by means such as training of health auxiliary and other appropriate personnel, support for the establishment and evaluation of projects that can be replicated on a broader scale, measures to improve management of health programs, and other services and suppliers to support health and disease prevention programs.

[(2)(A) In carrying out the purposes of this subsection, the President shall promote, encourage, and undertake activities designed to deal directly with the special health needs of children and mothers. Such activities should utilize simple, available technologies which can significantly reduce childhood mortality, such as improved and expanded immunization programs, oral rehydration to combat diarrhoeal diseases, and education programs aimed at improving nutrition and sanitation and at promoting child spacing. In carrying out this paragraph, guidance shall be sought from knowledgeable health professionals from outside the agency primarily responsible for administering this part. In addition to government-to-government programs, activities pursuant to this paragraph should include support for appropriate activities of the types described in this paragraph which are carried out by international organizations (which may include international organizations receiving funds under chapter 3 of this part) and by private and voluntary organizations, and should include encouragement to other donors to support such types of activities.

[(B) In addition to amounts otherwise available for such purpose, there are authorized to be appropriated to the President $25,000,000 for fiscal year 1986 and $75,000,000 for fiscal year 1987 for use in carrying out this paragraph. Amounts appropriated under this subparagraph are authorized to remain available until expended.

[(C) Appropriations pursuant to subparagraph (B) may be referred to as the "Child Survival Fund."

[(3) The Congress recognizes that the promotion of primary health care is a major objective of the foreign assistance program. The Congress further recognizes that simple, relatively low-cost means already exist to reduce incidence of communicable diseases among children, mothers, and infants. The promotion of vaccines for immunization, and salts for oral rehydration, therefore, is an essential feature of the health assistance program. To this end, the Congress expects the agency primarily responsible for administering this part to set as a goal the protection of not less than 80 percent of all children, in those countries in which such agency has established development programs, from immunizable diseases by January 1, 1991. Of the aggregate amounts made available for fiscal year 1987 to carry out paragraph (2) of this subsection (relating to the Child Survival Fund) and to carry out subsection (c) (relat-

ing to development assistance for health), $50,000,000 shall be used to carry out this paragraph.]

(c) ASSISTANCE FOR CHILD SURVIVAL, HEALTH, BASIC EDUCATION FOR CHILDREN, AND DISEASE PREVENTION.—

(1) AUTHORITY.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, for child survival and health programs, including programs that address the special health and nutrition needs of children and mothers, and basic education programs for children. Assistance under this subsection may be used for the following:

(A) Activities whose primary purpose is to reduce child morbidity and child mortality and which have a substantial, direct, and measurable impact on child morbidity and child mortality, such as—

(i) immunization;

(ii) oral rehydration;

(iii) activities relating to Vitamin A deficiency, iodine deficiency, and other micronutrients;

(iv) programs designed to reduce child malnutrition;

(v) programs to prevent and treat acute respiratory infections;

(vi) programs for the prevention, treatment, and control of, and research on, polio, malaria and other diseases primarily affecting children; and

(vii) programs whose primary purpose is to prevent neonatal mortality.

(B) Other child survival activities such as—

(i) basic integrated health services;

(ii) assistance for displaced and orphaned children;

(iii) safe water and sanitation;

(iv) health programs, and related education programs, which primarily address the needs of mothers and children; and

(v) related health planning and research.

(C) Basic education programs for mothers and children.

(D) Other disease activities such as programs for the prevention, treatment and control of, and research on, tuberculosis, HIV/AIDS, and other diseases.

(2) PRIORITY.—Child survival activities administered by the United States Agency for International Development under this subsection shall be primarily devoted to activities of the type described in paragraph (1)(A).

(3) APPLICATION OF OTHER AUTHORITIES.—Funds made available to carry out this subsection that are provided for countries receiving assistance under chapters 10 and 11 of part I of this Act or the Support for East European Democracy (SEED) Act of 1989, may be made available—

(A) only for the activities described in of paragraph (1); and

(B) except to the extent inconsistent with subparagraph (A), pursuant to the authorities otherwise applicable to the provision of assistance for such countries.

(4) INTERNATIONAL ORGANIZATIONS.—Funds made available to carry out this subsection may be used to make contributions on a grant basis to the United Nations Children's Fund (UNICEF) pursuant to section 301 of this Act.

(5) PVO/CHILD SURVIVAL GRANTS PROGRAM.—Of amounts made available to carry out this subsection for a fiscal year, not less than $30,000,000 should be provided to the private and voluntary organizations under the PVO/Child Survival grants program carried out by the United States Agency for International Development.

(6) REPORT.—The Administrator of the United States Agency for International Development shall report to Congress, as part of the congressional presentation document required under section 634 of this Act, the total amounts to be provided for activities under each subparagraph of paragraph (1).

(7) AUTHORIZATION OF APPROPRIATIONS.—(A) In addition to amounts otherwise available for such purposes, and in addition to amounts made available under section 107, there are authorized to be appropriated to the President $600,000,000 for each of the fiscal years 1998 and 1999 for use in carrying out this subsection.

(B) Amounts appropriated under this paragraph are authorized to remain available until expended.

(8) DESIGNATION OF FUND.—Appropriations pursuant to this subsection may be referred to as the "Child Survival and Disease Programs Fund".

* * * * * * *

SEC. 107. DEVELOPMENT ASSISTANCE FUND.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the President to carry out sections 103 through 106, in addition to amounts otherwise available for such purposes, $1,203,000,000 for each of the fiscal years 1998 and 1999.

(b) ADDITIONAL USE OF AMOUNTS.—Of the amounts authorized to be appropriated under subsection (a)—

(1) the President may use such amounts as he deems appropriate to carry out the provisions of section 316 of the International Security and Development Cooperation Act of 1980;

(2) $2,500,000 for fiscal year 1998 and $4,000,000 for fiscal year 1999 may be made available to carry out section 510 of the International Security and Development Cooperation Act of 1980 (relating to the African Development Foundation) (such amounts are in addition to amounts otherwise made available to carry out section 510 of such Act); and

(3) $2,000,000 for fiscal year 1998 and $7,000,000 for fiscal year 1999 may be made available to carry out section 401 of the Foreign Assistance Act of 1969 (relating to the Inter-American Foundation) (such amounts are in addition to amounts otherwise made available to carry out section 401 of such Act).

(c) AVAILABILITY.—The amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

SEC. 107A. DEVELOPMENT CREDIT AUTHORITY.

(a) GENERAL AUTHORITY.—The President is authorized to use credit authority (loans, loan guarantees, and other investments involving the extension of credit) to achieve any of the development purposes of this part in cases where—

(1) the borrowers or activities are deemed sufficiently creditworthy and do not otherwise have access to such credit; and

(2) the use of credit authority would be appropriate to the achievement of such development purposes.

(b) PRIORITY SECTOR POLICIES AND ACTIVITIES.—

(1) IN GENERAL.—To the maximum extent practicable, preference shall be given to the use of credit authority to promote—

(A) micro- and small enterprise development policies of section 108;

(B) sustainable urban and environmental activities pursuant to the policy directives set forth in this part; and

(C) other development activities that will support and enhance grant-financed policy and institutional reforms under this part.

(2) DEVELOPMENT CREDIT AUTHORITY.—The credit authority described in paragraph (1) shall be known as the "Development Credit Authority".

(c) GENERAL AUTHORITY.—

(1) AUTHORITY.—Of the amounts made available to carry out this chapter, chapters 10 and 11 of this part, chapter 4 of part II of this Act, and the Support for East European Democracy (SEED) Act of 1989 for fiscal years 1998 and 1999, not more than $13,000,000 for each such fiscal year may be made available to carry out this section.

(2) LIMITATIONS.—(A) Funds made available under paragraph (1) shall be used for activities in the same geographic region for which such funds were originally allocated.

(B) The President shall notify the congressional committees specified in section 634A at least fifteen days in advance of each transfer of funds under paragraph (1) in accordance with procedures applicable to reprogramming notifications under such section.

(3) SUBSIDY COST.—Amounts made available under paragraph (1) shall be made available for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, for activities under this section.

(4) ADMINISTRATIVE EXPENSES.—

(A) AMOUNTS MADE AVAILABLE.—Of the amounts made available under paragraph (1) for a fiscal year, not more than $1,500,000 may be made available for administrative expenses to carry out this section.

(B) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts made available under subparagraph (A), there are authorized to be appropriated for administrative expenses to carry out this section and section 221 $6,000,000 for each of the fiscal years 1998 and 1999.

(C) TRANSFER AUTHORITY.—Amounts made available under and subparagraph (A) and amounts authorized to be appropriated under subparagraph (B) may be transferred and merged with amounts made available for "Operating Expenses of the Agency for International Development".

(5) AVAILABILITY.—Amounts made available under paragraph (1) are authorized to remain available until expended.

(d) GENERAL PROVISIONS APPLICABLE TO DEVELOPMENT CREDIT AUTHORITY.—

(1) POLICY PROVISIONS.—In providing the credit assistance authorized by this section, the President should apply, as appropriate, the policy provisions in this part applicable to development assistance activities.

(2) DEFAULT AND PROCUREMENT PROVISIONS.—

(A) DEFAULT PROVISION.—The provisions of section 620(q) of this Act, or any comparable provisions of law, shall not be construed to prohibit assistance to a country in the event that a private sector recipient of assistance furnished under this section is in default in its payment to the United States for the period specified in such section.

(B) PROCUREMENT PROVISION.—Assistance may be provided under this section without regard to section 604(a) of this Act.

(3) TERMS AND CONDITIONS OF CREDIT ASSISTANCE.—(A) Assistance provided under this section shall be offered on such terms and conditions, including fees charged, as the President may determine.

(B) The principal amount of loans made or guaranteed under this section in any fiscal year, with respect to any single country or borrower, may not exceed $100,000,000.

(C) No payment may be made under any guarantee issued under this section for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

(4) FULL FAITH AND CREDIT.—All guarantees issued under this section shall constitute obligations, in accordance with the terms of such guarantees, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations to the extent of the guarantee.

(5) CO-FINANCING AND RISK SHARING.—

(A) IN GENERAL.—(i) Assistance provided under this section shall be in the form of co-financing or risk sharing.

(ii) Credit assistance may not be provided to a borrower under this section unless the Administrator of the United States Agency for International Development determines that there are reasonable prospects of repayment by such borrower.

(B) ADDITIONAL REQUIREMENT.—The investment or risk of the United States in any one development activity may not exceed 80 percent of the total outstanding investment or risk.

(6) ELIGIBLE BORROWERS.—

(A) IN GENERAL.—In order to be eligible to receive credit assistance under this section, a borrower shall be suffi-

ciently credit worthy so that the estimated costs (as defined in section 502 of the Federal Credit Reform Act of 1990) of the proposed credit assistance for the borrower does not exceed 30 percent of the principal amount of credit assistance to be received.

(B) ADDITIONAL REQUIREMENT.—(i) In addition, with respect to the eligibility of foreign governments as an eligible borrowers under this section, the Administrator of the United States Agency for International Development shall make a determination that the additional debt of the government will not exceed the debt repayment capacity of the government.

(ii) In making the determination under clause (i), the Administrator shall consult, as appropriate, with international financial institutions and other institutions or agencies that assess debt service capacity.

(7) ASSESSMENT OF CREDIT RISK.—(A) The Administrator of the United States Agency for International Development shall use the Interagency Country Risk Assessment System (ICRAS) and the methodology approved by the Office of Management and Budget to assess the cost of risk credit assistance provided under this section to foreign governments.

(B) With respect to the provision of credit to nongovernmental organizations, the Administrator—

(i) shall consult with appropriate private sector institutions, including the two largest United States private sector debt rating agencies, prior to establishing the risk assessment standards and methodologies to be used; and

(ii) shall periodically consult with such institutions in reviewing the performance of such standards and methodologies.

(C) In addition, if the anticipated share of financing attributable to public sector owned or controlled entities, including the United States Agency for International Development, exceeds 49 percent, the Administrator shall determine the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of such assistance by using the cost and risk assessment determinations of the private sector co-financing entities.

(8) USE OF UNITED STATES TECHNOLOGY, FIRMS, AND EQUIPMENT.—Activities financed under this section shall, to the maximum extent practicable, use or employ United States technology, firms, and equipment.

* * * * * * *

[SEC. 108. PRIVATE SECTOR REVOLVING FUND.—(a) The Congress finds that the development of private enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system. It is therefore in the best interests of the United States to assist the development of the private sector in developing countries and to engage the United States private sector in that process. In order to promote such private sector development, the President is authorized to establish a revolving fund account in the United States Treasury. All funds depos-

ited in such account shall, notwithstanding any provision in an appropriation Act to the contrary, be free from fiscal year limitations.

[(b) Of the funds made available under this chapter in each of the fiscal years 1986 and 1987, up to $18,000,000 may be deposited in this account. Such funds used in accordance with the policies and authorities of this section shall be in addition to other funds available for private sector activities under other authorities in this Act. Any reflows and income arising from activities carried out pursuant to this section, including loan repayments and fee income (as provided in subsection (e) of this section), shall be deposited into the revolving fund and remain available to carry out the purposes of this section. All funds in such account may be invested in obligations of the United States.

[(c)(1) The agency primarily responsible for administering this part is authorized to use the funds maintained in this revolving fund account to furnish assistance in furtherance of the policy of subsection (a) on such terms and conditions as it may determine. Amounts in the revolving fund account shall be available for obligation for assistance under this section only to such extent as may be provided in advance in appropriation Acts. Assistance may be provided under this section without regard to sections 604(a) and 620(r) of this Act.

[(2) Assistance under this section may be provided only to support private sector activities which—

[(A) are consistent with the United States development assistance policies set forth in section 102 of this Act and with the development priorities of the host country;

[(B) are the types of activities for which assistance may be provided under sections 103 through 106 of this Act;

[(C) will have a demonstration effect;

[(D) will be innovative;

[(E) are financially viable;

[(F) will maximize the development impact appropriate to the host country, particularly in employment and the use of appropriate technology; and

[(G) are primarily directed to making available to small business enterprises and cooperatives necessary support and services which are not otherwise generally available.

In determining whether an enterprise is a small business enterprise, the agency primarily responsible for administering this part shall take into consideration the enterprise's total net fixed assets and number of employees, together with the relevant definition utilized by the host country government and the International Bank for Reconstruction and Development and other international organizations.

[(3)(A) Not more than $3,000,000 may be made available under this section to support any one project.

[(B) Not more than 50 per centum of the financial support for any project may be provided under this section, and a substantial portion of the financial support for a project assisted under this section must be provided by sources within the host country.

[(C) Not more than 20 per centum of the assets of the revolving fund account under this section may be used to support projects in any one country.

[(D) In order to maximize the impact on institution building, loans under this section shall be made primarily to intermediary entities which provide necessary support and services for private sector activities.

[(E) Loans under this section shall be at or near the interest rate otherwise available to the recipient.

[(d)(1) If at any time the assets of the revolving fund account exceeds $100,000,000, the President shall remit the amount in excess of $100,000,000 to the United States Treasury.

[(2) As used in this section, "assets" includes amounts in the revolving fund account plus the value of investments made with amounts from the fund plus the current value of outstanding obligations under loans under this section.

[(3) In addition to the requirement of paragraph (1), at the end of any fiscal year, the agency primarily responsible for administering this part may determine that amounts in the revolving fund are sufficient to permit the remittance to the United States Treasury of an amount equal to a portion or the total amount of appropriated funds deposited in the revolving fund. Any such remittance shall be deemed to be a decrease in the appropriated funds in the revolving fund. After remittance has been made of an amount equal to the total amount of appropriated funds, the revolving fund shall consist and be deemed to consist entirely of nonappropriated funds.

[(e) A fee may be charged, where appropriate, in carrying out activities with funds from the revolving fund authorized in this section. The amount of any such fee shall be determined by the agency primarily responsible for administering this part.

[(f) In the event the revolving fund is terminated, all unobligated money in the fund at the time of such termination shall be transferred to and become part of the miscellaneous receipts account of the Treasury.

[(g) As part of its annual congressional presentation documents submitted to the Congress, the agency primarily responsible for administering this part shall include a description of projects proposed to be funded from the revolving fund account for that fiscal year. To the extent that projects are proposed for funding which are not contained in the annual congressional presentation documents, at least fifteen days' advance notification shall be provided to the Congress in accordance with section 634A of this Act.

[(h) Not later than December 31 of each year, the President shall submit a comprehensive report which details all projects funded under this section during the previous fiscal year, all reflows to the revolving fund account, a status report on all projects currently contained in the fund's portfolio. Such reports shall include, but not be limited to, information regarding numbers and kinds of beneficiaries reached, amounts and kinds of benefits provided by the funded projects to targeted populations, and a justification for projects within the context of the goals and objectives of the United States development assistance program.

[(i)(1) To carry out the purposes of subsection (a), in addition to the other authorities set forth in this section, the agency primarily responsible for administering this part is authorized to issue guarantees on such terms and conditions as it shall determine as-

suring against losses incurred in connection with loans made to projects that meet the criteria set forth in subsection (c). The full faith and credit of the United States is hereby pledged for the full payment and performance of such guarantees.

[(2) Loans guaranteed under this subsection shall be on such terms and conditions as the agency may prescribe, except for the following:

[(A) The agency shall issue guarantees only when it is necessary to alleviate a credit market imperfection.

[(B) Loans guaranteed shall provide for complete amortization within a period not to exceed ten years or, if the principal purpose of the guaranteed loan is to finance the construction or purchase of a physical asset with a useful life of less than ten years, within a period not to exceed such useful life.

[(C) No loan guaranteed to any one borrower may exceed 50 percent of the cost of the activity to be financed, or $3,000,000, whichever is less, as determined by the agency.

[(D) No loan may be guaranteed unless the agency determines that the lender is responsible and that adequate provision is made for servicing the loan on reasonable terms and protecting the financial interest of the United States.

[(E) The fees earned from the loan guarantees issued under this subsection shall be deposited in the revolving fund account as part of the guarantee reserve established under paragraph (5) of this subsection. Fees shall be assessed at a level such that the fees received, plus the funds from the revolving fund account placed in the guarantee reserve satisfy the requirements of paragraph (5). Fees shall be reviewed every twelve months to ensure that the fees assessed on new loan guarantees are at the required level.

[(F) Any guarantee shall be conclusive evidence that such guarantee has been properly obtained, and that the underlying loan as contracted qualifies for such guarantee. Except for fraud or material misrepresentation for which the parties seeking payment under such guarantee are responsible, such guarantee shall be presumed to be valid, legal, and enforceable.

[(G) The agency shall determine that the standards used by the lender for assessing the credit risk of new and existing guaranteed loans are reasonable. The agency shall require that there be a reasonable assurance of repayment before credit assistance is extended.

[(H) Commitments to guarantee loans may be made by the agency only to the extent that the total loan principal, any part of which is guaranteed, will not exceed the amount specified in annual appropriations Acts.

[(3) To the extent that fees are not sufficient as specified under paragraph (2)(E) to cover expected future liabilities, appropriations are authorized to maintain an appropriate reserve.

[(4) The losses guaranteed under this subsection may be in dollars or in other currencies. In the case of loans in currencies other than dollars, the guarantees issued shall be subject to an overall payment limitation expressed in dollars.

[(5) The agency shall segregate in the revolving fund account and hold as a reserve an amount estimated to be sufficient to cover

the agency's expected net liabilities on the loan guarantees outstanding under this subsection; except that the amount held in reserve shall not be less than 25 percent of the principal amount of the agency's outstanding contingent liabilities on such guarantees. Any payments made to discharge liabilities arising from the loan guarantees shall be paid first out of the assets in the revolving fund account and next out of other funds made available for this purpose.]

SEC. 108. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

(a) FINDINGS AND POLICY.—The Congress finds and declares that—

(1) the development of micro- and small enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system;

(2) it is, therefore, in the best interests of the United States to assist the development of the private sector in developing countries and to engage the United States private sector in that process;

(3) the support of private enterprise can be served by programs providing credit, training, and technical assistance for the benefit of micro- and small enterprises; and

(4) programs that provide credit, training, and technical assistance to private institutions can serve as a valuable complement to grant assistance provided for the purpose of benefiting micro- and small private enterprise.

(b) PROGRAM.—To carry out the policy set forth in subsection (a), the President is authorized to provide assistance to increase the availability of credit to micro- and small enterprises lacking full access to credit, including through—

(1) loans and guarantees to credit institutions for the purpose of expanding the availability of credit to micro- and small enterprises;

(2) training programs for lenders in order to enable them to better meet the credit needs of micro- and small entrepreneurs; and

(3) training programs for micro- and small entrepreneurs in order to enable them to make better use of credit and to better manage their enterprises.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated the following amounts for the following purposes (in addition to amounts otherwise available for such purposes):

(A)(i) $1,500,000 for each of the fiscal years 1998 and 1999 to carry out subsection (b)(1).

(ii) Funds authorized to be appropriated under this subparagraph shall be made available for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, for activities under such subsection.

(B) $500,000 for each of the fiscal years 1998 and 1999 to carry out paragraphs (2) and (3) of subsection (b).

(2) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.

SEC. 108A. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

(a) AUTHORIZATION.—(1) In carrying out this part, the Administrator of the United States Agency for International Development is authorized to provide grant assistance for programs of credit and other assistance for micro enterprises in developing countries.

(2) Assistance authorized under paragraph (1) shall be provided through organizations that have a capacity to develop and implement microenterprise programs, including particularly—

(A) United States and indigenous private and voluntary organizations;

(B) United States and indigenous credit unions and cooperative organizations; or

(C) other indigenous governmental and nongovernmental organizations.

(3) Approximately one-half of the credit assistance authorized under paragraph (1) shall be used for poverty lending programs, including the poverty lending portion of mixed programs. Such programs—

(A) shall meet the needs of the very poor members of society, particularly poor women; and

(B) should provide loans of $300 or less in 1995 United States dollars to such poor members of society.

(4) The Administrator should continue support for mechanisms that—

(A) provide technical support for field missions;

(B) strengthen the institutional development of the intermediary organizations described in paragraph (2); and

(C) share information relating to the provision of assistance authorized under paragraph (1) between such field missions and intermediary organizations.

(b) MONITORING SYSTEM.—In order to maximize the sustainable development impact of the assistance authorized under subsection (a)(1), the Administrator shall, in accordance with section 1115 of title 31, United States Code (relating to performance plans), establish a monitoring system that—

(1) establishes performance goals for such assistance and expresses such goals in an objective and quantifiable form, to the extent feasible;

(2) establishes performance indicators to be used in measuring or assessing the achievement of the goals and objectives of such assistance; and

(3) provides a basis for recommendations for adjustments to such assistance to enhance the sustainable development impact of such assistance, particularly the impact of such assistance on the very poor, particularly poor women.

* * * * * * *

SEC. 116. HUMAN RIGHTS.—(a) * * *

* * * * * * *

(d) The Secretary of State shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, by [January 31] *February 25* of each year, a full and complete report regarding—

(1) the status of internationally recognized human rights, within the meaning of subsection (a)—

(A) in countries that receive assistance under this part, and

(B) in all other foreign countries which are members of the United Nations and which are not otherwise the subject of a human rights report under this Act;

(2) wherever applicable, practices regarding coercion in population control, including coerced abortion and involuntary sterilization;

(3) the status of child labor practices in each country, including—

(A) whether such country has adopted policies to protect children from exploitation in the workplace, including a prohibition of forced and bonded labor and policies regarding acceptable working conditions; and

(B) the extent to which each country enforces such policies, including the adequacy of resources and oversight dedicated to such policies;

[(3)**]** *(4)* the votes of each member of the United Nations Commission on Human Rights on all country-specific and thematic resolutions voted on at the Commission's annual session during the period covered during the preceding year;

[(4)**]** *(5)* the extent to which each country has extended protection to refugees, including the provision of first asylum and resettlement; and

[(5)**]** *(6)* the steps the Administrator has taken to alter United States programs under this part in any country because of human rights considerations.

* * * * * * *

SEC. 123. PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES IN OVERSEAS DEVELOPMENT.—(a) * * *

* * * * * * *

[(e) Prohibitions on assistance to countries contained in this or any other Act shall not be construed to prohibit assistance by the agency primarily responsible for administering this part in support of programs of private and voluntary organizations and cooperatives already being supported prior to the date such prohibition becomes applicable. The President shall take into consideration, in any case in which statutory prohibitions on assistance would be applicable but for this subsection, whether continuation of support for such programs is in the national interest of the United States. If the President continues such support after such date, he shall prepare and transmit, not later than one year after such date, to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a report setting forth the reasons for such continuation.**]**

(e)(1) Subject to paragraph (3), restrictions contained in this Act or any other provision of law with respect to assistance for a country shall not be construed to restrict assistance under this chapter, chapter 10, and chapter 11 of this part, chapter 4 of part II, or the Support for East European Democracy (SEED) Act of 1989 (22

U.S.C. 5401 et seq.), in support of programs of nongovernmental organizations.

(2) The President shall take into consideration, in any case in which a restriction on assistance for a country would be applicable but for this subsection, whether assistance for programs of nongovernmental organizations is in the national interest of the United States.

(3) Whenever the authority of this subsection is used to furnish assistance in support of a program of a nongovernmental organization, the President shall notify the congressional committees specified in section 634A(a) of this Act in accordance with procedures applicable to reprogramming notifications under that section. Such notification shall describe the program assisted, the assistance provided, and the reasons for furnishing such assistance.

* * * * * * *

[(g) After December 31, 1984, funds made available to carry out section 103(a), 104(b), 104(c), 105, 106, 491, or 496 of this Act may not be made available for programs of any United States private and voluntary organization which does not obtain at least 20 percent of its total annual financial support for its international activities from sources other than the United States Government, except that this restriction does not apply with respect to programs which, as of that date, are receiving financial support from the agency primarily responsible for administering this part. The Administrator of the agency primarily responsible for administering this part may, on a case-by-case basis, waive the restriction established by this subsection, after taking into account the effectiveness of the overseas development activities of the organization, its level of volunteer support, its financial viability and stability, and the degree of its dependence for its financial support on the agency primarily responsible for administering this part.]

(g) Funds made available to carry out this chapter or chapter 10 of this part may not be made available to any United States private and voluntary organization, except any cooperative development organization, that obtains less than 20 percent of its total annual funding for its international activities from sources other than the United States Government.

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CHAPTER 2—OTHER PROGRAMS

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[TITLE III—HOUSING AND OTHER CREDIT GUARANTY PROGRAMS]

TITLE III—URBAN AND ENVIRONMENTAL CREDIT PROGRAM

* * * * * * *

SEC. 222. AUTHORIZATION.—(a) * * *

* * * * * * *

[(k) The total principal amount of guaranties issued under this section for each of the fiscal years 1986 and 1987 shall be com-

parable to the total principal amount of such guaranties issued for fiscal year 1984, subject to the dollar limitations on the issuance of guaranties under this section which are contained in subsection (a) and in appropriation Acts.

[SEC. 222A. AGRICULTURAL AND PRODUCTIVE CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROGRAMS.—(a) It is the sense of the Congress that in order to stimulate the participation of the private sector in the economic development of less-developed countries, the authority conferred by this section should be used to establish pilot programs to encourage private banks, credit institutions, similar private lending organizations, cooperatives, and private nonprofit development organizations to make loans on reasonable terms to organized groups and individuals residing in a community for the purpose of enabling such groups and individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. Agricultural credit and assistance for self-help community development projects should include, but not be limited to, material and such projects as wells, pumps, farm machinery, improved seed, fertilizer, pesticides, vocational training, food industry development, nutrition projects, improved breeding stock for farm animals, sanitation facilities, and looms and other handicraft aids.

[(b) To carry out the purposes of subsection (a), the agency primarily responsible for administering part I is authorized to issue guaranties, on such terms and conditions as it shall determine, to private lending institutions, cooperatives, and private nonprofit development organizations assuring against loss of not to exceed 50 per centum of the portfolio of such loans made by any lender to organized groups or individuals residing in a community to enable such groups or individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. In no event shall the liability of the United States exceed 75 per centum of any one loan.

[(c) The total face amount of guaranties issued under this section outstanding at any one time shall not exceed $20,000,000. Not more than 10 per centum of such sum shall be provided for any one institution, cooperative, or organization.

[(d) The Inter-American Foundation shall be consulted in developing criteria for making loans eligible for guaranty coverage in Latin America under this section.

[(e) Not to exceed $3,000,000 of the guaranty reserve established under section 223(b) shall be available to make such payments as may be necessary to discharge liabilities under guaranties issued under this section or any guaranties previously issued under section 240 of this Act.

[(f) Funds held by the Overseas Private Investment Corporation pursuant to section 236 may be available for meeting necessary administrative and operating expenses for carrying out the provisions of this section through June 30, 1976.

[(g) The Overseas Private Investment Corporation shall, upon enactment of this subsection, transfer to the agency primarily responsible for administering part I all obligations, assets, and relat-

ed rights and responsibilities arising out of, or related to the predecessor program provided for in section 240 of this Act.

[(h) The authority of this section shall continue through September 30, 1988.

[(i) Notwithstanding the limitations in subsection (c) of this section, foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States may be utilized to carry out the purposes of this section, including the discharge of liabilities under this subsection. The authority conferred by this subsection shall be in addition to authority conferred by any other provision of law to implement guaranty programs utilizing excess local currency.]

* * * * * * *

SEC. 223. GENERAL PROVISIONS.—(a) * * *

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[(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.]

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CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

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SEC. 307. WITHHOLDING OF UNITED STATES PROPORTIONATE SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS.—(a) * * *

* * * * * * *

(c) [The limitations] *(1) Subject to paragraph (2), the limitations* of subsection (a) shall not apply to contributions to the International Atomic Energy Agency or the United Nations Children's Fund (UNICEF).

(2)(A) Except as provided in subparagraph (B), with respect to funds authorized to be appropriated by this chapter and available for the International Atomic Energy Agency, the limitations of subsection (a) shall apply to programs or projects of such Agency in Cuba.

(B)(i) Subparagraph (A) shall not apply with respect to programs or projects of the International Atomic Energy Agency that

provide for the discontinuation, dismantling, or safety inspection of nuclear facilities or related materials, or for inspections and similar activities designed to prevent the development of nuclear weapons by a country described in subsection (a).

(ii) Clause (i) shall not apply with respect to the Juragua Nuclear Power Plant near Cienfuegos, Cuba, or the Pedro Pi Nuclear Research Center unless Cuba—

(I) ratifies the Treaty on the Non-Proliferation of Nuclear Weapons (21 UST 483) or the Treaty for the Prohibition of Nuclear Weapons in Latin America (commonly known as the Treaty of Tlatelolco);

(II) negotiates full-scope safeguards of the International Atomic Energy Agency not later than two years after ratification by Cuba of such Treaty; and

(III) incorporates internationally accepted nuclear safety standards.

* * * * * * *

CHAPTER 5—CONTINGENCIES

SEC. 451. CONTINGENCIES.—(a)(1) Notwithstanding any other provision of law, the President is authorized to use funds made available to carry out any provision of this Act (other than the provisions of chapter 1 of this part) in order to provide, for any unanticipated contingencies, assistance authorized by this part in accordance with the provisions applicable to the furnishing of such assistance, except that the authority of this subsection may not be used to authorize the use of more than **[**$25,000,000**]** *$50,000,000* during any fiscal year.

* * * * * * *

[CHAPTER 6—CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE

[SEC. 461. STATEMENT OF POLICY.—(a) The Congress finds that—

[(1) the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States; and

[(2) the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America.

[(b)(1) The achievement of democracy, respect for human rights, peace, and equitable economic growth depends primarily on the cooperation and the human and economic resources of the people and governments of Central America. The Congress recognizes that the United States can make a significant contribution to such peaceful and democratic development through a consistent and coherent policy which includes a long-term commitment of assistance. This policy should be designed to support actively—

[(A) democracy and political reform, including opening the political process to all members of society;

[(B) full observance of internationally recognized human rights, including free elections, freedom of the press, freedom of association, and the elimination of all human rights abuses;

[(C) leadership development, including training and educational programs to improve public administration and the administration of justice;

[(D) land reform, reform in tax systems, encouragement of private enterprise and individual initiative, creation of favorable investment climates, curbing corruption where it exists, and spurring balanced trade;

[(E) the establishment of the rule of law and an effective judicial system; and

[(F) the termination of extremist violence by both the left and the right as well as vigorous action to prosecute those guilty of crimes and the prosecution to the extent possible of past offenders.

[(2) The policy described in paragraph (1) should also promote equitable economic growth and development, including controlling the flight of capital and the effective use of foreign assistance and adhering to approved programs for economic stabilization and fiscal responsibility. Finally, this policy should foster dialog and negotiations—

[(A) to achieve peace based upon the objectives of democratization, reduction of armament, an end to subversion, and the withdrawal of foreign military forces and advisers; and

[(B) to provide a security shield against violence and intimidation.

[(3) It is the purpose of this chapter to establish the statutory framework and to authorize the appropriations and financing necessary to carry out the policy described in this section.

[(c) The Congress finds, therefore, that the people of the United States are willing to sustain and expand a program for economic and military assistance in Central America if the recipient countries can demonstrate progress toward and a commitment to these goals.]

CHAPTER 6—DEBT RELIEF

SEC. 461. SPECIAL DEBT RELIEF FOR POOR COUNTRIES.

(a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States Government by a country described in subsection (b) as a result of—

(1) loans or guarantees issued under this Act; or

(2) credits extended or guarantees issued under the Arms Export Control Act (22 U.S.C. 2751 et seq.).

(b) COUNTRY DESCRIBED.—A country described in this subsection is a country—

(1) with a heavy debt burden that is eligible to borrow from the International Development Association but not from the International Bank for Reconstruction and Development (commonly referred to as an "IDA-only" country);

(2) the government of which—

(A) does not have an excessive level of military expenditures;

(B) has not repeatedly provided support for acts of international terrorism; and

(C) is not failing to cooperate with the United States on international narcotics control matters;

(3) the government (including the military or other security forces of such government) of which does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(4) that is not ineligible for assistance because of the application of section 527(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

(c) LIMITATIONS.—The authority under subsection (a) may be exercised—

(1) only to implement multilateral official debt relief ad referendum agreements (commonly referred to as "Paris Club Agreed Minutes"); and

(2) only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(d) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to the exercise of authority under subsection (a)—

(1) shall not be considered assistance for purposes of any provision of law limiting assistance to a country; and

(2) may be exercised notwithstanding section 620(r) of this Act or any comparable provision of law.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the President for the purpose of carrying out this section and the Foreign Operations, Export Financing, and Related Programs Supplemental Appropriations Act, 1994 (title VI of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1994; Public Law 103–306) $32,000,000 for each of the fiscal years 1998 and 1999.

(2) AVAILABILITY.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.

* * * * * * *

CHAPTER 8—INTERNATIONAL NARCOTICS CONTROL

SEC. 481. POLICY, GENERAL AUTHORITIES, COORDINATION, FOREIGN POLICE ACTIONS, DEFINITIONS, AND OTHER PROVISIONS.

(a) * * *

* * * * * * *

(e) DEFINITIONS.—For purposes of this chapter and other provisions of this Act relating specifically to international narcotics matters—

(1) * * *

* * * * * * *

(4) the term "United States assistance" means—

(A) any assistance under this Act (including programs under title IV of chapter 2, relating to the Overseas Private Investment Corporation), other than—

(i) assistance under this chapter,

(ii) any other narcotics-related assistance under this part (including chapter 4 of part II) *or under chapter 5 of part II*, but any such assistance provided under this clause shall be subject to the prior notification procedures applicable to reprogrammings pursuant to section 634A of this Act,

(iii) disaster relief assistance, including any assistance under chapter 9 of this part,

(iv) assistance which involves the provision of food (including monetization of food) or medicine, and

(v) assistance for refugees;

(B) sales, or financing on any terms, under the Arms Export Control Act*, other than sales or financing provided for narcotics-related purposes following notification in accordance with procedures applicable to reprogramming notifications under section 634A of this Act*;

* * * * * * *

(8) the term "appropriate congressional committees" means the [Committee on Foreign Affairs] *Committee on International Relations* and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

* * * * * * *

SEC. 482. AUTHORIZATION.—(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President [$147,783,000 for fiscal year 1993 and $171,500,000 for fiscal year 1994] *$230,000,000 for each of the fiscal years 1998 and 1999*.

* * * * * * *

SEC. 485. RECORDS OF AIRCRAFT USE.—(a) * * *

(b) CONGRESSIONAL ACCESS TO RECORDS.—The President shall make the records maintained pursuant to subsection (a) available to the Congress upon a request of the Chairman of the [Committee on Foreign Affairs] *Committee on International Relations* of the House of Representatives or the Chairman of the Committee on Foreign Relations of the Senate .

* * * * * * *

SEC. 488. LIMITATIONS ON ACQUISITION OF REAL PROPERTY AND CONSTRUCTION OF FACILITIES.

(a) ACQUISITION OF REAL PROPERTY.—

(1) * * *

* * * * * * *

(3) REPORT.—The Secretary of State shall provide to the [Committee on Foreign Affairs] *Committee on International Relations* of the House of Representatives and the Committee on Foreign Relations of the Senate within 30 days after the end of each quarter of the fiscal year a detailed report on all leases entered into pursuant to paragraph (2), including the

cost and duration of such lease, a description of the property leased, and the purpose for which such lease was entered into.

* * * * * * *

SEC. 489. REPORTING REQUIREMENTS.

(a) INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT.—Not later than March 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report containing the following:

(1) * * *

* * * * * * *

(3) The identity of those countries which are—

(A) major illicit drug producing countries or major drug-transit countries **[**as determined under section 490(h)**]**;

* * * * * * *

(7) In addition, for those countries identified pursuant to paragraph **[**(3)(D)**]** *(3)(C)* the following:

(A)(i) Which countries have financial institutions engaging in currency transactions involving international narcotics trafficking proceeds that include significant amounts of United States currency or currency derived from illegal drug sales in the United States or that otherwise significantly affect the United States;

* * * * * * *

[SEC. 490. ANNUAL CERTIFICATION PROCEDURES.

[(a) WITHHOLDING OF BILATERAL ASSISTANCE AND OPPOSITION TO MULTILATERAL DEVELOPMENT ASSISTANCE.—

[(1) BILATERAL ASSISTANCE.—Fifty percent of the United States assistance allocated each fiscal year in the report required by section 653 for each major illicit drug producing country or major drug-transit country shall be withheld from obligation and expenditure, except as provided in subsection (b). This paragraph shall not apply with respect to a country if the President determines that its application to that country would be contrary to the national interest of the United States, except that any such determination shall not take effect until at least 15 days after the President submits written notification of that determination to the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.

[(2) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to vote, on and after March 1 of each year, against any loan or other utilization of the funds of their respective institution to or for any major illicit drug producing country or major drug-transit country (as determined under subsection (h)), except as provided in subsection (b). For purposes of this paragraph, the term "multilateral development bank" means the International Bank for Reconstruction and Development, the International Development

Association, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, and the European Bank for Reconstruction and Development.

[(b) CERTIFICATION PROCEDURES.—

[(1) WHAT MUST BE CERTIFIED.—Subject to subsection (d), the assistance withheld from a country pursuant to subsection (a)(1) may be obligated and expended, and the requirement of subsection (a)(2) to vote against multilateral development bank assistance to a country shall not apply, if the President determines and certifies to the Congress, at the time of the submission of the report required by section 489(a), that—

[(A) during the previous year the country has cooperated fully with the United States, or has taken adequate steps on its own, to achieve full compliance with the goals and objectives established by the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances; or

[(B) for a country that would not otherwise qualify for certification under subparagraph (A), the vital national interests of the United States require that the assistance withheld pursuant to subsection (a)(1) be provided and that the United States not vote against multilateral development bank assistance for that country pursuant to subsection (a)(2).

[(2) CONSIDERATIONS REGARDING COOPERATION.—In making the determination described in paragraph (1)(A), the President shall consider the extent to which the country has—

[(A) met the goals and objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, including action on such issues as illicit cultivation, production, distribution, sale, transport and financing, and money laundering, asset seizure, extradition, mutual legal assistance, law enforcement and transit cooperation, precursor chemical control, and demand reduction;

[(B) accomplished the goals described in an applicable bilateral narcotics agreement with the United States or a multilateral agreement; and

[(C) taken legal and law enforcement measures to prevent and punish public corruption, especially by senior government officials, that facilitates the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or that discourages the investigation or prosecution of such acts.

[(3) INFORMATION TO BE INCLUDED IN NATIONAL INTEREST CERTIFICATION.—If the President makes a certification with respect to a country pursuant to paragraph (1)(B), the President shall include in such certification—

[(A) a full and complete description of the vital national interests placed at risk if United States bilateral assistance to that country is terminated pursuant to this section and multilateral development bank assistance is not provided to such country; and

[(B) a statement weighing the risk described in subparagraph (A) against the risks posed to the vital national interests of the United States by the failure of such country to cooperate fully with the United States in combating narcotics or to take adequate steps to combat narcotics on its own.

[(c) LICIT OPIUM PRODUCING COUNTRIES.—The President may make a certification under subsection (b)(1)(A) with respect to a major illicit drug producing country, or major drug-transit country, that is a producer of licit opium only if the President determines that such country maintains licit production and stockpiles at levels no higher than those consistent with licit market demand, and has taken adequate steps to prevent significant diversion of its licit cultivation and production into the illicit markets and to prevent illicit cultivation and production.

[(d) CONGRESSIONAL REVIEW.—Subsection (e) shall apply if, within 30 calendar days after receipt of a certification submitted under subsection (b) at the time of submission of the report required by section 489(a), the Congress enacts a joint resolution disapproving the determination of the President contained in such certification.

[(e) DENIAL OF ASSISTANCE FOR COUNTRIES DECERTIFIED.—If the President does not make a certification under subsection (b) with respect to a country or the Congress enacts a joint resolution disapproving such certification, then until such time as the conditions specified in subsection (f) are satisfied—

[(1) funds may not be obligated for United States assistance for that country, and funds previously obligated for United States assistance for that country may not be expended for the purpose of providing assistance for that country; and

[(2) the requirement to vote against multilateral development bank assistance pursuant to subsection (a)(2) shall apply with respect to that country, without regard to the date specified in that subsection.

[(f) RECERTIFICATION.—Subsection (e) shall apply to a country described in that subsection until—

[(1) the President, at the time of submission of the report required by section 489(a), makes a certification under subsection (b)(1)(A) or (b)(1)(B) with respect to that country, and the Congress does not enact a joint resolution under subsection (d) disapproving the determination of the President contained in that certification; or

[(2) the President, at any other time, makes the certification described in subsection (b)(1)(B) with respect to that country, except that this paragraph applies only if either—

[(A) the President also certifies that—

[(i) that country has undergone a fundamental change in government, or

[(ii) there has been a fundamental change in the conditions that were the reason—

[(I) why the President had not made a certification with respect to that country under subsection (b)(1)(A), or

[(II) if he had made such a certification and the Congress enacted a joint resolution disapproving the determination contained in the certification, why the Congress enacted that joint resolution; or

[(B) the Congress enacts a joint resolution approving the determination contained in the certification under subsection (b)(1)(B).

Any certification under subparagraph (A) of paragraph (2) shall discuss the justification for the certification.

[(g) SENATE PROCEDURES.—Any joint resolution under this section shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[(h) DETERMINING MAJOR DRUG-TRANSIT AND MAJOR ILLICIT DRUG PRODUCING COUNTRIES.—Not later than November 1 of each year, the President shall notify the appropriate committees of the Congress of which countries have been determined to be major drug-transit countries, and which countries have been determined to be major illicit drug producing countries, for purposes of this Act.]

SEC. 490. AUTHORITY TO WITHHOLD BILATERAL ASSISTANCE AND OPPOSE MULTILATERAL DEVELOPMENT ASSISTANCE FOR MAJOR ILLICIT DRUG PRODUCING COUNTRIES, DRUG-TRANSIT COUNTRIES, AND MONEY LAUNDERING COUNTRIES.

(a) IN GENERAL.—For every country identified in the report under section 489(a)(3), the President shall, on or after March 1, 1998, and March 1 of each succeeding year, to the extent considered necessary by the President to achieve the purposes of this chapter, take one or more of the following actions:

(1) Withhold from obligation and expenditure any or all United States assistance allocated each fiscal year in the report required by section 653 for each such country.

(2) Instruct the Secretary of the Treasury to instruct the United States Executive Director of each multilateral development bank to vote, on and after March 1 of each year, against any loan or other utilization of the funds of their respective institution to or for any such country.

(b) CONSIDERATIONS.—In determining whether or not take one or more actions described in subsection (a), the President shall consider the extent to which—

(1) the country has—

(A) met the goals and objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, including action on such issues as illicit cultivation, production, distribution, sale, transport and financing, and money laundering, asset seizure, extradition, mutual legal assistance, law enforcement and transit cooperation, precursor chemical control, and demand reduction;

(B) accomplished the goals described in an applicable bilateral narcotics agreement with the United States or a multilateral agreement;

(C) reached agreement, or is negotiating in good faith to reach agreement, to ensure that banks and other financial institutions of the country maintain adequate records of large United States currency transactions;

(D) reached agreement, or is negotiating in good faith to reach agreement, to establish a mechanism for exchanging adequate records on international currency transactions in connection with narcotics investigations and proceedings; and

(E) taken legal and law enforcement measures to prevent and punish public corruption, especially by senior government officials, that facilitates the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or that discourages the investigation or prosecution of such acts; and

(2) such actions will—

(A) promote the purposes of this chapter; and

(B) affect other United States national interests.

(c) CONSULTATIONS WITH THE CONGRESS.—

(1) CONSULTATIONS.—The President shall consult with the Congress on the status of counter-narcotics cooperation between the United States and each major illicit drug producing country, major drug-transit country, or major money laundering country.

(2) PURPOSE.—

(A) IN GENERAL.—The purpose of the consultations under paragraph (1) shall be to facilitate improved discussion and understanding between the Congress and the President on United States counter-narcotics goals and objectives with regard to the countries described in paragraph (1), including the strategy for achieving such goals and objectives.

(B) REGULAR AND SPECIAL CONSULTATIONS.—In order to carry out subparagraph (A), the President (or senior officials designated by the President who are responsible for international narcotics programs and policies) shall meet with Members of Congress—

(i) on a quarterly basis for discussions and consultations; and

(ii) whenever time-sensitive issues arise.

(d) DEFINITION.—For purposes of this section, the term "multilateral development bank" means the International Bank for Reconstruction and Development, the International Development Association, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, and the European Bank for Reconstruction and Development.

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CHAPTER 9—INTERNATIONAL DISASTER ASSISTANCE

SEC. 491. POLICY AND GENERAL AUTHORITY.—(a) The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and manmade disasters is an important expression of the humanitarian concern and tradition of

the people of the United States, affirms the willingness of the United States to provide assistance for the relief [and rehabilitation], *rehabilitation, and reconstruction, as the case may be,* of people and countries affected by such disasters.

(b) Subject to the limitations in section 492, and notwithstanding any other provision of this or any other Act, the President is authorized to furnish assistance to any foreign country, international organization, or private voluntary organization, on such terms and conditions as he may determine, for international disaster relief [and rehabilitation], *rehabilitation, and reconstruction*, including assistance relating to disaster preparedness, and to the prediction of, and contingency planning for, natural disasters abroad.

(c) In carrying out the provisions of this section the President shall insure that the assistance provided by the United States shall, to the greatest extent possible, reach those most in need of relief [and rehabilitation], *rehabilitation, and reconstruction* as a result of natural and manmade disasters.

* * * * * * *

SEC. 492. AUTHORIZATION.—(a) [There are authorized to be appropriated to the President to carry out section 491, $25,000,000 for the fiscal year 1986 and $25,000,000 for the fiscal year 1987.] *There are authorized to be appropriated to the President to carry out section 491, in addition to funds otherwise available for such purposes, $190,000,000 for each of the fiscal years 1998 and 1999.* Amounts appropriated under this section are authorized to remain available until expended.

* * * * * * *

CHAPTER 10—DEVELOPMENT FUND FOR AFRICA

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[SEC. 497. AUTHORIZATIONS OF APPROPRIATIONS FOR THE DEVELOPMENT FUND FOR AFRICA.—Funds appropriated to carry out this chapter are authorized to be made available until expended. It is the sense of the Congress that the authority of this subsection should be used to extend the period of availability of those funds whenever appropriate to improve the quality of assistance provided under section 496.]

SEC. 497. AVAILABILITY OF AMOUNTS.

(a) IN GENERAL.—Of the amounts made available to carry out sections 103 through 106 (including section 104(c)) for fiscal years 1998 and 1999, not less than $700,000,000 for each of the fiscal years 1998 and 1999 shall be made available to carry out this chapter (in addition to amounts otherwise available for such purposes).

(b) AVAILABILITY.—Amounts made available under subsection (a) are authorized to remain available until expended.

* * * * * * *

SEC. 498C. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—To carry out this chapter, there are authorized to be appropriated to the President [for fiscal year 1993 $410,000,000] *for economic assistance and related programs,*

$839,900,000 for fiscal year 1998 and $789,900,000 for fiscal year 1999, in addition to amounts otherwise available for assistance for the independent states of the former Soviet Union. Amounts appropriated pursuant to this subsection are authorized to remain available until expended.

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PART II

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CHAPTER 2—MILITARY ASSISTANCE

* * * * * * *

SEC. 506. SPECIAL AUTHORITY.—(a) * * *

(b)(1) * * *

(2) The President shall keep the Congress fully and currently informed of all defense articles, defense services, and military education and training provided under this section[.], *including providing the Congress with a report detailing all defense articles, defense services, and military education and training delivered to the recipient country or international organization upon delivery of such articles or upon completion of such services or education and training. Such report shall also include whether any savings were realized by utilizing commercial transport services rather than acquiring those services from United States Government transport assets.*

(c) For the purposes of any provision of law that authorizes the drawdown of defense or other articles or commodities, or defense or other services from an agency of the United States Government, such drawdown may include the supply of commercial transportation and related services that are acquired by contract for the purposes of the drawdown in question if the cost to acquire such commercial transportation and related services is less than the cost to the United States Government of providing such services from existing agency assets.

[(c)] *(d)* There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for defense articles, defense services, and military education and training provided under this section.

* * * * * * *

SEC. 514. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.—(a) * * *

(b)(1) * * *

(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*.

(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.

* * * * * * *

CHAPTER 4—ECONOMIC SUPPORT FUND

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SEC. 532. AUTHORIZATIONS OF APPROPRIATIONS.—[(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter—

[(1) $2,015,000,000 for the fiscal year 1986 and $2,015,000,000 for the fiscal year 1987 for the following countries signing the Camp David agreement: Israel and Egypt; and

[(2) $1,785,000,000 for the fiscal year 1986 and $1,785,000,000 for the fiscal year 1987 for assistance under this chapter for recipients or purposes other than the countries referred to in paragraph (1).]

(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter $2,388,350,000 for fiscal year 1998 and $2,350,600,000 for fiscal year 1999.

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CHAPTER 5—INTERNATIONAL MILITARY EDUCATION AND TRAINING

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SEC. 542. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter [$56,221,000 for the fiscal year 1986 and $56,221,000 for the fiscal year 1987] *$50,000,000 for each of the fiscal years 1998 and 1999*.

* * * * * * *

CHAPTER 9—NONPROLIFERATION, ANTITERRORISM, DEMINING AND RELATED PROGRAMS

SEC. 581. NONPROLIFERATION AND DISARMAMENT FUND.

(a) ESTABLISHMENT OF FUND.—The President shall establish a Nonproliferation and Disarmament Fund, which may be used notwithstanding any other provision of law, to promote bilateral and multilateral nonproliferation and disarmament activities—

(1) to halt the proliferation of nuclear, biological, and chemical weapons, their delivery systems, related technologies, and other weapons;

(2) to dismantle and destroy nuclear, biological, and chemical weapons, their delivery systems, and conventional weapons;

(3) to prevent the diversion of weapons-related scientific and technical expertise; and

(4) to support science and technology centers in Russia and the Ukraine.

(b) PROHIBITED ACTIVITIES.—Amounts made available to carry out subsection (a) may not be used to implement United States obligations pursuant to bilateral or multilateral arm control treaties or nonproliferation accords, including the payment of salaries and expenses.

(c) ADDITIONAL REQUIREMENTS.—

(1) NOTIFICATION.—Amounts made available to carry out subsection (a) may be provided only if the congressional committees specified in section 634A of this Act are notified at least fifteen days before providing funds under such subsection in accordance with procedures applicable to reprogramming notifications under such section.

(2) ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION AND INTERNATIONAL ORGANIZATIONS.—Amounts made available to carry out subsection (a) may only be provided for the independent states of the former Soviet Union and international organizations if the Secretary of State—

(A) determines it is in the national interest of the United States to do so; and

(B) includes such determination in the notification described in paragraph (1).

(d) AVAILABILITY OF AMOUNTS.—

(1) IN GENERAL.—Of the amounts made available to carry out this chapter for fiscal years 1998 and 1999—

(A) not less than $15,000,000 for each such fiscal year may be made available to carry out subsection (a); and

(B) not more than $5,000,000 of the amount made available under subparagraph (A) for fiscal year 1998, and not more than $3,000,000 of such amount made available in fiscal year 1999, may be used to support export control programs.

(2) AVAILABILITY.—Amounts made available under paragraph (1) are authorized to remain available until expended.

SEC. 582. ASSISTANCE FOR ANTITERRORISM.

Amounts made available to carry out this chapter for fiscal years 1998 and 1999 may be made available to carry out chapter 8 of part II of this Act.

SEC. 583. ASSISTANCE FOR DEMINING.

The President is authorized to provide assistance for demining activities, notwithstanding any other provision of law, including—

(1) to enhance the ability of countries, international organizations, and nongovernmental organizations to detect and clear landmines; and

(2) to educate affected populations about the dangers of landmines.

SEC. 584. ASSISTANCE FOR RELATED PROGRAMS.

(a) IN GENERAL.—Amounts made available to carry out this chapter for fiscal years 1998 and 1999 may be made available to carry out section 301 of this Act for voluntary contributions to the International Atomic Energy Agency (IAEA) and the Korean Peninsula Energy Development Organization (KEDO) and to programs administered by such organizations. –

(b) LIMITATION.—Of the amounts made available under subsection (a) for fiscal years 1998 and 1999, not more than $30,000,000 may be made available for each fiscal year to KEDO for the administrative expenses and heavy fuel oil costs associated with implementation of the Agreed Framework.

SEC. 585. DEFINITIONS.

As used in this chapter—

(1) AGREED FRAMEWORK.—The term "Agreed Framework" means the documents agreed to between the United States and the Democratic People's Republic of Korea on October 21, 1994, regarding elimination of the nuclear weapons program of the Democratic People's Republic of Korea and the provision of certain assistance to that country.

(2) INDEPENDENT STATES OF THE FORMER SOVIET UNION.—The term "independent states of the former Soviet Union" has the meaning given such term in section 3 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (22 U.S.C. 5801).

SEC. 586. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $110,000,000 for fiscal year 1998 and $111,000,000 for fiscal year 1999, in addition to amounts otherwise available for such purposes, to carry out the purpose of this chapter.
–

(b) ADMINISTRATIVE AUTHORITIES.—Any agency of the United States Government may utilize such funds in accordance with authority granted under this Act or under authority governing the activities of that agency.

(c) DESIGNATION OF ACCOUNT.—Appropriations pursuant to subsection (a) may be referred to as the "Nonproliferation, Antiterrorism, Demining and Related Programs Account" or "NADR Account".

PART III

CHAPTER 1—GENERAL PROVISIONS

SEC. 601. ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION.—(a)*(1)* The Congress of the United States recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to economic progress and development. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other countries to increase the flow of international trade, to foster private initiative and competition, to encourage the development and use of cooperatives, credit unions, and savings and loan associations, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture, and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward economic strength of less developed friendly countries, through private trade and investment abroad, private participation in programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this subsection.

(2) To the maximum extent feasible, in providing assistance under Part I of this Act, the President should give special emphasis to programs and activities that encourage the creation and development of private enterprise and free market systems, including—

(A) the development of private cooperatives, credit unions, labor unions, and civic and professional associations;

(B) the reform and restructuring of banking and financial systems; and

(C) the development and strengthening of commercial laws and regulations, including laws and regulations to protect intellectual property.

* * * * * * *

SEC. 601A. PRIVATE SECTOR ENTERPRISE FUNDS.

(a) AUTHORITY.—(1) The President may provide funds and support to Enterprise Funds designated in accordance with subsection (b) that are or have been established for the purposes of promoting—

(A) development of the private sectors of eligible countries, including small businesses, the agricultural sector, and joint ventures with United States and host country participants; and

(B) policies and practices conducive to private sector development in eligible countries;

on the same basis as funds and support may be provided with respect to Enterprise Funds for Poland and Hungary under the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).

(2) Funds may be made available under this section notwithstanding any other provision of law, except sections 502B and 490 of this Act.

(b) COUNTRIES ELIGIBLE FOR ENTERPRISE FUNDS.—(1) Except as provided in paragraph (2), the President is authorized to designate a private, nonprofit organization as eligible to receive funds and support pursuant to this section with respect to any country eligible to receive assistance under part I of this Act in the same manner and with the same limitations as set forth in section 201(d) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421(d)).

(2) The authority of paragraph (1) shall not apply to any country with respect to which the President is authorized to designate an enterprise fund under section 498B(c) of this Act or section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421).

(c) TREATMENT EQUIVALENT TO ENTERPRISE FUNDS FOR POLAND AND HUNGARY.—Except as otherwise specifically provided in this section, the provisions contained in section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421) (excluding the authorizations of appropriations provided in subsection (b) of that section) shall apply to any Enterprise Fund that receives Funds and support under this section. The officers, members, or employees of an Enterprise Fund that receive funds and support under this section shall enjoy the same status under law that is applicable to officers, members, or employees of the Enterprise Funds for Poland and Hungary under section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421).

(d) REPORTING REQUIREMENT.—Notwithstanding any other provision of this section, the requirement of section 201(p) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C.

5421(p)), that an Enterprise Fund shall be required to publish an annual report not later than January 31 each year, shall not apply with respect to an Enterprise Fund that receives funds and support under this section for the first twelve months after it is designated as eligible to receive such funds and support.

(e) FUNDING.—(1) Amounts made available for a fiscal year to carry out chapter 1 of part I of this Act (relating to development assistance) and to carry out chapter 4 of part II of this Act (relating to the economic support fund) shall be available for such fiscal year to carry out this section, in addition to amounts otherwise available for such purposes.

(2) In addition to amounts available under paragraph (1) for a fiscal year, amounts made available for such fiscal year to carry out chapter 10 of part I of this Act (relating to the Development Fund for Africa) shall be available for such fiscal year to carry out this section with respect to countries in Africa.

* * * * * * *

[SEC. 610. TRANSFER BETWEEN ACCOUNTS.—(a) Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available for any provision of this Act (except funds made available pursuant to title IV of chapter 2 of part I or for section 23 of the Arms Export Control Act) may be transferred to, and consolidated with, the funds made available for any provision of this Act, (except funds made available under chapter 2 of part II of this Act) and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount of funds made available for such provision.

[(b) The authority contained in this section and in sections 451, 506, and 614 shall not be used to augment appropriations made available pursuant to sections 636(g)(1) and 637 or used otherwise to finance activities which normally would be financed from appropriations for administrative expenses.

[(c) Any funds which the President has notified Congress pursuant to section 653 that he intends to provide in military assistance to any country may be transferred to, and consolidated with, any other funds he has notified Congress pursuant to such section that he intends to provide to that country for development assistance purposes.]

SEC. 610. TRANSFER BETWEEN ACCOUNTS.

(a) GENERAL AUTHORITY.—Whenever the President determines it to be necessary for the purposes of this Act or the Arms Export Control Act (22 U.S.C. 2751 et seq.), not to exceed 20 percent of the funds made available to carry out any provision of this Act (except funds made available pursuant to title IV of chapter 2 of part I) or section 23 of the Arms Export Control Act (22 U.S.C. 2763)—

(1) may be transferred to, and consolidated with, the funds in any other account or fund available to carry out any provision of this Act or the Arms Export Control Act; and

(2) may be used for any purpose for which funds in that account or fund may be used.

(b) LIMITATION ON AMOUNT OF INCREASE.—The total amount in the account or fund for the benefit of which transfer is made under subsection (a) during any fiscal year may not be increased by more than 20 percent of the amount of funds otherwise made available.

(c) NOTIFICATION.—The President shall notify in writing the congressional committees specified in section 634A at least fifteen days in advance of each such transfer between accounts in accordance with procedures applicable to reprogramming notifications under such section.

* * * * * * *

SEC. 614. SPECIAL AUTHORITIES.—[(a)(1) The President may authorize the furnishing of assistance under this Act without regard to any provision of this Act, the Arms Export Control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under this Act, in furtherance of any of the purposes of this Act, when the President determines, and so notifies in writing the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that to do so is important to the security interests of the United States.

[(2) The President may make sales, extend credit, and issue guarantees under the Arms Export Control Act, without regard to any provision of this Act, the Arms Export Control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under the Arms Export Control Act, in furtherance of any of the purposes of such Act, when the President determines, and so notifies in writing the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that to do so is vital to the national security interests of the United States.]

(a) AUTHORITY TO AUTHORIZE ASSISTANCE, SALES, AND OTHER ACTIONS; LIMITATIONS.—(1) The President may authorize assistance, sales, or other action under this Act, the Arms Export Control Act, or any annual (or periodic) foreign assistance authorization or appropriations legislation, without regard to any of the provisions described in subsection (b), if the President determines, and notifies in writing the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate—

(A) with respect to assistance or other actions under chapter 2 or 5 of part II of this Act, or assistance, sales, or other actions under the Arms Export Control Act, that to do so is vital to the national security interests of the United States; and

(B) with respect to other assistance or actions that to do so is important to the national interests of the United States.

(2) The President may waive any provision described in paragraph (1), (2), or (3) of subsection (b) that would otherwise prohibit or restrict assistance or other action under any provision of law not described in those paragraphs if the President determines, and notifies in writing the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that to do so is important to the national interests of the United States.

* * * * * * *

(4)(A) The authority of this subsection may not be used in any fiscal year to authorize—

(i) more than [$750,000,000] *$1,000,000,000* in sales to be made under the Arms Export Control Act;

(ii) the use of more than [$250,000,000] *$500,000,000* of funds made available for use under this Act or the Arms Export Control Act; and

(iii) the use of more than [$100,000,000] *$200,000,000* of foreign currencies accruing under this Act or any other law.

(B) If the authority of this subsection is used both to authorize a sale under the Arms Export Control Act and to authorize funds to be used under [the Arms Export Control Act or under] this Act with respect to the financing of that sale, then the use of the funds shall be counted against the limitation in subparagraph (A)(ii) and the portion, if any, of the sale which is not so financed shall be counted against the limitation in subparagraph (A)(i).

(C) Not more than [$50,000,000] *$75,000,000* of the $250,000,000 limitation provided in subparagraph (A)(ii) may be allocated to any one country in any fiscal year unless that country is a victim of active aggression, and not more than $500,000,000 of the aggregate limitation of [$1,000,000,000] *$1,500,000,000* provided in subparagraphs (A)(i) and (A)(ii) may be allocated to any one country in any fiscal year.

[(b) Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin, and without regard to such provisions of law as he determines should be disregarded to achieve this purpose.

[(c) The President is authorized to use amounts not to exceed $50,000,000 of the funds made available under this Act pursuant to his certification that it is inadvisable to specify the nature of the use of such funds, which certification shall be deemed to be a sufficient voucher for such amounts. The President shall fully inform the chairman and ranking minority member of the Committee on Foreign Affairs of the House of Representatives and the chairman and ranking minority member of the Committee on Foreign Relations of the Senate of each use of funds under this subsection prior to the use of such funds.]

(b) LAWS WHICH MAY BE WAIVED.—The provisions referred to in paragraphs (1) and (2) of subsection (a) are—

(1) the provisions of this Act;

(2) the provisions of the Arms Export Control Act;

(3) the provisions of any annual (or periodic) foreign assistance authorization or appropriations legislation, including any amendment made by any such Act;

(4) any other provision of law that restricts assistance, sales or leases, or other action under the Acts referred to in paragraph (1), (2), or (3); and

(5) any law relating to receipts and credits accruing to the United States.

* * * * * * *

[SEC. 617. TERMINATION OF ASSISTANCE.—Assistance under any provision of this Act may, unless sooner terminated by the

President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for a period not to exceed eight months from the date of termination of assistance under this Act for the necessary expenses of winding up programs related thereto. In order to ensure the effectiveness of assistance under this Act, such expenses for orderly termination of programs may include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.]

SEC. 617. TERMINATION OF ASSISTANCE.

(a) IN GENERAL.—(1) In order to ensure the effectiveness of assistance provided under this Act, notwithstanding any other provision of law, funds made available under this Act or the Arms Export Control Act to carry out any program, project, or activity of assistance shall remain available for obligation for a period not to exceed 8 months after the date of termination of such assistance for the necessary expenses of winding up such programs, projects, or activities, and funds so obligated may remain available until expended.

(2) Funds obligated to carry out any program, project, or activity of assistance before the effective date of the termination of such assistance are authorized to be available for expenditure for the necessary expenses of winding up such programs, projects, and activities, notwithstanding any provision of law restricting the expenditure of funds, and may be reobligated to meet any other necessary expenses arising from the termination of such assistance.

(3) The necessary expenses of winding up programs, projects, and activities of assistance include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.

(b) LIABILITY TO CONTRACTORS.—For the purpose of making an equitable settlement of termination claims under extraordinary contractual relief standards, the President is authorized to adopt as a contract or other obligation of the United States Government, and assume (in whole or in part) any liabilities arising thereunder, any contract with a United States or third-country contractor to carry out any program, project, or activity of assistance under this Act that was subsequently terminated pursuant to law.

(c) GUARANTEE PROGRAMS.—Provisions of this or any other Act requiring the termination of assistance under this Act shall not be construed to require the termination of guarantee commitments that were entered into before the effective date of the termination of assistance.

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SEC. 620. PROHIBITIONS AGAINST FURNISHING ASSISTANCE.—(a) * * *

* * * * * * *

(v) None of the funds made available to carry out this Act shall be available to any private and voluntary organization which—

(1) fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the United States Agency for International Development; or

(2) is not registered with the United States Agency for International Development.

* * * * * * *

(y)(1) Except as provided in paragraph (2), the President shall withhold from amounts made available under this Act or any other Act and allocated for a country for a fiscal year an amount equal to the aggregate value of nuclear fuel and related assistance and credits provided by that country, or any entity of that country, to Cuba during the preceding fiscal year.

(2) The requirement to withhold assistance for a country for a fiscal year under paragraph (1) shall not apply if Cuba—

(A) has ratified the Treaty on the Non-Proliferation of Nuclear Weapons (21 UST 483) or the Treaty of Tlatelelco, and Cuba is in compliance with the requirements of either such Treaty;

(B) has negotiated and is in compliance with full-scope safeguards of the International Atomic Energy Agency not later than two years after ratification by Cuba of such Treaty; and

(C) incorporates and is in compliance with internationally accepted nuclear safety standards.

(3) The Secretary of State shall prepare and submit to the Congress each year a report containing a description of the amount of nuclear fuel and related assistance and credits provided by any country, or any entity of a country, to Cuba during the preceding year, including the terms of each transfer of such fuel, assistance, or credits.

SEC. [620G.] *620J.* DEPLETED URANIUM AMMUNITION.

(a) PROHIBITION.—Except as provided in subsection (b), none of the funds made available to carry out this Act or any other Act may be made available to facilitate in any way the sale of M–833 antitank shells or any comparable antitank shells containing a depleted uranium penetrating component to any country other than—

(1) a country that is a member of the North Atlantic Treaty Organization;

(2) a country that has been designated as a major non-NATO ally (as defined in section 644(q)); or

(3) Taiwan.

(b) EXCEPTION.—The prohibition contained in subsection (a) shall not apply with respect to the use of funds to facilitate the sale of antitank shells to a country if the President determines that to do so is in the national security interest of the United States.

SEC. 620K. FOREIGN GOVERNMENT PARKING FINES.

(a) IN GENERAL.—An amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia, Virginia, Maryland, New York, and New York City by the government of a foreign country as of the end of a fiscal year, as certified and transmitted to the President by the chief executive officer of each State, City, or District, shall be withheld from obligation for such country out of funds available in the

next fiscal year to carry out part I of this Act, until the requirement of subsection (b) is satisfied.

(b) REQUIREMENT.—The requirement of this subsection is satisfied when the Secretary of State determines and certifies to the appropriate congressional committees that such fines and penalties are fully paid to the governments of the District of Columbia, Virginia, Maryland, and New York.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—For purposes of this section, the term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

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CHAPTER 2—ADMINISTRATIVE PROVISIONS

* * * * * * *

[SEC. 634. ANNUAL REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding American foreign policy and the effectiveness of assistance provided by the United States Government to other countries and to international organizations, the Chairman of the Development Coordination Committee shall prepare and transmit to the Congress, no later than February 1 of each year, as a part of the annual presentation materials for foreign assistance, a report as described in this subsection. This report shall include—

[(1)(A) a comprehensive and coordinated review of all United States policies and programs having a major impact on the development of developing countries, including but not limited to bilateral and multilateral assistance, trade, debt, employment, food, energy, technology, population, oceans, environment, human settlements, natural resources, and participation in international agencies concerned with development;

[(B) an assessment of the impact of such policies and programs on the well-being of the poor majority in developing countries in accordance with the policy objectives of chapter 1 of part I, including increasing life expectancy and literacy, lowering infant mortality and birth rates, and increasing food production and employment, such assessment to include an evaluation of the extent to which programs under chapter 1 of part I directly benefit the poor majority; and

[(C) an assessment of the impact of such policies and programs on economic conditions in the United States, including but not limited to employment, wages, and working conditions;

[(2) the dollar value of all foreign assistance and guaranties by category and by country provided or made by the United States Government by any means to all foreign countries and international organizations—

[(A) from 1946 to the fiscal year immediately preceding the fiscal year for which the report is required;

[(B) as presented to Congress for the immediate preceding fiscal year;

[(C) as obligated during the immediately preceding fiscal year;

[(D) as planned for the fiscal year in which the report is presented;

[(E) as proposed for the fiscal year following the year in which the report is presented; and

[(F) of any contract in excess of $100,000 administered by the Agency for International Development which was entered into in the preceding fiscal year without competitive selection procedures, and the reasons for doing so;

[(3) a summary of repayments, by country, to the United States from previous foreign assistance loans;

[(4) the status of each sale of agricultural commodities on credit terms theretofore made under the Agricultural Trade Development and Assistance Act of 1954 with respect to which there remains outstanding any unpaid obligation; and the status of each transaction with respect to which a loan, contract or guarantee of insurance, or extension of credit (or participation therein) was theretofore made under the Export-Import Bank Act of 1945 with respect to which there remains outstanding any unpaid obligation or potential liability; except that such report shall include individually only any loan, contract, sale, extension of credit, or other transactions listed in this paragraph which is in excess of $1,000,000;

[(5)(A) the status of the debt servicing capacity of each country receiving assistance under this Act;

[(B) all forms of debt relief granted by the United States with respect to such countries, together with a detailed statement of the specific debt relief granted with respect to each such country and the purpose for which it was granted; and

[(C) a summary of the net aid flow from the United States to such countries, taking into consideration the debt relief granted by the United States;

[(6) the dollar value of all official development assistance, security assistance, international disaster assistance, refugee assistance, and international narcotic control assistance provided by each government of a country which is a member of the Organization for Economic Cooperation and Development or of the Organization of Petroleum Exporting Countries;

[(7) the percentage which each type of assistance described in paragraph (6) represents of (A) the gross national product of each country referred to in paragraph (6), and (B) the budget of the government of such country, as well as the per capita contribution for each country for each type of assistance described in paragraph (6);

[(8) the amount of all foreign currencies acquired without payment of dollars on hand of each foreign country as of September 30 of the preceding fiscal year;

[(9) the Development Coordination Committee's operations pursuant to section 640B(f) of this Act;

[(10) the aggregate dollar value and quantity of grant military assistance, military education and training, and any other defense articles and services furnished under this Act by

the United States to each foreign country and international organization for the preceding fiscal year;

[(11) information concerning the activities of the Minority Resource Center during the preceding fiscal year; and

[(12) other information appropriate to the conduct of the foreign assistance program of the United States Government.

[(b) For purposes of this section—

[(1) "foreign assistance" means any tangible or intangible item provided by the United States Government to a foreign country or international organization under this or any other Act, including but not limited to any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies of any foreign country which are owned by the United States Government; and

[(2) "provided by the United States Government" includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit, or guaranty.]

SEC. 634. CONGRESSIONAL PRESENTATION DOCUMENTS.

(a) REQUIREMENT FOR SUBMISSION.—As part of the annual requests for enactment of authorizations and appropriations for foreign assistance programs for each fiscal year, the President shall prepare and transmit to the Congress annual congressional presentation documents for the programs authorized under this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.).

(b) MATERIALS TO BE INCLUDED.—The documents submitted pursuant to subsection (a) shall include—

(1) the rationale and direct United States national interest for the allocation of assistance or contributions to each country, regional, or centrally- funded program, or organization, as the case may be;

(2) a description of how each such program or contribution supports the objectives of this Act or the Arms Export Control Act, as the case may be;

(3) a description of planned country, regional, or centrally-funded programs or contributions to international organizations and programs for the coming fiscal year; and

(4) for each country for which assistance is requested under this Act or the Arms Export Control Act—

(A) the total number of years since 1946 that the United States has provided assistance;

(B) the total amount of bilateral assistance provided by the United States since 1946, including the principal amount of all loans, credits, and guarantees; and

(C) the total amount of assistance provided to such country from all multilateral organizations to which the United States is a member, including all international financial institutions, the United Nations, and other international organizations.

(c) GRADUATION FROM DEVELOPMENT ASSISTANCE.—

(1) DETERMINATION.—As part of the congressional presentation documents transmitted to the Congress under this section, the President shall make a separate determination for each country identified in such documents for which bilateral

development assistance is requested, estimating the year in which each such country will no longer be receiving bilateral development assistance.

(2) DEVELOPMENT ASSISTANCE DEFINED.—For purposes of this section, the term "development assistance" means assistance under—

(A) chapter 1 of part I of this Act;

(B) chapter 10 of part I of this Act;

(C) chapter 11 of part I of this Act; and

(D) the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).

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CHAPTER 3—MISCELLANEOUS PROVISIONS

* * * * * * *

SEC. 661. TRADE AND DEVELOPMENT AGENCY.

(a) * * *

* * * * * * *

(f) FUNDING.—

[(1) AUTHORIZATION.—(A) There are authorized to be appropriated for purposes of this section, in addition to funds otherwise available for such purposes, $77,000,000 for fiscal year 1995 and such sums as are necessary for fiscal year 1996.**]**

(1) AUTHORIZATION.—(A) There are authorized to be appropriated for purposes of this section, in addition to funds otherwise available for such purposes, $43,000,000 for each of the fiscal years 1998 and 1999.

* * * * * * *

SEC. 667. OPERATING EXPENSES.—(a) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

[(1) $387,000,000 for the fiscal year 1986 and $387,000,000 for the fiscal year 1987 for necessary operating expenses of the agency primarily responsible for administering part I of this Act, of which $21,750,000 for the fiscal year 1987 is authorized for the necessary operating expenses of the Office of the Inspector General of the Agency for International Development and the remaining amount for the fiscal year is authorized for other necessary operating expenses of that agency and**]**

(1) $473,000,000 for fiscal year 1998 and $465,000,000 for fiscal year 1999 for necessary operating expenses of the United States Agency for International Development (other than the Office of the Inspector General of such agency);

(2) $29,047,000 for each of the fiscal years 1998 and 1999 for necessary operating expenses of the Office of the Inspector General of such agency; and

[(2)**]** *(3)* such amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits author-

ized by law, and for other nondiscretionary costs of such agency.

* * * * * * *

PART IV—ENTERPRISE FOR THE AMERICAS INITIATIVE

* * * * * * *

SEC. 711. AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES.

(a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to this Act, to the government of any eligible country, as defined in section 702(6), or on receipt of payment from an eligible purchaser or such eligible country, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities (i) that link conservation and sustainable use of natural resources with local community development, and (ii) for child survival and other child development activities, in a manner consistent with sections 707 through 710, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in section 702(8), shall notify the Administrator of the United States Agency for International Development of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—To the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are necessary, the authorities of this subsection shall be available only where such appropriations are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant

to this section shall be deposited in an account or accounts established in the Treasury for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President shall consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992" OR THE "FREEDOM SUPPORT ACT

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short titles.

* * * * * * *

TITLE V—NONPROLIFERATION AND DISARMAMENT PROGRAMS AND ACTIVITIES

* * * * * * *

[Sec. 504. Nonproliferation and disarmament fund.]

* * * * * * *

TITLE V—NONPROLIFERATION AND DISARMAMENT PROGRAMS AND ACTIVITIES

* * * * * * *

[SEC. 504. NONPROLIFERATION AND DISARMAMENT FUND.

[(a) AUTHORIZATION.—The President is authorized to promote bilateral and multilateral nonproliferation and disarmament activities—

[(1) by supporting the dismantlement and destruction of nuclear, biological, and chemical weapons, their delivery systems, and conventional weapons;

[(2) by supporting bilateral and multilateral efforts to halt the proliferation of nuclear, biological, and chemical weapons, their delivery systems, related technologies, and other weapons, including activities such as—

[(A) the storage, transportation, and safeguarding of such weapons, and

[(B) the purchase, barter, or other acquisition of such weapons or materials derived from such weapons;

[(3) by establishing programs for safeguarding against the proliferation of nuclear, biological, chemical, and other weapons of the independent states of the former Soviet Union;

[(4) by establishing programs for preventing diversion of weapons-related scientific and technical expertise of the independent states to terrorist groups or to third countries;

[(5) by establishing science and technology centers in the independent states for the purpose of engaging weapons scientists and engineers of the independent states (in particular those who were previously involved in the design and production of nuclear, biological, and chemical weapons) in productive, nonmilitary undertakings; and

[(6) by establishing programs for facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities.

[(b) FUNDING PRIORITIES.—Priority in carrying out this section shall be given to the activities described in paragraphs (1) through (5) of subsection (a).

[(c) USE OF SECURITY ASSISTANCE FUNDS.—

[(1) AUTHORIZATION.—In recognition of the direct contributions to the national security interests of the United States of the programs and activities authorized by subsection (a), the President is authorized to make available for use in carrying out those programs and activities, in addition to amounts otherwise available for such purposes, up to $100,000,000 of security assistance funds for fiscal year 1993.

[(2) DEFINITION.—As used in paragraph (1), the term "security assistance funds" means funds made available for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the Economic Support Fund) or assistance under section 23 of the Arms Export Control Act (relating to the "Foreign Military Financing Program").

[(3) EXEMPTION FROM CERTAIN RESTRICTIONS.—Section 531(e) of the Foreign Assistance Act of 1961, and any provision that corresponds to section 510 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (relating to the prohibition on financing exports of nuclear equipment, fuel, and technology), shall not apply with respect to funds used pursuant to this subsection.]

* * * * * * *

SECTION 105 OF THE ACT OF JULY 21, 1996

AN ACT To amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to make improvements to certain defense and security assistance provisions under those Acts, to authorize the transfer of naval vessels to certain foreign countries, and for other purposes.

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 assist-

ance under the Support for East European Democracy (SEED) Act of 1989.

SECTION 25 OF THE ARMS EXPORT CONTROL ACT

SEC. 25. ANNUAL ESTIMATE AND JUSTIFICATION FOR SALES PROGRAM.—(a) * * *

* * * * * * *

[(d)**]** *(e)* For the purposes of subsection (a)(5)(B) of this section, the term "cash flow financing" means the dollar amount of the difference between the total estimated price of a Letter of Offer and Acceptance or other purchase agreement that has been approved for financing under this Act or under section 503(a)(3) of the Foreign Assistance Act of 1961 and the amount of the financing that has been approved therefor**[**;**]**.

(f) For each country that has been approved for cash flow financing (as defined in subsection (e)) under section 23 of this Act (relating to the "Foreign Military Financing Program"), any letter of offer and acceptance or other purchase agreement, or any amendment thereto, for a procurement in excess of $100,000,000 that is to be financed in whole or in part with funds made available under this Act shall be submitted in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act and through the regular notification procedures of the Committee on Appropriations.

ANGLO-IRISH AGREEMENT SUPPORT ACT OF 1986

SECTION 1. SHORT TITLE.

This Act may be cited as the "Anglo-Irish Agreement Support Act of 1986".

SEC. 2. FINDINGS AND PURPOSES.

(a) * * *

(b) PURPOSES.—It is, therefore, the purpose of this Act to provide for United States contributions in support of the Anglo-Irish Agreement, such contributions to consist of economic support fund assistance for payment to the International Fund established pursuant to the Anglo-Irish Agreement, as well as other assistance to serve as an incentive for economic development and reconciliation in Ireland and Northern Ireland. The purpose of these United States contributions shall be to support the Anglo-Irish Agreement in promoting reconciliation in Northern Ireland and the establishment of a society in Northern Ireland in which all may live in peace, free from discrimination, terrorism, and intolerance, and with the opportunity for both communities to participate fully in the structures and processes of government. *United States contributions shall be used in a manner that effectively increases employment opportunities in communities with rates of unemployment significantly higher than the local or urban average of unemployment*

in Northern Ireland. In addition, such contributions shall be used to benefit individuals residing in such communities.

* * * * * * *

SEC. 5. CONDITIONS AND UNDERSTANDINGS RELATING TO THE UNITED STATES CONTRIBUTIONS.

(a) PROMOTING ECONOMIC AND SOCIAL RECONSTRUCTION AND DEVELOPMENT.—[The United States]

(1) IN GENERAL.—The United States contributions provided for [in this Act may be used] *in this Act*—

(A) may be used only to support and promote economic and social reconstruction and development in Ireland and Northern Ireland[.]*; and*

(B) may be provided to an individual or entity in Northern Ireland only if such individual or entity is in compliance with the principles of economic justice.

(2) ADDITIONAL REQUIREMENTS.—The restrictions contained in sections 531(e) and 660(a) of the Foreign Assistance Act of 1961 apply with respect to any such contributions.

* * * * * * *

(c) PRIOR CERTIFICATIONS.—Each fiscal year, the United States may make contributions to the International Fund only if the President certifies to the Congress that he is satisfied that—

(1) * * *

* * * * * * *

(2) disbursements form the International Fund—

(A) will be distributed in accordance with the [principle of equality of opportunity and nondiscrimination in employment, without regard to religious affiliation; and] *principles of economic justice; and*

(B) will address the needs of both communities in Northern Ireland *and will create employment opportunities in regions and communities of Northern Ireland suffering the highest rates of unemployment*.

Each such certification shall include a detailed explanation of the basis for the President's decision.

SEC. 6. ANNUAL REPORTS.

At the end of each fiscal year in which the United States Government makes any contribution to the International Fund, the President shall report to the Congress on the degree to which—

(1) the International Fund has contributed to reconciliation between the communities in Northern Ireland;

(2) the United States contribution to the International Fund is meeting its objectives of encouraging new investment, job creation, and economic reconstruction on the basis of strict equality of opportunity; [and]

(3) the International Fund has increased respect for the human rights and fundamental freedoms of all people in Northern Ireland[.]*; and*

(4) each individual or entity receiving assistance from United States contributions to the International Fund has agreed in writing to comply with the principles of economic justice.

SEC. 7. REQUIREMENTS RELATING TO FUNDS FOR "INTERNATIONAL ORGANIZATIONS AND CONFERENCES".

(a) * * *

* * * * * * *

(c) PROHIBITION.—Nothing included herein shall require quotas or reverse discrimination or mandate their use.

SEC. 8. DEFINITIONS.

As used in this Act—

(1) the term "Anglo-Irish Agreement" means the Agreement Between the Government of Ireland and the Government of the United Kingdom dated November 15, 1985; **[**and**]**

(2) the term "International Fund" means the international fund for economic development projects in Northern Ireland and Ireland, established pursuant to Article 10 of the Anglo-Irish Agreement**[**.**]***;*

(3) the term "Northern Ireland" includes the counties of Antrim, Armagh, Derry, Down, Tyrone, and Fermanagh; and

(4) the term "principles of economic justice" means the following principles:

(A) Increasing the representation of individuals from underrepresented religious groups in the workforce, including managerial, supervisory, administrative, clerical, and technical jobs.

(B) Providing adequate security for the protection of minority employees at the workplace.

(C) Banning provocative sectarian or political emblems from the workplace.

(D) Providing that all job openings be advertised publicly and providing that special recruitment efforts be made to attract applicants from underrepresented religious groups.

(E) Providing that layoff, recall, and termination procedures do not favor a particular religious group.

(F) Abolishing job reservations, apprenticeship restrictions, and differential employment criteria which discriminate on the basis of religion.

(G) Providing for the development of training programs that will prepare substantial numbers of minority employees for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade, and improve the skills of minority employees.

(H) Establishing procedures to assess, identify, and actively recruit minority employees with the potential for further advancement.

(I) Providing for the appointment of a senior management staff member to be responsible for the employment efforts of the entity and, within a reasonable period of time, the implementation of the principles described in subparagraphs (A) through (H).

SECTION 401 OF THE FOREIGN ASSISTANCE ACT OF 1969

* * * * * * *

PART IV—THE INTER-AMERICAN FOUNDATION ACT

SEC. 401. INTER-AMERICAN FOUNDATION.—(a) * * *

* * * * * * *

(s)(1) * * *

[(2) There are authorized to be appropriated $28,800,000 for the fiscal year 1992 and $31,000,000 for the fiscal year 1993 to carry out this section.]

(2)(A) There are authorized to be appropriated to the President to carry out programs under this section, in addition to amounts otherwise available for such purposes, $20,000,000 for fiscal year 1998 and $15,000,000 for fiscal year 1999.

(B) Amounts authorized to be appropriated under subparagraph (A) are authorized to remain available until expended.

* * * * * * *

PEACE CORPS ACT

TITLE I—THE PEACE CORPS

SHORT TITLE

SECTION 1. This Act may be cited as the "Peace Corps Act".

* * * * * * *

AUTHORIZATION

SEC. 3. (a) The President is authorized to carry out programs in furtherance of the purposes of this Act, on such terms and conditions as he may determine.

[(b) AUTHORIZATIONS AND APPROPRIATIONS.—There are authorized to be appropriated to carry out the purposes of this Act $218,146,000 for fiscal year 1993, which are authorized to remain available until September 30, 1994.]

(b)(1) There are authorized to be appropriated to carry out the purposes of this Act $222,000,000 for fiscal year 1998 and $225,000,000 for fiscal year 1999.

(2) Amounts authorized to be appropriated under paragraph (1)—

(A) with respect to fiscal year 1998 are authorized to remain available until September 30, 1999; and

(B) with respect to fiscal year 1999 are authorized to remain available until September 30, 2000.

* * * * * * *

PEACE CORPS VOLUNTEERS

SEC. 5. (a) * * *

* * * * * * *

(f)(1) Any period of satisfactory service of a volunteer under this Act shall be credited in connection with subsequent employment in the same manner as a like period of civilian employment by the United States Government.—

(A) for the purposes of section 816(a) of the Foreign Service Act of 1980 and every other Act establishing a retirement system for civilian employees of any United States Government agency; and

(B) except as otherwise determined by the President, for the purposes of determining seniority, reduction in force, and layoff rights, leave entitlement, and other rights and privileges based upon length of service under the laws administered by the [Civil Service Commission] *Office of Personnel Management*, the Foreign Service Act of 1980, and every other Act establishing or governing terms and conditions of service of civilian employees of the United States Government: *Provided,* That service of a volunteer shall not be credited toward completion of any probationary or trial period or completion of any service requirement for career appointment.

* * * * * * *

(h) Volunteers shall be deemed employees of the United States Government for the purposes of the Federal Tort Claims Act and any other Federal tort liability statute, [the Federal Voting Assistance Act of 1955 (5 U.S.C. 2171 et seq.), the Act of June 4, 1954, chapter 264, section 4 (5 U.S.C. 73b–75), the Act of December 23, 1944, chapter 716, section 1, as amended (31 U.S.C. 492a), section 5584 of title 5, United States Code (and readjustment allowances paid under this Act shall be considered as pay for purposes of such section, and section 1 of the Act of June 4, 1920 (41 Stat. 750), as amended (22 U.S.C. 214).] *sections 5584 and 5732 of title 5, United States Code (and readjustment allowances paid under this Act shall be considered as pay for purposes of such section 5732), section 1 of the Act of June 4, 1920 (22 U.S.C. 214), and section 3342 of title 31, United States Code.*

* * * * * * *

(j) Upon enrollment in the Peace Corps, every volunteer shall take the oath prescribed for persons appointed to any office of honor or profit by [section 1757 of the Revised Statutes of the United States, as amended (5 U.S.C. 16) and shall swear (or affirm) that he does not advocate the overthrow of our constitutional form of government in the United States, and that he is not a member of an organization that advocates the overthrow of our constitutional form of government in the United States, knowing that such organization so advocates.] *section 3331 of title 5, United States Code.*

* * * * * * *

GENERAL POWERS AND AUTHORITIES

SEC. 10. (a) In the furtherance of the purposes of this Act, the President may—

(1) * * *

* * * * * * *

(4) accept in the name of the Peace Corps and employ or transfer in furtherance of the purposes of this Act (A) voluntary services notwithstanding the provisions of [31 U.S.C. 665(b)] *section 1342 of title 31, United States Code*, and (B) any money or property (real, personal or mixed, tangible or intangible) received by gift, devise, bequest, or otherwise; and

(5) contract with individuals for personal services abroad, and with aliens (abroad or within the United States) for personal services within the United States[: *Provided,* That no such person shall be deemed an officer or employee or otherwise in the service or employment of the United States Government for any purpose.]*, except that such individuals shall not be deemed employees for the purpose of any law administered by the Office of Personnel Management.*

* * * * * * *

UTILIZATION OF FUNDS

SEC. 15. (a) * * *

* * * * * * *

(c) Funds available under this Act may be used to pay costs of training employees employed or assigned pursuant to section 7(a)(2) of this Act (through interchange or otherwise) at any State or local unit of government, public or private nonprofit institution, trade, labor, agricultural, or scientific association or organization, or commercial firms and the provisions of [Public Law 84–918 (7 U.S.C. 1881 et seq.)] *subchapter VI of chapter 33 of title 5, United States Code (5 U.S.C. 3371 et seq.)* may be used to carry out the foregoing authority notwithstanding that interchange of personnel may not be involved or that the training may not take place at the institutions [specified in that Act] *or other organizations specified in section 3372(b) of such title*. Any payments or contributions in connection therewith may, as deemed appropriate by the head of the agency of the United States Government authorizing such training, be made by private or public sources and be accepted by any trainee, or may be accepted by and credited to the current applicable appropriation of such agency: *Provided, however,* That any such payments to an employee in the nature of compensation shall be in lieu, or in reduction, of compensation received from the United States Government.

(d) Funds available for the purposes of this Act shall be available for—

(1) rent of buildings and space in buildings in the United States, and for repair, alteration, and improvement of such leased properties;

(2) expenses of attendance at meetings concerned with the purposes of this Act, including (notwithstanding the provisions of [section 9 of Public Law 60–328 (31 U.S.C. 673)] *section*

1346 of title 31, United States Code) expenses in connection with meetings of persons whose employment is authorized by section 13(a) of this Act;

* * * * * * *

(6) exchange of funds [without regard to section 3561 of the Revised Statutes (31 U.S.C. 543)] and loss by exchange;

* * * * * * *

(11) use in accordance with authorities of the [Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.),] *Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.)* not otherwise provided for; [and]

(12) ice and drinking water for use abroad[.]*; and*

(13) the transportation of Peace Corps employees, Peace Corps volunteers, dependents of employees and volunteers, and accompanying baggage, by a foreign air carrier when the transportation is between 2 places outside the United States without regard to section 40118 of title 49, United States Code.

* * * * * * *

(e) Funds made available for the purposes of this Act may not be used to pay for abortions.

* * * * * * *

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY (LIBERTAD) ACT OF 1996

* * * * * * *

TITLE I—STRENGTHENING INTERNATIONAL SANCTIONS AGAINST THE CASTRO GOVERNMENT

* * * * * * *

SEC. 109. AUTHORIZATION OF SUPPORT FOR DEMOCRATIC AND HUMAN RIGHTS GROUPS AND INTERNATIONAL OBSERVERS.

(a) * * *

* * * * * * *

(d) LOCAL ASSISTANCE.—

(1) IN GENERAL.—For the purposes of providing assistance to independent nongovernmental organizations and individuals in Cuba as authorized by subsection (a), amounts made available under such subsection may be used for assistance to individuals and nongovernmental organizations in Cuba and for local costs incurred in delivering such assistance.

(2) CERTIFICATION.—A certification by a representative of a United States or local nongovernmental organization, or other entity, administering assistance described in paragraph (1), that such assistance is being used for its intended purpose, shall be deemed to satisfy any accountability requirement of the

United States Agency for International Development for the administration of such assistance.

* * * * * * *

TITLE IV—EXCLUSION OF CERTAIN ALIENS

SEC. 401. EXCLUSION FROM THE UNITED STATES OF ALIENS WHO HAVE CONFISCATED PROPERTY OF UNITED STATES NATIONALS OR WHO TRAFFIC IN SUCH PROPERTY.

(a) * * *

* * * * * * *

(e) REPORTS TO CONGRESS.—The Secretary of State shall, not later than 30 days after the date of the enactment of this subsection and every 3 months thereafter, submit to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a report on the implementation of this section. Each report shall include—

(1) an unclassified list, by economic sector, of the number of entities then under review pursuant to this section;

(2) an unclassified list of all entities and a classified list of all individuals that the Secretary of State has determined to be subject to this section;

(3) an unclassified list of all entities and a classified list of all individuals that the Secretary of State has determined are no longer subject to this section;

(4) an explanation of the status of the review under way for the cases referred to in paragraph (1); and

(5) an unclassified explanation of each determination of the Secretary of State under subsection (a) and each finding of the Secretary under subsection (c)—

(A) since the date of the enactment of this Act, in the case of the first report under this subsection; and

(B) in the preceding 3-month period, in the case of each subsequent report.

SECTION 539 OF THE FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS ACT, 1987

SEC. 539. (a) * * *

* * * * * * *

(g) The Administrator of the Agency for International Development, in conjunction with the Secretaries of Treasury and State, shall—

(1) * * *

[(2) in preparation of reviews required by subsection (g)(1), compile a list of categories of projects likely to have adverse impacts on the environment, natural resources, or indigenous peoples. The list shall be developed in consultation with interested members of the public and made available to the Com-

mittee on Appropriations by December 31, 1986 and semiannually thereafter; and]

* * * * * * *

SPECIAL FOREIGN ASSISTANCE ACT OF 1986

AN ACT To promote immunization and oral rehydration in developing countries, to promote democracy in Haiti, to protect tropical forests and biological diversity in developing countries, to authorize increased funding for the Child Survival Fund and for international narcotics control assistance, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Special Foreign Assistance Act of 1986".

[TITLE I—PROMOTING IMMUNIZATION AND ORAL REHYDRATION IN DEVELOPING COUNTRIES

[SEC. 101. FINDINGS.

[The Congress finds that—

[(1) the United Nations Children's Fund (UNICEF) reports that 3.5 million children die annually because they have not been immunized against the six major childhood diseases: polio measles, whooping cough, diphtheria, tetanus, and tuberculosis:

[(2) at present less than 20 percent of the children in the developing world are fully immunized against these diseases;

[(3) each year more than five million additional children are permanently disabled and suffer diminished capacities to contribute to the economic, social, and political development of their countries because they have not been immunized;

[(4) ten million additional childhood deaths from immunizable and potentially immunizable diseases could be averted annually by the development of techniques in biotechnology for new a cost-effective vaccines;

[(5) the World Health Assembly, the Executive Board of the United Nations Children's Fund, and the United Nations General Assembly are calling upon the nations of the world to commit the resources necessary to meet the challenge of universal access to childhood immunization by 1990;

[(6) at the 1984 "Bellagio Conference" it was determined that the goal of universal childhood immunization by 1990 is indeed achievable; and

[(7) the Congress has expressed its expectation that the Agency for International Development will set as a goal the immunization by 1990 of at least 80 percent of all the children in those countries in which the Agency has a program.

[SEC. 102. UNITED STATES PARTICIPATION IN GLOBAL EFFORT.

[(a) UNITED STATES GOVERNMENT SUPPORT.—The Congress calls upon the President to direct the Agency for International Development, working through the Centers for Disease Control and other appropriate Federal agencies, to work in a global effort to

provide enhanced support toward achieving the goal of universal access to childhood immunization by 1990 by—

[(1) assisting in the delivery, distribution, and use of vaccines, including—

[(A) the building of locally sustainable systems and technical capacities in developing countries to reach, by the appropriate age, not less than 80 percent of their annually projected target population with the full schedule of required immunizations; and

[(B) the development of a sufficient network of indigenous professionals and institutions with responsibility for developing, monitoring, and assessing immunization programs and continually adapting strategies to reach the goal of preventing immunizable diseases; and

[(2) performing, supporting, and encouraging research and development activities, both in the public and private sector, that will be targeted at developing new vaccines and at modifying and improving existing vaccines to make them more appropriate for use in developing countries.

[(b) PRIVATE SECTOR SUPPORT.—In support of this global effort, the President should appeal to the people of the United States and the United States private sector to support public and private efforts to provide the resources necessary to achieve universal access to childhood immunization by 1990.

[SEC. 103. FUNDING LEVELS.

[(a) EARMARKING.—Section 104(c)(3) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following: "Of the aggregate amounts made available for fiscal year 1987 to carry out paragraph (2) of this subsection (relating to the Child Survival Fund) and to carry out subsection (c) (relating to development assistance for health), $50,000,000 shall be used to carry out this paragraph.".

[(b) AUTHORIZATION LEVEL FOR CHILD SURVIVAL FUND.—Section 104(c)(2)(B) of that Act is amended by striking out "$25,000,000 for fiscal year 1987" and inserting in lieu thereof "$75,000,000 for fiscal year 1987".

[TITLE II—PROMOTING DEMOCRACY IN HAITI

[SEC. 201. FINDINGS CONCERNING HAITI.

[The Congress finds that—

[(1) the establishment of an interim government in Haiti committed to a restoration of democracy provides Haiti with an opportunity to build the political, social, and economic institutions necessary to promote Haiti's development, to provide a better future for the people of Haiti and to provide the framework for more effective mutual cooperation with the United States, Haiti's neighbor in the Caribbean, and the other nations of the Hemisphere;

[(2) the magnitude of the political, economic, and social tasks facing the people of Haiti will make the achievement of a better future a difficult task which will require a determined and sustained effort by the Haitian people over a long period

of time and will require significant external assistance from the United States and other donors; and

[(3) it is in the interest of the United States to provide appropriate support for the development of Haiti, a close neighbor which is one of the world's poorest nations and which is committed to the establishment of a democratic government.

[SEC. 202. ECONOMIC ASSISTANCE FOR HAITI.

[(a) EARMARKING OF FUNDS.—Not less than $108,000,000 of the aggregate amounts available for fiscal year 1987 to carry out sections 103 through 106 of the Foreign Assistance Act of 1961 (relating to development assistance), chapter 4 of part II of that Act (relating to the Economic Support Fund), and titles I and II of the Agricultural Trade Development and Assistance Act of 1954 (relating to the Food for Peace Program) shall be available only for Haiti.

[(b) USE OF DEVELOPMENT ASSISTANCE.—Assistance under sections 103 through 106 of the Foreign Assistance Act of 1961 which is provided for Haiti pursuant to subsection (a) shall be used to support a transition to democracy in Haiti, emphasizing foreign investment, job creation (especially in the private sector), rural development, health care and sanitation, small-scale irrigation, reforestation and land conservation, and literacy education. Such assistance should reflect the need to distribute development assistance resources more equitably among the various regions in Haiti in order to support sustainable development in all of Haiti.

[(c) REQUIREMENT FOR SEGREGATED ACCOUNT FOR ECONOMIC SUPPORT ASSISTANCE FUNDS PAID TO GOVERNMENT OF HAITI.—Funds under chapter 4 of part II of the Foreign Assistance Act of 1961 which are made available for Haiti pursuant to subsection (a) may be paid to the Government of Haiti only if the Government of Haiti will maintain those funds in a separate account and not commingle them with other funds.

[(d) CONDITIONS ON ECONOMIC SUPPORT AND DEVELOPMENT ASSISTANCE.—Funds may be obligated for assistance for Haiti under sections 103 through 106 of chapter 4 of part II of the Foreign Assistance Act of 1961 pursuant to subsection (a) only if the President determines that the interim Government of Haiti—

[(1) is improving the human rights situation in Haiti;

[(2) is implementing its timetable for completion of a new constitution that promotes genuine democratic reforms and guarantees the fundamental principles of democracy;

[(3) is establishing a framework for free and open elections leading to a democratically-elected civilian government, which would include free and functioning political parties and associations, free labor unions, and freedom of the press;

[(4) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years);

[(5) is maintaining a system of fiscal accountability to ensure that all resources allocated to the development of Haiti are used in the most effective and efficient manner;

[(6) is continuing its investigation of alleged human rights abuses and corruption by the Duvalier government and is pros-

ecuting, in accordance with due process, those responsible for human rights abuses and corruption;

[(7) is maintaining a free and independent judiciary system;

[(8) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti; and

[(9) is encouraging private sector development.

[(e) INTER-AMERICAN FOUNDATION.—Section 401(s)(2) of the Foreign Assistance Act of 1969 is amended by striking out "$11,969,000 for fiscal year 1987" and inserting in lieu thereof "$12,969,000 for fiscal year 1987 (not less than $1,000,000 of which shall be for Haiti)".

[(f) ADDITIONAL ASSISTANCE FOR ECONOMIC DEVELOPMENT IN HAITI.—In order to assist economic development in Haiti, a Foreign Commercial Service officer should be assigned to the United States Embassy in Haiti.

[SEC. 203. MILITARY TRAINING AND OTHER NONLETHAL ASSISTANCE FOR HAITI.

[(a) AUTHORIZATION OF ASSISTANCE.—Up to $4,000,000 of the aggregate amounts available for fiscal year 1987 to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), chapter 5 of part II of that Act (relating to international military education and training), and the Arms Export Control Act (relating to FMS assistance) may be made available for Haiti for education, training, and other nonlethal assistance (such as transportation equipment, communications equipment, and uniforms).

[(b) CONDITIONS ON MILITARY ASSISTANCE.—Funds made available pursuant to subsection (a) may be obligated only if the President certifies to the Congress the following:

[(1) The Government of Haiti has submitted a formal request to the United States specifying a comprehensive plan for the reform and reorganization of the mission, command, and control structures of the Haitian armed forces consistent with a transition to democracy, the rule of law, constitutional government, and an elected civilian government. Such a plan should include a publicly announced commitment by the armed forces of Haiti to abide by international human rights standards and adoption of a code of conduct to assure adherence to these standards.

[(2) The Government of Haiti is making substantial efforts—

[(A) to prevent the involvement of the Haitian armed forces in human rights abuses and corruption by removing from those forces and prosecuting, in accordance with due process, those military personnel responsible for the human rights abuses and corruption;

[(B) to ensure that freedom of speech and assembly are respected;

[(C) to conduct investigations into the killings of unarmed civilians in Gonaives, Martissant, and Fort Dimanche, to prosecute, in accordance with due process, those responsible for those killings, and to prevent any similar occurrences in the future;

[(D) to provide education and training to the Haitian armed forces with respect to internationally recognized human rights and the civil and political rights essential to democracy, in order to enable those forces to function consistent with those rights; and

[(E) to take steps to implement the policy of the Government of Haiti requiring former members of the Volunteers for National Security (VSN) to turn in their weapons and to take the necessary actions to enforce this requirement.

[(c) REPORTS.—Not later than three months after the President submits his certification under subsection (b) and every three months thereafter, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each of the objectives specified in subsection (b). Half of the assistance provided pursuant to subsection (a) shall be withheld from delivery until the President submits the first such report.

[(d) NOTIFICATION TO CONGRESS.—Funds made available pursuant to subsection (a) may be obligated only if the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives and the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives and the Committee on Appropriations and the Committee on Foreign Relations of the Senate are notified fifteen days in advance.

[(e) RELATION TO EXISTING PROVISION.—Assistance under subsection (a) may be provided notwithstanding the limitations contained in section 705(e) of the International Security and Development Cooperation Act of 1985 and is in addition to the assistance allowed under that section.]

* * * * * * *

[TITLE IV—MISCELLANEOUS PROVISIONS RELATING TO CERTAIN FOREIGN ASSISTANCE PROGRAMS

[SEC. 401. INCREASE AUTHORIZATION FOR INTERNATIONAL NARCOTICS CONTROL PROGRAMS.

[Section 482(a)(1) of the Foreign Assistance Act of 1961 is amended by striking out "$57,529,000 for the fiscal year 1987" and inserting in lieu thereof "$65,445,000 for the fiscal year 1987".

[SEC. 402. AUTHORIZING A SEPARATE LINE ITEM APPROPRIATION FOR THE INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

[Section 667(a)(1) of the Foreign Assistance Act of 1961 is amended by inserting after "Act" the following: ", of which $21,750,000 for the fiscal year 1987 is authorized for the necessary operating expenses of the Office of the Inspector General of the Agency for International Development and the remaining amount for the fiscal year is authorized for other necessary operating expenses of that agency".

[SEC. 403. ADDITIONAL PROVISIONS.

[(a) BOARD OF THE INTER-AMERICAN FOUNDATION.—Section 401(g) of the Foreign Assistance Act of 1969 (22 U.S.C. 290f.(g)) is amended by striking out "seven" in the first sentence and "Four"

in the second sentence and inserting in lieu thereof "nine" and "Six", respectively.

[(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect 120 days after the date of enactment of this Act.

[SEC. 404. OFFSETTING REDUCTIONS IN CERTAIN FOREIGN ASSISTANCE PROGRAMS.

[In order to provide the increased authorizations of appropriations contained in section 103(b), section 202(e), and section 401 without increasing the overall amount authorized to be appropriated for foreign assistance programs for fiscal year 1987—

[(1) section 104(g)(1)(B) of the Foreign Assistance Act of 1961 (relating to development assistance for health programs) is amended by striking out "$205,000,000 for fiscal year 1987" and inserting in lieu thereof "$180,000,000 for fiscal year 1987"; and

[(2) section 302(a)(1) of that Act (relating to international organizations and programs) is amended by striking out "$270,000,000 for fiscal year 1987" and insert in lieu thereof "$236,084,000 for fiscal year 1987".

[SEC. 405. CONFORMING AMENDMENT.

[Paragraph (6) of section 413(a) of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (Public Law 99–399) is repealed; and the sentence of section 209(a)(1) of the Foreign Service Act of 1980 which was repealed by that paragraph is hereby re-enacted.]

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1985

AN ACT To authorize international development and security assistance programs and Peace Corps programs for fiscal years 1986 and 1987, and for other purposes

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "International Security and Development Cooperation Act of 1985".

* * * * * * *

[TITLE I—MILITARY ASSISTANCE AND SALES AND RELATED PROGRAMS

[SEC. 101. FOREIGN MILITARY SALES CREDITS.

[(a) AUTHORIZATIONS OF APPROPRIATIONS.—The first sentence of section 31(a) of the Arms Export Control Act is amended to read as follows: "There are authorized to be appropriated to the President to carry out this Act $5,371,000,000 for fiscal year 1986 and $5,371,000,000 for fiscal year 1987.".

[(b) AGGREGATE CEILINGS AND EXTENDED REPAYMENT TERMS.—Sections 31 (b) and (c) of such Act are amended to read as follows:

[“(b)(1) The total amount of credits extended under section 23 of this Act shall not exceed $5,371,000,000 for fiscal year 1986 and $5,371,000,000 for fiscal year 1987.

[“(2) Of the aggregate amount of financing provided under this section, not more than $553,900,000 for fiscal year 1986 and not more than $553,900,000 for fiscal year 1987 may be made available at concessional rates of interest. If a country is released from its contractual liability to repay the United States Government with respect to financing provided under this section, such financing shall not be considered to be financing provided at concessional rates of interest for purposes of the limitation established by this paragraph.

[“(c) For fiscal year 1986 and fiscal year 1987, the principal amount of credits provided under section 23 at market rates of interest with respect to Greece, the Republican of Korea, the Philippines, Portugal, Spain, Thailand, and Turkey shall (if and to the extent each country so desires) be repaid in not more than twenty years, following a grace period of ten years on repayment of principal.”.

[(c) FMS FINANCING FOR ISRAEL.—(1) Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than $1,800,000,000 for fiscal year 1986 and not less than $1,800,000,000 for fiscal year 1987 shall be available only for Israel.

[(2) Israel shall be released from its contractual liability to repay the United States Government with respect to the credits provided pursuant to paragraph (1).

[(3) If the Government of Israel requests that funds be used for such purposes—

[(A) up to $150,000,000 of the amount of credits made available for Israel pursuant to paragraph (1) for each of the fiscal years 1986 and 1987 shall be available for research and development in the United States for the Lavi program, and

[(B) not less than $250,000,000 of the amount of credits made available for Israel pursuant to paragraph (1) for each of the fiscal years 1986 and 1987 shall be available for the procurement in Israel of defense articles and defense services (including research and development) for the Lavi program.

[(d) FMS FINANCING FOR EGYPT.—Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than $1,300,000,000 for fiscal year 1986 and not less than $1,300,000,000 for fiscal year 1987 shall be available only for Egypt.

[(2) Egypt shall be released from its contractual liability to repay the United States Government with respect to the credits provided pursuant to paragraph (1).

[(e) FMS FINANCING FOR GREECE.—Of the total amount of credits extended under section 23 of the Arms Export Control Act, $500,000,000 for each of the fiscal years 1986 and 1987 shall be available only for Greece.

[(2) For each of the fiscal years 1986 and 1987, of the total amount of credits extended for Greece under section 23 of the Arms Export Control Act, Greece shall receive the same proportion of credits extended at concessional rates of interest as the proportion

of credits extended at concessional rates of interest which Turkey receives out of the total amount of credits for Turkey under that section, and the average annual rate of interest on the credits extended for Greece at concessional rates of interest shall be comparable to the average annual rate of interest on the credits extended for Turkey at concessional rates of interest. Credits extended for Greece for each of the fiscal years 1986 and 1987 at concessional rates of interest shall not be counted toward any ceiling established by law on concessional financing under the Arms Export Control Act.

[(f) FMS FINANCING AND MAP FOR TURKEY.—For each of the fiscal years 1986 and 1987, the aggregate total of financing under the Arms Export Control Act and assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 provided for Turkey may not exceed $714,280,000. Of this amount, up to $215,000,000 may be used for assistance under chapter 2 of part II of the Foreign Assistance Act of 1961, with the understanding that the United States Government is acting with urgency and determination to oppose any actions aimed at effecting a permanent bifurcation of Cyprus.

[SEC. 102. TERMS OF FOREIGN MILITARY SALES CREDITS.

[Section 23 of the Arms Export Control Act is amended to read as follows:

["SEC. 23. CREDIT SALES.—(a) The President is authorized to finance the procurement of defense articles, defense services, and design and construction services by friendly foreign countries and international organizations, on such terms and conditions as he may determine consistent with the requirements of this section.

["(b) The President shall require repayment in United States dollars within a period not to exceed twelve years after the loan agreement with the country or international organization is signed on behalf of the United States Government, unless a longer period is specifically authorized by statute for that country or international organization.

["(c)(1) The President shall charge interest under this section at such rate as he may determine, except that such rate may not be less than 5 percent per year.

["(2) For purposes of financing provided under this section—

["(A) the term 'concessional rate of interest' means any rate of interest which is less than market rates of interest; and

["(B) the term 'market rate of interest' means any rate of interest which is equal to or greater than the current average interest rate (as of the last day of the month preceding the financing of the procurement under this section) that the United States Government pays on outstanding marketable obligations of comparably maturity.

["(d) References in any law to credits extended under this section shall be deemed to include reference to participations in credits.".

[SEC. 103. MILITARY ASSISTANCE.

[Section 504(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter $805,100,000 for fiscal year 1986 and $805,100,000 for fiscal year 1987.”.

[SEC. 104. INTERNATIONAL MILITARY EDUCATION AND TRAINING.

[Section 542 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 542. AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to the President to carry out the purposes of this chapter $56,221,000 for fiscal year 1986 and $56,221,000 for fiscal year 1987.”.

[SEC. 105. PEACEKEEPING OPERATIONS.

[(a) AUTHORIZATIONS.—Section 552(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, $37,000,000 for fiscal year 1986 and $37,000,000 for fiscal year 1987.”.

[(b) PEACEKEEPING OPERATIONS EMERGENCIES.—(1) Section 552 of such Act is amended—

[(A) by inserting in subsection (c)“(1)” immediately after “the President may”;

[(B) by inserting in subsection (c) immediately before the period at the end of the subsection “; and (2) in the event the President also determines that such unforeseen emergency requires the immediate provision of assistance under this chapter, direct the drawdown of commodities and services from the inventory and resources of any agency of the United States Government of an aggregate value not to exceed $25,000,000 in any fiscal year”; and

[(C) by inserting at the end thereof the following new subsection:

[“(d) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for commodities and services provided under subsection (c)(2).”.

[(2) Section 652 of such Act is amended by inserting “, 552(c)(2),” immediately after “under section 506(a)”.

[SEC. 106. GUARANTY RESERVE FUND.

[(a) REPORT ON REPLENISHMENT.—For the purpose of providing recommendations for improving the security interests of the United States and the friends and allies of the United States, the President shall prepare and transmit to the Congress within 90 days after the date of enactment of this Act a report which sets forth the history of United States foreign military sales financing under the Foreign Assistance Act of 1961 and the Arms Export Control Act. Such report shall include recommendations on replenishing the Guaranty Reserve Fund under section 24 of the Arms Export Control Act and recommendations on other matters agreed to in consultation with the chairman and ranking minority member of the Committee on Foreign Relations of the Senate and of the Committee on Foreign Affairs of the House of Representatives.

[(b) ADDITIONAL FUNDS FOR PAYMENT OF CLAIMS.—The second sentence of section 24(c) of the Arms Export Control Act is amend-

ed to read as follows: "Funds authorized to be appropriated by section 31(a) to carry out this Act which are allocated for credits at market rates of interest may be used to pay claims under such guarantees to the extent funds in the Guaranty Reserve Fund are inadequate for that purpose.".

[(c) DESIGNATION AS GUARANTY RESERVE FUND.—Such section is further amended by inserting after the first sentence the following new sentence: "The single reserve may, on and after the date of enactment of the International Security and Development Cooperation Act of 1985, be referred to as the "Guaranty Reserve Fund.".

[SEC. 107. VALUATION OF CERTAIN DEFENSE ARTICLES.

[(a) CERTAIN NAVAL VESSELS.—Section 21(a) of the Arms Export Control Act is amended—

[(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

[(2) by inserting "(1)" immediately after "(a)"; and

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

["(2) For purposes of subparagraph (A) of paragraph (1), the actual value of a naval vessel of 3,000 tons or less and 20 years or more of age shall be considered to be not less than the greater of the scrap value or fair value (including conversion costs) of such vessel, as determined by the Secretary of Defense.".

[(b) CONFORMING AMENDMENT.—Section 47 of such Act is amended in paragraph (2) by inserting ", except as otherwise provided in section 21(a)," after "excess defense article".

[SEC. 108. FULL COSTING OF FMS SALES OF TRAINING.

[(a) FMS SALES.—Section 21(a)(1)(C) of the Arms Export Control Act, as so redesignated by the preceding section of this Act, is amended to read as follows:

["(C) in the case of the sale of a defense service, the full cost to the United States Government of furnishing such service, except that in the case of training sold to a purchaser who is concurrently receiving assistance under chapter 5 of part II of the Foreign Assistance Act of 1961, only those additional costs that are incurred by the United States Government in furnishing such assistance.".

[(b) NATO STANDARDIZATION AGREEMENTS.—Section 21 of such Act is amended by inserting the following new subsection after subsection (f):

["(g) The President may enter into North Atlantic Treaty Organization standardization agreements in carrying out section 814 of the Act of October 7, 1975 (Public Law 94–106), and may enter into similar agreements with Japan, Australia, and New Zealand, for the cooperative furnishing of training on bilateral or multilateral basis, if the financial principles of such agreements are based on reciprocity. Such agreements shall include reimbursement for all direct costs but may exclude reimbursement for indirect costs, administrative surcharges, and costs of billeting of trainees (except to the extent that members of the United States Armed Forces occupying comparable accommodations are charged for such accommodations by the

United States). Each such agreement shall be transmitted promptly to the Speaker of the House of Representatives and the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate.".

[SEC. 109. ADMINISTRATIVE SURCHARGE.

[Subparagraph (A) of section 21(e)(1) of the Arms Export Control Act is amended by inserting "(excluding a pro rata share of fixed base operation costs)" immediately after "full estimated costs".

[SEC. 110. CONTRACT ADMINISTRATION SERVICES.

[Section 21(h) of the Arms Export Control Act is amended by inserting "contract administration services," immediately after "inspection," in the text preceding paragraph (1).

[SEC. 111. CATALOG DATA AND SERVICES.

[Section 21(h) of the Arms Export Control Act is further amended—

[(1) by inserting "(1)" immediately after "(h)";

[(2) by striking out "(1)" and "(2)" and inserting in lieu thereof "(A)" and "(B)", respectively; and

[(3) by adding at the end thereof the following:

["(2) In carrying out the objectives of this section, the President is authorized to provide cataloging data and cataloging services, without charge, to the North Atlantic Treaty Organization or to any member government of that Organization if that Organization or member government provides such data and services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government.".

[SEC. 112. REPORTS ON CASH FLOW FINANCING.

[(a) ANNUAL REPORTS.—Section 25 of the Arms Export Control Act is amended in paragraph (5) of subsection (a)—

[(1) by inserting "(A)" immediately after "(5)";

[(2) by adding "and" after the semicolon at the end of paragraph; and

[(3) by adding at the end of the paragraph the following new subparagraph:

["(B) for each country that is proposed to be furnished credits or guaranties under this Act in the next fiscal year and that has been approved for cash flow financing (as defined in subsection (d) of this section) in excess of $100,000,000 as of October 1 of the current fiscal year—

["(i) the amount of such approved cash flow financing,

["(ii) a description of administrative ceilings and controls applied, and

["(iii) a description of the financial resources otherwise available to such country to pay such approved cash flow financing;".

[(b) DEFINITION OF CASH FLOW FINANCING.—Such section is amended by adding at the end thereof the following new subsection:

["(d) For the purposes of subsection (a)(5)(B) of this section, the term 'cash flow financing' means the dollar amount of the difference between the total estimated price of a Letter of Offer and

Acceptance or other purchase agreement that has been approved for financing under this Act or under section 503(a)(3) of the Foreign Assistance Act of 1961 and the amount of the financing that has been approved therefor;".

[SEC. 113. REPORT ON INTERNATIONAL VOLUME OF ARMS TRAFFIC.

[Section 25 of the Arms Export Control Act is amended—

[(1) in subsection (a) by striking out "No later than February 1" and inserting in lieu thereof "Except as provided in subsection (d) of this section, no later than February 1"; and

[(2) by adding at the end thereof the following new subsection:

["(d) The information required by subsection (a)(4) of this section shall be transmitted to the Congress no later than April 1 of each year.".

[SEC. 114. SECURITY ASSISTANCE SURVEYS.

[(a) SURVEYS SUBJECT TO REQUIREMENTS.—Section 26 of the Arms Export Control Act is amended.—

[(1) in the section caption, by striking out "DEFENSE REQUIREMENT" and inserting in lieu thereof "SECURITY ASSISTANCE";

[(2) by striking out "defense requirement" each place it appears in the section and inserting in lieu thereof "security assistance"; and

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

["(d) As used in this section, the term 'security assistance surveys' means any survey or study conducted in a foreign country by United States Government personnel for the purpose of assessing the needs of that country for security assistance, and includes defense requirement surveys, site surveys, general surveys or studies, and engineering assessment surveys.".

[(b) SUBMISSION OF SURVEYS TO CONGRESS.—Section 26(c) of such Act is amended by striking out "grant that committee access to" and inserting in lieu thereof "submit to that committee copies of".

[SEC. 115. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS.

[(a) REVISION OF AUTHORITY.—Section 27 of the Arms Export Control Act is amended to read as follows:

["SEC. 27. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS.—(a) The President may enter into a cooperative project agreement with the North Atlantic Treaty Organization or with one or more member countries of that Organization.

["(b) As used in this section—

["(1) the term 'cooperative project' means a jointly managed arrangement, described in a written agreement among the parties, which is undertaken in order to further the objectives of standardization, rationalization, and interoperability of the armed forces of North Atlantic Treaty Organization member countries and which provides—

["(A) for one or more of the other participants to share with the United States the costs of research on and devel-

opment, testing, evaluation, or joint production (including follow-on support) of certain defense articles;

[“(B) for concurrent production in the United States and in another member country of a defense article jointly developed in accordance with subparagraph (A); or

[“(C) for procurement by the United States of a defense article or defense service from another member country; and

[“(2) the term ‘other participant’ means a participant in a cooperative project other than the United States.

[“(c) Each agreement for a cooperative project shall provide that the United States and each of the other participants will contribute to the cooperative project its equitable share of the full cost of such cooperative project and will receive an equitable share of the results of such cooperative project. The full costs of such cooperative project shall include overhead and administrative costs. The United States and the other participants may contribute their equitable shares of the full cost of such cooperative project in funds or in defense articles or defense services needed for such cooperative project. Military assistance and financing received from the United States Government may not be used by any other participant to provide its share of the cost of such cooperative project. Such agreements shall provide that no requirement shall be imposed by a participant for worksharing or other industrial or commercial compensation in connection with such agreement that is not in accordance with such agreement.

[“(d) The President may enter into contracts or incur other obligations for a cooperative project on behalf of the other participants, without charge to any appropriation or contract authorization, if each of the other participants in the cooperative project agrees (1) to pay its equitable share of the contract or other obligation, and (2) to make such funds available in such amounts and at such times as may be required by the contract or other obligation and to pay any damages and costs that may accrue from the performance of or cancellation of the contract or other obligation in advance of the time such payments, damages, or costs are due.

[“(e)(1) For those cooperative projects entered into on or after the effective date of the International Security and Development Cooperation Act of 1985, the President may reduce or waive the charge or charges which would otherwise be considered appropriate under section 21(e) of this Act in connection with sales under sections 21 and 22 of this Act when such sales are made as part of such cooperative project, if the other participants agree to reduce or waive corresponding charges.

[“(2) Notwithstanding provisions of section 21(e)(1)(A) and section 43(b) of this Act, administrative surcharges shall not be increased on other sales made under this Act in order to compensate for reductions or waivers of such surcharges under this section. Funds received pursuant to such other sales shall not be available to reimburse the costs incurred by the United States Government for which reduction or waiver is approved by the President under this section.

[“(f) Not less than 30 days before a cooperative project agreement is signed on behalf of the United States, the President shall

transmit to the Speaker of the House of Representatives, the chairman of the Committee on Foreign Relations of the Senate, and the chairman of the Committee on Armed Services of the Senate, a numbered certification with respect to such proposed agreement, setting forth—

[“(1) a detailed description of the cooperative project with respect to the certification is made;

[“(2) an estimate of the quantity of the defense articles expected to be produced in furtherance of such cooperative project;

[“(3) an estimate of the full cost of the cooperative project, with an estimate of the part of the full cost to be incurred by the United States Government for its participation in such cooperative project and an estimate of that part of the full costs to be incurred by the other participants;

[“(4) an estimate of the dollar value of the funds to be contributed by the United States and each of the other participants on behalf of such cooperative project;

[“(5) a description of the defense articles and defense services expected to be contributed by the United States and each of the other participants on behalf of such cooperative project;

[“(6) a statement of the foreign policy and national security benefits anticipated to be derived from such cooperative project; and

[“(7) to the extent known, whether it is likely that prime contracts will be awarded to particular prime contractors or that subcontracts will be awarded to particular subcontractors to comply with the proposed agreement.

[“(g) Section 36(b) of this Act shall not apply to sales made under section 21 or 22 of this Act and to production and exports made pursuant to cooperative projects under this section, and section 36(c) of this Act shall not apply to the issuance of licenses or other approvals under section 38 of this Act, if such sales are made, such production and exports ensue, or such licenses or approvals are issued, as part of a cooperative project.

[“(h) The authority under this section is in addition to the authority under sections 21 and 22 of this Act and under any other provision of law.

[“(i)(1) With the approval of the Secretary of State and the Secretary of Defense, a cooperative agreement which was entered into by the United States before the effective date of the amendment to this section made by the International Security and Development Cooperation Act of 1985 and which meets the requirements of this section as so amended may be treated on and after such date as having been made under this section as so amended.

[“(2) Notwithstanding the amendment made to this section made by the International Security and Development Cooperation Act of 1985, projects entered into under the authority of this section before the effective date of that amendment may be carried through to conclusion in accordance with the terms of this section as in effect immediately before the effective date of that amendment.”.

[(b) CONFORMING AMENDMENTS.—(1) Section 2(b) of such Act is amended to read as follows:

[“(b) Under the direction of the President, the Secretary of State (taking into account other United States activities abroad, such as military assistance, economic assistance, and the food for peace program) shall be responsible for the continuous supervision and general direction of sales, leases, financing, cooperative projects, and exports under this Act, including, but not limited to, determining—

[“(1) whether there will be a sale to or financing for a country and the amount thereof;

[“(2) whether there will be a lease to a country;

[“(3) whether there will be a cooperative project and the scope thereof; and

[“(4) whether there will be delivery or other performance under such sale, lease, cooperative project, or export,

to the end that sales, financing, leases, cooperative projects, and exports will be integrated with other United States activities and to the end that the foreign policy of the United States would be best served thereby.”.

[(2) Section 3(a) of such Act is amended—

[(A) in the text preceding paragraph (1), by inserting “, and no agreement shall be entered into for a cooperative project (as defined in section 27 of this Act),” after “international organization”;

[(B) in paragraph (2)—

[(i) by inserting “, or produced in a cooperative project (as defined in section 27 of this Act),” after “so furnished to it”; and

[(ii) by inserting “(or the North Atlantic Treaty Organization or the specified member countries (other than the United States) in the case of a cooperative project)” after “international organization” the second place it appears; and

[(C) in paragraph (3), by inserting “or service” after “such article” both places it appears.

[(3) Section 42(e) of such Act is amended—

[(A) in paragraph (1), by inserting “, and each contract entered into under section 27(d) of this Act,’;’ after “of this Act”; and

[(B) in paragraph (3), by inserting, “, or under contracts entered into under section 27(d) of this Act,” after “of this Act”.

[SEC. 116. EXCHANGE OF TRAINING AND RELATED SUPPORT.

[The Arms Export Control Act is amended by inserting the following new chapter after chapter 2B:

[“Chapter 2C—Exchange of Training and Related Support

[“SEC. 30A. EXCHANGE OF TRAINING AND RELATED SUPPORT.—(a) Subject to subsection (b), the President may provide training and related support to military and civilian defense personnel of a friendly foreign country or an international organization. Such training and related support shall be provided by a Secretary of a military department and may include the provision of transportation, food services, health services, and logistics and the use of facilities and equipment.

[“(b) Training and related support may be provided under this section only pursuant to an agreement or other arrangement providing for the provision by the recipient foreign country or international organization, on a reciprocal basis, of comparable training and related support to military and civilian personnel under the jurisdiction of the Secretary of the military department providing the training and related support under this section. Such reciprocal training and related support must be provided within a reasonable period of time (which may not be more than one year) of the provision of training and related support by the United States. To the extent that a foreign country or international organization to which training and related support is provided under this section does not provide such comparable training and related support to the United States within a reasonable period of time, that country or international organization shall be required to reimburse the United States for the full costs of the training and related support provided by the United States.

[“(c) Training and related support under this section shall be provided under regulations prescribed by the President.

[“(d) Not later than February 1 of each year, the President shall submit to the Congress a report on the activities conducted pursuant to this section during the preceding fiscal year, including the estimated full costs of the training and related support provided by the United States to each country and international organization and the estimated value of the training and related support provided to the United States by that country or international organization.”.

[SEC. 117. QUARTERLY REPORTS ON UNITED STATES MILITARY ADVISORS ABROAD.

[Section 36(a)(7) of the Arms Export Control Act is amended to read as follows:

> [“(7) an estimate of—
>
> > [“(A) the number of United States military personnel, the number of United States Government civilian personnel, and the number of United States civilian contract personnel, who were in each foreign country at the end of that quarter, and
> >
> > [“(B) the number of members of each such category of personnel who were in each foreign country at any time during the quarter,
>
> in implementation of sales and commercial exports under this Act or of assistance under chapter 2, 5, 6, or 8 of part II of the Foreign Assistance Act of 1961, including both personnel assigned to the country and personnel temporarily in the country by detail or otherwise;”.

[SEC. 118. SENSITIVE TECHNOLOGY.

[Section 36(b) of the Arms Export Control Act is amended—

> [(1) by inserting before the period at the end of the second sentence of paragraph (1) the following: “, and a detailed justification of the reasons necessitating the sale of such articles or services in view of the sensitivity of such technology”; and
>
> [(2) by adding at the end thereof the following new paragraph:

[“(5)(A) If, before the delivery of any major defense article or major defense equipment, or the furnishing of any defense service or design and construction service, sold pursuant to a letter of offer described in paragraph (1), the sensitivity of technology or the capability of the article, equipment, or service is enhanced or upgraded from the level of sensitivity or capability described in the numbered certification with respect to an offer to sell such article, equipment, or service, then, at least 45 days before the delivery of such article or equipment or the furnishing of such service, the President shall prepare and transmit to the chairman of the Committee on Foreign Affairs of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report—

[“(i) describing the manner in which the technology or capability has been enhanced or upgraded and describing the significance of such enhancement or upgrade; and

[“(ii) setting forth a detailed justification for such enhancement or upgrade.

[“(B) The provisions of subparagraph (A) apply to an article or equipment delivered, or a service furnished, within ten years after the transmittal to the Congress of a numbered certification with respect to the sale of such article, equipment, or service.

[“(C) If the enhancement or upgrade in the sensitivity of technology or the capability of major defense equipment, defense articles, defense services, or design and construction services described in a numbered certification submitted under this subsection costs $14,000,000 or more in the case of any major defense equipment, $50,000,000 or more in the case of defense articles or defense services, or $200,000,000 or more in the case of design or construction services, then the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a new numbered certification which relates to such enhancement or upgrade and which shall be considered for purposes of this subsection as if it were a separate letter of offer to sell defense equipment, articles, or services, subject to all of the requirements, restrictions, and conditions set forth in this subsection. For purposes of this subparagraph, references in this subsection to sales shall be deemed to be references to enhancements or upgrades in the sensitivity of technology or the capability of major defense equipment, articles, or services, as the case may be.

[“(D) For the purposes of subparagraph (A), the term ‘major defense article’ shall be construed to include electronic devices, which if upgraded, would enhance the mission capability of a weapons system.”.

[SEC. 119. INCREASE IN CRIMINAL PENALTIES FOR CERTAIN VIOLATIONS OF THE ARMS EXPORT CONTROL ACT.

[(a) CRIMINAL PENALTIES.—Section 38(c) of the Arms Export Control Act is amended by striking out “not more than $100,000 or imprisoned not more than two years, or both” and inserting in lieu thereof “for each violation not more than $1,000,000 or imprisoned not more than ten years, or both”.

[(b) CIVIL PENALTIES.—Section 38(e) of such Act is amended by adding at the end thereof the following: “Notwithstanding section

11(c) of the Export Administration Act of 1979, the civil penalty for each violation involving controls imposed on the export of defense articles and defense services under this section may not exceed $500,000.".

[(c) EFFECTIVE DATE.—This section shall take effect upon the date of enactment of this Act or October 1, 1985, whichever is later. The amendments made by this section apply with respect to violations occurring after the effective date of this section.

[SEC. 120. OFFICIAL RECEPTION AND REPRESENTATION EXPENSES.

[Section 43 of the Arms Export Control Act is amended—

[(1) in subsection (b) by inserting "and official reception and representation expenses" immediately after "administrative expenses"; and

[(2) by adding at the end thereof the following new subsection:

["(c) Not more than $72,500 of the funds derived from charges for administrative services pursuant to section 21(e)(1)(A) of this Act may be used each fiscal year for official reception and representation expenses.".

[SEC. 121. SPECIAL DEFENSE ACQUISITION FUND.

[(a) CONTINUOUS ORDERS FOR CERTAIN ARTICLES AND SERVICES.—Section 51(a) of the Arms Export Control Act is amended by adding at the end thereof the following new paragraph:

["(3) The Fund may be used to keep on continuous order such defense articles and defense services as are assigned by the Department of Defense for integrated management by a single agency thereof for the common use of all military departments in anticipation of the transfer of similar defense articles and defense services to foreign countries and international organizations pursuant to this Act, the Foreign Assistance Act of 1961, or other law.".

[(b) REVOLVING FUND.—Section 51(b) of such Act is amended to read as follows:

["(b) The Fund shall consist of collections from sales made under letters of offer, or transfers made under the Foreign Assistance Act of 1961, of defense articles and defense services acquired under this chapter (representing the value of such items calculated in accordance with subparagraph (B) or (C) of section 21(a)(1) or section 22 of this Act or section 644(m) of the Foreign Assistance Act of 1961, as appropriate), together with such funds as may be authorized and appropriated or otherwise made available for the purposes of the Fund.".

[SEC. 122. LEASING AUTHORITY.

[Section 7307(b)(1) of title 10, United States Code, is amended by inserting before the period at the end thereof the following: ", except that any lease or loan of such a vessel under such a law shall be made only in accordance with the provisions of chapter 6 of the Arms Export Control Act (22 U.S.C. 2796 et seq.) or chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.)".

[SEC. 123. MILITARY ASSISTANCE COSTS; WAIVER OF NET PROCEEDS FOR SALE OF MAP ITEMS.

[(a) MILITARY ASSISTANCE COSTS.—Section 503(a) of the Foreign Assistance Act of 1961 is amended by adding the following sentence after paragraph (3):
"Sales which are wholly paid from funds transferred under paragraph (3) shall be priced to exclude the costs of salaries of members of the Armed Forces of the United States.".

[(b) WAIVER OF NET PROCEEDS.—Section 505(f) of such Act is amended by adding at the end thereof the following: "In the case of items which were delivered prior to 1975, the President may waiver the requirement that such net proceeds be paid to the United States Government if he determines that to do so is in the national interest of the United States.".

[SEC. 124. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.

[Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(2) The value of such additions to stockpiles in foreign countries shall not exceed $360,000,000 for fiscal year 1986 and shall not exceed $125,000,000 for fiscal year 1987.".

[SEC. 125. SECURITY ASSISTANCE ORGANIZATIONS.

[Section 515(c)(1) of the Foreign Assistance Act of 1961 is amended in the last sentence by striking out "for the fiscal year 1982 and the fiscal year 1983," and inserting in lieu thereof "Pakistan, Tunisia, El Salvador, Honduras,".

[SEC. 126. EXCHANGE TRAINING.

[Chapter 5 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 544. EXCHANGE TRAINING.—In carrying out this chapter, the President is authorized to provide for attendance of foreign military personnel at professional military education institutions in the United States (other than service academies) without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one, reciprocal basis each fiscal year between those United States professional military education institutions and comparable institutions of foreign countries and international organizations.".

[SEC. 127. TRAINING IN MARITIME SKILLS.

[(a) AUTHORIZATION.—Chapter 5 of part II of the Foreign Assistance Act of 1961, as amended by the preceding section of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 545. TRAINING IN MARITIME SKILLS.—The President is encouraged to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and training in maritime search and rescue, operation and maintenance of aids to navigation, port security, at-sea law enforcement, international maritime law, and general maritime skills.".

[(b) EXEMPTION.—Section 660(b) of such Act is amended—

[(1) by striking out "or" at the end of clause (1);

[(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; or"; and

[(3) by adding the following new clause after clause (2):

["(3) with respect to assistance, including training, in maritime law enforcement and other maritime skills.".

[SEC. 128. SPECIAL WAIVER AUTHORITY.

[Section 614(a)(4) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(4)(A) The authority of this subsection may not be used in any fiscal year to authorize—

["(i) more than $750,000,000 in sales to be made under the Arms Export Control Act;

["(ii) the use of more than $250,000,000 of funds made available for use of more than $100,000,000 of foreign currencies accruing under this Act or any other law.

["(B) If the authority of this subsection is used both to authorize a sale under the Arms Export Control Act and to authorize funds to be used under the Arms Export Control Act or under this Act with respect to the financing of that sale, then the use of the funds shall be counted against the limitation in subparagraph (A)(ii) and the portion, if any, of the sale which is not so financed shall be counted against the limitation in subparagraph (A)(i).

["(C) Not more than $50,000,000 of the $250,000,000 limitation provided in subparagraph (A)(ii) may be allocated to any one country in any fiscal year unless that country is a victim of active Communist or Communist-supported aggression, and not more than $500,000,000 of the aggregate limitation of $1,000,000,000 provided in subparagraphs (A)(i) and (A)(ii) may be allocated to any one country in any fiscal year.".

[SEC. 129. CONVENTIONAL ARMS TRANSFERS.

[(a) NEGOTIATIONS.—At the earliest possible date, the President should, in consultation with United States allies, initiate discussions with the Soviet Union and France aimed at beginning multilateral negotiations to limit and control the transfer of conventional arms to less developed countries.

[(b) REPORT.—Within one year after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report which specifies steps being taken to fulfill the requirements of subsection (a) and which examines and analyzes United States policies concerning the export of conventional arms, especially sophisticated weapons, and possible approaches to developing multilateral limitations on conventional arms sales. This report shall examine and analyze—

[(1) the lessons of earlier efforts to negotiate restraints on the export of conventional arms;

[(2) the evolution of supplier practices and policies;

[(3) the evolution of recipient country attitudes regarding conventional arms transfers;

[(4) the effect upon regional stability and security of conventional arms transfer by the United States and its allies and the Soviet Union and its allies;

[(5) the relationship between arms imports and the external debt of recipient countries, the allocation of their internal resources, and their economic well-being;

[(6) the relationship between arms exports by Western European countries and the needs of those countries to support their domestic military procurement programs;

[(7) the prospects for engaging the Soviet Union in serious discussions concerning arms transfers, both globally and as they relate to regional security problems;

[(8) possible measures by the United States and Western European suppliers to control levels of sophisticated weapons sales, both regionally and globally; and

[(9) the timing and phasing of international conventional arms control negotiations.

[SEC. 130. FOREIGN MILITARY SALES FOR JORDAN.

[(a) MIDDLE EAST PEACE.—The foreign military sales financing authorized by this Act for Jordan is provided and increased in the recognition of progress Jordan has made in the search for a just and lasting peace in the Middle East, to encourage further progress, in recognition of the continuing defense needs of Jordan, and in the expectation that Jordan will enter into direct negotiations with Israel based on United Nations Security Council Resolutions 242 and 338 in order to resolve the state of war between those two countries.

[(b) SENSE OF CONGRESS.—It is the sense of the Congress that no foreign military sales financing authorized by this Act may be used to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new advanced military weapons systems, and no notification may be made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons systems, unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

[(c) CERTIFICATION.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons, shall be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.]

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[TITLE II—ECONOMIC SUPPORT FUND

[SEC. 201. PURPOSES AND USES OF ESF; AUTHORIZATIONS OF APPROPRIATIONS.

[SEC. 201. (a) POLICY REVISIONS AND AUTHORIZATIONS OF APPROPRIATIONS.—Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by striking out sections 531, 532, 533, 534, 536,

537, 538, 539, and 540 and inserting the following new sections after the chapter heading:

[“SEC. 531. AUTHORITY.—(a) The Congress recognizes that, under special economic, political, or security conditions, the national interests of the United States may require economic support for countries or in amounts which could not be justified solely under chapter 1 of part I. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. To the maximum extent feasible, the President shall provide assistance under this chapter consistent with the policy directions, purposes, and programs of part I of this Act.

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

[“(c) As part of the annual presentation materials for foreign assistance submitted to the Congress, the agency primarily responsible for administering this part shall provide a detailed justification for the uses and the purposes of the funds provided under this chapter. Such material shall include, but not be limited to, information concerning the amounts and kinds of cash grant transfers, the amounts and kinds of budgetary and balance-of-payments support provided, and the amounts and kinds of project assistance provided with funds made available under this chapter.

[“(d) To the maximum extent feasible, funds made available pursuant to this chapter for commodity import programs or other program assistance shall be used to generate local currencies, not less than 50 percent of which shall be available to support activities consistent with the objectives of sections 103 through 106 of this Act, and administered by the agency primarily responsible for administering part I of this Act.

[“(e) amounts appropriated to carry out this chapter shall be available for economic programs only and may not be used for military or paramilitary purposes.

[“SEC. 532. AUTHORIZATIONS OF APPROPRIATIONS.—(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter—

[“(1) $2,015,000,000 for the fiscal year 1986 and $2,015,000,000 for the fiscal year 1987 for the following countries signing the Camp David agreement: Israel and Egypt; and

[“(2) $1,785,000,000 for the fiscal year 1986 and $1,785,000,000 for the fiscal year 1987 for assistance under this chapter for recipients or purposes other than the countries referred to in paragraph (1).”.

[“(b) Amounts appropriated to carry out this chapter are authorized to remain available until expended.”.

[(b) EMERGENCY ASSISTANCE.—Section 535 of such Act is amended—

[(1) by striking out "1982" and "1983" inserting in lieu thereof "1986" and "1987", respectively; and

[(2) by redesignating that section as section 533.

[SEC. 202. ASSISTANCE FOR THE MIDDLE EAST

[(a) ISRAEL.—(1) Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $1,200,000,000 for fiscal year 1986 and not less than $1,200,000,000 for fiscal year 1987 shall be available only for Israel.

[(2) The total amounts of funds allocated for Israel under that chapter for fiscal year 1986 and fiscal year 1987 shall be made available as a cash transfer on a grant basis. Such transfer shall be made on an expedited basis in the first 30 days of the respective fiscal year. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfer made to Israel does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

[(b) EGYPT.—(1) Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $815,000,000 for fiscal year 1986 and not less than $815,000,000 for fiscal year 1987 shall be available only for Egypt.

[(2) All of the funds made available to Egypt under that chapter for the fiscal years 1986 and 1987 shall be provided on a grant basis.

[(3) Up to $115,000,000 of the amounts provided for Egypt for each of the fiscal years 1986 and 1987 pursuant to paragraph (1) may be provided as a cash transfer with the understanding that Egypt will undertake economic reforms or development activities which are additional to those which would be undertaken in the absence of the cash transfer.

[(c) COOPERATIVE SCIENTIFIC AND TECHNOLOGICAL PROJECTS.—It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should finance, and where appropriate participate in, cooperative projects of a scientific and technological nature involving Israel and Egypt and other Middle East countries wishing to participate. These cooperative projects should include projects in the fields of agriculture, health, energy, the environment, education, water resources, and the social sciences.

[SEC. 203. ASSISTANCE FOR CYPRUS.

[(a) EARMARKS.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $15,000,000 for fiscal year 1986 and not less than $15,000,000 for fiscal year 1987 shall be available only for Cyprus.

[(b) CYPRUS PEACE AND RECONSTRUCTION FUND.—It is the sense of the Congress that, at the appropriate time, $250,000,000 should be authorized to be appropriated to provide assistance for Cyprus under chapter 4 of part II of the Foreign Assistance Act of 1961 if the President certifies to the Congress that an agreement has been concluded by the Greek and Turkish Cypriots which is supported by Greece and Turkey and which achieves substantial

progress toward settlement of the Cyprus dispute. Such an agreement should include an agreement on Varosha/Famagusta, foreign troop levels in the Republic of Cyprus, the disposition of the international airport on Cyprus, or other significant steps which are evidence of substantial progress toward an overall settlement of the Cyprus dispute.

[SEC. 204. ASSISTANCE FOR PORTUGAL.

[Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $80,000,000 for fiscal year 1986 and $80,000,000 for fiscal year 1987 shall be available only for Portugal.

[SEC. 205. ACQUISITION OF AGRICULTURAL COMMODITIES UNDER COMMODITY IMPORT PROGRAMS.

[The President shall use not less than 18 percent of the funds which are authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for each of the fiscal years 1986 and 1987, and which are made available for commodity import programs, for the purchase of agricultural commodities of United States-origin.

[SEC. 206. TIED AID CREDIT PROGRAM.

[Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated for Commodity Import Programs—

[(1) not less than $50,000,000 for fiscal year 1986, and

[(2) an aggregate of not less than $100,000,000 for both fiscal years 1986 and 1987,

shall be deposited in the fund authorized by subsection (c)(2) of section 645 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635r) and shall be used by the Agency for International Development in carrying out the program of tied aid credits for United States exports which is provided for in that section. Funds that have not been obligated pursuant to the tied aid credit program by the end of the third quarter of the fiscal year for which they were appropriated may be used for other purposes under chapter 4 of part II of the Foreign Assistance Act of 1961 if the Administrator of the Agency for International Development certifies to the Congress that (A) no trade credit application acceptable and timely under the Trade and Development Enhancement Act of 1983 pending, or (B) those funds are not needed for that program because other countries are not engaging in predatory financing practices in order to compete with United States exports.

[SEC. 207. RESTRICTION ON USE OF FUNDS FOR NUCLEAR FACILITIES.

[Funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 or fiscal year 1987 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the International Atomic Energy

Agency, and pursues nonproliferation policies consistent with those of the United States.

[SEC. 208. FISCAL YEAR 1995 SUPPLEMENTAL AUTHORIZATION.

[(a) AUTHORIZATION.—In addition to the amount appropriated for such purpose by Public Law 98–473, there are authorized to be appropriated $2,008,000,000 for fiscal year 1985 to carry out the purposes of chapter 4 of part II of the Foreign Assistance Act of 1961. Of this amount, $1,500,000,000 shall be available only for Israel, $500,000,000 shall be available only for Egypt, and $8,000,000 shall be available only for the Middle East Regional Program. Amounts appropriated pursuant to this section are authorized to remain available until September 30, 1986.

[(b) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act.

[TITLE III—DEVELOPMENT ASSISTANCE

[SEC. 301. DEVELOPMENT ASSISTANCE POLICY.

[Section 102(b) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraphs:

[“(13) United States encouragement of policy reforms is necessary if developing countries are to achieve economic growth with equity.

[“(14) Development assistance should, as a fundamental objective, promote private sector activity in open and competitive markets in developing countries, recognizing such activity to be a productive and efficient means of achieving equitable and long term economic growth.

[“(15) United States cooperation in development should recognize as essential the need of developing countries to have access to appropriate technology in order to improve food and water, health and housing, education and employment, and agriculture and industry.

[“(16) United States assistance should focus on establishing and upgrading the institutional capacities of developing countries in order to promote long term development. An important component of institution building involves training to expand the human resource potential of people in developing countries.”.

[SEC. 302. AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION.

[Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by striking out the first sentence and inserting in lieu thereof the following: “There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes $760,000,000 for fiscal year 1986 and $760,000,000 for fiscal year 1987. Of these amounts, the President may use such amounts as he deems appropriate to carry out the provisions of section 316 of the International Security and Development Cooperation Act of 1980.”.

[SEC. 303. POPULATION AND HEALTH.

[Section 104(g) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(g) AUTHORIZATIONS OF APPROPRIATIONS.—(1) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

[“(A) $290,000,000 for fiscal year 1986 and $290,000,000 for fiscal year 1987 to carry out subsection (b) of this section; and

[“(B) $205,000,000 for fiscal year 1986 and $205,000,000 for fiscal year 1987 to carry out subsection (c) of this section.

[“(2) Funds appropriated under this subsection are authorized to remain available until expended.”.

[SEC. 304. CHILD SURVIVAL FUND.

[Section 104(c)(2)(B) of the Foreign Assistance Act of 1961 is amended by striking out “$25,000,000” and inserting in lieu thereof “$25,000,000 for fiscal year 1986 and $25,000,000 for fiscal year 1987.”

[SEC. 305. PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION.

[(a) POLICY AND GOAL.—Section 104(c) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

[“(3) The Congress recognizes that the promotion of primary health care is a major objective of the foreign assistance program. The Congress further recognizes that simple, relatively low cost means already exist to reduce incidence of communicable diseases among children, mothers, and infants. The promotion of vaccines for immunization, and salts for oral rehydration, therefore, is an essential feature of the health assistance program. To this end, the Congress expects the agency primarily responsible for administering this part to set as a goal the protection of not less than 80 percent of all children, in those countries in which such agency has established development programs, from immunizable diseases by January 1, 1991.”.

[(b) ANNUAL REPORTS.—Each annual report required by section 634 of the Foreign Assistance Act of 1961 shall describe the progress achieved during the preceding fiscal year in carrying out section 104(c)(3) of such Act.

[SEC. 306. EDUCATION AND HUMAN RESOURCES DEVELOPMENT.

[The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended to read as follows: “There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $180,000,000 for fiscal year 1986 and $180,000,000 for fiscal year 1987, which are authorized to remain available until expended.

[SEC. 307. ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES.

[(a) AUTHORIZATIONS.—Section 106(e)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(e)(1) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $207,000,000 for fiscal year 1986 and $207,000,000 for fiscal year 1987.”.

[(b) COOPERATIVE DEVELOPMENT PROGRAM.—Section 106 of such Act is amended by adding at the end thereof the following new subsection:

[“(f) Of the amounts authorized to be appropriated to carry out this chapter, $5,000,000 for fiscal year 1986 and $5,000,000 for fiscal year 1987 shall be used to finance cooperative projects among the United States, Israel, and developing countries.”.

[SEC. 308. PRIVATE SECTOR REVOLVING FUND.

[Section 108(b) of the Foreign Assistance Act of 1961 is amended by striking out “fiscal year 1984, up to $20,000,000” in the first sentence and inserting in lieu thereof “each of the fiscal years 1986 and 1987, up to $18,000,000”.

[SEC. 309. PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES IN OVERSEAS DEVELOPMENT.

[(a) NOTIFICATION DATE.—Section 123(e) of the Foreign Assistance Act of 1961 is amended by striking out “thirty days” in the third sentence and inserting in lieu thereof “one year”.

[(b) EARMARKING FOR PVOs.—Section 123(f) of such Act is amended—

[(1) by striking out “1982, 1983, and 1984” and inserting in lieu thereof “1986 through 1989”;

[(2) by striking out “twelve” and inserting in lieu thereof “thirteen and one half”; and

[(3) by adding at the end thereof the following new sentence: “Funds made available under chapter 4 of part II of this Act for the activities of private and voluntary organizations may be considered in determining compliance with the requirements of this subsection.”.

[SEC. 310. PROMOTION OF DEMOCRATIC COOPERATIVES.

[Section 123 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(h) The Congress recognizes that, in addition to their role in social and economic development, cooperatives provide an opportunity for people to participate directly in democratic decisionmaking. Therefore, assistance under this chapter shall be provided to rural and urban cooperatives which offer large numbers of low-and middle-income people in developing countries an opportunity to participate directly in democratic decisionmaking. Such assistance shall be designed to encourage the adoption of self-help, private sector cooperative techniques and practices which have been successful in the United States.”.

[SEC. 311. USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS, COOPERATIVES, AND THE PRIVATE SECTOR.

[(a) STUDY.—The Administrator of the Agency for International Development shall undertake a comprehensive study of additional ways to provide development assistance through nongovernmental organizations, including United States and indigenous private and voluntary organizations, cooperatives, the business community, and other private entities. Such study shall include—

[(1) an analysis of the percentage of development assistance allocated to governmental and nongovernmental programs;

[(2) an analysis of structural impediments, within both the United States and foreign governments, to additional use of nongovernmental programs; and

[(3) an analysis of the comparative economic benefits of governmental and nongovernmental programs.

[(b) REPORT.—The Administrator shall report the results of this study to the Congress no later than September 30, 1986.

[SEC. 312. TARGETED ASSISTANCE.

[(a) REQUIREMENTS.—Section 128 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 128. TARGETED ASSISTANCE.—(a) The President shall use poverty measurement standards, such as those developed by the International Bank for Reconstruction and Development, and other appropriate measurements in determining target populations for United States development assistance, and shall strengthen United States efforts to assure that a substantial percentage of development assistance under this chapter directly improves the lives of the poor majority, with special emphasis on those individuals living in absolute poverty.

["(b) To the maximum extent possible, activities under this chapter that attempt to increase the institutional capabilities of private organizations or governments, or that attempt to stimulate scientific and technological research, shall be designed and monitored to ensure that the ultimate beneficiaries of these activities are the poor majority.".

[(b) ANNUAL REPORTS.—Section 634(a)(1)(B) of such Act is amended by inserting immediately before the semicolon the following: ", such assessment to include an evaluation of the extent to which programs under chapter 1 of part I directly benefit the poor majority".

[SEC. 313. HOUSING AND OTHER GUARANTY PROGRAMS.

[(a) INCREASING AUTHORIZED HIG PROGRAM LEVEL.—Section 222(a) of the Foreign Assistance Act of 1961 is amended by striking out "$1,958,000,000" in the second sentence and inserting in lieu thereof "$2,158,000,000".

[(b) EXTENDING HIG PROGRAM AUTHORITY.—Such section is further amended by striking out "1986" in the third sentence and inserting in lieu thereof "1988".

[(c) MINIMUM ANNUAL HIG PROGRAM LEVELS.—Section 222 of such Act is amended by adding at the end thereof the following:

["(k) The total principal amount of guaranties issued under this section for each of the fiscal years 1986 and 1987 shall be comparable to the total principal amount of such guaranties issued for fiscal year 1984, subject to the dollar limitations on the issuance of guaranties under this section which are contained in subsection (a) and in appropriation Acts.".

[(d) AGRICULTURAL AND PRODUCTIVE CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROGRAMS.—Section 222A(h) of such Act is amended by striking out "1986" and inserting in lieu thereof "1988".

[SEC. 314. TRADE CREDIT INSURANCE PROGRAM.

[Sec 224(e) of the Foreign Assistance Act of 1961 is amended by striking out "not to exceed $300,000,000 in the fiscal year 1985" and inserting in lieu thereof "except that the aggregate amount of outstanding commitments under subsection (a) may not exceed $300,000,000 of contingent liability for loan principal during fiscal

year 1986 and may not exceed $400,000,000 of contingent liability for loan principal during fiscal year 1987".

[SEC. 315. MINORITY SET-ASIDE.

[Except to the extent that the Administrator of the Agency for International Development determines otherwise, not less than 10 percent of the aggregate of the funds made available for each of the fiscal years 1986 and 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be made available only for activities of economically and socially disadvantaged enterprises (within the meaning of section 133(c)(5) of the International Development and Food Assistance Act of 1977), historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically and socially disadvantaged (within the meaning of section 133(c)(5) (B) and (C) of the International Development and Food Assistance Act of 1977). For purposes of this section, economically and socially disadvantaged individuals shall be deemed to include women.

[TITLE IV—OTHER FOREIGN ASSISTANCE PROGRAMS

[SEC. 401. AMERICAN SCHOOLS AND HOSPITALS ABROAD.

[Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(c)(1) To carry out the purposes of this section, there are authorized to be appropriated to the president $35,000,000 for fiscal year 1986 and $35,000,000 for fiscal year 1987.

["(2) Amounts appropriated under paragraph (1) are authorized to remain available until expended.".

[SEC. 402. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS.

[(a) AUTHORIZATIONS AND EARMARKINGS.—Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) There are authorized to be appropriated to the President $270,000,000 for fiscal year 1986 and $270,000,000 for fiscal year 1987 for grants to carry out the purposes of this chapter, in addition to funds available under other Acts for such purposes. Of the amount appropriated for each of the fiscal years 1986 and 1987 pursuant to these authorizations—

["(A) 59.65 percent shall be for the United Nations Development Program;

["(B) 19.30 percent shall be for the United Nations Children's Fund;

["(C) 7.20 percent shall be for the International Atomic Energy Agency, except that these funds may be contributed to that Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency;

["(D) 5.44 percent shall be for the Organization of American States development assistance programs;

["(E) 3.51 percent shall be for the United Nations Environment Program;

["(F) 0.70 percent shall be for the World Meteorological Organization;

[“(G) 0.70 percent shall be for the United Nations Capital Development Fund;

[“(H) 0.35 percent shall be for the United Nations Education and Training Program for Southern Africa;

[“(I) 0.18 percent shall be for the United Nations Voluntary Fund for the Decade for Women;

[“(J) 0.07 percent shall be for the Convention on International Trade in Endangered Species;

[“(K) 0.70 percent shall be for the World Food Program;

[“(L) 0.18 percent shall be for the United Nations Institute for Namibia;

[“(M) 0.12 percent shall be for the United Nations Trust Fund for South Africa;

[“(N) 0.04 percent shall be for the United Nations Voluntary Fund for Victims of Torture;

[“(O) 0.07 percent shall be for the United Nations Industrial Development Organization;

[“(P) 0.55 percent shall be for the United Nations Development Program Trust Fund to Combat Poverty and Hunger in Africa;

[“(Q) 0.97 percent shall be for contributions to international conventions and scientific organizations;

[“(R) 0.18 percent for the United Nations Centre on Human Settlements (Habitat); and

[“(S) 0.09 percent shall be for the World Heritage Fund.”.

[(b) FISCAL YEAR 1985 CONTRIBUTION TO UNITED NATIONS ENVIRONMENT PROGRAM.—Notwithstanding section 614 of the Foreign Assistance Act of 1961 or any other provision of law, $10,000,000 of the funds appropriated for the fiscal year 1985 to carry out chapter 3 of part I of such Act shall be available only for the United Nations Environment Program. This subsection shall take effect on the date of enactment of this Act.

[SEC. 403. WITHHOLDING OF UNITED STATES PROPORTIONATE SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS.

[Chapter 3 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 307. WITHHOLDING OF UNITED STATES PROPORTIONATE SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS.—(a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this chapter shall be available for the United States proportionate share for programs for the South-West Africa People’s Organization, Libya, Iran, Cuba, or the Palestine Liberation Organization or for projects whose purpose is to provide benefits to the Palestine Liberation Organization or entities associated with it.

[“(b) The Secretary of State—

[“(1) shall review, at least annually, the budgets and accounts of all international organizations receiving payments of any funds authorized to be appropriated by this chapter; and

[“(2) shall report to the appropriate committees of the Congress the amounts of funds expended by each such organization for the purposes described in subsection (a) and the

amount contributed by the United States to each such organization.".

[SEC. 404. INTERNATIONAL DISASTER ASSISTANCE.

[The first sentence of section 492(a) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President to carry out section 491, $25,000,000 for fiscal year 1986 and $25,000,000 for fiscal year 1987.".

[SEC. 405. TRADE AND DEVELOPMENT PROGRAM.

[The first sentence of section 661(b) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $20,000,000 for fiscal year 1986 and $20,000,000 for fiscal year 1987.".

[SEC. 406. OPERATING EXPENSES.

[Section 667(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(1) $387,000,000 for fiscal year 1986 and $387,000,000 for fiscal year 1987 for necessary operating expenses of the agency primarily responsible for administering part I of this Act; and".

[TITLE V—INTERNATIONAL TERRORISM AND FOREIGN AIRPORT SECURITY

[PART A—INTERNATIONAL TERRORISM GENERALLY

[SEC. 501. ANTI-TERRORISM ASSISTANCE PROGRAM.

[(a) AUTHORIZATIONS.—Section 575 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 575. AUTHORIZATIONS OF APPROPRIATIONS.—(a) There are authorized to be appropriated to the President to carry out this chapter $9,840,000 for fiscal year 1986 and $9,840,000 for fiscal year 1987.

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

[(b) ITEMS ON THE MUNITIONS LIST.—Section 573(d)(4) of such Act is amended to read as follows:

["(4)(A) Except as provided in subparagraph (B), articles on the United States Munitions List established pursuant to the Arms Export Control Act may not be made available under this chapter.

["(B) For fiscal years 1986 and 1987, articles on the United States Munitions List may be made available under this chapter if—

["(i) they are small arms in category I (relating to firearms), ammunition in category III (relating to ammunition) for small arms in category I, or articles in category X (relating to protective personnel equipment), and they are directly related to anti-terrorism training being provided under this chapter;

["(ii) the recipient country is not prohibited by law from receiving assistance under one or more of the following provisions; chapter 2 of this part, chapter 5 of this part, or the Arms Export Control Act; and

[“(iii) at least 15 days before the articles are made available to the foreign country, the President notifies the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate of the proposed transfer, in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

[“(C) The value (in terms of original acquisition cost) of all equipment and commodities provided under subsection (a) of this section, including articles described in subparagraph (B)(i) of this paragraph, may not exceed $325,000 in fiscal year 1986 or $325,000 in fiscal year 1987.”.

[(c) RESTRICTION.—Section 573 of such Act is amended by adding at the end thereof the following new subsection:

[“(f) Funds made available to carry out this chapter may not be used for personnel compensation or benefits.”.

[(d) EXPIRATION OF AUTHORITY.—Section 577 of such Act is repealed.]

* * * * * * *

[SEC. 506. INTERNATIONAL ANTI-TERRORISM COMMITTEE.

[The Congress calls upon the President to seek the establishment of an international committee, to be known as the International Anti-Terrorism Committee, consisting of representatives of the member countries of the North Atlantic Treaty Organization, Japan, and such other countries as may be invited and may choose to participate. The purpose of the Committee should be to focus the attention and secure the cooperation of the governments and the public of the participating countries and of other countries on the problems and responses to international terrorism, by serving as a forum at both the political and law enforcement levels.

[SEC. 507. INTERNATIONAL TERRORISM CONTROL TREATY.

[It is the sense of the Congress that the President should establish a process by which democratic and open societies of the world, which are those most plagued by terrorism, negotiate a viable treaty to effectively prevent and respond to terrorist attacks. Such a treaty should incorporate and operative definition of terrorism, and should establish effective close intelligence-sharing, joint counter-terrorist training, and uniform laws on asylum, extradition, and swift punishment for perpetrators of terrorism. Parties to such a treaty should include, but not be limited to, those democratic nations who are most victimized by terrorism.

[SEC. 508. STATE TERRORISM.

[It is sense of the Congress that all civilized nations should firmly condemn the increasing use of terrorism by certain states as an official instrument for promoting their policy goals, as evidenced by such examples as the brutal assassination of Major Arthur D. Nicholson, Junior, by a member of the Soviet armed forces.

[PART B—FOREIGN AIRPORT SECURITY

[SEC. 551. SECURITY STANDARDS FOR FOREIGN AIR TRANSPORTATION.

[(a) SECURITY AT FOREIGN AIRPORTS.—Section 1115 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1515) is amended to read as follows:

["SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION

["ASSESSMENT OF SECURITY MEASURES

["SEC. 1115. (a)(1) The Secretary of Transportation shall conduct at such intervals as the Secretary shall deem necessary an assessment of the effectiveness of the security measures maintained at those foreign airports being served by air carriers, those foreign airports from which foreign air carriers serve the United States, those foreign airports which pose a high risk of introducing danger to international air travel, and at such other foreign airports as the Secretary may deem appropriate.

["(2) Each such assessment shall be made by the Secretary of Transportation in consultation with the appropriate aeronautic authorities of the foreign government concerned and each air carrier serving the foreign airport at which the Secretary is conducting such assessment.

["(3) The assessment shall determine the extent to which an airport effectively maintains and administers security measures. In making an assessment of any airport under this subsection, the Secretary shall use a standard which will result in an analysis of the security measures at such airport based upon, at a minimum, the standards and appropriate recommended practices contained in Annex 17 to the Convention on International Civil Aviation, as those standards and recommended practices are in effect on the date of such assessment.

["CONSULTATION WITH THE SECRETARY OF STATE

["(b) In carrying out subsection (a), the Secretary of Transportation shall consult the Secretary of State with respect to the terrorist threat which exists in each country. The Secretary of Transportation shall also consult with the Secretary of State in order to determine which foreign airports are not under the de facto control of the government of the country in which they are located and pose a high risk of introducing danger to international air travel.

["REPORT OF ASSESSMENTS

["(c) Each report to the Congress required by section 315 of this Act shall contain a summary of the assessments conducted pursuant to subsection (a).

["NOTIFICATION TO FOREIGN COUNTRY OF DETERMINATION

["(d) Whenever, after an assessment in accordance with subsection (a), the Secretary of Transportation determines that an airport does not maintain and administer effective security measures, the Secretary (after advising the Secretary of State) shall notify the appropriate authorities of such foreign government of such deter-

mination, and recommend the steps necessary to bring the security measures in use at that airport up to the standard used by the Secretary in making such assessment.

[“NOTICE AND SANCTIONS

[“(e)(1) Paragraph (2) of this subsection shall become effective—

[“(A) 90 days after notification to the foreign government pursuant to subsection (d), if the Secretary of Transportation finds that the foreign government has failed to bring the security measures at the identified airport up to the standard used by the Secretary in making an assessment of such airport under subsection (a); or

[“(B) immediately upon the Secretary of Transportation's determination under subsection (d) if the Secretary of Transportation determines, after consultation with the Secretary of State, that a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from such airport.

The Secretary of Transportation shall immediately notify the Secretary of State of any determination made pursuant to subparagraph (B) so that the Secretary of State may comply with the requirement of section 552(a) of the International Security and Development Cooperation Act of 1985 that a travel advisory be issued.

[“(2) Subject to paragraph (1), if the Secretary of Transportation determines pursuant to this section that an airport does not maintain and administer effective security measures—

[“(A) the Secretary of Transportation—

[“(i) shall publish the identity of such airport in the Federal Register,

[“(ii) shall cause the identity of such airport to be posted and prominently displayed at all United States airports regularly being served by scheduled air carrier operations, and

[“(iii) shall notify the news media of the identity of such airport;

[“(B) each air carrier and foreign air carrier providing service between the United States and such airport shall provide notice of such determination by the Secretary to any passenger purchasing a ticket for transportation between the United States and such airport, with such notice to be made by written material included on or with such ticket;

[“(C) the Secretary of Transportation, after consultation with the appropriate aeronautical authorities of the foreign government concerned and each air carrier serving such airport, may, notwithstanding section 1102 of this Act and with the approval of the Secretary of State, withhold, revoke, or impose conditions on the operating authority of any air carrier or foreign air carrier to engage in foreign air transportation utilizing such airport; and

[“(D) the President may prohibit air carriers and foreign air carriers from providing service between the United States and any other foreign airport which is directly or indirectly

served by aircraft flying to or from the airport with respect to which the determination is made under this section.

[“(3) The Secretary of Transportation shall promptly submit to the Congress a report (with a classified annex if necessary) on any action taken under this subsection, setting forth information concerning the attempts made to secure the cooperation of the foreign government in meeting the standard used by the Secretary in making the assessment of the airport under subsection (a).

[“LIFTING OF SANCTIONS

[“(f)(1) The sanctions required to be imposed with respect to an airport pursuant to subsection (e)(2)(A) and (B) may be lifted only if the Secretary of Transportation, in consultation with the Secretary of State, has determined that effective security measures are maintained and administered at that airport.

[“(2) The Congress shall be notified if any sanction imposed pursuant to subsection (e) is lifted.

[“AUTHORITY FOR IMMEDIATE SUSPENSION OF AIR SERVICE

[“(g) Notwithstanding sections 1102 and 1114 of this Act, whenever the Secretary of Transportation determines that—

[“(1) a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from a foreign airport, and

[“(2) the public interest requires an immediate suspension of services between the United States and the identified airport,

the Secretary of Transportation shall, without notice or hearing and with the approval of the Secretary of State, suspend the right of any air carrier or foreign air carrier to engage in foreign air transportation to or from that foreign airport and the right of any person to operate aircraft in foreign air commerce to or from that foreign airport.

[“CONDITIONS OF AUTHORITY

[“(h) The provisions of this section shall be deemed to be a condition to any authority granted under title IV or title VI of this Act to any air carrier or any foreign air carrier, issued under authority vested in the Secretary of Transportation.”.

[(b) CONFORMING AMENDMENTS.—

[“(1) INFORMATION IN SEMIANNUAL REPORTS.—Section 315(a) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1356(a)) is amended by adding at the end thereof the following new sentence: “Each semiannual report submitted by the Administrator pursuant to the preceding sentence shall include the information described in section 1115(c) of this Act.”.

[“(2) CIVIL PENALTIES.—Section 901(a)(1) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1471(a)(1)) is amended by inserting “or 1115(e)(2)(B)” after “1114”.

[“(3) TABLE OF CONTENTS.—That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading

[“TITLE XI—MISCELLANEOUS”

[is amended by striking out

[“Sec. 1115. Security standards in foreign air transportation.”.

[and inserting in lieu thereof

[“Sec. 1115. Security standards in foreign air transportation.
[“(a) Assessment of security measures.
[“(b) Consultation with the Secretary of State.
[“(c) Report of assessments.
[“(d) Notification to foreign country of determination.
[“(e) Notice and sanctions.
[“(f) Lifting of sanctions.
[“(g) Authority for immediate suspension of air service.
[“(h) Conditions of authority.”.

[(c) CLOSING OF BEIRUT INTERNATIONAL AIRPORT.—It is the sense of the Congress that the President is urged and encouraged to take all appropriate steps to carry forward his announced policy of seeking the effective closing of the international airport in Beirut, Lebanon, at least until such time as the Government of Lebanon has instituted measures and procedures designed to prevent the use of that airport by aircraft hijackers and other terrorists in attacking civilian airlines or their passengers, hijacking their aircraft, or taking or holding their passengers hostage.

[SEC. 552. TRAVEL ADVISORY AND SUSPENSION OF FOREIGN ASSISTANCE.

[(a) TRAVEL ADVISORY.—Upon being notified by the Secretary of Transportation that the Secretary has determined, pursuant to subsection (e)(1)(B) of section 1115 of the Federal Aviation Act of 1958 that a condition exists that threatens the safety or security of passengers, aircraft, or crew travelling to or from a foreign airport which the Secretary of Transportation has determined pursuant to that section to be an airport which does not maintain and administer effective security measures, the Secretary of State shall immediately issue a travel advisory with respect to that airport. Any travel advisory issued pursuant to this subsection shall be published in the Federal Register. The Secretary of State shall take the necessary steps to widely publicize that travel advisory.

[(b) SUSPENSION OF FOREIGN ASSISTANCE.—The President shall suspend all assistance under the Foreign Assistance Act of 1961 or the Arms Export Control Act to any country in which is located an airport with respect to which section 1115(e)(2) of the Federal Aviation Act of 1958 becomes effective if the Secretary of State determines that such country is a high terrorist threat country. The President may waive the requirements of this subsection if the President determines and reports to the Congress that national security interests or a humanitarian emergency require such waiver.

[(c) LIFTING SANCTIONS.—The sanctions required to be imposed pursuant to this section may be lifted only if, pursuant to section 1115(f) of the Federal Aviation Act of 1958, the Secretary of Transportation, in consultation with the Secretary of State, has determined that effective security measures are maintained and administered at the airport with respect to which the Secretary of Transportation had made the determination described in section 1115 of that Act.

[(d) NOTIFICATION TO CONGRESS.—The Congress shall be notified if any sanction imposed pursuant to this section is lifted.

[SEC. 553. UNITED STATES AIRMARSHAL PROGRAM.

[(a) STUDY OF NEED FOR EXPANSION OF PROGRAM.—The Secretary of Transportation, in coordination with the Secretary of State, shall study the need for an expanded airmarshal program on international flights of United States air carriers. The Secretary of Transportation shall report the results of this study to the Congress within 6 months after the date of enactment of this Act.

[(b) AUTHORITY TO CARRY FIREARMS AND MAKE ARRESTS.—The Secretary of Transportation, with the approval of the Attorney General and Secretary of State, may authorize persons, in connection with the performance of their air transportation security duties, to carry firearms and to make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States, if they have reasonable grounds to believe that the person to be arrested has committed or is committing a felony.

[SEC. 554. ENFORCEMENT OF INTERNATIONAL CIVIL AVIATION ORGANIZATION STANDARDS.

[The Secretary of State and the Secretary of Transportation, jointly, shall call on the member countries of the International Civil Aviation Organization to enforce that Organization's existing standards and to support United States actions enforcing such standards.

[SEC. 555. INTERNATIONAL CIVIL AVIATION BOYCOTT OF COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

[It is the sense of the Congress that the President—

[(1) should call for an international civil aviation boycott with respect to those countries which the President determines—

[(A) grant sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

[(B) otherwise support international terrorism; and

[(2) should take steps, both bilateral and multilateral, to achieve a total international civil aviation boycott with respect to those countries.

[SEC. 556. MULTILATERAL AND BILATERAL AGREEMENTS WITH RESPECT TO AIRCRAFT SABOTAGE, AIRCRAFT HIJACKING, AND AIRPORT SECURITY.

[The Secretary of State shall seek multilateral and bilateral agreement on strengthening enforcement measures and standards for compliance with respect to aircraft sabotage, aircraft hijacking, and airport security.

[SEC. 557. RESEARCH ON AIRPORT SECURITY TECHNIQUES FOR DETECTING EXPLOSIVES.

[In order to improve security at international airports, there are authorized to be appropriated to the Secretary of Transportation from the Airport and Airway Trust Fund (in addition to amounts otherwise available for such purpose) $5,000,000, without fiscal year limitation, to be used for research on and the develop-

ment of airport security devices or techniques for detecting explosives.

* * * * * * *

[TITLE VI—INTERNATIONAL NARCOTICS CONTROL

[SEC. 601. SHORT TITLE.

[This title may be cited as the "International Narcotics Control Act of 1985".

[SEC. 602. AUTHORIZATIONS FOR INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

[Subsection (a)(1) of section 482 of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $57,529,000 for fiscal year 1986 and $57,529,000 for fiscal year 1987.".

[SEC. 603. DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION.

[Section 126(b) of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "and under chapter 4 of part II" immediately after "this chapter"; and

[(2) by inserting "(1)" after "(b)" and by adding at the end thereof the following new paragraph:

["(2) The agency primarily responsible for administering this part may utilize resources for activities aimed at increasing awareness of the effects of production and trafficking of illicit narcotics on source and transit countries.".

[SEC. 604. REPORTS ON INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

[Section 481(b) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(b)(1) Not later than 45 days after the end of each calendar quarter, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the programming and obligation, on a calendar basis, of funds under this chapter prior to the end of that quarter. The last such report for each fiscal year shall include the aggregate obligations and expenditures made, and the types and quantity of equipment provided, on a calendar quarter basis, prior to end of that fiscal year—

["(A) to carry out the purpose of this chapter with respect to each country and each international organization receiving assistance under this chapter, including the cost of the United States personnel engaged in carrying out such purposes in each such country and with each such international organization;

["(B) to carry out each program conducted under this chapter in each country and by each international organization, including the cost of United States personnel engaged in carrying out each such program; and

["(C) for administrative support services within the United States to carry out the purposes of this chapter, including the

cost of United States personnel engaged in carrying out such purposes in the United States.

[“(2) Not later than August 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed midyear report on the activities and operations carried out under this chapter prior to such date. Such midyear report shall included, but not be limited to, the status of each agreement concluded prior to such date with other countries to carry out the purposes of this chapter.”.

[SEC. 605. EXEMPTION FROM BAN ON INVOLVEMENT OF UNITED STATES PERSONNEL IN ARREST ACTIONS IN NARCOTICS CONTROL EFFORTS ABROAD.

[Section 481(c) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

[“(2) Paragraph (1) of this subsection shall not prohibit officers and employees of the United States from being present during direct police arrest actions with respect to narcotic control efforts in a foreign country to the extent that the Secretary of State and the government of that country agree to such an exemption. The Secretary of State shall report any such agreement to the Congress before the agreement takes effect.”.

[SEC. 606. ANNUAL REPORTS ON INVOLVEMENT OF FOREIGN COUNTRIES IN ILLICIT DRUG TRAFFIC.

[Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

[“(6) Each report pursuant to this subsection shall describe the involvement of any foreign government (including any communist government) in illicit drug trafficking during the preceding fiscal year, including—

[“(A) the direct or indirect involvement of such government (or any official thereof) in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, and

[“(B) any other activities of such government (or any official thereof) which have facilitated illicit drug trafficking.”.

[SEC. 607. PROCUREMENT OF WEAPONS TO DEFEND AIRCRAFT INVOLVED IN NARCOTICS CONTROL EFFORTS.

[Of the funds available to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), $1,000,000 for each of the fiscal years 1986 and 1987 shall be made available to arm, for defensive purposes, aircraft used in narcotic control eradication or interdiction efforts. The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate shall be notified of the use of any such funds for that purpose at least 15 days in advance in accordance with the reprogramming procedures applicable under section 634A of the Foreign Assistance Act of 1961.

[SEC. 608. REQUIREMENT FOR COST-SHARING IN INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAMS.

[Section 482 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(d) Assistance may be provided under this chapter to a foreign country only if the country provides assurances to the President, and the President is satisfied, that the country will provide at least 25 percent of the costs of any narcotics control program, project, or activity for which such assistance is to be provided. The costs borne by the country may include ‘in-kind’ contributions.”.

[SEC. 609. PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS.

[Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 483. PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS.—Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated.”.

[SEC. 610. ASSISTANCE FOR JAMAICA.

[In allocating assistance for Jamaica for fiscal year 1986 under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), the President shall give major consideration to whether the Government of Jamaica has prepared, presented, and committed itself to a comprehensive plan or strategy for the control and reduction of illicit cultivation, production, processing, transportation, and distribution of marijuana within a specifically stated period of time.

[SEC. 611. ASSISTANCE FOR BOLIVIA.

[Assistance may be provided to Bolivia for fiscal years 1986 and 1987 under chapter 2 (relating to grant military assistance), chapter 4 (relating to the economic support fund), and chapter 5 (relating to international military education and training) of part ((of the Foreign Assistance Act of 1961, and under chapter 2 of the Arms Export Control Act (relating to foreign military sales financing), only under the following conditions:

[(1) For fiscal year 1986—

[(A) up to 50 percent of the aggregate amount of such assistance allocated for Bolivia may be provided at any time after the President certifies to the Congress that the Government of Bolivia has enacted legislation that will establish its legal coca requirements, provide for the licensing of the number of hectares necessary to produce the legal requirement, and make unlicensed coca production illegal; and

[(B) the remaining amount of such assistance may be provided at any time following a certification pursuant to subparagraph (A) if the President certifies to the Congress that the Government of Bolivia has achieved the eradication targets for the calendar year 1985 contained in its 1983 narcotics agreements with the United States.

[(2) For fiscal year 1987, such assistance may not be provided unless the President certifies to the Congress that the Government of Bolivia has developed a plan to eliminate illicit narcotics production countrywide and is prepared to enter into an agreement with the United States to implement that plan. If that certification is made, then—

[(A) up to 50 percent of the aggregate amount of such assistance allocated for Bolivia may be provided at any time after the President certifies to the Congress that Bolivia has engaged in narcotics interdiction operations which have significantly disrupted the illicit coca industry in Bolivia or has cooperated with the United States in such operations; and

[(B) the remaining amount of such assistance may be provided at any time after the President certifies to the Congress that Bolivia has either met in calendar year 1986 the eradication targets for the calendar year 1985 contained in its 1983 narcotics agreements with the United States or has entered into an agreement of cooperation with the Untied States for implementing that plan for 1987 and beyond (including numerical eradication targets) and is making substantial progress toward the plan's objectives, including substantial eradication of illicit coca crops and effective use of United States assistance.

In the certification required by subparagraph (B), the President shall explain why the terms of the 1983 agreement provided unattainable and the reasons why a new agreement was necessary.

[SEC. 612. ASSISTANCE TO PERU.

[(a) CONDITIONS ON ASSISTANCE.—United States assistance (as defined by section 481(i)(4) of the Foreign Assistance Act of 1961) may be provided for Peru—

[(1) for fiscal year 1986, only if the President reports to the Congress that the Government of Peru has demonstrated substantial progress in developing a plan that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirement, and eliminate illicit and unlicensed coca production; and

[(2) for fiscal year 1987, only if the President reports to the Congress that the Government of Peru has developed such a plan and is implementing it.

[(b) UPPER HUALLAGA VALLEY PROJECT.—Funds authorized to be appropriated for fiscal year 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) may be made available for the project of the Agency for International Development in the Upper Huallaga Valley of Peru only if the Administrator of that Agency, after consultation with the Congress, determines that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley. The assistance for Peru described in this subsection may be provided only if the report required by subsection (a)(2) has been submitted to the Congress.

[SEC. 613. REALLOCATION OF FUNDS IF CONDITIONS NOT MET.

[If any of the assistance described in section 611 is not provided for Bolivia because the conditions specified in that section are not met, or if any of the assistance described in sections 612(a) is not provided for Peru because the conditions specified in that section are not met, the President shall reprogram such assistance in

order to provide additional assistance to countries which have taken significant steps to halt illicit drug production or trafficking.

[SEC. 614. CONDITIONS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL.

[Section 482(a) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(3) Funds authorized to be appropriated by this section for fiscal year 1986 and for fiscal year 1987 may be used for a contribution to the United Nations Fund for Drug Abuse Control only if that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country.".

[SEC. 615. LATIN AMERICAN REGIONAL NARCOTICS CONTROL ORGANIZATION.

[(a) FEASIBILITY STUDY.—The Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall conduct a study of the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information-sharing and a regional enforcement unit.

[(b) REPORT.—No later than six months after the date of enactment of this Act, a report on the advisability of encouraging the establishment of such an organization shall be submitted to the Committee on Foreign Affairs and the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations and the Committee on the Judiciary of the Senate.

[SEC. 616. GREATER EFFORT BY UNITED STATES ARMED FORCES TO SUPPORT NARCOTICS CONTROL EFFORTS ABROAD.

[No later than 60 days after the date of enactment of this Act, the President shall report to the Congress on why the United States Armed Forces should not exert greater effort in facilitating and supporting interception of narcotics traffickers, and in gathering narcotics-related intelligence, outside the United States.

[SEC. 617. CUBAN DRUG TRAFFICKING.

[(a) FINDINGS.—The Congress finds that—

[(1) the subject of the flow, use, and control of narcotic and psychotropic substances is a matter of great international importance;

[(2) the problem of drug abuse and drug trafficking continues to worsen throughout most parts of the world;

[(3) the concerns of the governments of many countries have become manifest in several bilateral and multilateral narcotics control projects;

[(4) United Nations agencies monitor and apply controls on the flow and use of drugs and coordinate multilateral efforts to control production, trafficking, and abuse of drugs;

[(5) the United Nations Fund for Drug Abuse Control funds narcotics projects throughout the world and has been a vehicle since 1971 for multilateral implementation of narcotics control and reduction programs;

[(6) the International Narcotics Control Board is charged with monitoring compliance with the Single Convention on

Narcotic Drugs, 1961, and the Convention on Psychotropic Substances, and Cuba is a party to both Conventions;

[(7) the United Nations Commission on Narcotic Drugs is responsible for formulating polices, coordinating activities, supervising the implementation of international conventions, and making recommendations to governments for international drug control;

[(8) the promotion of drug abuse and participation in drug trafficking is universally considered egregious criminal behavior wherever it occurs, whether it occurs locally, nationally, or internationally;

[(9) a Federal grand jury of the United States has indicted four prominent Cuban officials on charges of conspiring to smuggle drugs into the Untied States;

[(10) United States Government officials have testified at several congressional hearings that the Government of Cuba is facilitating the flow of illicit drugs into the United States in order to obtain hard currency, support guerrilla/terrorist activities, and undermine United States society; and

[(11) such alleged conduct on the part of the Government of Cuba would be injurious to the world community and counter to the general principle of international law that no country has the right to use or permit the use of its territory in such a manner as to injure another country or persons therein.

[(b) RECOMMENDED ACTIONS.—It is the sense of the Congress that the President should—

[(1) acting through the Permanent Representative on the United States to the United Nations, take such steps as may be necessary to place the question of the involvement by the Government of Cuba in illicit drug trafficking on the agenda of the United Nations;

[(2) acting through the Representative of the United States to the Organization of American States, request the Organization of American States to consider this question as soon as possible; and

[(3) request other appropriate international organizations and international forums to consider this question.

[(c) REPORT.—The President shall report to the Congress on the actions taken pursuant to this section.

[SEC. 618. PROHIBITION ON ASSISTANCE TO COUNTRIES WHICH DO NOT TAKE ADEQUATE STEPS TO HALT DRUG TRAFFICKING.

[Section 481(h) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

["(4) In addition to the requirements applicable to major illicit drug producing countries pursuant to paragraph (1), the President shall not provide any assistance under this Act or the Arms Export Control Act to any other country which the President determines has not taken adequate steps to prevent—

["(A) the processing (in whole or in part) in such country of narcotic and psychotropic drugs or other controlled substances,

[“(B) the transportation through such country of narcotic and psychotropic drugs or other controlled substances, and

[“(C) the use of such country as a refuge for illegal drug traffickers.”.

[SEC. 619. DRUG TRAFFICKING AND THE PROBLEM OF TOTAL CONFIDENTIALITY OF CERTAIN FOREIGN BANK ACCOUNTS.

[(a) FINDINGS.—The Congress finds that—

[(1) several banks in Latin America and the Caribbean are used by narcotics traffickers as depositories for money obtained in providing illicit drugs to the United States and other countries of the region;

[(2) offshore banks which provide total confidentiality provide a service which materially assists the operations of illicit drug traffickers; and

[(3) cooperation in gaining access to the bank accounts of such narcotics traffickers would materially assist United States authorities in controlling the activities of such traffickers.

[(b) POLICY.—The Congress—

[(1) requests the President to negotiate treaties or appropriate international agreements with all countries providing confidential banking services (giving high priority to countries in the Caribbean region) to provide disclosure to the United States Government of information contained in official records, and in records of bank accounts, concerning persons under investigation for violations of United States law, in particular those regarding international drug trafficking;

[(2) directs the President to include reports on the results of such efforts in the annual International Narcotics Control Strategy Report; and

[(3) reaffirms its intention to obtain maximum cooperation on the part of all governments for the purpose of halting international drug trafficking, and constantly to evaluate the cooperation of those governments receiving assistance from the United States.

[TITLE VII—WESTERN HEMISPHERE

[SEC. 701. CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE.

[Part I of the Foreign Assistance Act of 1961 is amended by adding after chapter 5 the following new chapter:

[“CHAPTER 6—CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE

[“SEC. 461. STATEMENT OF POLICY.—(a) The congress finds that—

[“(1) the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States; and

[“(2) the interrelated issues of social and human progress, economic growth, political reform, and regional security must

be effectively dealt with to assure a democratic and economically and politically secure Central America.

[“(b)(1) The achievement of democracy, respect for human rights, peace, and equitable economic growth depends primarily on the cooperation and the human and economic resources of the people and governments of Central America. The Congress recognizes that the United States can make a significant contribution to such peaceful and democratic development through a consistent and coherent policy which includes a long-term commitment of assistance. This policy should be designed to support actively—

[“(A) democracy and political reform, including opening the political process to all members of society;

[“(B) full observance of internationally recognized human rights, including free elections, freedom of the press, freedom of association, and the elimination of all human rights abuses;

[“(C) leadership development, including training and educational programs to improve public administration and the administration of justice;

[“(D) land reform, reform in tax systems, encouragement of private enterprise and individual initiative, creation of favorable investment climates, curbing corruption where it exists, and spurring balanced trade;

[“(E) the establishment of the rule of law and an effective judicial system; and

[“(F) the termination of extremist violence by both the left and the right as well as vigorous action to prosecute those guilty of crimes and the prosecution to the extent possible of past offenders.

[“(2) The policy described in paragraph (1) should also promote equitable economic growth and development, including controlling the flight of capital and the effective use of foreign assistance and adhering to approved programs for economic stabilization and fiscal responsibility. Finally, this policy should foster dialog and negotiations—

[“(A) to achieve peace based upon the objectives of democratization, reduction of armament, and end to subversion, and the withdrawal of foreign military forces and advisers; and

[“(B) to provide a security shield against violence and intimidation.

[“(3) It is the purpose of this chapter to establish the statutory framework and to authorize the appropriations and financing necessary to carry out the policy described in this section.

[“(c) The Congress finds, therefore, that the people of the United States are willing to sustain and expand a program of economic and military assistance in central America if the recipient countries can demonstrate progress toward and a commitment to these goals.

[“SEC. 462. CONDITIONS ON FURNISHING ASSISTANCE.—The President shall ensure that assistance authorized by this Act and the Arms Export Control Act to Central American countries is furnished in a manner which fosters demonstrated progress toward and commitment to the objectives set forth in section 461. Where necessary to achieve this purpose, the President shall impose conditions on the furnishing of such assistance. In carrying out this section, the President shall consult with the Congress in regard to

progress toward the objectives set forth in section 461, and any conditions imposed on the furnishing of assistance in furtherance of those objectives.

[“SEC. 463. PEACE PROCESS IN CENTRAL AMERICA.—The Congress—

[“(1) strongly supports the initiatives taken by the Contadora group and the resulting Document of Objectives which has been agreed to by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua and which sets forth a framework for negotiating a peaceful settlement to the conflict and turmoil in the region; and

[“(2) finds that the United States should provide such assistance and support as may be appropriate in helping to reach comprehensive and verifiable final agreements, based on the Document of Objectives, which will ensure peaceful and enduring solutions to the Central American conflicts.

[“SEC. 464. ECONOMIC ASSISTANCE COORDINATION.—(a) The Congress finds that participation by Central American countries in an effective forum for dialog on, and the continuous review and advancement of, Central America's political, economic, and social development would foster cooperation between the United States and Central American countries.

[“(b) It is the sense of the Congress that—

[“(1) the President should enter into negotiations with the countries of Central America to establish a Central American Development Organization (hereafter in this section referred to as the 'Organization') to help provide a continuous and coherent approach to the development of the Central American region; and

[“(2) the establishment of the Organization should be based upon the following principles:

[“(A) Participation in the Organization should be open to the United States, other donors, and those Central American countries that commit themselves to, among other things, respecting internationally recognized human rights, building democracy, and encouraging equitable economic growth through policy reforms.

[“(B) The Organization should be structured to include representatives from both the public and private sectors, including representatives from the labor, agriculture, and business communities.

[“(C) The Organization should meet periodically to carry out the functions described in subparagraphs (D) and (E) of this paragraph and should be supported by a limited professional secretariat.

[“(D) The Organization should make recommendations affecting Central American countries on such matters as—

[“(i) political, economic, and social development objectives, including the strengthening of democratic pluralism and the safeguarding of internationally recognized human rights;

[“(ii) mobilization of resources and external assistance needs; and

[“(iii) reform of economic policies and structures.

[“(E) The Organization should have the capacity for monitoring country performance on recommendations issued in accordance with subparagraph (D) of this paragraph and for evaluating progress toward meeting such country objectives.

[“(F) To the maximum extent practicable, the United States should follow the recommendations of the Organization in disbursing bilateral economic assistance for any Central American country. No more than 75 percent of such United States assistance in any fiscal year should be disbursed until the recommendations of the Organization for that fiscal year have been made final and communicated to the donor countries. The limitation on disbursements contained in the preceding sentence should apply only to recommendations made final and communicated to donor countries prior to the fourth quarter of such fiscal year. The United States representative to the Organization should urge other donor countries to similarly implement the recommendations of the Organization.

[“(G) The administrator of the agency primarily responsible for administering part I of this Act, or his designee, should represent the United States Government in the Organization and should carry out his functions in that capacity under the continuous supervision and general direction of the Secretary of State.

[“(c) Subject to subsection (d)(2), the President is authorized to participate in the Organization.

[“(d)(1) The administrator of the agency primarily responsible for administering part I of this Act, under the supervision and direction of the Secretary of State, shall prepare a detailed proposal to carry out this section and shall keep the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate fully and currently informed concerning the development of this proposal.

[“(2) The President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a copy of the text of any agreement, which he proposes to sign, that would provide for the establishment of and United States participation in the Organization no less than sixty days prior to his signature. During that sixty-day period there shall be full and formal consultations with and review by those committees in accordance with procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

[“SEC. 465. AUTHORIZATIONS FOR FISCAL YEARS 1988 AND 1989.—(a) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President, for the purpose of furnishing nonmilitary assistance for Central American countries, $1,200,000,000 for each of the fiscal years 1988 and 1989, which are authorized to remain available until expended.

[“(b) For the purpose of providing the assistance described in subsection (a), funds appropriated pursuant to the authorizations in that subsection may be transferred by the President for obligation in accordance with the authorities of part I of this Act (including chapter 4 of part II), the Peace Corps Act, the Migration and

Refugee Assistance Act of 1962, the United States Information and Education Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, the National Endowment for Democracy Act, and the State Department Basic Authorities Act of 1956.

[“SEC. 466. DEFINITIONS.—For the purposes of this chapter, the term ‘Central American countries’ includes Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and regional programs which benefit such countries.”.

[SEC. 702. EL SALVADOR.

[(a) SUPPORT FOR EL SALVADOR.—The Congress finds that—

[(A) a free and democratic El Salvador is in the security interest of the United States;

[(B) Jose Napoleon Duarte was elected President of El Salvador in 1984 in the most democratic election held in El Salvador in many years;

[(C) political violence in El Salvador has declined dramatically under President Durate’s leadership;

[(D) President Duarte’s policies of respect for human rights, political pluralism, dialogue and reconciliation with the Salvadoran guerrilla forces, legal and social reform, and effective defense against the violent overthrow of the Salvadoran government are deserving of praise from all who believe in a democratic form of government;

[(E) the March 31, 1985, legislative and municipal elections were successfully carried out, with 64 percent of the electorate defying guerrilla attacks to vote;

[(F) the victory of President Duarte’s Christian Democratic Party reaffirms the support for these policies by his fellow citizens, the essential test of any government or movement;

[(G) in spite of the state of siege technically in effect due to the insurgent threat, observance of free speech, free press, and free assembly are widely enjoyed in El Salvador and permit public airing of opposing political views;

[(H) President Duarte is firmly committed to judicial reform and prosecution of cases involving “death squads”;

[(I) President Duarte’s leadership and popular support has notably weakened the popular support given the guerrillas, as evidenced by the high levels of voter participation in the free elections held in El Salvador since 1982, the reduction in territory in which the guerrillas can freely operate, their inability to mount frontal military attacks, and their resort to economic sabotage, ambushes, political assassination, and urban terrorism with blatant disregard for basic human rights; and

[(J) President Duarte has succeeded in reversing the decline in his country’s economy which, though still weak, has better prospects than in recent years.

[(2) Therefore, it is the sense of the Congress that—

[(A) President Duarte is to be congratulated for his outstanding leadership under difficult circumstances and for his efforts to foster democratic government and institutions in his country, and he is encouraged to continue his efforts to promote political pluralism, democratic institutions, and respect for human rights in his country; and

[(B) the armed services of El Salvador are to be congratulated for their improved performance and professionalism in defending Salvadoran citizens and their democratically elected government from attack by armed insurgents, and especially for their role in helping to protect and uphold the electoral process.

[(3) The Congress reaffirms the importance of continued support for democratic principles and institutions and respect for human rights by the various sectors of Salvadoran society, which is a major factor in United States support for El Salvador.

[(b) OBJECTIVES.—The Congress expects that—

[(1) the Government of El Salvador will be willing to pursue a dialogue with the armed opposition forces and their political representatives for the purposes of achieving an equitable political settlement of the conflict, including free and fair elections;

[(2) the elected civilian government will be in control of the Salvadoran military and security forces, and those forces will comply with applicable rules of international law and with Presidential directives pertaining to the protection of civilians during combat operations, including Presidential directive C–111–03–984 (relating to aerial fire support);

[(3) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in ending the activities of the death squads;

[(4) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in establishing an effective judicial system; and

[(5) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in implementing the land reform program.

[(c) REPORTS.—On October 1, 1985, April 1, 1986, October 1, 1986, and April 1, 1987, the President shall report to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate on the extent to which the objectives described in subsection (b) are being met. With respect to the objective described in paragraph (4) of that subsection, each report shall discuss whether the commission proposed by the President of El Salvador to investigate human rights cases has been established, funded, and given sufficient investigative powers; whether the evidence that commission collects may be used in the Salvadoran judicial process; whether that commission has issued a comprehensive report with regard to its investigation of all Americans murdered in El Salvador; and whether those responsible for the Las Hojas massacre are being prosecuted.

[(d) AIRCRAFT FOR AERIAL WARFARE.—(1) The authorities of part II of the Foreign Assistance Act of 1961 and the Arms Export Control Act may not be used to make available to El Salvador any helicopters or other aircraft, and licenses may not be issued under section 38 of the Arms Export Control Act for the export to El Salvador of any such aircraft, unless the Committee on Foreign Affairs

of the House of Representatives and the Committee on Foreign Relations of the Senate are notified at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

[(2) Paragraph (1) shall take effect on the date of enactment of this Act and shall remain in effect until October 1, 1987.

[(e) SPECIAL ACCOUNT FOR LOCAL CURRENCIES.—(1) All local currencies, which are generated with the funds provided to El Salvador for balance-of-payments support for fiscal years 1986 and 1987 under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), shall be deposited in accordance with section 609 of that Act in a special account established by the Government of El Salvador.

[(2) Local currencies deposited pursuant to paragraph (1) shall be used for projects assisting agrarian reform and the agricultural sector (and particular emphasis shall be placed on projects for these purposes); judicial reform; employment generation; health, education, and other social services; infrastructure repair; and credits and other support for the private sector (principally for small and medium sized businesses).

[(3) For purposes of this subsection—

[(A) the term "agrarian reform" means projects assisting or enhancing the abilities of agencies, cooperatives, and farms to implement land reform decrees in El Salvador, notwithstanding section 620(g) of the Foreign Assistance Act of 1961; and

[(B) the term "judicial reform" means projects assisting or enhancing the abilities of agencies of the Salvadoran Government to investigate and prosecute politically motivated violence.

[(f) DEVELOPMENT ASSISTANCE.—Of the amounts available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, $79,600,000 for fiscal year 1986 and $79,600,000 for fiscal year 1987 shall be available only for El Salvador.

[(g) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance authorized by this Act which is allocated for El Salvador shall be suspended if the elected President of that country is deposed by military coup or decree.

[SEC. 703. ASSISTANCE FOR GUATEMALA.

[(a) CONDITIONS ON MILITARY ASSISTANCE AND SALES.—For fiscal years 1986 and 1987, assistance may be provided for Guatemala under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) and sales may be made and financing may be provided for Guatemala under the Arms Export Control Act (relating to foreign military sales) only if the President makes the following certifications to the Congress:

[(1) For fiscal year 1986, an elected civilian government is in power in Guatemala and has submitted a formal written request to the United States for the assistance, sales, or financing to be provided.

[(2) For both fiscal years 1986 and 1987, the Government of Guatemala made demonstrated progress during the preceding year—

[(A) in achieving control over its military and security forces,

[(B) toward eliminating kidnappings and disappearances, forced recruitment into the civil defense patrols, and other abuses by such forces of internationally recognized human rights, and

[(C) in respecting the internationally recognized human rights of its indigenous Indian population.

[(b) CONSTRUCTION EQUIPMENT AND MOBILE MEDICAL FACILITIES AND RELATED TRAINING.—If the conditions specified in subsection (a) are met, Guatemala may be provided with the following for fiscal years 1986 and 1987 (in addition to such other assistance, sales, or financing as may be provided for Guatemala):

[(1) Sales of construction equipment and mobile medical facilities to assist in development programs that will directly assist the poor in Guatemala.

[(2) Sales of training, to be provided outside of Guatemala, which is related to the sales described in paragraph (1).

[(3) A total for both fiscal years 1986 and 1987 of no more than $10,000,000 in credits under the Arms Export Control Act for sales described in paragraphs (1) and (2).

Such sales and credits shall be provided only to enable the military forces of Guatemala to obtain equipment and training for civilian engineering and construction projects and mobile medical teams, which would not be used in the rural resettlement program.

[(c) PROHIBITION ON FURNISHING WEAPONS.—Funds required to be appropriated by title I of this Act may not be used for the procurement by Guatemala of any weapons or ammunition.

[(d) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance authorized by this Act which is allocated for Guatemala shall be suspended if the elected civilian government of that country is deposed by military coup or decree.

[(e) RURAL RESETTLEMENT PROGRAM.—Assistance provided for Guatemala for the fiscal year 1986 and fiscal year 1987 under chapter 1 of part I (relating to development assistance) or under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961—

[(1) may not be provided to the Government of Guatemala for use in its rural resettlement program; and

[(2) shall be provided through private and voluntary organizations to the maximum extent possible.

[(f) INVITATION FOR ICRC TO VISIT GUATEMALA.—The Congress calls upon the President to urge the Government of Guatemala to allow the International Committee of the Red Cross—

[(1) to conduct an unimpeded visit to Guatemala in order to investigate humanitarian needs in that country and to report on human rights abuses in that country; and

[(2) to investigate the possibilities of its providing humanitarian services in that country.

[(g) RELATIONS BETWEEN BELIZE AND GUATEMALA.—It is the sense of the Congress that the United States should use its good offices and influences to encourage the Government of Guatemala to recognize the independence of Belize and to enter into a mutual nonaggression treaty with Belize.

[(h) HUMAN RIGHTS GROUPS IN GUATEMALA.—(1) The Congress finds that—

[(A) the Group for Mutual Support was formed in 1984 to protest the disappearances of Guatemalan civilians;

[(B) the Group for Mutual Support has carried out its work in a peaceful, non-ideological manner, and is the only indigenous human rights group operating in Guatemala; and

[(C) two of the Group's six steering committee members, Hector Gomez and Maria Rosario Godyo de Cuevas, were recently killed.

[(2) It is the sense of the Congress that—

[(A) human rights groups in Guatemala, particularly the Group for Mutual Support, should be allowed to carry out their work against human rights abuses with the full cooperation, protection, and support of the Government of Guatemala; and

[(B) whether the Government of Guatemala allows human rights groups, including the Group for Mutual Support, to carry out their work should be taken into account by the United States in determining whether there is human rights progress in Guatemala.

[SEC. 704. REFUGEES IN HONDURAS.

[Funds authorized to be appropriated by this Act and funds authorized to be appropriated for the "Migration and Refugee Assistance" account for fiscal years 1986 and 1987—

[(1) which are to be used for refugee assistance or other assistance for Nicaraguan Indian refugees in Honduras shall be channeled, to the maximum extent possible, through the United Nations High Commissioner for Refugees, the International Committee of the Red Cross, the Intergovernmental Committee for Migration, or other established and recognized international refugee relief organizations; and

[(2) may not be used to facilitate the involuntary repatriation of Salvadoran refugees who are in Honduras.

[SEC. 705. PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI.

[(a) USE OF PVOS.—To the maximum extent practicable, assistance for Haiti under chapter 1 of part I (relating to development assistance) and under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

[(b) CONDITIONS ON ASSISTANCE.—Funds available for fiscal year 1986 and for fiscal year 1987 to carry out chapter 1 of part I (relating to development assistance), chapter 4 of part II (relating to the economic support fund), or chapter 5 of part II (relating to international military education and training) of the Foreign Assistance Act of 1961 may be obligated for Haiti only if the President determines that the Government of Haiti—

[(1) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti;

[(2) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years); and

[(3) is making progress toward improving the human rights situation in Haiti and progress toward implementing political reforms which are essential to the development of democracy in Haiti, such as progress toward the establishment of political parties, free elections, free labor unions, and freedom of the press.

[(c) REPORTS TO THE CONGRESS.—Not later than one year after the date of the enactment of this Act and one year thereafter, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each paragraph of subsection (b).

[(d) ASSISTANCE IN HALTING ILLEGAL EMIGRATION FROM HAITI.—Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961 (relating to police training), funds made available under such Act may be used for programs with Haiti, which shall be consistent with prevailing United States refugee policies, to assist in halting significant illegal emigration from Haiti to the United States.

[(e) LIMITATION ON MAP AND FMS FINANCING.—Assistance may not be provided for Haiti for fiscal year 1986 or fiscal year 1987 under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) or under the Arms Export Control Act (relating to foreign military sales financing), except for necessary transportation, maintenance, communications, and related articles and services to enable the continuation of migrant and narcotics interdiction operations.

[(f) LITERACY AND OTHER EDUCATION PROGRAMS.—Of the amounts authorized to be appropriated to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) which are allocated for Haiti, $1,000,000 for fiscal year 1986 and $1,000,000 for fiscal year 1987 shall be available only for literacy and other education programs in Haiti.

[SEC. 706. MILITARY ASSISTANCE FOR PARAGUAY.

[For the fiscal years 1986 and 1987, none of the funds authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) or to carry out the Arms Export Control Act (relating to foreign military sales financing) may be used for assistance for Paraguay unless the President certifies to the Congress that the Government of Paraguay has ended the practice of torture and abuse of individuals held in detention by its military and security forces and has instituted procedures to ensure that those arrested are promptly charged and brought to trial.

[SEC. 707. ASSISTANCE FOR PERU.

[(a) HUMAN RIGHTS TRAINING IN IMET PROGRAMS.—Respect for internationally recognized human rights shall be an important component of the training provided for Peru under chapter 5 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 and for fiscal year 1987.

[(b) STRENGTHENING THE PERUVIAN JUDICIAL SYSTEM.—Of the amount authorized to be appropriated by this Act to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), $1,000,000 for fiscal year 1986 and

$1,000,000 for fiscal year 1987 shall be used to strengthen the judicial system in Peru under section 534 of the Foreign Assistance Act of 1961 (relating to administration of justice).

[SEC. 708. INTER-AMERICAN FOUNDATION.

[The first sentence of section 401(s)(2) of the Foreign Assistance Act of 1969 is amended to read as follows: "There are authorized to be appropriated $11,969,000 for fiscal year 1986 and $11,969,000 for fiscal year 1987 to carry out the purposes of this section.".

[SEC. 709. COMPREHENSIVE REPORTS ON ASSISTANCE FOR LATIN AMERICA AND THE CARIBBEAN.

[(a) REQUIREMENT FOR COMPREHENSIVE ACCOUNTING OF ASSISTANCE.—In the annual reports required by section 634 of the Foreign Assistance Act of 1961, the President shall provide to the Congress a full, complete, and detailed accounting of all assistance provided during the fiscal years 1986 and 1987 for Latin America and the Caribbean under the Foreign Assistance Act of 1961 and the Arms Export Control Act.

[(b) INFORMATION TO BE INCLUDED.—The report provided pursuant to subsection (a) shall include for each fiscal year, among other things, the following with respect to each authorization account:

[(1) The specific projects and other activities carried out in each country.

[(2) The number of persons from each country who were provided with training, and the types of training provided.

[(3) The defense articles and defense services provided for each country.

[(4) The types of goods and commodities provided to each country for economic stabilization purposes under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), and a copy of each agreement for the furnishing of any assistance under that chapter.

[(5) The amounts of local currency generated by United States assistance to each country, the uses of those currencies, and the total amount of those currency still available for use as of the time of the report.

[(6) A report on any transfers or reprogrammings of funds, and a description of how transferred or reprogrammed funds modified the amounts requested for each account.

[(7) A report on the funds which have been obligated but remain unexpended for each country in each account.

[(8) An analysis of the amount of funds and programs provided through nongovernmental as contrasted to governmental channels.

[SEC. 710. USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS.

[To the maximum extent practicable, assistance under chapter 1 of part I (relating to development assistance) and chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 for countries in Latin America and the Caribbean should be provided through private and voluntary organizations which have a proven record of development assistance efforts overseas.

[SEC. 711. ASSISTANCE FOR LAW ENFORCEMENT AGENCIES.

[Section 660 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

["(c) Subsection (a) shall not apply with respect to a country which has a longstanding democratic tradition, does not have standing armed forces, and does not engage in a consistent pattern of gross violations of internationally recognized human rights.

["(d) Notwithstanding the prohibition contained in subsection (a) assistance may be provided to Honduras or El Salvador for fiscal years 1986 and 1987 if, at least 30 days before providing assistance, the President notifies the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act, that he has determined that the government of the recipient country has made significant progress, during the preceding six months, in eliminating any human rights violations including torture, incommunicado detention, detention of persons solely for the nonviolent expression of their political views, or prolonged detention without trial. Any such notification shall include a full description of the assistance which is proposed to be provided and of the purposes to which it is to be directed.".

[SEC. 712. ADMINISTRATION OF JUSTICE.

[Chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), as amended by title II of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 534. ADMINISTRATION OF JUSTICE.—(a) The President may furnish assistance under this chapter to countries and organizations, including national and regional institutions, in order to strengthen the administration of justice in countries in Latin America and the Caribbean.

["(b) Assistance under this section may only include—

["(1) support for specialized professional training, scholarships, and exchanges for continuing legal education;

["(2) programs to enhance prosecutorial and judicial capabilities and protection for participants in judicial cases;

["(3) notwithstanding section 660 of this Act, programs to enhance investigative capabilities, conducted under judicial or prosecutorial control;

["(4) strengthening professional organizations in order to promote services to members and the role of the bar in judicial selection, enforcement of ethical standards, and legal reform;

["(5) increasing the availability of legal materials and publications;

["(6) seminars, conferences, and training and educational programs to improve the administration of justice and to strengthen respect for the rule of law and internationally recognized human rights; and

["(7) revision and modernization of legal codes and procedures.

["(c) Not more than $20,000,000 of the funds made available to carry out this chapter for any fiscal year shall be available to

carry out this section, in addition to amounts otherwise available for such purposes.

[“(d) Funds may not be obligated for assistance under this section unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified of the amount and nature of the proposed assistance at least 15 days in advance in accordance with the procedures applicable to reprogrammings pursuant to section 634A of this Act.

[“(e) The authority of this section shall expire on September 30, 1987.”.

[SEC. 713. USE OF EMPLOYEE STOCK OWNERSHIP PLANS IN DEVELOPMENT EFFORTS.

[(a) FINDINGS.—The Congress declares that—

[(1) employee stock ownership plans in industrial, farming, banking, and other enterprises in Central America and the Caribbean can be an important component in achieving United States goals in Central America and the Caribbean; and

[(2) employee stock ownership plans should be used as an instrument in financing growth and transfers of equity in the region, in reorganizing state-owned enterprises into viable employee-owned businesses, in expanding political and economic pluralism, and in strengthening democratic institutions in the region.

[(b) PLAN FOR EXPANDED USE OF ESOPS.—The President is urged to develop a plan for the expanded use of employee stock ownership plans in development efforts of the United States in Central America and the Caribbean, with an emphasis on policy and infrastructural changes needed to encourage voluntary employee stock ownership initiatives by multinational corporations and other private sector enterprises which have investments, are considering making new investments, or are interested in management contracts and joint ventures in the region.

[(c) TASK FORCE.—To assist in this effort, there is established a Presidential Task Force on Project Economic Justice (hereafter in this section referred to as the “Task Force”), which shall consist of individuals appointed by the President who are distinguished leaders of the private sector of the United States, including significant representation of union representatives of workers in successful companies with employee stock ownership plans and of nationally recognized experts in all phases of design, implementation, and operation of employee stock ownership plans. The President shall designate one of the members of the Task Force to serve as Chairman. The Chairman of the Task Force shall appoint a volunteer fundraising committee, and all the expenses of the Task Force shall be paid without the use of public funds.

[(d) REPORT.—Not later than December 31, 1985, the Task Force shall prepare and transmit to the President and the Congress a report on the expanded use of employee stock ownership plans in the development efforts of the United States in Central America and the Caribbean, including specific recommendations on strategies for using employee stock ownership plans as a means of accelerating the rate of private sector capital formation in Central America and the Caribbean that is systematically linked to expanding ownership and profit-sharing opportunities for all employees.

[SEC. 714. INTERNATIONAL ADVISORY COMMISSION FOR THE CARIBBEAN REGION.

[(a) FINDINGS.—The Congress finds that—

[(1) many of the social, agricultural, educational, and economic problems which confront nations in the Caribbean Region result primarily from social and economic injustice and inadequate economic and agricultural development;

[(2) such problems are not addressed sufficiently by current United States policies toward that region;

[(3) the development of the Caribbean Region is of vital importance to the economic and strategic interests of the United States and its allies; and

[(4) for purposes of defining development plans, providing an international forum for Caribbean Region development issues, and providing expert advice to donor-aid countries, an international commission is needed as the prime institution for promoting economic cooperation and development in the Caribbean Region.

[(b) INVITATIONS TO PARTICIPATE IN COMMISSION.—

[(1) INVITATION TO CARIBBEAN COUNTRIES.—The President may invite the countries which comprise the Caribbean Region to participate with the United States in a commission to be known as the International Advisory Commission for the Caribbean Region (hereafter in this section referred to as the "Commission").

[(2) INVITATION TO CERTAIN OTHER COUNTRIES.—The President may also invite the Netherlands, the United Kingdom, France, Canada, the Commonwealth of Puerto Rico, and the Virgin Islands to participate in the Commission.

[(c) FUNCTIONS OF COMMISSION.—It is the sense of the Congress that the Commission should—

[(1) examine social, agricultural, educational, and economic issues which affect the Caribbean Region; and

[(2) consult with leaders of the countries in the Caribbean Region and with representatives from public and private organizations involved in matters related to the Caribbean Region in order to evaluate the problems and needs of such countries.

[(d) FUNDING FOR ORGANIZATIONAL MEETING OF COMMISSION.—Of the funds authorized to be appropriated to carry out section 106 of the Foreign Assistance Act of 1961 (relating to development assistance for energy, private and voluntary organizations, and selected development activities), up to a total of $100,000 for fiscal years 1986 and 1987 may be made available to—

[(1) pay reasonable administrative expenses associated with the organizational meeting of the Commission; and

[(2) pay reasonable travel and lodging expenses incurred by commissioners from other participant governments incident to their attendance at the organizational meeting of the Commission.

[(e) REQUEST TO CONGRESS RELATING TO UNITED STATES PARTICIPATION IN THE COMMISSION.—The President should provide cost estimates and request authorization from the Congress in order to provide for the participation of the United States in the Commis-

sion (other than United States participation associated with the organizational meeting).

[(f) APPOINTMENT OF UNITED STATES REPRESENTATIVE AND OBSERVERS.—Upon the creation of the Commission.—

[(1) the President should consider appointing one individual as the United States representative to the Commission;

[(2) the Speaker of the House of Representatives should consider appointing two Members of the House, one from each major political party, as observers at the Commission; and

[(3) the majority leader of the Senate should consider appointing two Members of the Senate, one from each major political party, as observers at the Commission.

[SEC. 715. EXEMPTION OF CERTAIN SAFETY-RELATED EQUIPMENT FROM PROHIBITION ON MILITARY SALES TO CHILE.

[Section 726 of the International Security and Development Cooperation Act of 1981 is amended by adding at the end thereof the following new subsection:

["(c) The prohibition contained in subsection (b) does not prohibit the sale, or the licensing for export, of cartridge actuated devices, propellant actuated devices, and technical manuals for aircraft of the F–5E/F or A/T–37 type which were sold to the Chilean Air Force by the United States before January 1, 1976, so long as the items are provided only for purposes of enhancing the safety of the aircraft crew.".

[SEC. 716. RURAL ELECTRIFICATION.

[It is the sense of the Congress that funds appropriated for the fiscal years 1986 and 1987 under section 103(a)(2) of the Foreign Assistance Act of 1961 (relating to development assistance for agriculture, rural development, and nutrition) should be used for a comprehensive rural electrification program in Central America in order to establish conditions of stability and a foundation for economic development.

[SEC. 717. FACILITATING INTERNATIONAL COMMERCE THROUGH MEXICO.

[(a) FINDING.—Recognizing that increased levels of balanced international trade are an essential component in an economic development program for the region and that the United States has traditionally been the most important trading partner for each of the nations of Latin America, it is the sense of the Congress that current procedures and laws of the Government of Mexico, and practices of its officials, constitute a significant impediment to the transit of vehicles carrying the commodities of international trade through Mexican territory.

[(b) NEGOTIATIONS AND COOPERATIVE STEPS CONCERNING TRANSIT.—As the Government of Mexico has played a valuable role in assisting and encouraging the economic and political development of the region, and in offering advice to the United States as to constructive policies this nation might pursue with respect to peace and prosperity in the area, the Secretary of State, acting independently or with representatives of other Latin America nations, shall initiate negotiations with the Government of Mexico aimed at eliminating or reducing those impediments to international trade. The agenda for such negotiations should include

discussions to encourage the Government of Mexico to accede to existing international custom conventions on international in-transit shipments. Such actions are to be taken in concert with the institution by the United States, and the nations of the region where the transiting shipments originate, of appropriate and cooperative steps to make sealed-truck, no-inspection transit administratively acceptable to the Government of Mexico and other transited countries. Similar bilateral or multilateral negotiations by the Secretary of State with nations respecting the same international customs conventions is also encouraged.

[(c) REPORT.—The Secretary of State shall report the status of these negotiations to Congress by January 1, 1986.

[SEC. 718. CONDEMNING HUMAN RIGHTS VIOLATIONS AND THE SUBVERSION OF OTHER GOVERNMENTS BY THE GOVERNMENT OF CUBA.

[(a) CONDEMNATION OF CERTAIN ACTION BY THE GOVERNMENT OF CUBA.—The Congress condemns—

[(1) the consistent pattern of gross violations of internationally recognized human rights by the Cuban Government, including—

[(A) cruel, inhumane, and degrading treatment and punishment of prisoners;

[(B) the suppression of free speech, press, and assembly; and

[(C) restrictions on religious activity and the freedom to emigrate; and

[(2) the provision by the Cuban government of material aid and personnel support for the purposes of subversion.

[(b) CALL UPON THE GOVERNMENT OF CUBA.—The Congress calls upon the Government of Cuba to restore civil liberties and cease in the violation of human rights of the Cuban people and cease the subversion of other governments through material and personnel support.

[SEC. 719. REPORTS ON FOREIGN DEBT IN LATIN AMERICA.

[(a) FINDINGS.—The Congress finds that—

[(1) the foreign debt of Latin American countries has soared from $27,000,000,000 in 1970 to over $350,000,000,000 in 1983;

[(2) the foreign debt of Latin American countries is a serious obstacle to their economic progress, threatens their stability, and endangers the democratic processes in those nations;

[(3) the economic and political futures of many of the Latin American countries hang in the balance and depend upon a successful resolution of the foreign debt crisis; and

[(4) the confidence of the American people in the United States system of banking is also involved in a successful resolution of the foreign debt crisis.

[(b) REPORT.—Not later than January 1, 1986, the Secretary of State shall prepare and transmit to the Congress a report on—

[(1) the magnitude of the foreign debt crisis in the Western Hemisphere;

[(2) the impact of the foreign debt crisis on the economies of the countries of Latin America;

[(3) the degree to which the national security interests of the United States are implicated in this crisis;

[(4) the steps being taken and the policy being pursued by the United States aimed at dealing with this crisis;

[(5) the degree to which the foreign debt crisis affects the system of banking in the United States; and

[(6) the steps being taken and the policy being pursued by the United States Government aimed at dealing with this crisis.

[SEC. 720. ECONOMIC ASSISTANCE FOR URUGUAY.

[Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), $15,000,000 for fiscal year 1986 and $15,000,000 for fiscal year 1987 shall be available only for Uruguay.

[SEC. 721. CANADIAN EXPORTS TO THE UNITED STATES.

[(a) CATTLE AND HOGS.—(1) The Congress finds that—

[(A) livestock prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of live cattle and hogs from Canada, which has increased by 1,000 percent in the last decade in the case of hogs alone;

[(B) American livestock producers are suffering from the same general economic crisis affecting all of agriculture, and many will face liquidation or foreclosure in the near future; and

[(C) the disparity between the United States and the Canadian dollar amount to 32 to 34 percent and results in even further increases in Canadian hogs and cattle being imported into the United States.

[Therefore, it is the sense of the Congress that the President should direct appropriate officials of the executive branch, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussion with the Canadian Government directed toward immediate reduction in the Canadian export of cattle and hogs to the United States.

[(b) SOFTWOOD TIMBER.—(1) The Congress find that—

[(A) softwood timber prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of processed softwood timber from Canada, which has increased from 18 percent of the United States market in the last two years to 35 to 40 percent today;

[(B) American timber producers are suffering from this economic crisis, and the difficulty in acquiring timber from the National Forest System; and

[(C) the disparity between the United States and the Canadian dollar amounts to 32 to 34 percent and results in even further increases in processed softwood timber being imported into the United States.

[(2) Therefore, it is the sense of the Congress that the President should direct appropriate officials of the executive branch, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue

discussions with the Canadian Government directed toward immediate reduction in the Canadian export of softwood timber to the United States.

[SEC. 722. NICARAGUA.

[(a) SETTLEMENT OF THE CONFLICT.—The Congress—

[(1) strongly supports national reconciliation in Nicaragua and the creation of a framework for negotiating a peaceful settlement to the Nicaraguan conflict; and

[(2) finds that the United States should, in assisting efforts to reach comprehensive and verifiable final agreements based on the Contadora Document of Objectives, encourage the Government of Nicaragua to pursue a dialogue with the armed opposition forces and their political representatives for the purposes of achieving an equitable political settlement of the conflict, including free and fair elections.

[(b) UNITED STATES CONCERNS ABOUT NICARAGUAN FOREIGN AND DOMESTIC POLICIES.—The Congress finds and declares the following:

[(1) Despite positive actions by the Congress signaling support for negotiated solutions to conflicts in Central America, there are disturbing trends in Nicaragua's foreign and domestic policies, including—

[(A) President Daniel Ortega's April 1985 trip to the Soviet Union at a time when the Congress signaled its strong disapproval of increasing Nicaraguan-Soviet ties;

[(B) the Sandinista government's close military ties with Cuba, the Soviet Union, and its Warsaw Pact allies; the disappointing and insufficient reduction of the number of Cuban advisors in Nicaragua by only 100 out of an approximately 2,500; and the continuing military buildup that Nicaragua's neighbors consider threatening;

[(C) the Sandinista government's curtailment of individual liberties, political expression, freedom of worship, and the independence of the media;

[(D) the subordination of military, judicial, and internal security functions to the ruling political party; and

[(E) the Sandinista government's efforts to export its influence and ideology.

[(2) If Nicaragua does not address the concerns described in paragraph (1), the United States has several options to address this challenge to peace and stability in the region, including political, diplomatic, and trade sanctions. In addition, the United States—

[(A) should through appropriate regional organizations, such as the Organization of American States, seek to maintain multilateral pressure on Nicaragua to address these concerns; and

[(B) should, if called upon to do so, give serious consideration to supporting any sanctions adopted by such an organization.

[(3) In assessing whether or not progress is being made in addressing these concerns, the Congress will expect prompt and significant initiatives by the Government of Nicaragua such as—

[(A) the removal of foreign military advisors from Nicaragua;

[(B) the end to Sandinista support for insurgencies in other countries in the region, including the cessation of military supplies to the rebel forces fighting the democratically elected government in El Salvador;

[(C) restoration of individual liberties, political expression, freedom of worship, and the independence of the media; and

[(D) progress toward internal reconciliation and a pluralistic democratic system, including steps to liberalize institutions in order to allow the internal opposition in Nicaragua to become a viable partner in the Nicaraguan political process.

[(c) RESOLUTION OF THE CONFLICT IN NICARAGUA.—

[(1) BASIS FOR POLICY.—The Congress finds that—

[(A) the people of Nicaragua are suffering the horrors of a fierce armed conflict that is causing grave hardships and loss of life, has thrown the country into a serious political, social, and economic upheaval, and is of serious concern to the nations of the region and to the United States;

[(B) this conflict is fundamentally a continuation of efforts of the Nicaraguan people to attain a representative government at peace with its neighbors, efforts which began under the Somoza regime; and

[(C) the United States recognized these noble aspirations of the Nicaraguan people in the June 23, 1979, resolution of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs of the Organization of American States, which reads as follows:

["WHEREAS:

["The people of Nicaragua are suffering the horrors of a fierce armed conflict that is causing grave hardships and loss of life, and has thrown the country into a serious political, social, and economic upheaval;

["The inhumane conduct of the dictatorial regime governing the country, as evidenced by the report of the Inter-American Commission on Human Rights, is the fundamental cause of the dramatic situation faced by the Nicaraguan people; and

["The spirit of solidarity that guides Hemisphere relations places an unavoidable obligation on the American countries to exert every effort within their power, to put an end to the bloodshed and to avoid the prolongation of this conflict which is disrupting the peace of the Hemisphere;

["THE SEVENTEENTH MEETING OF CONSULTATION OF MINISTERS OF FOREIGN AFFAIRS,

["DECLARES:

["That the solution of the serious problem is exclusively within the jurisdiction of the people of Nicaragua.

["That in the view of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs this solution should be arrived at on the basis of the following:

["1. Immediate and definitive replacement of the Somoza regime.

[“2. Installation in Nicaraguan territory of a democratic government, the composition of which should include the principal representative groups which oppose the Somoza regime and which reflects the free will of the people of Nicaragua.

[“3. Guarantee of the respect for human rights of all Nicaraguans without exception.

[“4. The holding of free elections as soon as possible, that will lead to the establishment of a truly democratic government that guarantees peace, freedom, and justice.

[“RESOLVES:

[“1. To urge the member states to take steps that are within their reach to facilitate an enduring and peaceful solution of the Nicaraguan problem on the bases set forth above, scrupulously respecting the principle of nonintervention and abstaining from any action that might be in conflict with the above bases or be incompatible with a peaceful and enduring solution to the problem.

[“2. To commit their efforts to promote humanitarian assistance to the people of Nicaragua and to contribute to the social and economic recovery of the country.

[“3. To keep the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs open while the present situation continues.”.

[(2) THE GOVERNMENT OF NICARAGUA.—The Congress further finds that—

[(A) the Government of National Reconstruction of Nicaragua formally accepted the June 23, 1979, resolution as a basis for resolving the Nicaraguan conflict in its “Plan to Achieve Peace” which was submitted to the Organization of American States on July 12, 1979;

[(B) the June 23, 1979, resolution and its acceptance by the Government of National Reconstruction of Nicaragua was the formal basis for the removal of the Somoza regime and the installation of the Government of National Reconstruction;

[(C) the Government of National Reconstruction, now known as the Government of Nicaragua and controlled by the Frente Sandinista (the FSLN), has flagrantly violated the provisions of the June 23, 1979, resolution, the rights of the Nicaraguan people, and the security of the nations in the region, in that it—

[(i) no longer includes the democratic members of the Government of National Reconstruction in the political process;

[(ii) is not a government freely elected under conditions of freedom of the press, assembly, and organization, and is not recognized as freely elected by its neighbors, Costa Rica, Honduras, and El Salvador;

[(iii) has taken significant steps towards establishing a totalitarian Communist dictatorship, including the formation of FSLN neighborhood watch committees and the enactment of laws that violate human rights and grant undue executive power;

[(iv) has committed atrocities against its citizens as documented in reports by the Inter-American Commission on Human Rights of the Organization of American States;

[(v) has aligned itself with the Soviet Union and Soviet allies, including the German Democratic Republic, Bulgaria, Libya, and the Palestine Liberation Organization;

[(vi) has committed and refuses to cease aggression in the form of armed subversion against its neighbors in violation of the Charter of the United Nations, the Charter of the Organization of American States, the Inter-American Treaty of Reciprocal Assistance, and the 1965 United Nation General Assembly Declaration on Intervention; and

[(vii) has built up an army beyond the needs of immediate self-defense, at the expense of the needs of the Nicaraguan people and about which the nations of the region have expressed deepest concern.

[(3) THE NICARAGUAN DEMOCRATIC OPPOSITION.—The Congress further finds that—

[(A) as a result of these violations, the Government of Nicaragua has lost the support of virtually all independent sectors of Nicaraguan society who initially supported the removal of the Somoza regime (including democratic political parties of the left, center, and right; the leadership of the Church; free unions; and the business, farmer, and professional sectors) and who still seek democracy, reject the rule of the Frente Sandinista, and seek the free elections promised in 1979;

[(B) the Nicaraguan political opposition has joined with the armed opposition groups in issuing the San Jose Manifesto of March 1, 1985, calling for a national dialogue under mediation by the Nicaraguan Bishops Conference to peacefully attain the fulfillment of the Government of Nicaragua's commitments to the Organization of American States, including "the democratization of Nicaragua, conscious that democracy is the only means to carry out an authentic revolution and secure our national identify and sovereignty";

[(C) on June 12, 1985, in San Salvador, El Salvador, the political and armed opposition groups representing the entire democratic political spectrum of Nicaragua formed the Unified Nicaraguan Opposition and affirmed their "historical commitment to achieve for Nicaragua the reconciliation of her children, to establish the foundation for democracy and the moral and material reconstruction of the nation"; and

[(D) the Unified Nicaraguan Opposition further declared its intention to "give priority at all times to a political solution which will ease the suffering of the people".

[(4) CONCERNS IN THE REGION AND UNITED STATES RESPONSIBILITIES.—The Congress further finds that—

[(A) Nicaragua's neighbors, Costa Rica, El Salvador, and Honduras, have expressed, individually and through the Contadora process, their belief that their peace and freedom is not safe so long as the Government of Nicaragua excludes from power most of Nicaragua's political leadership and is controlled by a small sectarian party, without regard to the will of the majority of Nicaraguans; and

[(B) the United States, given its role in the installation of the current Government of Nicaragua, has a special responsibility regarding the implementation of the commitments made by that Government in 1979, especially to those who fought against Somoza to bring democracy to Nicaragua with United States support.

[(5) RESOLUTION OF THE CONFLICT.—The Congress—

[(A) condemns the Government of Nicaragua for violating its solemn commitments to the Nicaraguan people, the United States, and the Organization of American States;

[(B) affirms that the Government of Nicaragua will be regarded as having achieved political legitimacy when it fulfills its 1979 commitment to the Organization of Americans States to implement genuinely democratic elections, under the supervision of the Organization of American States, in which all elements of the Nicaraguan resistance can peacefully participate under conditions recognized as necessary for free elections by international bodies;

[(C) urges the Government of Nicaragua to enter a national dialogue, as proposed by the Nicaraguan democratic resistance in San Jose, Costa Rica, on March 1, 1985, under mediation by the Nicaraguan Bishops Conference in order to peacefully resolve the current crisis through internationally recognized elections in which all elements of Nicaraguan society can freely participate;

[(D) supports the Nicaraguan democratic resistance in its efforts to peacefully resolve the Nicaraguan conflict and to achieve the fulfillment of the Government of Nicaragua's solemn commitments to the Nicaraguan people, the United States, and the Organization of American States;

[(E) supports efforts by the Contadora nations, the Organization of American States, and other appropriate regional organizations to maintain multilateral pressure on Nicaragua to fulfill its commitments; and

[(F) requests that the Secretary of State transmit the text of this subsection to the Foreign Ministers of the member states of the Organization of American States.

[(d) PROHIBITION RELATING TO MILITARY OR PARAMILITARY OPERATIONS IN NICARAGUA.—Notwithstanding any other provision of law, no funds authorized to be appropriated or otherwise made available by this Act (except the funds authorized to be appropriated in this section), by the Foreign Assistance Act of 1961, or by the Arms Export Control Act shall be used to provide assistance of any kind, either directly or indirectly, to any person or group en-

gaging in an insurgency or other act of rebellion against the Government of Nicaragua. The United States shall not enter into any arrangement conditioning, expressly or impliedly, the provision of assistance under this Act or the purchase of defense articles and services under the Arms Export Control Act upon the provision of assistance by a recipient to persons or groups engaging in an insurgency or other act of rebellion against the Government of Nicaragua.

[(e) LIMITATION ON USE OF FUNDS AGAINST NICARAGUA.—None of the funds authorized to be appropriated in this or any other Act can be used to fund directly, or indirectly, activities against the Government of Nicaragua which have not been authorized by, or pursuant to, law and which would place the United States in violation of our obligations under the Charter of the Organization of American States, to which the United States is a signatory, or under international law as defined by treaty commitments agreed to, and ratified by, the Government of the United States.

[(f) FOOD AID TO THE NICARAGUAN PEOPLE.—In cooperation with Cardinal Miguel Obando y Bravo and private and voluntary organizations, the President should explore and promote means for providing food aid to the Nicaraguan people through private and voluntary organizations and the Catholic Church.

[(g) HUMANITARIAN ASSISTANCE FOR NICARAGUAN DEMOCRATIC RESISTANCE.—(1) Effective upon the date of enactment of this Act, there are authorized to be appropriated $27,000,000 for humanitarian assistance to the Nicaraguan democratic resistance. Such assistance shall be provided to such department or agency of the United States as the President shall designate, except the Central Intelligence Agency or the Department of Defense.

[(2) The assistance authorized by this subsection is authorized to remain available for obligation until March 31, 1986.

[(3) One-third of the assistance authorized by this subsection shall be available for obligation at any time after the appropriation of funds pursuant to such authorization, an additional one-third shall be available for obligation upon submission of the first report required by subsection (j), and the remaining one-third shall be available for obligation upon submission of the second such report.

[(4) The President shall establish appropriate procedures to ensure that any humanitarian assistance provided by the United States Government to the Nicaraguan democratic resistance is used only for the intended purpose and is not diverted (through barter, exchange, or any other means) for acquisition of weapons, weapons systems, ammunition, or other equipment, vehicles, or material which can be used to inflict serious bodily harm or death.

[(5) As used in this subsection, the term "humanitarian assistance" means the provision of food, clothing, medicine, and other humanitarian assistance, and it does not include the provision of weapons, weapons systems, ammunition, or other equipment, vehicles, or material which can be used to inflict serious bodily harm or death.

[(h) ASSISTANCE FOR IMPLEMENTATION OF A CONTADORA AGREEMENT.—Effective upon the date of enactment of this Act, there are authorized to be appropriated $2,000,000, which are authorized to remain available until expended, for payment by the

Secretary of State for the expenses arising from implementation by the Contadora nations (Mexico, Panama, Colombia, and Venezuela) of an agreement among the countries of Central America based on the Contadora Document of Objectives of September 9, 1983, including peacekeeping, verification, and monitoring systems.

[(i) POLICIES WITH RESPECT TO NICARAGUA.—The President is hereby urged and requested—

[(1) to pursue vigorously the use of diplomatic and economic measures to resolve the conflict in Nicaragua, including simultaneous negotiations—

[(A) to implement the Contadora Document of Objectives of September 8, 1983; and

[(B) to develop, in close consultation and cooperation with other nations, trade and economic measures to complement such policies of the United States and to encourage the Government of Nicaragua to take the necessary steps to resolve the conflict;

[(2) to suspend the economic sanctions imposed by the President on May 1, 1985, and the United States military maneuvers in Honduras and off the coast of Nicaragua, if the Government of Nicaragua agrees—

[(A) to a cease fire,

[(B) to open a dialogue with all elements of the opposition, including the Nicaraguan democratic resistance, and

[(C) to suspend the state of emergency in Nicaragua;

[(3) to call upon the Nicaraguan democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses; and

[(4) to resume bilateral discussions with the Government of Nicaragua with a view to encouraging—

[(A) a church-mediated dialogue between the Government of Nicaragua and all elements of the opposition, including the Nicaraguan democratic resistance, in support of internal reconciliation as called for by the Contadora Document of Objectives; and

[(B) a comprehensive, verifiable agreement among the nations of Central America, based on the Contadora Document of Objectives.

[(j) REPORTS.—The President shall submit a report to the Congress 90 days after the date of enactment of this Act, and every 90 days thereafter, on any actions taken to carry out subsections (g) and (h). Each such report shall include—

[(1) a detailed statement of any progress made in reaching a negotiated settlement referred to in subsection (i)(1), including the willingness of the Nicaraguan democratic resistance and the Government of Nicaragua to negotiate a settlement;

[(2) a detailed accounting of the disbursements made to provide humanitarian assistance with the funds provided pursuant to subsection (g); and

[(3) a discussion of the alleged human rights violations by the Nicaraguan democratic resistance and the Government of Nicaragua, including a statement of the steps taken by the

Nicaraguan democratic resistance to comply with the request referred to in subsection (i)(3).

[(k) SUBMISSION OF REQUEST FOR ADDITIONAL ASSISTANCE FOR THE CENTRAL AMERICA PEACE PROCESS.—If the President determines at any time after the enactment of this Act that—

[(1) negotiations based on the Contadora Document of Objectives of September 9, 1983, have produced an agreement, or show promise of producing an agreement, or

[(2) other trade and economic measures will assist in a resolution of the conflict, or to stabilization in the region,

the President may submit to the Congress a request for budget and other authority to provide additional assistance for the furtherance of the Central America peace process.

[(l) STATEMENT TO BE INCLUDED.—The President's request pursuant to subsection (k) shall include a detailed statement as to progress made to resolve the conflict in the region.

[(m) CONSULTATION WITH THE CONGRESS.—In formulating a request pursuant to subsection (k), the President shall consult with the Congress.

[(n) HOUSE PROCEDURES.—(1) The provisions of this subsection apply, during the 99th Congress, to the consideration in the House of Representatives of a joint resolution with respect to the request submitted by the President pursuant to subsection (k).

[(2) For purposes of this subsection, the term "joint resolution" means only a joint resolution introduced within 3 legislative days after the Congress receives the request submitted by the President pursuant to subsection (k)—

[(A) the matter after the resolving clause of which is as follows: "That the Congress hereby approves the additional authority and assistance for the Central America peace process that the President requested pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 91–672.";

[(B) which does not have a preamble; and

[(C) the title of which is as follows: "Joint Resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985.".

[(3) A joint resolution shall, upon introduction, be referred to the appropriate committee or committees of the House of Representatives.

[(4) If all the committees of the House to which a joint resolution has been referred have not reported the same joint resolution by the end of 15 legislative days after the first joint resolution was introduced, any committee which has not reported the first joint resolution introduced shall be discharged from further consideration of that joint resolution and that joint resolution shall be placed on the appropriate calendar of the House.

[(5)(A) At any time after the first joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The mo-

tion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution under clauses 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

[(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

[(C) An amendment to the joint resolution is not in order.

[(D) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

[(6) As used in this subsection, the term "legislative day" means a day on which the House is in session.

[(o) SENATE PROCEDURES.—A joint resolution which is introduced in the Senate within 3 calendar days after the day on which the Congress receives a Presidential request described in subsection (k) and which, if enacted, would grant the President the authority to take any or all of the actions described in subsection (k) shall be considered in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98–473), except that—

[(1) references in such paragraphs to the Committees on Appropriations of the Senate shall be deemed to be references to the appropriate committee or committees of the Senate; and

[(2) amendments to the joint resolution are in order.

[(p) SUBMISSION OF REQUEST FOR ADDITIONAL ASSISTANCE FOR NICARAGUAN DEMOCRATIC RESISTANCE.—If the President determines at any time after the enactment of this Act that—

[(1) negotiations based on the Contadora Document of Objectives of September 9, 1983, have failed to produce an agreement, or

[(2) other trade and economic measures have failed to resolve the conflict,

the President may submit to the Congress a request for budget and other authority to provide additional assistance for the Nicaraguan democratic resistance.

[(q) STATEMENT TO BE INCLUDED.—The President's request pursuant to subsection (p) shall include a detailed statement as to why the negotiations or other measures have failed to resolve the conflict in the region.

[(r) CONSULTATION WITH THE CONGRESS.—In formulating a request pursuant to subsection (p), the President shall consult with the Congress.

[(s) HOUSE PROCEDURES.—(1) The provisions of this subsection apply, during the 99th Congress, to the consideration in the House

of Representatives of a joint resolution with respect to the request submitted by the President pursuant to subsection (p).

[(2) For purposes of this subsection, the term "joint resolution" means only a joint resolution introduced within 3 legislative days after the Congress receives the request submitted by the President pursuant to subsection (p)—

[(A) the matter after the resolving clause of which is as follows: "That the Congress hereby approves the additional authority and assistance for the Nicaraguan democratic resistance that the President requested pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 91—672.";

[(B) which does not have a preamble; and

[(C) the title of which is as follows: "Joint Resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985.".

[(3) A joint resolution shall, upon introduction, be referred to the appropriate committee or committees of the House of Representatives.

[(4) If all the committees of the House to which a joint resolution has been referred have not reported the same joint resolution by the end of 15 legislative days after the first joint resolution was introduced, any committee which has not reported the first joint resolution introduced shall be discharged from further consideration of that joint resolution and that joint resolution shall be placed on the appropriate calendar of the House.

[(5(A) At any time after the first joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution under clause 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

[(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

[(C) An amendment to the joint resolution is not in order.

[(D) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

[(6) As used in this subsection, the term "legislative day" means a day on which the House is in session.

[(t) SENATE PROCEDURES.—A joint resolution which is introduced in the Senate within 3 calendar days after the day on which the Congress receives a Presidential request described in subsection (p) and which, if enacted, would grant the President the authority to take any or all of the actions described in subsection (p) shall be considered in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98–473), except that—

[(1) references in such paragraphs to the Committees on Appropriations of the Senate shall be deemed to be references to the appropriate committee or committees of the Senate; and

[(2) amendments to the joint resolution are in order.

[(u) CONGRESSIONAL RULEMAKING POWERS.—Subsections (n), (o), (s), and (t) are enacted—

[(1) as exercises of the rulemaking powers of the House of Representatives and Senate, and as such they are deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under this section, and they supersede other rules only to the extent that they are inconsistent with such rules; and

[(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

[TITLE VIII—AFRICA

[SEC. 801. BALANCE-OF-PAYMENTS SUPPORT FOR COUNTRIES IN AFRICA.

[(a) ESF COMMODITY IMPORT AND SECTOR PROGRAMS.—Agreements with countries in Africa which provide for the use of funds made available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for the fiscal years 1986 and 1987 to finance imports by those countries (under commodity import programs or sector programs) shall require that those imports be used to meet long-term development needs in those countries in accordance with the following criteria:

[(1) Spare parts and other imports shall be allocated on the basis of evaluations, by the agency primarily responsible for administering part I of that Act, of the ability of likely recipients to use such spare parts and imports in a maximally productive, employment generating, and cost effective way.

[(2) Imports shall be coordinated with investments in accordance with the recipient country's plans for promoting economic development. The agency primarily responsible for administering part I of that Act shall assess such plans to determine whether they will effectively promote economic development.

[(3) Emphasis shall be placed on imports for agricultural activities which will expand agricultural production, particu-

larly activities which expand production for export or production to reduce reliance on imported agricultural products.

[(4) Emphasis shall also be placed on a distribution of imports having a broad development impact in terms of economic sectors and geographic regions.

[(5) In order to maximize the likelihood that the imports financed by the United States under such chapter are in addition to imports which would otherwise occur, consideration shall be given to historical patterns of foreign exchange uses.

[(6)(A) Seventy-five percent of the foreign currencies generated by the sale of such imports by the government of the country shall be deposited in a special account established by that government and, except as provided in subparagraph (B), shall be available only for use in accordance with the agreement for economic development activities which are consistent with the policy directions of section 102 of the Foreign Assistance Act of 1961 and which are the types of activities for which assistance may be provided under sections 103 through 106 of that Act.

[((B) The agreement shall require that the government of the country make available to the United States Government such portion of the amount deposited in the special account as may be determined by the President to be necessary for requirements of the United States Government.

[(b) ANNUAL EVALUATIONS.—The agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall conduct annual evaluations of the extent to which the criteria set forth in this subsection have been met.

[SEC. 802. ECONOMIC SUPPORT ASSISTANCE FOR SOUTHERN AFRICA.

[(a) FUNDS FOR SOUTHERN AFRICA REGIONAL PROGRAMS.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $30,000,000 for fiscal year 1986 and not less than $30,000,000 for fiscal year 1987 shall be available only for regional programs in southern Africa. Not less than 50 percent of each of these amounts shall be allocated to assist sector projects supported by the Southern Africa Development Coordination Conference (SADCC) to enhance the economic development of the nine member states forming this important regional institution, especially in the following sectors: transportation, agricultural research and training, manpower development, and institutional support for the SADCC secretariat.

[(b) STUDIES RELATING TO SOUTHERN AFRICA REGIONAL PROGRAMS.—(1) the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall conduct a study which evaluates—

[(A) the assistance which the agency provides to the Southern African Development Coordination Conference and other African regional institutions and economic development organizations, and

[(B) ways to improve such assistance.

[(2) The administrator shall also conduct a study which assesses what type of bureaucratic mechanism within that agency

might be established to coordinate assistance to all African regional institutions.

[(3) The administrator shall submit the results of the studies conducted pursuant to this subsection to the Congress within 3 months after the date of enactment of this Act.

[SEC. 803. POLICY TOWARD SOUTH AFRICAN "HOMELANDS".

[(a) FINDINGS.—The Congress finds that—

[(1) the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race, are principles which are fully supported by the American people;

[(2) The forced relocation of blacks by the Government of the Republic of South Africa to designated "homelands" divides families, as families are required to remain in the "homelands" while fathers seek work in the so-called "white areas";

[(3) the forced removal of persons living in so-called "black spots" in "white" rural areas in South Africa denies them the fundamental right to live and to farm on land they have legally occupied for years, and subjects them to arbitrary arrest and detention when they seek these rights;

[(4) compared to "white" South Africa, the designated "homelands", which are meant to accommodate the largest South African population group on a fraction of South African territory and were established without the consent of the vast majority of the governed, are characterized by high rates of infant mortality, unemployment, and malnutrition and by a severe shortage of medical services;

[(5) the policy of the Government of the Republic of South Africa denies blacks their rightful claim to full South African citizenship; and

[(6) the recent violence in South Africa must be seen as an inevitable result of the denial of the full rights of citizenship.

[(b) STATEMENT OF POLICY.—It is the sense of the Congress that—

[(1) the policy of separate development and the forced relocation of the people of the Republic of South Africa are inconsistent with fundamental American values and internationally recognized principles of human rights;

[(2) the Government of the United States should continue to regard as citizens of South Africa all persons born within the internationally recognized boundaries of the Republic of South Africa, and not differentiate among these citizens on the basis of the South African Government's claim to have granted independence to various "homelands";

[(3) at such times that any "homeland" official applies for a visa for travel to the United States, such visa should not be granted unless that official holds a passport which is recognized as valid by the Government of the United States; and

[(4) the Government of the United States should urge that the forced relocation of South African citizens be discontinued and that policies be adopted for all South Africa's citizens which protect the sanctity of the family, individual liberty,

maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race.

[SEC. 804. ASSISTANCE FOR ZAIRE.

[(a) ECONOMIC SUPPORT ASSISTANCE.—Funds allocated for assistance for Zaire under chapter 4 of part II of the Foreign Assistance Act of 1961 for each of the fiscal years 1986 and 1987 shall be used only for assistance which is provided in accordance with the provisions applicable to assistance under chapter 1 of part I of the Foreign Assistance Act of 1961. Such assistance shall be provided, to the maximum extent practicable, through private and voluntary organizations.

[(b) MILITARY ASSISTANCE.—For each of the fiscal years 1986 and 1987—

[(1) the value of assistance provided under chapter 2 of part II of the Foreign Assistance Act of 1961 for Zaire may not exceed $7,000,000; and

[(2) financing may not be provided under the Arms Export Control Act for Zaire.

[SEC. 805. ASSISTANCE FOR TUNISIA.

[(a) POLICY CONCERNING SECURITY ASSISTANCE.—The United States provides security assistance to Tunisia in recognition of the traditional friendship between the United States and Tunisia and our common interests in the region. The provision of such assistance is also based on the expectation that political stability and development in Tunisia will be best advanced through continued growth of democratic institutions.

[(b) EARMARKING OF MAP AND ESF.—For each of the fiscal years 1986 and 1987—

[(1) not less than $15,000,000 of the amounts authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961, and

[(2) not less than $20,000,000 of the amounts authorized to be appropriated to carry out chapter 4 of part II of that Act, shall be available only for Tunisia.

[SEC. 806. POLITICAL SETTLEMENT IN SUDAN.

[(a) FINDINGS.—The Congress finds that—

[(1) friendship and mutual interests bind the United States and Sudan; and

[(2) the peace, security, and economic development of Sudan depend in large part on addressing the problems associated with the traditional north-south division in that country through political rather than military means.

[(b) UNITED STATES POLICY.—It is, therefore, the policy of the United States that the provision of security assistance to Sudan shall be based on the expectation that the Government of Sudan will make progress toward reaching a political settlement with all parties to the conflict in the south of Sudan.

[SEC. 807. ELECTIONS IN LIBERIA.

[In recognition of the special relationship that the United States has with Liberia and of the wide variety of interests that the United States has in Liberia, security assistance for Liberia for fiscal years 1986 and 1987 is based on the expectation of a success-

ful completion of free and fair elections, on a multiparty basis, in October 1985 as proposed by the Government of Liberia and on a return to full civilian, constitutional rule as a consequence of those elections.

[SEC. 808. WESTERN SAHARA.

[(a) UNITED STATES POLICY.—The policy of the United States shall be to support a negotiated political solution to the conflict in the Western Sahara taking into account the principle of self-determination as outlined in the 1981 Nairobi resolution and to encourage all parties to the conflict to reach a peaceful internationally recognized settlement. As part of this policy, the United States should carefully consider each type of military assistance it furnishes to any of the parties to the conflict and should seek to insure that the furnishing of such military assistance is consistent with United States policy which seeks a negotiated settlement.

[(b) FURTHER STATEMENT OF POLICY.—It is the further policy of the United States to support Morocco's legitimate defense needs and to discourage aggression by any country in North Africa against another.

[SEC. 809. SAHEL DEVELOPMENT PROGRAM.

[(a) AUTHORIZATIONS OF APPROPRIATIONS.—The third sentence of section 121(c) of the Foreign Assistance Act of 1961 is amended to read as follows: "In addition to the amounts authorized to be appropriated in the preceding sentences and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $87,750,000 for fiscal year 1986 and $87,750,000 for fiscal year 1987.".

[(b) IMPROVING ADMINISTRATIVE CAPABILITIES OF HOST GOVERNMENTS.—Section 121 of such Act is amended by adding at the end thereof the following new subsection:

["(e) Grants shall be made under this section to Sahel Development Program host governments in order to help them enhance their administrative capabilities to meet the administrative requirements resulting from donor country projects and activities.".

[SEC. 810. AFRICAN DEVELOPMENT FOUNDATION.

[(a) AUTHORIZATION OF APPROPRIATIONS.—Section 510 of the African Development Foundation Act is amended to read as follows:

["AUTHORIZATIONS OF APPROPRIATIONS

["SEC. 510. There are authorized to be appropriated to carry out this title, in addition to amounts otherwise available for that purpose, $3,872,000 for fiscal year 1986 and $3,872,000 for fiscal year 1987. Funds appropriated under this section are authorized to remain available until expended.

[(b) EXTENSION OF AUTHORITIES.—Section 511 of such Act is amended by striking out "1985" and inserting in lieu thereof "1990".

[SEC. 811. REPEAL OF CLARK AMENDMENT.

[Section 118 of the International Security and Development Cooperation Act of 1980 (prohibiting assistance for military or paramilitary operations in Angola) is repealed.

[SEC. 812. FAILURE OF THE ETHIOPIAN GOVERNMENT TO RESPONSIBLY AMELIORATE FAMINE CONDITIONS.

[(a) FINDINGS.—The Congress finds that—

[(1) many thousands of Ethiopian people have suffered and died, and an additional ten million people are in danger of death, through starvation caused by prolonged drought;

[(2) the Government of the United States has a continuing commitment to the emergency fund under title II of the Agricultural Trade Development and Assistance Act of 1954 (the Food For Peace Act);

[(3) United States emergency food assistance for Africa in fiscal year 1985 is more than twice the amount provided in fiscal year 1984, and is the largest amount contributed by any single donor;

[(4) the Ethiopian Government, as a client state of the Soviet Union, has considered the equipage and modernization of its five hundred thousand-person military organization more vital than alleviating the suffering of its people caused by drought;

[(5) the Ethiopian Government has considered the funding of its military organization more vital than promoting a viable national agrarian policy;

[(6) there is evidence that the Government of Ethiopia has used the drought-caused famine to induce cooperation from certain dedicated Ethiopians who seek to bring about fundamental changes in their country;

[(7) the United States Government is concerned about the seizure by the Ethiopian Government of an Australian aid ship in an attempt to cut off food to its citizens in the northern regions, an area most severely stricken by famine; and

[(8) the Ethiopian Government deems the appearance and status of its socialist system more worthy of attention than it citizens and agricultural policies in need.

[(b) STATEMENT OF POLICY.—It is the sense of the Congress that—

[(1) the Government of Ethiopia should be condemned for failing in its responsibility to sufficiently ameliorate the severe drought and famine conditions throughout its agrarian country-side;

[(2) the Government of Ethiopia should allocate more of its resources toward the development of a more balanced and effective agrarian system;

[(3) human rights monitoring groups can be a positive force for human rights in Ethiopia and should be allowed to function and should be supported;

[(4) the Government of Ethiopia should initiate a genuine policy of national reconciliation;

[(5) the continued improvement of Ethiopia's treatment of the Ethiopian people and respect for human rights would better relations between the United States and Ethiopia;

[(6) the President or his representatives should convey to Ethiopian officials the concerns of the Congress expressed in this section at every opportunity; and

[(7) the President or his representatives should also convey these concerns of the Congress to the governments of United States allies and urge the cooperation of those governments in efforts to ensure a more responsible Ethiopian Government.

[(c) PROHIBITION ON IMPORTS AND EXPORTS.—(1) The President shall determine, within 30 days after the date of enactment of this Act, whether the Ethiopian regime is conducting a deliberate policy of starvation of its people and has not granted fundamental human rights to its citizens. The President shall submit that determination, and the basis for that determination, to the Congress.

[(2) If the President determines that such a policy is being conducted and that such rights are not being granted, paragraph (3) shall take effect if the Congress enacts a joint resolution approving that determination.

[(3) If the conditions specified in paragraphs (1) and (2) are met—

[(A) good and services of Ethiopian origin may not be imported into the United States; and

[(B) except for emergency relief, rehabilitation, and recovery assistance, goods and services of United States origin may not be exported (directly or indirectly) to Ethiopia.

[(d) PROHIBITION ON ECONOMIC ASSISTANCE.—The President shall suspend all forms of economic assistance to the Government of Ethiopia. This section shall not be construed to prevent the furnishing of international disaster assistance under section 491 of the Foreign Assistance Act of 1961 or economic assistance which will directly benefit needy people in accordance with section 116 of that Act.

[SEC. 813. ASSISTANCE FOR THE PEOPLE'S REPUBLIC OF MOZAMBIQUE.

[(a) ECONOMIC ASSISTANCE.—The funds authorized to be appropriated for fiscal years 1986 and 1987 to carry out chapter 1 of part I (relating to development assistance) and chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 that are allocated for bilateral assistance to the People's Republic of Mozambique shall be used solely for assistance to the private sector of the economy of Mozambique to the maximum extent practicable. To the maximum extent practicable, such funds shall be channeled to non-governmental entities in Mozambique.

[(b) MILITARY ASSISTANCE.—(1) None of the funds authorized to be appropriated for fiscal year 1986 or fiscal year 1987 to carry out chapter 2 of part II (relating to grant military assistance) or chapter 5 of part II (relating to international military education and training) of the Foreign Assistance Act of 1961 shall be used to provide assistance to the People's Republic of Mozambique unless the President makes the certification described in paragraph (2) before providing any such assistance for that fiscal year.

[(2) The certification required by paragraph (1) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate that the Government of the People's Republic of Mazambique—

[(A) is making a concerted and significant effort to comply with internationally recognized human rights;

[(B) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy;

[(C) has implemented a plan by September 30, 1986, to reduce the number of foreign military personnel to no more than 55; and

[(D)(i) in the case of a certification with respect to assistance for fiscal year 1986, is committed to holding free elections at a date no later than September 30, 1986, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

[(I) the electoral process with internationally recognized observers; and

[(II) the elimination of all restrictions on the formation and activities of opposition political parties; and

[(ii) in the case of a certification with respect to assistance for fiscal year 1987, held free elections by September 30, 1986.

[TITLE IX—ASIA

[SEC. 901. THE PHILIPPINES.

[(a) DEMOCRACY IN THE PHILIPPINES.—It is the sense of the Congress that the United States should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the Government of the Philippines in—

[(1) guaranteeing free, fair, and honest elections in 1986 and 1987, or sooner should any such elections occur;

[(2) ensuring the full, fair, and open prosecution of those responsible for the murder of Benigno Aguino, including those involved in the cover-up;

[(3) ensuring freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the local and provincial elections of 1986 and the Presidential election of 1987:

[(4) establishing the writ of habeas corpus and the termination of the Presidential Detention Action and all other forms of detention without charge or trial;

[(5) releasing all individuals detained or imprisoned for peaceful political activities;

[(6) making substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past:

[(7) implementing structural economic reforms and a strengthening of the private sector, including elimination of corruption and monopolies; and

[(8) enhancing the professional capability of the Philippine armed forces and security forces (including the Philippine Constabulary and the Civilian House Defense Forces).

[(b) PRIMARY PURPOSES OF UNITED STATES ASSISTANCE.—The Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States and to encourage the restoration of internal security, both of which goals can be best served by the achievement of an open and stable democracy.

[(c) CONGRESSIONAL OVERSIGHT.—The Congress, in determining future aid levels for the Philippines, will take into account not only our military bases agreement with that country, but also the extent to which the objectives and goals specified in subsections (a) and (b) have been implemented. The Congress may defer assistance for the Philippines under both chapter 2 of part II of the Foreign Assistance Act of 1961 and the Arms Export Control Act if—

[(1) significant progress is not achieved with respect to the objectives and goals specified in subsections (a) and (b), or

[(2) the Congress finds that such assistance is used to violate the internationally recognized human rights of the Filipino people.

[(e) NONLETHAL ASSISTANCE.—Assistance provided for the Philippines for fiscal year 1986 under the Arms Export Control Act or under chapter 2 of part II of the Foreign Assistance Act of 1961 shall be nonlethal in character.

[SEC. 902. NUCLEAR NON-PROLIFERATION CONDITIONS ON ASSISTANCE FOR PAKISTAN.

[Section 620E of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(e) No assistance shall be furnished to Pakistan and no military equipment or technology shall be sold or transferred to Pakistan, pursuant to the authorities contained in this Act or any other Act, unless the President shall have certified in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, during the fiscal year in which assistance is to be furnished or military equipment or technology is to be sold or transferred, that Pakistan does not posses a nuclear explosive device and that the proposed United States assistance program will reduce significantly the risk that Pakistan will possess a nuclear explosive device.".

[SEC. 903. DISADVANTAGED CHILDREN IN ASIA.

[(a) AUTHORIZATION OF ADDITIONAL ASSISTANCE.—Section 241(b) of the Foreign Assistance Act of 1961 is amended by striking out "$2,000,000" and inserting in lieu thereof "$3,000,000".

[(b) ADDITIONAL STEPS TO HELP AMERASIAN CHILDREN.—The Congress finds that Amerasian children are currently the object of discrimination in the countries in Asia where they now reside. Therefore, the President shall report to the Congress on the quality of life of these children and on what additional steps, such as facilitating adoptions, the United States could take to enhance the lives of these children.

[SEC. 904. ASSISTANCE FOR AFGHANISTAN.

[(a) AUTHORIZATION.—The President may make available funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law.

[(b) EARMARKING OF FUNDS.—Each fiscal year, not less than $15,000,000 of the aggregate amount of funds available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 shall be available only for humanitarian assistance to the Afghan people pursuant to subsection (a) of this section.

[(c) EFFECTIVE DATES.—This section shall take effect on the date of enactment of this Act, except that subsection (b) shall not apply to fiscal year 1985.

[SEC. 905. ASSISTANCE FOR THE CAMBODIAN PEOPLE.

[The President may make available to the noncommunist resistance forces in Cambodia up to $5,000,000 for fiscal year 1986, and up to $5,000,000 for fiscal year 1987, of the funds authorized to be appropriated to carry out chapter 2 (relating to grant military assistance) or chapter 4 (relating to the economic support fund) of part II of the Foreign Assistance Act of 1961, notwithstanding any other provision of law.

[SEC. 906. PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE.

[(a) PROHIBITION.—Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Cambodia or elsewhere in Indochina.

[(b) DEOBLIGATION OR CERTAIN FUNDS.—All funds appropriated before the date of enactment of this section which were obligated but not expended for activities having the purpose or effect described in subsection (a) shall be deobligated and shall be deposited in the Treasury of the United States as miscellaneous receipts.

[(c) EXCEPTION FOR HUMANITARIAN ASSISTANCE—This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Cambodian people.

[SEC. 907. POLITICAL SETTLEMENT IN SRI LANKA.

[(a) FINDINGS.—The Congress finds that—

[(1) the Government and people of Sri Lanka and the Government and people of the United States share a common devotion to independence, democracy, and human rights;

[(2) the United States is concerned over the armed clashes between the security forces of the Government of Sri Lanka and some Sri Lankans who seek through violent means, including terrorist attacks, to divide that nation;

[(3) there have been acts of terrorism committed against members of the Sri Lankan security forces, as well as against civilians, and there have been human rights abuses by members of the security forces against civilians, particularly

Tamils, despite the efforts of the Government, which the Congress believes must be intensified, to put an end to those abuses;

[(4) the differences and grievances in Sri Lanka cannot be resolved through the use of force; and

[(5) the United States is a proud participant through its economic assistance programs in Sri Lanka's highly regarded development efforts and looks forward to enhanced cooperation and assistance in the context of a political settlement in Sri Lanka leading to the kind of peaceful climate in which additional aid could be effectively utilized.

[(b) POLITICAL SETTLEMENT.—It is, therefore, the sense of the Congress that—

[(1) all parties in Sri Lanka, from all communities in and out of government, should renew their efforts to achieve a joint political settlement which meets the legitimate concerns of all the people of Sri Lanka, while preserving the territory integrity of Sri Lanka; and

[(2) all parties outside Sri Lanka should do nothing which would impeded progress toward such a settlement.

[SEC 908. UNITED STATES POLICY TOWARD THE REPUBLIC OF KOREA.

[(a) FINDINGS.—The Congress finds that—

[(1) the Government of the Republic of Korea has taken several significant and encouraging steps in liberalizing the political system in that country;

[(2) among the steps which have facilitated a more democratic environment are the release of hundreds of student demonstrators, the lifting of a political ban on more than 300 opposition leaders, and the holding of a vigorously contested election for the National Assembly in which the opposition made substantial gains;

[(3) despite these steps, the people of the Republic of Korea, who have become increasingly better educated and prosperous as a result of Korea's extraordinarily rapid economic development, have the desire and the capability to participate more fully and effectively in the government of their own country; and

[(4) while internationally recognized human rights are clearly respected much more in the Republic of Korea than in the Democratic People's Republic of Korea, continued progress toward democratization in the south is in the interests of both the Republic of Korea and the United States, inasmuch as long-term political stability cannot be assured in the absence of further progress towards democratic government.

[(b) UNITED STATES POLICY.—It is the policy of the United States to provide assistance to the Republic of Korea in order to help that country defend itself against external aggression. It is the hope of the United States that the continuing close relations between our two countries, including such assistance, will encourage the establishment of a genuinely democratic system in the Republic of Korea, in which internationally recognized human rights, including freedom of the press, freedom of association, and freedom of assembly are observed.

[TITLE X—FOOD AND AGRICULTURAL ASSISTANCE

[SEC. 1001. INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT.

[Section 103(g) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(g)(1) In order to carry out the purposes of this section, the President may continue United States participation in and may make contributions to the International Fund for Agricultural Development.

["(2) Of the aggregate amount authorized to be appropriated to carry out part I of this Act, up to $50,000,000 for fiscal year 1986 and up to $50,000,000 for fiscal year 1987 may be made available, by appropriation or by transfer, for United States contributions to the second replenishment of the International Fund for Agricultural Development.".

[SEC. 1002. PUBLIC LAW 480 TITLE II MINIMUMS.

[Paragraph (3) of section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately before the semicolon the following: ", except that for fiscal year 1986 the minimum quantity distributed shall be 1,800,000 metric tons, of which not less than 1,300,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program, and for fiscal year 1987 the minimum quantity distributed shall be 1,900,000 metric tons, of which no less than 1,425,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies of the World Food Program".

[SEC. 1003. EXPRESS AUTHORITY FOR TITLE II DIRECT DISTRIBUTION, SALE, AND BARTER.

[Section 202(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting after the first sentence the following new sentence: "Such commodities may be furnished for direct distribution, sale, barter, or other appropriate disposition in carrying out the purposes set forth in section 201.".

[SEC. 1004. ROLE OF PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

[(a) NUTRITIONAL AND DEVELOPMENT OBJECTIVES.—Section 202(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new paragraph:

["(4) In the case of commodities distributed under this title by nonprofit voluntary agencies, consideration shall be given to nutritional and development objectives as established by those agencies in light of their assessment of the needs of the people assisted.".

[(b) FOOD FOR DEVELOPMENT PROGRAMS.—Section 302(c)(4) of such Act is amended by inserting "and of United States nonprofit voluntary agencies and cooperatives" immediately after "agriculture".

[SEC. 1005. MULTIYEAR AGREEMENTS WITH PVOS AND COOPERATIVES.

[Section 202 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following:

[“(c)(1) In agreements with nonprofit voluntary agencies and cooperatives for nonemergency assistance under this title, the President is encouraged, if requested by the nonprofit voluntary agency or cooperative, to approve multiyear agreements to make agricultural commodities available for distribution by that agency or cooperative. Such agreement shall be subject to the availability each fiscal year of the necessary appropriations and agricultural commodities.

[“(2) Paragraph (1) does not apply to an agreement which the President determines should be limited to a single year because of the past performance of the nonprofit voluntary agency or cooperative or because the agreement involves a new program of assistance.

[“(3) In carrying out a multiyear agreement pursuant to this subsection, a nonprofit voluntary agency or cooperative shall not be required to obtain annual approval from the United States Government in order to continue its assistance program pursuant to the agreement, unless exceptional and unforeseen circumstances have occurred which the President determines require such approval.”.

[SEC. 1006. TITLE II PROGRAMMING REPORTS.

[Section 408(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out “title I” both places it appears and inserting in lieu thereof “titles I and II”.

[SEC. 1007. ELIGIBLE COMMODITIES UNDER SECTION 416(b).

[Section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended by inserting “, rice,” after “Dairy products” in the first sentence and by inserting “, rice,” after “dairy products” in the third and eighth sentences.

[SEC. 1008. LONG-TERM AGRICULTURAL COMMODITY AGREEMENTS WITH FOOD DEFICIT COUNTRIES.

[As part of the United States foreign assistance program, the President should explore the possibility of concluding long-term agricultural commodity agreements to help stabilize and increase the flow of concessional and commercial food stuffs with food deficit countries. The President shall prepare and transmit to the Congress a report on his efforts to achieve such long-term agreements by June 1, 1986.

[TITLE XI—PEACE CORPS

[SEC. 1101. AUTHORIZATIONS OF APPROPRIATIONS.

[Section 3(b) of the Peace Corps Act is amended by amending the first sentence to read as follows: “There are authorized to be appropriated to carry out the purposes of this Act $130,000,000 for each of the fiscal years 1986 and 1987.”.

[SEC. 1102. NUMBER OF PEACE CORPS VOLUNTEERS.

[(a) STATEMENT OF POLICY.—Section 2 of the Peace Corps Act (22 U.S.C. 2501) is amended—

[(1) by inserting “(a)” immediately after “SEC. 2.”; and

[(2) by adding at the end thereof the following new subsection:

[“(b) The Congress declares that it is the policy of the United States and a purpose of the Peace Corps to maintain, to the maxi-

mum extent appropriate and consistent with programmatic and fiscal considerations, a volunteer corps of at least 10,000 individuals.".

[(b) ANNUAL REPORT.—Section 11 of the Peace Corps Act (22 U.S.C. 2510) is amended by adding at the end thereof the following new sentence:

["The President shall also include in the report a description of any plans to carry out the policy set forth in section 2(b) of this Act.".

[SEC. 1103. LIMITATION ON LENGTH OF PEACE CORPS EMPLOYMENT.

[(a) AUTHORITY TO MAKE APPOINTMENTS OF MORE THAN FIVE YEARS.—Section 7(a) of the Peace Corps Act (22 U.S.C. 2506(a)) is amended—

[(1) in paragraph (2)—

[(A) in subparagraph (A)—

[(i) by striking out "five" and inserting in lieu thereof "seven and one-half"; and

[(ii) by striking out "unless" and all that follows through "basis" and inserting in lieu thereof ", subject to paragraph (5) and except as provided in paragraph (6)"; and

[(B) in the third sentence, by inserting "(other than the provisions of section 309)" after "1980"; and

[(2) by adding at the end thereof the following new paragraphs:

["(5) Except as provided in paragraph (6), the Director of the Peace Corps may make appointments or assignments of United States citizens under paragraph (2) for periods of more than five years only in the case of individuals whose performance as employees of the Peace Corps has been exceptional and only in order to achieve one or more of the following purposes:

["(A) To permit individuals who have served at least two and one-half years of such an appointment or assignment abroad to serve in the United States thereafter.

["(B) To permit individuals who have served at least two and one-half years of such an appointment or assignment in the United States to serve abroad thereafter.

["(C) To permit individuals who have served at least two and one-half years of such an appointment or assignment in a recruitment, selection, or training activity to be reassigned to an activity other than the one in which they have most recently so served.

["(D) To promote the continuity of functions in administering the Peace Corps.

At no time may the number of appointments or assignments of United States citizens in effect under paragraph (2) for periods in excess of five years exceed fifteen percent of the total of all appointments and assignments of United States citizens then in effect under paragraph (2).

["(6) Notwithstanding the limitation set forth in paragraph (2)(A) on the length of an appointment or assignment under paragraph (2) and notwithstanding the limitations set forth in paragraph (5) on the circumstances under which such an appointment or assignment may exceed five years, the Director of the Peace

Corps, under special circumstances, may personally approve an extension of an appointment or assignment under paragraph (2) for not more than one year on an individual basis.".

[(b) REPORTS TO CONGRESS.—The Director of the Peace Corps shall, not later than January 1, 1986, submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report describing the criteria to be applied by the Director in exercising the authority provided by amendments made by subsection (a) to make appointments or assignments of individuals for periods of more than five years. Not later than each January 1 thereafter, the Director shall submit to the Committees referred to in the preceding sentence a report on—

[(1) the exercise of such authority during the preceding fiscal year for each of the purposes specified in paragraph (5) of section 7(a) of the Peace Corps Act, as added by subsection (a) of this section; and

[(2) the exercise during that fiscal year of the authority under paragraph (6) of such section 7(a), as added by subsection (a) of this section.

[SEC. 1104. PEACE CORPS NATIONAL ADVISORY COUNCIL.

[(a) ESTABLISHMENT OF COUNCIL.—The Peace Corps Act (22 U.S.C. 2501 and following is amended by inserting after section 11 the following new section:

[''PEACE CORPS NATIONAL ADVISORY COUNCIL

[''SEC. 12. (a) ESTABLISHMENT.—A Peace Corps National Advisory Council (hereinafter in this section referred to as the 'Council') shall be established in accordance with the provisions of this section.

[''(b) FUNCTIONS.—(1) The Council shall advise and consult with the President and the Director of the Peace Corps with regard to policies and programs designed to further the purposes of this Act and shall, as the Council considers appropriate, periodically report to the Congress with regard to the Peace Corps.

[''(2) Members of the Council shall (subject to subsection (d)(1)) conduct on-site inspections, and make examinations, of the activities of the Peace Corps in the United States and in other countries in order to—

[''(A) evaluate the accomplishments of the Peace Corps;

[''(B) assess the potential capabilities and the future role of the Peace Corps;

[''(C) make recommendations to the President, the Director of the Peace Corps, and, as the Council considers appropriate, the Congress, for the purpose of guiding the future direction of the Peace Corps and of helping to ensure that the purposes and programs of the Peace Corps are carried out in ways that are economical, efficient, responsive to changing needs in developing countries and to changing relationships among people, and in accordance with law, and

[''(D) make such other evaluations, assessments, and recommendations as the Council considers appropriate.

[“(3) The Council may provide for public participation in its activities.

[“(c) MEMBERSHIP.—(1) Persons appointed as members of the Council shall be broadly representative of the general public, including educational institutions, private volunteer agencies, private industry, farm organizations, labor unions, different regions of the United States, different educational, economic, racial, and national backgrounds and age grouping, and both sexes.

[“(2)(A) The Council shall consist of fifteen voting members who shall be appointed by the President, by and with the advice and consent of the Senate. At least seven of such members shall be former Peace Corps volunteers, and not more than eight of such members shall be members of the same political party.

[“(B) The first appointments of members of the Council under this paragraph shall be made not more than sixty days after the date of the enactment of this section and, solely for purposes of determining the expiration of their terms, shall be deemed to take effect on the sixtieth day after such date of enactment.

[“(C) No member appointed under this paragraph may be an officer or employee of the United States Government.

[“(D) Of the members initially appointed under this paragraph, eight shall be appointed to 1-year terms and seven shall be appointed to 2-year terms. Thereafter, all appointed members shall be appointed to 2-year terms.

[“(E) A member of the Council appointed to fill a vacancy occurring before the expiration of the term for which the member’s predecessor was appointed shall be appointed only for the remainder of that term.

[“(F) No member of the Council may serve for more than two consecutive 2-year terms.

[“(G) Members of the Council shall serve at the pleasure of the President.

[“(H) An appointed member of the Council may be removed by a vote of nine members for malfeasance in office, for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

[“(I) Within thirty days after any vacancy occurs in the office of an appointed member of the Council, the President shall nominate an individual to fill the vacancy.

[“(3) In addition to the voting members of the Council, the Secretary of State and the Administrator of the Agency for International Development, or their designees, and the Director and Deputy Director of the Peace Corps, shall be non-voting members, ex officio, of the Council.

[“(d) COMPENSATION.—(1) Except as provided in paragraph (2), a member of the Council who is not an officer or employee of the United States Government—

> [“(A) shall be paid compensation out of funds made available for the purposes of this Act at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties as a Council member, and

[“(B) while away from his or her home or regular place of business on necessary travel, as determined by the Director of the Peace Corps, in the actual performance of duties as a Council member, shall be paid per diem, travel, and transportation expenses in the same manner as is provided under subchapter I of chapter 57 of title 5, United States Code.

[“(2) A member of the Council may not be paid compensation under paragraph (1)(A) for more than twenty days in any calendar year.

[“(e) QUORUM.—A majority of the voting members of the Council shall constitute a quorum for the purposes of transacting any business.

[“(f) FINANCIAL INTERESTS OF MEMBERS.—A member of the Council shall disclose to the Council the existence of any direct or indirect financial interest of that member in any particular matter before the Council and may not vote or otherwise participate as a Council member with respect to that particular matter.

[“(g) CHAIR AND VICE CHAIR.—At its first meeting and at its first regular meeting in each calendar year thereafter, the Council shall elect a Chair and Vice Chair from among its appointed members who are citizens of the United States. The Chair and Vice Chair may not both be members of the same political party.

[“(h) MEETINGS, BYLAWS, AND REGULATIONS.—(1) The Council shall hold a regular meeting during each calendar quarter and shall meet at the call of the President, the Director of the Peace Corps, the Council’s Chair, or one-fourth of its members.

[“(2) The Council shall prescribe such bylaws and regulations as it considers necessary to carry out its functions. Such bylaws and regulations shall include procedures for fixing the time and place of meetings, giving or waiving of notice of meetings, and keeping of minutes of meetings.

[“(i) REPORTS TO THE PRESIDENT AND THE DIRECTOR.—Not later than January 1, 1988, and not later than January 1 of each second year thereafter, the Council shall submit to the President and the Director of the Peace Corps a report on its views on the Program and activities of the Peace Corps. Each report shall contain a summary of the advice and recommendations provided by the Council to the President and the Director during the period covered by the report and such recommendations (including recommendations for administrative or legislative action) as the Council considers appropriate to make to the Congress. Within ninety days after receiving each such report, the President shall submit to the Congress a copy of the report, together with any comments concerning the report that the President or the Director considers appropriate.

[“(j) ADMINISTRATIVE ASSISTANCE.—The Director of the Peace Corps shall make available to the Council such personnel, administrative support services, and technical assistance as are necessary to carry out its functions effectively.”.

[(b) TERMINATION OF SIMILAR ADVISORY BODY.—Any advisory body carrying out functions similar to those assigned to the Peace Corps National Advisory Council provided for in subsection (a) shall cease to exist sixty days after the date of the enactment of this Act.

[SEC. 1105. NONPARTISAN APPOINTMENTS.

[(a) POLITICAL TESTS.—The Peace Corps Act (22 U.S.C. 2501 and following) is amended—

[(1) by redesignating sections 25, 26, and 27 as sections 26, 27, and 28, respectively; and

[(2) by inserting after section 24 the following new section:

[''NONPARTISAN APPOINTMENTS

[''SEC. 25. In carrying out this Act, no political test or political qualification may be used in—

[''(1) selecting any person for enrollment as a volunteer or for appointment to a position at, or for assignment to (or for employment for assignment to), a duty station located abroad, or

[''(2) promoting or taking any other action with respect to any volunteer or any person assigned to such a duty station.''.

[(b) DISCRIMINATION.—Section 5(a) of the Peace Corps Act (22 U.S.C. 2504(a)) is amended by amending the last sentence to read as follows: ''In carrying out this subsection, there shall be no discrimination against any person on account of race, sex, creed, or color.''.

[TITLE XII—MISCELLANEOUS PROVISIONS RELATING TO FOREIGN ASSISTANCE

[SEC. 1201. NOTICE TO CONGRESS OF USE OF CERTAIN AUTHORITIES RELATING TO HUMAN RIGHTS CONDITIONS.

[Section 502B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[''(g) Whenever the provisions of subsection (e) or (f) of this section are applied, the President shall report to the Congress before making any funds available pursuant to those subsections. The report shall specify the country involved, the amount and kinds of assistance to be provided, and the justification for providing the assistance, including a description of the significant improvements which have occurred in the country's human rights record.''.

[SEC. 1202. PROHIBITIONS AGAINST ASSISTANCE.

[Section 620(f) of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting ''(1)'' immediately after ''(f)'';

[(2) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively; and

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

[''(2) Notwithstanding the provisions of paragraph (1) of this subsection, the President may remove a country, for such period as the President determines, from the application of this subsection, and other provisions which reference this subsection, if the President determines and reports to the Congress that such action is important to the national interest of the United States. It is the sense of the Congress that when consideration is given to authorizing assistance to a country removed from the application of this subsection, one of the factors to be weighted, among others, is whether the country in question is giving evidence of fostering the establish-

ment of a genuinely democratic system, with respect for internationally recognized human rights.".

[SEC. 1203. LAND REFORM PROGRAMS.

[Section 620(g) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following sentence: "This prohibition shall not apply to monetary assistance made available for use by a government (or a political subdivision or agency of a government) to compensate nationals of that country in accordance with a land reform program, if the President determines that monetary assistance for such land reform program will further the national interests of the United States.".

[SEC. 1204. SUSPENSION OF ASSISTANCE TO COUNTRIES VIOLATING U.S. EXPORT LAWS IN ORDER TO MANUFACTURE A NUCLEAR EXPLOSIVE DEVICE.

[(a) SUSPENSION OF ASSISTANCE BECAUSE OF ILLEGAL EXPORTS.—Subsection (a)(1) of section 670 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(A)" after "country which";

[(2) by inserting immediately before the period at the end thereof ", or (B) is a non-nuclear-weapon state which, on or after the date of enactment of the International Security and Development Cooperation Act of 1985, exports illegally (or attempts to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of a nuclear explosive device"; and

[(3) by adding at the end thereof the following: "For purposes of clause (B), an export (or attempted export) by a person who is an agent of, or is otherwise acting on behalf of or in the interests of, a country shall be considered to be an export (or attempted export) by that country.".

[(b) CONFORMING AMENDMENTS.—Such section 670 is amended—

[(1) in the section caption by inserting "ILLEGAL EXPORTS FOR NUCLEAR EXPLOSIVE DEVICES," after "TRANSFERS,"; and

[(2) by striking out "(5) As used in this subsection" and inserting in lieu thereof "(c) As used in this section".

[(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

[SEC. 1205. REPORTS ON ECONOMIC CONDITIONS IN CERTAIN COUNTRIES.

[(a) EXTERNAL DEBT BURDEN OF CERTAIN COUNTRIES RECEIVING UNITED STATES ASSISTANCE.—The Congress finds that the Governments of Egypt, Israel, Turkey, and Portugal each have an enormous external debt burden which may be made more difficult by virtue of financing provided for those governments under various United States assistance programs.

[(b) ANNUAL REPORTS ON ECONOMIC CONDITIONS.—In order to assist the Congress in examining United States assistance for these countries, the President shall report to Speaker of the House of Representatives and to the chairman of the Committee on Foreign

Relations of the Senate, not later than January 15 of each year, regarding economic conditions prevailing in Egypt, Israel, Turkey, and Portugal which may affect their respective ability to meet their international debt obligations and to stabilize their economies.

[SEC. 1206. EGYPTIAN-ISRAELI RELATIONS.

[The Congress notes the recent effort of Egypt to move the peace process forward. However, the Congress continues to be concerned about the less than normal relations between Egypt and Israel. It is the sense of the Congress that all United States foreign assistance to Egypt is provided in the expectation that the Egyptian Government will continue in its efforts to bring peace to the region and that it will continue to support and fulfill the provisions of the Camp David Accords and the Egyptian-Israeli Peace Treaty.

[SEC. 1207. PROCUREMENT OF CONSTRUCTION AND ENGINEERING SERVICES.

[Section 604(g) of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(1)" after "(g)"; and

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

["(2) Paragraph (1) does not apply with respect to an advanced developing country which—

["(A) is receiving direct economic assistance under chapter 1 of part I or chapter 4 of part II of this Act, and

["(B) if the country has its own foreign assistance programs which finance the procurement of construction or engineering services, permits United States firms to compete for those services.".

[SEC. 1208. COMPLETION OF PLANS AND COST ESTIMATES.

[Section 611 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a) by striking out "$100,000" and inserting in lieu thereof "$500,000"; and

[(2) in subsection (b) by striking out "the procedures set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973, with respect to such computations" and inserting in lieu thereof "the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.) or acts amendatory or supplementary thereto".

[SEC. 1209. REPROGRAMMING NOTIFICATIONS TO CONGRESS.

[(a) REPROGRAMMING NOTIFICATIONS.—Section 634A of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(a)" immediately before "None";

[(2) by inserting "or the Arms Export Control Act" immediately after "disaster relief and rehabilitation)" and immediately after "this Act" the second place it appears; and

[(3) by adding at the end of the section the following new subsections:

["(b) The notification requirement of this section does not apply to the reprogramming—

["(1) of funds to be used for an activity, program, or project under chapter 1 of part I if the amounts to be obligated

for that activity, program, or project for that fiscal year do not exceed by more than 10 percent the amount justified to the Congress for that activity, program, or project for that fiscal year; or

[“(2) of less than $25,000 to be used under chapter 8 of part I, or under chapter 5 of part II, for a country for which a program under that chapter for that fiscal year was justified to the Congress.

[“(c) The President shall notify the chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Foreign Affairs of the House of Representatives concerning any reprogramming of funds in the International Affairs Budget Function, the authorizations of appropriations for which are in their respective jurisdictions, to the same degree and with the same conditions as the President notifies the Committees on Appropriations. The requirements of this subsection are in addition to, and not in lieu of, other notification requirements.”.

[(b) ALLOCATION REPORTS.—Section 653 of such Act is amended—

[(1) by inserting in subsection (a) “or the Arms Export Control Act” immediately after “sections 451 or 637)”;

[(2) by striking out subsection (b); and

[(3) by redesignating subsection (c) as subsection (b).

[(c) QUARTERLY REPORTS.—Section 36(a) of the Arms Export Control Act is amended—

[(1) in paragraph (5), by striking out “cash” and by striking out “, credits to be extended under section 23, and guaranty agreements to be made under section 24”; and

[(2) in paragraph (6), by striking out “cash” and by striking out “and credits expected to be extended”.

[SEC. 1210. REPORT ON UNITED STATES ASSISTANCE TO COAL EXPORTING NATIONS.

[Not later than 30 days after the date of enactment of this Act, the President shall submit to the appropriate committees of the Congress a report describing the status and terms of, and containing all other pertinent information relating to, any United States Government assistance which is provided to foreign nations that produce or export coal for the purpose of financing or assisting in the development of coal production, transportation, export, or other coal-related activities or operations.

[SEC. 1211. REPEAL OF OBSOLETE PROVISIONS AND CORRECTION OF TECHNICAL REFERENCES.

[(a) REPEALS.—The Foreign Assistance Act of 1961 is amended as follows:

[(1) The third sentence of section 105(a) is repealed.

[(2) Section 106(b)(1) is amended by striking out “(A)” and by striking out subparagraph (B).

[(3) Section 110 is amended by striking out “(a)” and by striking out subsection (b).

[(4) Chapter 10 of part I is repealed.

[(b) CORRECTION OF CROSS-REFERENCES.—

[(1) FOREIGN SERVICE ACT.—Section 636(a)(14) of such Act is amended by striking out “the Foreign Service Act of 1946,

as amended (22 U.S.C. 801 et seq.)" and inserting in lieu thereof "the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.)".

[(2) TITLE 31 OF THE U.S. CODE.—Section 611(a) of such Act is amended by striking out "section 1311 of the Supplemental Appropriation Act, 1955 as amended (31 U.S.C. 200)" and inserting in lieu thereof "section 1501 of title 31, United States Code".

[(3) ITAR REGULATIONS.—Section 47(6) of the Arms Export Control Act is amended by striking out "combat" and inserting in lieu thereof "military".

[TITLE XIII—MISCELLANEOUS PROVISIONS

[SEC. 1301. EFFECTIVE DATE.

[Except as otherwise provided in this Act, this Act shall take effect on October 1, 1985.]

* * * * * * *

JORDAN SUPPLEMENTAL ECONOMIC ASSISTANCE AUTHORIZATION ACT OF 1985

[TITLE IV—AUTHORIZATION OF ECONOMIC SUPPORT FUND ASSISTANCE FOR JORDAN

[SHORT TITLE

[SEC. 401. This title may be cited as the "Jordan Supplemental Economic Assistance Authorization Act of 1985".

[ECONOMIC SUPPORT FUND

[SEC. 402. (a)(1) In addition to funds otherwise available for such purposes for such fiscal year, there are authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $250,000,000 for the fiscal year 1985, which amount shall be available only for Jordan.

[(2) Of the funds authorized to be appropriated by paragraph (1)—

[(A) for the fiscal year 1985, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance;

[(B) for the fiscal year 1986, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance; and

[(C) for the fiscal year 1987, $60,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance.

[(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1987.

[POLICY

[SEC. 403. (a) SENSE OF CONGRESS.—It is the sense of Congress that no foreign military sales financing authorized by this Act may be used to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new

advanced military weapons systems, and no notification may be made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons systems, unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

[(b) CERTIFICATION.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems or other new advanced military weapons, must be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.]

AFRICAN FAMINE RELIEF AND RECOVERY ACT OF 1985

[SECTION 1. SHORT TITLE.

[This Act may be cited as the "African Famine Relief and Recovery Act of 1985".

[SEC. 2. INTERNATIONAL DISASTER ASSISTANCE.

[Chapter 9 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2292–2292p) is amended by adding at the end thereof the following new section:

["SEC. 495K. AFRICAN FAMINE ASSISTANCE.

["(a) AUTHORIZATION OF ASSISTANCE.—The President is authorized to provide assistance for famine relief, rehabilitation, and recovery in Africa. Assistance under this section shall be provided for humanitarian purposes and shall be provided on a grant basis. Such assistance shall include—

["(1) relief, rehabilitation, and recovery projects to benefit the poorest people, including the furnishing of seeds for planting, fertilizer, pesticides, farm implements, farm animals and vaccine and veterinary services to protect livestock upon which people depend, blankets, clothing, and shelter, disease prevention and health care projects, water projects (including water purification ant well drilling), small-scale agricultural projects, and food protection and preservation projects; and

["(2) projects to meet emergency health needs, including vaccinations.

["(b) USES OF FUNDS.—

["(1) PRIVATE AND VOLUNTARY ORGANIZATIONS AND INTERNATIONAL ORGANIZATIONS.—Funds authorized to be appropriated by this section shall be used primarily for grants to private and voluntary organizations and international organizations.

["(2) EMERGENCY HEALTH PROJECTS.—A significant portion of the funds authorized to be appropriated by this section shall be used for emergency health projects pursuant to subsection (a)(2)

[“(3) MANAGEMENT SUPPORT ACTIVITIES.—Of the amount authorized to be appropriated by this section, $2,500,000 shall be transferred to the 'Operating Expenses of the Agency for International Development' account. These funds shall be used for management support activities associated with the planning, monitoring, and supervision of emergency food and disaster assistance provided in those countries in Africa described in section 5(a) of the African Famine Relief and Recovery Act of 1986.

[“(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to the amounts otherwise available for such purpose, there are authorized to be appropriated $137,500,000 for the fiscal year 1985 for use in providing assistance under this section.

[“(d) POLICIES AND AUTHORITIES TO BE APPLIED.—Assistance under this section shall be furnished in accordance with the policies and General authorities contained in section 491.”.

[SEC. 3. MIGRATION AND REFUGEE ASSISTANCE.

[(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise available for such purpose, there are authorized to be appropriated to the Department of State for “Migration and Refugee Assistance” for the fiscal year 1985, $37,500,000 for assisting refugees and displaced persons in Africa.

[(b) USE OF FUNDS.—

[(1) PROJECTS FOR IMMEDIATE DEVELOPMENT NEEDS.—Up to 54 percent of the funds authorized to be appropriated by this section may be made available to the United Nations Office of Emergency Operations in Africa for projects such as those proposed at the second International Conference on Assistance to Refugees in Africa (ICARA II) to address the immediate development needs created by refugees and displaced persons in Africa.

[(2) EMERGENCY RELIEF AND RECOVERY EFFORTS.—The remaining funds authorized to be appropriated by this section shall be used by the Bureau for Refugee Programs of the Department of State for emergency relief and recovery efforts in Africa.

[SEC. 4. DEPARTMENT OF DEFENSE ASSISTANCE.

[(a) SPECIAL RULE ON REIMBURSEMENT.—If the Department of Defense furnishes goods or services for African supplemental famine assistance activities, the Department of Defense shall be reimbursed for not more than the costs which it incurs in providing those goods or services. These costs do not include military pay and allowances, amortization and depreciation, and fixed facility costs.

[(b) DEFNITION OF AFRICAN SUPPLEMENTAL FAMINE ASSISTANCE ACTIVITIES.—For purposes of this section, the term “African supplemental famine assistance activities” means the provision of the following fiscal year 1985 supplemental assistance for Africa:

[(1) Famine assistance pursuant to section 2 of this Act.

[(2) Migration and refugee assistance pursuant to section 3 of this Act.

[(3) Assistance pursuant to supplemental appropriations for title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721–1726).

[(4) Assistance with funds appropriated during fiscal year 1985 for the Emergency Refugee and Migration Assistance Fund (22 U.S.C. 2601(c)).

[SEC. 5. GENERAL PROVISIONS RELATING TO ASSISTANCE.

[(a) COUNTRIES TO BE ASSISTED.—Amounts authorized to be appropriated by this Act shall be available only for assistance in those countries in Africa which have suffered during calendar years 1984 and 1985 from exceptional food supply problems due to drought and other calamities.

[(b) "HICKENLOOPER AMENDMENT".—Assistance may be provided with funds authorized to be appropriated by this Act without regard to section 602(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(e)(1)).

[(c) ENSURING THAT ASSISTANCE REACHES INTENDED RECIPIENTS.—The President shall ensure that adequate procedures have been established so that assistance pursuant to this Act is provided to the famine victims for whom it is intended.

[SEC. 6. REPORTS ON AFRICAN FAMINE ASSISTANCE.

[(a) REPORT ON UNITED STATES CONTRIBUTION TO MEET EMERGENCY NEEDS.—

[(1) REQUIREMENT FOR REPORT.—Not later than June 30, 1985, the President shall report to the Congress with respect to the United States contribution to meet emergency needs, including food needs, for African famine assistance.

[(2) INFORMATION TO BE INCLUDED IN REPORT.—The report required by this subsection shall describe—

[(A) the emergency needs, including food needs, for African famine assistance that are identified by the President's Interagency Task Force on the African Food Emergency, private and voluntary organizations active in famine relief, the United Nations Office for Emergency Operations in Africa, the United Nations Food and Agriculture Organization, the World Food Program, and such other organizations as the President considers appropriate; and

[(B) the projected fiscal year 1985 contribution by the United States Government to meet an appropriate share of those needs referred to in subparagraph (A).

[(b) REPORT ON ASSISTANCE PROVIDED PURSUANT TO THIS ACT.—

[(1) REQUIREMENT FOR REPORT.—Not later than September 30, 1985, the President shall report to the Congress on the assistance provided pursuant to this Act.

[(2) INFORMATION TO BE INCLUDED IN REPORT.—

[(A) USE OF FUNDS.—The report pursuant to this subsection shall describe the uses, by the Agency for International Development and by the Department of State, of the funds authorized to be appropriated by this Act, including—

[(i) a description of each project or program supported with any of those funds, and the amount allocated to it;

[(ii) the identity of each private and voluntary organization or international organization receiving any of those funds, and the amount of funds each received;

[(iii) the amount of those funds used for assistance to each country;

[(iv) the amount of those funds, if any, which will not have been obligated as of September 30, 1985; and

[(v) a list of any projects or programs supported with those funds which are not expected to be completed as of December 31, 1985.]

INTERNATIONAL SECURITY AND DEVELOPMENT ASSISTANCE AUTHORIZATION ACT OF 1983

JOINT RESOLUTION Making further continuing appropriations for the fiscal year 1984.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1984, and for other purposes, namely:

SEC. 101. (a) * * *

(b)(1) * * *

[(2) Section 101(b)(2) of this joint resolution may be cited as the "International Security and Development Assistance Authorizations Act of 1983".

[AUTHORIZATION OF APPROPRIATIONS

[There is authorized to be appropriated to the President $1,315,000,000 for the fiscal year 1984 to carry out section 23 of the Arms Export Control Act. The total principal amount of loans guaranteed under section 24(a) of the Arms Export Control Act shall not exceed $4,446,500,000 for the fiscal year 1984.

[There are authorized to be appropriated for the fiscal year 1984 the following amounts to carry out the following provisions of the Foreign Assistance Act of 1961:

[(1) $725,213,000 to carry out section 103.
[(2) $244,600,000 to carry out section 104(b).
[(3) $133,400,000 to carry out section 104(c).
[(4) $121,477,000 to carry out section 105.
[(5) $160,000,000 to carry out section 106.
[(6) $103,000,000 to carry out section 121.
[(7) $30,000,000 to carry out section 214.
[(8) $266,214,000 to carry out chapter 3 of part I.
[(9) $47,000,000 to carry out section 481.
[(10) $25,000,000 to carry out section 491.
[(11) $3,074,000,000 to carry out chapter 4 of part II.
[(12) $639,700,000 to carry out section 503.
[(13) $56,452,000 to carry out chapter 5 of part II.
[(14) $46,200,000 to carry out chapter 6 of part II.
[(15) $22,000,000 to carry out section 661.
[(16) $370,000,000 to carry out section 667.

[There is authorized to be appropriated to the President to carry out the African Development Foundation Act $3,000,000 for the fiscal year 1984.

[There is authorized to be appropriated to carry out the Peace Corps Act $116,000,000 for fiscal year 1984.

[Section 10 of Public Law 91–672 and section 15(a) of the State Department Basic Authorities Act of 1956 shall not apply with respect to funds appropriated for "Migration and Refugee Assistance" or for the Inter-American Foundation by the joint resolution of October 1, 1983 (Public Law 98–107), as amended by this joint resolution.

[ASSISTANCE FOR ISRAEL AND EGYPT

[Section 31(b)(3) of the Arms Export Control Act is amended to read as follows:

["(3) Of the aggregate total of credits (or participations in credits) extended under section 23 of this Act and of the total principal amount of loans guaranteed under section 24(a) of this Act, not less than $1,700,000,000 for the fiscal year 1984 shall be available only for Israel, of which not less than $850,000,000 shall be credits under section 23. Of the total aggregate credit ceiling made available to Israel, up to $300,000,000 shall be made available for research and development activities in the United States and $250,000,000 shall be made available for the procurement of defense articles and defense services in Israel for the Lavi program.".

[Section 31(c) of such Act is amended—

[(a) in the first sentence by striking out "for the fiscal year 1982 and for the fiscal year 1983" and inserting in lieu thereof "for the fiscal year 1984"; and

[(b) in the last sentence—

[(1) by striking out "$550,000,000" and inserting in lieu thereof "$850,000,000 for the fiscal year 1984"; and

[(2) by striking out "for each such year".

[Section 31(b)(6) of such Act is amended to read as follows:

["(6) Of the total amounts of credits (or participations in credits) extended under section 23 of this Act, not less than $465,000,000 for the fiscal year 1984 shall be available only for Egypt, and Egypt shall be released from its contractual liability to repay the United States Government with respect to such credits (and participations in credits). Of the total principal amount of loans guaranteed under section 24(a) of this Act, not less than $900,000,000 for the fiscal year 1984 shall be available only for Egypt.".

[Section 31(b)(5) of such Act is amended by striking out "for the fiscal year 1982 and for the fiscal year 1983" and inserting in lieu thereof "for the fiscal year 1984".

[Section 532 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 532. EARMARKING FOR ISRAEL AND EGYPT.—Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1984, not less than $910,000,000 shall be available only for Israel and not less than $750,000,000 shall be available only for Egypt.".

[CONDITIONS ON MILITARY ASSISTANCE FOR EL SALVADOR

[Not more than 70 percent of the amount made available for the fiscal year 1984 for military assistance for El Salvador under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 and under the Arms Export Control Act may be expended until—

[(1) Salvadoran authorities have substantially concluded all investigative actions in the case of the National Guardsmen charged with murder in the deaths of the four United States churchwomen in December 1980 that were set forth in communications from the Department of State (including the letters dated July 8 and September 23, 1983); and

[(2) Salvadoran authorities have brought the accused to trial and have obtained a verdict.

[Not more than 90 percent of the amount made available for the fiscal year 1984 for military assistance for El Salvador under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 and under the Arms Export Control Act may be expended until the President has determined and certified to the Congress that—

[(1) the Government of El Salvador has not taken any action which would alter, suspend, or terminate the land reform program for phase I or phase III promulgated under Decree 154 (dated March 5, 1980) or Decree 207 (dated April 28, 1980) in a manner detrimental to the rights of the beneficiaries or the potential beneficiaries under those decrees; and

[(2) the Government of El Salvador continues to make documented progress on implementing the land reform program.

[MINORITY SET-ASIDE

[Except to the extent that the Administrator of the Agency for International Development determines otherwise, not less than 10 percent of the aggregate of the funds made available for the fiscal year 1984 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be made available only for activities of economically and socially disadvantaged enterprises (within the meaning of section 133(c)(5) of the International Development and Food Assistance Act of 1977), historically Black colleges and universities, and private and voluntary organizations which are controlled by individuals who are Black Americans, Hispanic Americans, or Native Americans, or who are economically and socially disadvantaged (within the meaning of section 133(c)(5) (B) and (C) of the International Development and Food Assistance Act of 1977). For purposes of this section, economically and socially disadvantaged individuals shall be deemed to include women.

[MINORITY RESOURCE CENTER

[None of the funds authorized to be appropriated for the fiscal year 1984 to carry out the Foreign Assistance Act of 1961 may be used to eliminate the Minority Resource Center as a separate and distinct entity within the Agency for International Development, including implementation of a consolidation of the Minority Resource Center with the Office of Small and Disadvantaged Business Utilization under section 133(c)(8) of the International Development and Food Assistance Act of 1977.

[PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI

[It is the sense of the Congress that for the fiscal year 1984 up to $24,000,000 of the funds available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, and up to $10,000,000 of the funds available to carry out chapter 4 of part II of such Act, should be made available for development assistance for Haiti, subject to the limitation contained in the third paragraph of this heading.

[To the maximum extent practicable, assistance for Haiti under chapter 1 of part I and under chapter 4 of part II of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

[Funds available for fiscal year 1984 to carry out chapter 1 of part I or chapter 2, 4, or 5 of part II of the Foreign Assistance Act of 1961 may be obligated for Haiti, and credits may be extended and guarantees may be issued under the Arms Export Control Act for Haiti, only if the President determines that the Government of Haiti—

[(1) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti;

[(2) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years); and

[(3) is making a concerted and significant effort to improve the human rights situation in Haiti by implementing the political reforms which are essential to the development of democracy in Haiti, including the establishment of political parties, free elections, and freedom of the press.

[Six months after the date of enactment of this section, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each numbered provision contained in the third paragraph of this heading.

[Notwithstanding the limitation of section 660 of the Foreign Assistance Act of 1961, funds made available under such Act for the fiscal year 1984 may be used for programs with Haiti, which shall be consistent with prevailing United States refugee policies, to assist in halting significant illegal emigration from Haiti to the United States.

[PRIVATE SECTOR REVOLVING FUND

[The amendment contained in section 407 of H.R. 2992, as reported by the Committee on Foreign Affairs of the House of Representatives on May 17, 1983, is hereby enacted.

[ANTITERRORISM ASSISTANCE PROGRAM

[The amendments contained in title II of H.R. 2992, as reported by the Committee on Foreign Affairs of the House of Representatives on May 17, 1983, are hereby enacted, except that, for purposes of such enactment, section 575 of the Foreign Assistance Act of 1961 shall read as follows:

[“SEC. 575. APPROPRIATIONS.—There is authorized to be appropriated to the President to carry out this chapter $5,000,000 for the

fiscal year 1984. Amounts appropriated under this section are authorized to remain available until expended.".]

LEBANON EMERGENCY ASSISTANCE ACT OF 1983

[SHORT TITLE

[SECTION 1. This Act may be cited as the "Lebanon Emergency Assistance Act of 1983".

[ECONOMIC SUPPORT FUND

[SEC. 2. (a) It is hereby determined that the national interests of the United States would be served by the authorization and appropriation of additional funds for economic assistance for Lebanon in order to promote the economic and political stability of that country and to support the international effort to strengthen a sovereign and independent Lebanon.

[(b) Accordingly, in addition to amounts otherwise authorized to be appropriated for the fiscal year 1983 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated $150,000,000 to carry out such provisions with respect to Lebanon.

[(c) Amounts authorized by this section may be appropriated in an appropriation Act for any fiscal year (including a continuing resolution) and shall continue to be available beyond the fiscal year notwithstanding any provision of that appropriation Act to the contrary.

[MILITARY SALES AND RELATED PROGRAMS

[SEC. 3. (a) In order to support the rebuilding of the armed forces of Lebanon, the Congress finds that the national security interests of the United States would be served by the authorization and appropriation of additional funds to provide training for the Lebanese armed forces and by the authorization of additional foreign military sales guaranties to finance procurements by Lebanon of defense articles and defense services for its security requirements.

[(b) In addition to amounts otherwise made available for the fiscal year 1983 to carry out the provisions of chapter 5 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated for the fiscal year 1983 $1,000,000 to carry out such provisions with respect to Lebanon.

[(c) In addition to amounts otherwise made available for the fiscal year 1983 for loan guaranties under section 24(a) of the Arms Export Control Act, $100,000,000 of loan principal are authorized to be so guaranteed during such fiscal year for Lebanon.

[UNITED STATES ARMED FORCES IN LEBANON

[SEC. 4. (a) The President shall obtain statutory authorization from the Congress with respect to any substantial expansion in the number or role in Lebanon of United States Armed Force, including any introduction of United States Armed Forces into Lebanon in conjunction with agreements providing for the withdrawal of all

foreign troops from Lebanon and for the creation of a new multinational peace-keeping force in Lebanon.

[(b) Nothing in this section is intended to modify, limit, or suspend any of the standards and procedures prescribed by the War Powers Resolution of 1973.]

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1981

AN ACT To authorize appropriations for the fiscal years 1982 and 1983 for international security and development assistance and for the Peace Corps, to establish the Peace Corps as an autonomous agency, and for other purposes

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

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security and Development Cooperation Act of 1981".

[TITLE I—MILITARY SALES AND RELATED PROGRAMS

[REPORTS TO THE CONGRESS

[SEC. 101. (a)(1) Section 3(d)(1) of the Arms Export Control Act is amended—

[(A) in the text preceding subparagraph (A) by striking out "to a transfer of a defense article, or related training or other defense service, sold under this Act and may not give his consent to such a transfer under section 505(a)(1) or 505(a)(4) of the Foreign Assistance Act of" and inserting inlieu thereof ", or under section 505(a)(1) or 505(a)(4) of the Foreign Assistance Act of 1961, to a transfer of any major defense equipment valued (in terms of its original acquisition cost) at $14,000,000 or more, or any defense article or related training or other defense service valued (in terms of its original acquisition cost) at $50,000,000 or more,";

[(B) by amending subparagraph (B) to read as follows:

["(B) a description of the article or service proposed to be transferred, including its acquisition cost,";

[(C) in subparagraph (C) by striking out "defense article or related training or other defense service" and inserting in lieu thereof "article or service"; and

[(D) in the last sentence by striking out "defense articles, or related training or other defense services," and inserting in lieu thereof "articles or services".

[(2) Section 3(d)(3) of such Act is amended by striking out all that follows "The President may not give his consent" through "section 38 of this Act," and inserting in lieu thereof "to the transfer of any major defense equipment valued (in terms of its original acquisition cost) at $14,000,000 or more, or any defense article or defense service valued (in terms of its original acquisition cost) at $50,000,000 or more, the export of which has been licensed or approved under section 38 of this Act,".

[(3) Section 3(d)(4) of such Act is amended—

[(A) by inserting "or" at the end of subparagraph (B);

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

[(C) by striking out subparagraph (D).

[(b)(1) Section 28(a) of such Act is amended by striking out "five" and inserting in lieu thereof "fifteen".

[(2) Section 28(b) of such Act is amended by striking out "the issuance of a letter of offer in accordance with such request would be subject to the requirements of section 36(b) of this Act" and inserting in lieu thereof "the request involves a proposed sale of major defense equipment for $7,000,000 or more or of any other defense articles or defense services for $25,000,000 or more".

[(c) The first sentence of section 36(b)(1) of such Act is amended—

[(1) by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000"; and

[(2) by striking out "$7,000,000" and inserting in lieu thereof "$14,000,000".

[(d) Section 36(c) of such Act is amended in the first sentence of paragraph (1)—

[(1) by striking out "$7,000,000" and inserting in lieu thereof "$14,000,000"; and

[(2) by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

[(e) Section 36(d) of such Act is amended by striking out "(c)" and inserting in lieu thereof "(c)(1)".

[PROPOSED TRANSFERS OR SALES TO THE NORTH ATLANTIC TREATY ORGANIZATION, JAPAN, AUSTRALIA, OR NEW ZEALAND

[SEC. 102. (a) Section 3(d)(2) of the Arms Export Control Act is amended—

["(1) by striking out "(2) Unless" and inserting in lieu thereof "(2)(A) Except as provided in subparagraph (B), unless"; and

["(2) by adding at the end thereof the following:

["(B) In the case of a proposed transfer to the North Atlantic Treaty Organization, or any member country of such Organization, Japan, Australia, or New Zealand, unless the president states in the certification submitted pursuant to paragraph (1) of this subsection that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, such consent shall not become effective until fifteen calendar days after the date of such submission and such consent shall become effective then only if the Congress does not adopt, within such fifteen-day period, a concurrent resolution disapproving the proposed transfer.".

[(b)(1) Section 36(b)(1) of such Act is amended in the fifth sentence by striking out "if the Congress, within thirty calendar days after receiving such certification," and inserting in lieu thereof the following: ", with respect to a proposed sale to the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand, if the Congress, within fifteen calendar days after receiving such certification, or with respect to a proposed sale to any other country or organization, if the Con-

gress within thirty calendar days after receiving such certification,".

[(2) Section 36(b)(2) of such Act is amended by inserting before the period at the end thereof a comma and the following: "except that for purposes of consideration of any resolution with respect to the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand, it shall be in order in the Senate to move to discharge a committee to which such resolution was referred if such committee has not reported such resolution at the end of five calendar days after its introduction".

[PERSONNEL PERFORMING DEFENSE SERVICES

["SEC. 103. Section 21(c)(2) of the Arms Export Control Act is amended to read as follows:

["(2) Within forty-eight hours of the existence of, or a change in status of significant hostilities or terrorist acts or a series of such acts, which may endanger American lives or property, involving a country in which United States personnel are performing defense services pursuant to this Act or the Foreign Assistance Act of 1961, the President shall submit to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, classified if necessary, setting forth—

["(A) the identity of such country;

["(B) a description of such hostilities or terrorist acts; and

["(C) the number of members of the United States Armed Forces and the number of United States civilian personnel that may be endangered by such hostilities or terrorist acts.".

[CHARGES FOR USE AND NONRECURRING RESEARCH, DEVELOPMENT, AND PRODUCTION COSTS

[SEC. 104. Section 21(e)(2) of the Arms Export Control Act is amended by inserting "standardization with the Armed Forces of Japan, Australia, or New Zealand in furtherance of the mutual defense treaties between the United States and those countries," immediately after "standardization,".

[FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILINGS

[SEC. 105. (a) Section 31(a) of the Arms Export Control Act is amended by striking out "$500,000,000 for the fiscal year 1981" and inserting in lieu thereof "$800,000,000 for the fiscal year 1982 and $800,000,000 for the fiscal year 1983".

[(b) Section 31(b) of such Act is amended to read as follows:

["(b)(1) The total amount of credits (or participations in credits) extended under section 23 of this Act shall not exceed $800,000,000 for the fiscal year 1982 and $800,000,000 for the fiscal year 1983.

["(2) The total principal amount of loans guaranteed under section 24(a) of this Act shall not exceed $3,269,525,000 for the fiscal year 1982 and $3,269,525,000 for the fiscal year 1983.

["(3) Of the aggregate total of credits (or participations in credits) under section 23 of this Act, and of the total principal amount of loans guaranteed under section 24(a) of this Act, not less than

$1,400,000,000 for the fiscal year 1982 and not less than $1,400,000,000 for the fiscal year 1983 shall be available only for Israel, of which not less than $550,000,000 for each such year shall be available as credits under section 23 of this Act.

[“(4) Of the amount available under paragraph (2) of this subsection for loan guaranties under section 24(a) of this Act, not less than $280,000,000 for fiscal year 1982 and not less than $280,000,000 for the fiscal year 1983 shall be available only for Greece.

[“(5) The principal amount of loans guaranteed under section 24(a) of this Act for the fiscal year 1982, and for the fiscal year 1983 with respect to Egypt, Greece, Sudan, Somalia, and Turkey shall (if and to the extent each such country so desires) be repaid in not more than twenty years, following a grace period of ten years on repayment of principal.

[“(6) Of the total amount of credits (or participations in credits) extended under section 23 of this Act for the fiscal years 1982 and 1983, not less than $200,000,000 for each such year shall be available only for Egypt, and Egypt shall be released from its contractual liability to repay the United States Government with respect to such credits and participations in credits.

[“(7) Of the total amount of credits (or participations in credits) extended under section 23 of this Act for the fiscal years 1982 and 1983, not less than $50,000,000 for each such year shall be available only for the Sudan, and the Sudan shall be released from its contractual liability to repay the United States Government with respect to such credits and participations in credits,”.

[(c) Section 31(c) of such Act is amended—

[(1) in the first sentence by striking out “fiscal year 1981” and inserting in lieu thereof “fiscal year 1982 and for the fiscal year 1983”;

[(2) in the last sentence by striking out “$500,000,000” and inserting in lieu thereof “$550,000,000”; and

[(3) in the last sentence by inserting “each” immediately before “such year”.

[REPEAL OF CEILING ON COMMERCIAL SALES

[SEC. 106. Section 38(b)(3) of the Arms Export Control Act is repealed.

[PERIODIC REVIEW OF ITEMS ON THE MUNITIONS LIST

[SEC. 107. Section 38 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

[“(f) The President shall periodically review the items on the United States Munitions List to determine what items, if any, no longer warrant export controls under this section. The results of such reviews shall be reported to the Speaker of the House of Representatives and to the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate. Such a report shall be submitted at least 30 days before any item is removed from the Munitions List and shall describe the nature of any controls to be imposed on that item under the Export Administration Act of 1979.”.

[SPECIAL DEFENSE ACQUISITION FUND

[SEC. 108. (a) The Arms Export Control Act is amended by adding at the end thereof the following new chapter:

["CHAPTER 5—SPECIAL DEFENSE ACQUISITION FUND

["SEC. 51. SPECIAL DEFENSE ACQUISITION FUND.—(a)(1) Under the direction of the President and in consultation with the Secretary of State, the Secretary of Defense shall establish a Special Defense Acquisition Fund (hereafter in this chapter referred to as the 'Fund'), to be used as a revolving fund separate from other accounts, under the control of the Department of Defense, to finance the acquisition of defense articles and defense service in anticipation of their transfer pursuant to this Act, the Foreign Assistance Act of 1961, or as otherwise authorized by law, to eligible foreign countries and international organizations, and may acquire such articles and services with the funds in the Fund as he may determine. Acquisition under this chapter of items for which the initial issue quantity requirements for United States Armed Forces have not been fulfilled and are not under current procurement contract shall be emphasized when compatible with security assistance requirements for the transfer of such items.

["(2) Nothing in this chapter may be construed to limit or impair any responsibilities conferred upon the Secretary of State or the Secretary of Defense under this Act or the Foreign Assistance Act of 1961.

["(b) The Fund shall consist of—

["(1) collections from sales made under letters of offer issued pursuant to section 21(a)(1) of this Act representing the actual value of defense articles not intended to be replaced in stock,

["(2) collections from sales representing the value of asset use charges (including contractor rental payments for United States Government-owned plant and production equipment) and charges for the proportionate recoupment of nonrecurring research, development, and production costs, and

["(3) collections from sales made under letters of offer (or transfers made under the Foreign Assistance Act of 1961) of defense articles and defense services acquired under this chapter, representing the value of such items calculated in accordance with paragraph (2) or (3) of section 21(a) or section 22 of this Act or section 644(m) of the Foreign Assistance Act of 1961, as appropriate,

together with such funds as may be authorized and appropriated or otherwise made available for the purposes of the Fund.

["(c)(1) The size of the Fund may not exceed such dollar amount as is prescribed in section 138(g) of title 10, United States Code. For purposes of this limitation, the size of the Fund is the amounts in the Fund plus the value (in terms of acquisition cost) of the defense articles acquired under this chapter which have not been transferred from the Fund in accordance with this chapter.

["(2) Amounts in the Fund shall be available for obligation in any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

[“SEC. 52. USE AND TRANSFER OF ITEMS PROCURED BY THE FUND.—(a) No defense article or defense service acquired by the Secretary of Defense under this chapter may be transferred to any foreign country or international organization unless such transfer is authorized by this Act, the Foreign Assistance Act of 1961, or other law.

[“(b) The President may authorize the temporary use by the United States Armed Forces of defense articles and defense services acquired under this chapter prior to their transfer to a foreign country or international organization, if such is necessary to meet national defense requirements and the United States Armed Forces bear the costs of operation and maintenance of such articles or services while in their use and the costs of restoration or replacement upon the termination of such use.

[“(c) Except as provided in subsection (b) of this section, the Fund may be used to pay for storage, maintenance, and other costs related to the preservation and preparation for transfer of defense articles and defense services acquired under this chapter prior to their transfer, as well as the administrative costs of the Department of Defense incurred in the acquisition of such items to the extent not reimbursed pursuant to section 43(b) of this Act.

[“SEC. 53. ANNUAL REPORTS TO CONGRESS.—(a) Not later than December 31 of each year, the President shall submit to the Congress a comprehensive report on acquisitions of defense articles and defense services under this chapter. Each such report shall include—

[“(1) a description of each contract for the acquisition of defense articles or defense services under this chapter which was entered into during the preceding fiscal year;

[“(2) a description of each contract for the acquisition of defense articles or defense services under this chapter which the President anticipates will be entered into during the current fiscal year;

[“(3) a description of each defense article or defense service acquired under this chapter which was transferred to a foreign country or international organization during the preceding fiscal year; and

[“(4) an evaluation of the impact of the utilization of the authority of this chapter of United States defense production and the readiness of the United States Armed Forces.

[(b) As part of the annual written report to the Congress required by section 139(a) of title 10, United States Code, regarding procurement schedules for each weapon system for which funding authorization is required, the President shall provide a report estimating the likely procurements to be made through the Fund.”.

[(b) Section 138 of title 10, United States Code, is amended by adding immediately following subsection (f) the following new subsection:

[(g) The size of the Special Defense Acquisition Fund established pursuant to chapter 5 of the Arms Export Control Act may not exceed $300,000,000 in fiscal year 1982, may not exceed $600,000,000 in fiscal year 1983, and may not exceed $900,000,000 in fiscal year 1984 or any fiscal year thereafter.”.

[LEASING OF DEFENSE ARTICLES

[SEC. 109. (a) The Arms Export Control Act, as amended by section 108 of this Act, is further amended by adding at the end thereof the following new chapter:

[“CHAPTER 6—LEASES OF DEFENSE ARTICLES

[“SEC. 61. LEASING AUTHORITY.—(a) The President may lease defense articles in the stocks of the Department of Defense to an eligible foreign country or international organization if—

[“(1) he determines that there are compelling foreign policy and national security reasons for providing such articles on a lease basis rather than on a sales basis under this Act;

[“(2) he determines that the articles are not for the time needed for public use; and

[“(3) the country or international organization has agreed to pay in United States dollars all costs incurred by the United States Government in leasing such articles, including reimbursement for depreciation of such articles while leased, the costs of restoration or replacement if the articles are damaged while leased, and the replacement cost (less any depreciation in the value) of the articles if the articles are lost or destroyed while leased.

The requirement of paragraph (3) shall not apply to leases entered into for purposes of cooperative research or development, military exercises, or communications or electronics interface projects, or to any defense article which has passed three-quarters of its normal service life.

[“(b) Each lease agreement under this section shall be for a fixed duration of not to exceed five years and shall provide that, at any time during the duration of the lease, the President may terminate the lease and require the immediate return of the leased articles.

[“(c) Defense articles in the stocks of the Department of Defense may be leased or loaned to a foreign country or international organization only under the authority of this chapter or chapter 2 of part II of the Foreign Assistance Act of 1961, and may not be leased to a foreign country or international organization under the authority of section 2667 of title 10, United States Code.

[“SEC. 62. REPORTS TO THE CONGRESS.—(a) Not less than 30 days before entering into or renewing any agreement with a foreign country or international organization to lease any defense article under this chapter, or to loan any defense article under chapter 2 of part II of the Foreign Assistance Act of 1961, for a period of one year or longer, the President shall transmit to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Armed Services of the Senate, a written certification which specifies—

[“(1) the country or international organization to which the defense article is to be leased or loaned;

[“(2) the type, quantity, and value (in terms of replacement cost) of the defense article to be leased or loaned;

[“(3) the terms and duration of the lease or loan; and

[“(4) a justification for the lease or loan, including an explanation of why the defense article is being leased or loaned rather than sold under this Act.

[“(b) The President may waive the requirements of this section (and in the case of an agreement described in section 63, may waive the provisions of that section) if he determines, and immediately reports to the Congress, that an emergency exists which requires that the lease or loan be entered into immediately in the national security interests of the United States.

[“SEC. 63. LEGISLATIVE REVIEW.—(a)(1) In the case of any agreement involving the lease under this chapter, or the loan under chapter 2 of part II of the Foreign Assistance Act of 1961, to any foreign country or international organization for a period of one year or longer of any defense articles which are either (i) major defense equipment valued (in terms of its replacement cost less any depreciation in its value) at $14,000,000 or more, or (ii) defense articles valued (in terms of their replacement cost less any depreciation in their value) at $50,000,000 or more, the agreement may not be entered into or renewed if the Congress, within 30 calendar days after receiving the certification with respect to that proposed agreement pursuant to section 62(a), adopts a concurrent resolution stating that it objects to the proposed lease or loan.

[“(2) This section shall not apply with respect to a loan or lease to the North Atlantic Treaty Organization, any member country of that Organization, Japan, Australia, or New Zealand.

[“(b) Any resolution under subsection (a) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(c) For the purpose of expediting the consideration and adoption of concurrent resolutions under subsection (a), a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

[“SEC. 64. APPLICATION OF OTHER PROVISIONS OF LAW.—Any reference to sales of defense articles under this Act in any provision of law restricting the countries or organizations to which such sales may be made shall be deemed to include a reference to leases of defense articles under this chapter.”.

[(b) Such Act is further amended—

[(1) in section 2(b)—

[(A) by inserting “, leases,” immediately after “sales” both places it appears,

[(B) by inserting “whether there shall be a lease to a country,” immediately after “thereof,”, and

[(C) by inserting “, lease,” immediately after “sale” the second place it appears;

[(2) in section 3(a)—

[(A) in the text preceding paragraph (1) by inserting “or leased” immediately after “sold”, and

[(B) in paragraph (4) by inserting “or lease” immediately after “purchase”; and

[(3) in section 4 by inserting “or leased” immediately after “sold” in the first sentence.

[(c) Paragraph (5) of section 503(b) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(5) the loan agreement provides that (A) if the defense article is damaged while on loan, the country or international organization to which it was loaned will reimburse the United States for the cost of restoring or replacing the defense article, and (B) if the defense article is lost or destroyed while on loan, the country or international organization to which it was loaned will pay to the United States an amount equal to the replacement cost (less any depreciation in the value) of the defense article.".

[(d)(1) Section 109 of the International Security and Development Cooperation Act of 1980 is repealed.

[(2) Section 36(a) of the Arms Export Control Act is amended—

[(A) by inserting "and" at the end of paragraph (8);

[(B) by striking out "; and" at the end of paragraph (9) and inserting in lieu thereof a period; and

[(C) by striking out paragraph (10).

[MILITARY ASSISTANCE

[SEC. 110. (a) Section 504(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $238,500,000 for the fiscal year 1982 and not to exceed $238,500,000 for the fiscal year 1983.

["(2) Amounts appropriated under this subsection are authorized to remain available until expended.".

[(b) Section 506(a) of such Act is amended by striking out "$50,000,000" and inserting in lieu thereof "$75,000,000".

[(c) Section 503(a)(3) of such Act is amended by striking out "specified in section 504(a)(1) of this Act, within the dollar limitations of that section," and inserting in lieu thereof "country,".

[(d) Section 516 of such Act is repealed.

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

[SEC. 111. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$85,000,000 for the fiscal year 1981" and inserting in lieu thereof "$130,000,000 for the fiscal year 1982 and $125,000,000 for the fiscal year 1983".

[INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

[SEC. 112. Section 515 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 515. OVERSEAS MANAGEMENT OF ASSISTANCE AND SALES PROGRAMS.—(a) In order to carry out his responsibilities for the management of international security assistance programs conducted under this chapter, chapter 5 of this part, and the Arms Export Control Act, the President may assign members of the Armed Forces of the United States to a foreign country to perform one or more of the following functions:

[“(1) equipment and services case management;

[“(2) training management;

[“(3) program monitoring;

[“(4) evaluation and planning of the host government’s military capabilities and requirements;

[“(5) administrative support;

[“(6) promoting rationalization, standardization, interoperability, and other defense cooperation measures among members of the North Atlantic Treaty Organization and with the Armed Forces of Japan, Australia, and New Zealand; and

[“(7) liaison functions exclusive of advisory and training assistance.

[“(b) Advisory and training assistance conducted by military personnel assigned under this section shall be kept to an absolute minimum. It is the sense of the Congress that advising and training assistance in countries to which military personnel are assigned under this section shall be provided primarily by other personnel who are not assigned under this section and who are detailed for limited periods to perform specific tasks.

[“(c)(1) The number of members of the Armed Forces assigned to a foreign country under this section may not exceed six unless specifically authorized by the Congress. The President may waive this limitation if he determines and reports to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, 30 days prior to the introduction of the additional military personnel, that United States national interests require that more than six members of the Armed Forces be assigned under this section to carry out international security assistance programs in a country not specified in this paragraph. For the fiscal year 1982 and the fiscal year 1983, Indonesia, the Republic of Korea, the Philippines, Thailand, Egypt, Jordan, Morocco, Saudi Arabia, Greece, Portugal, Spain, and Turkey are authorized to have military personnel strengths larger than six under this section to carry out international security assistance programs.

[“(2) The total number of members of the Armed Forces assigned under this section to a foreign country in a fiscal year may not exceed the number justified to the Congress for that country in the congressional presentation materials for that fiscal year, unless the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives are notified 30 days in advance of the introduction of the additional military personnel.

[“(d) Effective October 1, 1982, the entire costs (including salaries of United States military personnel) of overseas management of international security assistance programs under this section shall be charged to or reimbursed from funds made available to carry out this chapter, other than any such costs which are either paid directly for such defense services under section 21(a) of the Arms Export Control Act or reimbursed from charges for services collected from foreign governments pursuant to section 21(e) and section 43(b) of that Act.

[“(e) Members of the Armed Forces assigned to a foreign country under this section shall serve under the direction and super-

vision of the Chief of the United States Diplomatic Mission to that country.

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

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 113. Section 542 of the Foreign Assistance Act of 1961 is amended by striking out “$34,000,000 for the fiscal year 1981” and inserting in lieu thereof “$42,000,000 for the fiscal year 1982 and $42,000,000 for the fiscal year 1983”.

[PEACEKEEPING OPERATIONS

[SEC. 114. (a) Section 552(a) of the Foreign Assistance Act of 1961 is amended by striking out “$25,000,000 for the fiscal year 1981” and inserting in lieu thereof “$19,000,000 for the fiscal year 1982 and $19,000,000 for the fiscal year 1983”.

[(b) Section 552(c) of such Act is amended by striking out “(1)” and all that follows through “may not be transferred” and inserting in lieu thereof “the total amount so transferred in any fiscal year may not exceed $15,000,000”.

[FOREIGN INTIMIDATION AND HARASSMENT OF INDIVIDUALS IN THE UNITED STATES

[SEC. 115. Chapter 1 of the Arms Export Control Act is amended by adding at the end thereof the following new section:

[“Sec. 6. FOREIGN INTIMIDATION AND HARASSMENT OF INDIVIDUALS IN THE UNITED STATES.—No letters of offer may be issued, no credits or guarantees may be extended, and no export licenses may be issued under this Act with respect to any country determined by the President to be engaged in a consistent pattern of acts of intimidation or harassment directed against individuals in the United States. The President shall report any such determination promptly to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate.”.

[TITLE II—ECONOMIC SUPPORT FUND

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 201. Section 531(b)(1) of the Foreign Assistance Act of 1961 is amended by striking out “for the fiscal year 1981, $2,065,300,000” and inserting in lieu thereof “$2,623,500,000 for the fiscal year 1982 and $2,723,500,000 for the fiscal year 1983”.

[PROVISIONS RELATING TO USE OF FUNDS

[SEC. 202. Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by striking out sections 532 and 533 and inserting in lieu thereof the following new sections:

[“SEC. 532. MIDDLE EAST PROGRAMS.—(a)(1) Of the funds authorized to be appropriated to carry out this chapter for the fiscal

year 1982 and for the fiscal year 1983, not less than $785,000,000 for each such year shall be available only for Israel and not less than $750,000,000 for each such year shall be available only for Egypt. Amounts made available for Israel and Egypt for the fiscal year 1982 pursuant to this paragraph shall be in addition to the amounts made available to those countries pursuant to paragraph (4) of this subsection.

[“(2) All of the funds made available to Israel and to Egypt under this chapter for the fiscal years 1982 and 1983 shall be provided on a grant basis.

[“(3) The total amount of funds allocated for Israel under this chapter for the fiscal year 1982 and for the fiscal year 1983 may be made available as a cash transfer. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfers made to Israel does not cause an adverse impact on the total amount of nonmilitary exports from the United States to Israel.

[“(4) In addition to the amounts requested for Israel and Egypt under this chapter for the fiscal year 1982, $21,000,000 shall be made available for Israel for the fiscal year 1982 and $21,000,000 shall be made available for Egypt for the fiscal year 1982 in order to replace the funds which were authorized and appropriated for those countries in the fiscal year 1981 but which was reprogrammed in order to provide assistance for Liberia and El Salvador.

[“(5) Of the amounts provided to Egypt under this chapter for the fiscal year 1982 and for the fiscal year 1983, up to $50,000,000 for each such year may be used under title XII of chapter 2 of part I of this Act in building agricultural extension services in Eygpt for the small farmer in order to upgrade the skills of the agricultural faculty in provincial universities, improve the agricultural curriculum offered and the equipment available in provincial universities, and establish a provincial university extension service with an outreach program which can directly reach the Egyptian small farmer.

[“(b)(1) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982 and for the fiscal year 1983, $11,000,000 for each such year may be used for special requirements in the Middle East, including regional cooperative projects of a scientific and technological nature in accordance with paragraph (2) of this subsection, other regional programs, development programs on the West Bank and in Gaza, population programs, project development and support, and programs of participant training.

[“(2) It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should finance, and where appropriate participate in, cooperative projects of a scientific and technological nature involving Israel and Egypt and other Middle East countries wishing to participate. These cooperative projects should include projects in the fields of agriculture, health, energy, the environment, education, water resources, and the social sciences. Of the funds available under paragraph (1) of this subsection for the fiscal year 1982 and for the fiscal year 1983, $4,000,000 for each such year may be used in accordance with this paragraph for scientific and technological

projects which will promote regional cooperation among Israel and Egypt and other Middle East countries.

[“(3) The President may obligate funds under paragraph (1) of this subsection only if, in accordance with the established prenotification procedures under section 634A of this Act, he transmits a report to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives, and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, at least 15 days prior to such obligation. This report shall set forth—

[“(A) the name of the proposed recipient of such funds,

[“(B) the amount of funds to be made available to such recipient, and

[“(C) the purpose for which such funds are to be made available.

[“(4) At the end of the fiscal year 1981, at the end of the fiscal year 1982, and at the end of the fiscal year 1983, the President shall report to the Congress on the use of funds under this chapter during that fiscal year for special requirements in the Middle East.

[“(c) None of the funds appropriated to carry out this chapter for the fiscal year 1982 or the fiscal year 1983 may be made available to Syria.

[“(d) It is the sense of the Congress that, of the funds required to be appropriated to carry out this chapter, $7,000,000 for the fiscal year 1982 and $7,000,000 or more for the fiscal year 1983 should be made available for Lebanon for relief and rehabilitation programs of international and private voluntary agencies and other not-for-profit United States organizations operating in Lebanon.

[“SEC. 533. EASTERN MEDITERRANEAN PROGRAMS.—(a) Not less than two-thirds of the funds made available to Turkey under this chapter for each of the fiscal years 1982 and 1983 shall be provided on a grant basis.

[“(b) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982 and for the fiscal year 1983, $15,000,000 for each such year shall be available only for Cyprus. Of that amount, $5,000,000 for the fiscal year 1982 and $10,000,000 for the fiscal year 1983 shall be for scholarship programs to bring Cypriots to the United States for education.

[“SEC. 534. PROHIBITION ON USE OF FUNDS FOR NUCLEAR FACILITIES.—Funds available to carry out this chapter for the fiscal year 1982 and for the fiscal year 1983 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that use of funds for such purpose is indispensable to the achievement of nonproliferation objectives which are uniquely significant and of paramount importance to the United States.

[“SEC. 535. EMERGENCY ASSISTANCE.—(a) Of the funds appropriated to carry out this chapter, up to $75,000,000 for the fiscal year 1982 and up to $75,000,000 for the fiscal year 1983 may be made available for emergency use under this chapter when the national interests of the United States urgently require economic support to promote economic or political stability.

[“(b) Notwithstanding any provision of this chapter or of an appropriations Act (including a joint resolution making continuing appropriations) which earmarks funds available to carry out this chapter for a specific country or purpose, up to 5 percent of each amount so earmarked may be used to carry out this section.

[“SEC. 536. SPECIAL REQUIREMENTS FUND.—Of the amounts appropriated to carry out this chapter, up to $75,000,000 for the fiscal year 1982 may be made available as a special requirements fund, except that such funds may not be obligated unless the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committee on Appropriations of each House of the Congress are notified fifteen days in advance of such obligation.

[“SEC. 537. TUNISIA.—Of the funds authorized to be appropriated to carry out this chapter for the fiscal years 1982 and 1983, not less than $5,000,000 for each such year shall be available for Tunisia.

[“SEC. 538. COSTA RICA.—Of the funds authorized to be appropriated to carry out this chapter for the fiscal years 1982 and 1983, not less than $15,000,000 for each such year shall be available only for Costa Rica for the purposes of economic assistance.

[“SEC. 539. NICARAGUA.—Of the funds authorized to be appropriated to carry out this chapter, $20,000,000 for the fiscal year 1982 and $20,000,000 for the fiscal year 1983 shall be available only for Nicaragua.”.

[“ACQUISITION OF AGRICULTURAL COMMODITIES AND RELATED PRODUCTS UNDER COMMODITY IMPORT PROGRAMS

[SEC. 203. The Congress directs the President to allocate at least 15 percent of the funds which are made available each fiscal year under this title for commodity import programs for use in financing the purchase of agricultural commodities and agricultural related products which are of United States-origin.

[TITLE III—DEVELOPMENT ASSISTANCE

[AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

[SEC. 301. (a) The first sentence of section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by striking out “$713,500,000 for the fiscal year 1981” and inserting in lieu thereof “$700,000,000 for the fiscal year 1982 and $700,000,000 for the fiscal year 1983, of which up to $1,000,000 for each such fiscal year shall be available only to carry out section 316 of the International Security and Development Cooperation Act of 1980”.

[(b)(1) It is the sense of the Congress that the United States should strongly support the efforts of developing countries to improve infant feeding practices, in particular through the promotion of breast feeding. As a demonstration of that support, the President is authorized to use up to $5,000,000 of the funds made available for the fiscal year 1982 to carry out the purposes of sections 103 and 104(c) of the Foreign Assistance Act of 1961 in order to assist developing countries establish or improve programs to encourage improved infant feeding practices. In carrying out this paragraph, the Agency for International Development should provide funds for

necessary research to obtain better information on the precise nature and magnitude of problems relating to infant feeding practices, including the use of infant formula, in developing countries.

[(2) The President shall, as part of the congressional presentation documentation for the fiscal years 1983 and 1984, include information relevant to the implementation of this subsection, including—

[(A) a description of actions taken by the Agency for International Development to promote breast feeding and to improve supplemental infant feeding practices in developing countries through funds made available in this subsection and through its regular programs in the fields of health, nutrition, and population activities;

[(B) a summary of the results of studies authorized by this subsection on the nature and magnitude of problems in developing countries related to infant feeding practices; and

[(C) a summary of reports by member countries of the World Health Organization on their actions to implement the International Code of Marketing of Breast Milk Substitutes.

[(c) Section 103 of such Act is amended by adding at the end thereof the following new subsection:

[“(g) In order to carry out the purposes of this section, the President may continue to participate in and may provide, on such terms and conditions as he may determine, up to $180,000,000 to the International Fund for Agricultural Development. There are authorized to be appropriated to the President for the purposes of this subsection $180,000,000 except that not more than $40,500,000 may be appropriated under this subsection for the fiscal year 1982. Amounts appropriated under this subsection are authorized to remain available until expended.”.

[POPULATION AND HEALTH

[SEC. 302. (a) Section 104(g) of the Foreign Assistance Act of 1961 is amended by striking out the first sentence and inserting in lieu thereof the following: “There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

[“(1) $211,000,000 for the fiscal year 1982 and $211,000,000 for the fiscal year 1983 to carry out subsection (b) of this section; and

[“(2) $133,405,000 for the fiscal year 1982 and $133,405,000 for the fiscal year 1983 to carry out subsection (c) of this section. Of the funds appropriated for each of the fiscal years 1982 and 1983 to carry out subsection (b) of this section, not less than 16 percent or $38,000,000, whichever amount is less, shall be available only for the United Nations Fund for Population Activities.”.

[(b) Section 104(f) of such Act is amended by adding at the end thereof the following:

[“(3) None of the funds made available to carry out this part may be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning.”.

[EDUCATION AND HUMAN RESOURCES DEVELOPMENT

[SEC. 303. (a) The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended by striking out "$101,000,000 for the fiscal year 1981" and inserting in lieu thereof "$103,600,000 for the fiscal year 1982 and $103,600,000 for the fiscal year 1983".

[(b) Such section is further amended by adding at the end thereof the following: "For each of the fiscal years 1982 and 1983, the President shall use not less than $4,000,000 of the funds made available for the purposes of this section to finance scholarships for undergraduate or professional education in the United States for South African students who are disadvantaged by virtue of legal restrictions on their ability to get an adequate undergraduate or professional education, except that up to $1,000,000 of the funds made available for each such fiscal year under chapter 4 of part II of this Act for southern African regional programs may be used to finance such scholarships in lieu of an equal amount under this section.".

[ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES

[SEC. 304. (a) Section 106(d)(3) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the semicolon at the end thereof the following: "and programs of disaster preparedness, including the prediction of and contingency planning for natural disasters abroad".

[(b) Section 106(e)(1) of such Act is amended by striking out "$140,000,000 for the fiscal year 1981" and inserting in lieu thereof "$147,200,000 for the fiscal year 1982 and $147,200,000 for the fiscal year 1983".

[UNITED NATIONS DECADE FOR WOMEN

[SEC. 305. Section 113 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(c) Not less than $500,000 of the funds made available under this chapter for the fiscal year 1982 shall be expended on international programs which support the original goals of the United Nations Decade for Women.".

[HUMAN RIGHTS

[SEC. 306. The first sentence of section 116(e) of the Foreign Assistance Act of 1961 is amended by striking out "the fiscal year 1981" and inserting in lieu thereof "each of the fiscal years 1982 and 1983".

[ENVIRONMENT AND NATURAL RESOURCES

[SEC. 307. Section 118 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 118. ENVIRONMENT AND NATURAL RESOURCES.—(a) The Congress finds that if current trends in the degradation of natural resources in developing countries continue, they will severely undermine the best efforts to meet basic human needs, to achieve sus-

tained economic growth, and to prevent international tension and conflict. The Congress also finds that the world faces enormous, urgent, and complex problems, with respect to natural resources, which require new forms of cooperation between the United States and developing countries to prevent such problems from becoming unmanageable. It is, therefore, in the economic and security interests of the United States to provide leadership both in thoroughly reassessing policies relating to natural resources and the environment, and in cooperating extensively with developing countries in order to achieve environmentally sound development.

[“(b) In order to address the serious problems described in subsection (a), the President is authorized to furnish assistance under this part for developing and strengthening the capacity of developing countries to protect and manage their environment and natural resources. Special efforts shall be made to maintain and where possible to restore the land, vegetation, water, wildlife, and other resources upon which depend economic growth and human well-being, especially of the poor.

[“(c)(1) The President, in implementing programs and projects under this chapter, shall take fully into account the impact of such programs and projects upon the environment and natural resources of developing countries. Subject to such procedures as the President considers appropriate, the President shall require all agencies and officials responsible for programs or projects under this chapter—

[“(A) to prepare and take fully into account an environmental impact statement for any program or project under this chapter significantly affecting the environment of the global commons outside the jurisdiction of any country, the environment of the United States, or other aspects of the environment which the President may specify; and

[“(B) to prepare and take fully into account an environmental assessment of any proposed program or project under this chapter significantly affecting the environment of any foreign country.

Such agencies and officials should, where appropriate, use local technical resources in preparing environmental impact statements and environmental assessments pursuant to this subsection.

[“(2) The President may establish exceptions from the requirements of this subsection for emergency conditions and for cases in which compliance with those requirements would be seriously detrimental to the foreign policy interests of the United States.

[“(d)(1) In enacting section 103(b)(3) of this Act the Congress recognized the importance of forests and tree cover to the developing countries. The Congress is particularly concerned about the continuing and accelerating alteration, destruction, and loss of tropical forests in developing countries. Tropical forests constitute a major world resource. Their destruction and loss pose a serious threat to development and the environment in developing countries. Tropical forest destruction and loss result in shortages of wood, especially wood for fuel; siltation of lakes, reservoirs and irrigation systems; floods; destruction of indigenous peoples; extinction of plant and animal species; reduced capacity for food production; and loss of genetic resources; and can result in desertification and in destabilization of the earth’s climate. Properly managed tropical

forests provide a sustained source of fiber and other commodities essential to the economic growth of developing countries.

[“(2) The concerns expressed in paragraph (1) and the recommendations of the United States Interagency Task Force on Tropical Forests shall be considered by the President—

[“(A) in formulating and carrying out programs and policies with respect to developing countries, including those relating to bilateral and multilateral assistance and those relating to private sector activities, and

[“(B) in seeking opportunities to coordinate public and private development and investment activities which affect forests in developing countries.

[“(3) It is the sense of the Congress that the President should instruct the representatives of the United States to the United Nations and to other appropriate international organizations to urge—

[“(A) that higher priority be given in the programs of these organizations to the problems of tropical forest alteration and loss, and

[“(B) that there be improved cooperation and coordination among these organizations with respect to tropical forest activities.”.

[SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

[SEC. 308. (a) Section 121(c) of the Foreign Assistance Act of 1961 is amended in the third sentence by striking out “$88,442,000 for the fiscal year 1981” and inserting in lieu thereof “$86,558,000 for the fiscal year 1982 and $86,558,000 for the fiscal year 1983”.

[(b) Section 121 of such Act is amended by adding at the end thereof the following new subsection:

[“(d) Funds available to carry out this section (including foreign currencies acquired with funds appropriated to carry out this section) may not be made available to any foreign government for disbursement unless the Administrator of the Agency for International Development determines that the foreign government will maintain a system of accounts with respect to those funds which will provide adequate identification of and control over the receipt and expenditure of those funds.”.

[PRIVATE AND VOLUNTARY ORGANIZATIONS

[SEC. 309. Section 123 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

[“(f) For each of the fiscal years 1982, 1983, and 1984, funds in an amount not less than 12 percent of the aggregate amount appropriated for that fiscal year to carry out sections 103(a), 104(b), 104(c), 105, 106, 121, and 491 of this Act shall be made available for the activities of private and voluntary organizations and the President shall seek to channel funds in an amount not less than 16 percent of such aggregate amount for the activities of private and voluntary organizations.

[“(g) After December 31, 1984, funds made available to carry out section 103(a), 104(b), 104(c), 105, 106, 121, or 491 of this Act may not be made available for programs of any United States private and voluntary organization which does not obtain at least 20

percent of its total annual financial support for its international activities from sources other than the United States Government, except that this restriction does not apply with respect to programs which, as of that date, are receiving financial support from the agency primarily responsible for administering this part. The Administrator of the agency primarily responsible for administering this part may, on a case-by-case basis, waive the restriction established by this subsection, after taking into account the effectiveness of the overseas development activities of the organization, its level of volunteer support, its financial viability and stability, and the degree of its dependence for its financial support on the agency primarily responsible for administering this part.".

[HOUSING GUARANTY PROGRAMS

[SEC. 310. (a) Section 222(a) of the Foreign Assistance Act of 1961 is amended—

[(1) in the second sentence by striking out "$1,555,000,000" and inserting in lieu thereof "$1,718,000,000"; and

[(2) in the third sentence by striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1984".

[(b) Section 223(b) of such Act is amended by adding at the end thereof the following: "All of the foregoing fees referred to in this section together with earnings thereon and other income arising from guaranty operations under this title shall be held in a revolving fund account maintained in the Treasury of the United States. All funds in such account may be invested in obligations of the United States. Any interest or other receipts derived from such investments shall be credited to such account and may be used for the purposes cited in this section.".

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 311. (a) Section 301 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(h) The President is authorized to permit the United States to participate in and to use any of the funds made available under this part after the date of enactment of this subsection for the purpose of furnishing assistance (on such terms and conditions as the President may determine) to the International Food Policy Research Institute.".

[(b) Section 302(a)(1) of such Act is amended by striking out "$233,350,000 for the fiscal year 1981" and inserting in lieu thereof "$218,600,000 for the fiscal year 1982 and $218,600,000 for the fiscal year 1983. Of the funds appropriated under this paragraph for each of the fiscal years 1982 and 1983, (A) not less than 19.6 percent on $45,000,000, whichever amount is less, shall be available only for the United States Children's Fund, (B) not less than 59.5 percent or $134,500,000, whichever amount is less, shall be available only for the United Nations Development Fund, (C) not less than 4.4 percent or $10,000,000, whichever amount is less, shall be available only for the United Nations Environment Fund, (D) not less than 0.159 percent or $400,000, whichever amount is less, shall be available only for the United Nations Trust Fund for

Southern Africa, and (E) not less than 0.196 percent on $500,000, whichever amount is less, shall be available only for the United Nations Institute for Training and Research".

[TRADE AND DEVELOPMENT PROGRAM

[SEC. 312. (a) The section caption of section 661 of the Foreign Assistance Act of 1961 is amended by striking out "REIMBURSABLE DEVELOPMENT PROGRAMS" and inserting in lieu thereof "TRADE AND DEVELOPMENT PROGRAM".

[(b) Such section 661 is further amended—

[(1) by inserting "(a)" immediately before "The President";

[(2) in the first sentence by striking out "to use $4,000,000 of the funds made available for the fiscal year 1981 for the purposes of this Act"; and

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

["(b) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $6,907,000 for the fiscal year 1982 and $6,907,000 for the fiscal year 1983. Amounts appropriated under this subsection are authorized to remain available until expended.".

[AFRICAN DEVELOPMENT FOUNDATION

[SEC. 313. Section 510 of the international Security and Development Cooperation Act of 1980 is amended—

[(1) by striking out "for the fiscal year 1981"; and

[(2) by striking out "$2,000,000" and inserting in lieu thereof "not less than $2,000,000 for the fiscal year 1982 and up to $2,000,000 for the fiscal year 1983".

[TITLE IV—FOOD FOR PEACE PROGRAMS

[REPEAL OF OBSOLETE FOREIGN CURRENCY PROVISIONS

[SEC. 401. The Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) in section 101, by striking out "for foreign currencies" and inserting in lieu thereof ", to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement";

[(2) by amending section 103(b) to read as follows:

["(b) except where the President determines that it would be inconsistent with the objectives of this Act, determine the amount of foreign currencies needed for the uses specified in subsections (a), (b), (e), and (h) of section 104 and in title III, and the agreements for credit sales shall provide for payment of such amounts in dollars or in foreign currencies upon delivery of the agricultural commodities; and such payment may be considered as an advance payment of the earliest installments;";

[(3) in section 103(d), by striking out "(1)" and by striking out ", or (2) for the purpose only of sales of agricultural com-

modities for foreign currencies under title I of this Act, any country or area dominated by a Communist government";

[(4) in section 103(l), by striking out "obtain commitments from friendly" and all that follows through "United States of America, and";

[(5) in section 104—

[(A) in the text preceding subsection (a), by striking out "this title" and inserting in lieu thereof "agreements for such sales entered into prior to January 1, 1972,"; and

[(B) in paragraph (3) of the proviso following subsection (k), by striking out "(except as provided in subsection (c) of this section),";

[(6) in section 106(a)—

[(A) by inserting "(1)" after "(a)"; and

[(B) by adding at the end thereof the following:

["(2) Payment by any friendly country for commodities purchased for foreign currencies on credit terms and on terms which permit conversion to dollars shall be upon terms no less favorable to the United States than those for development loans made under section 122 of the Foreign Assistance Act of 1961.";

[(7) by repealing section 108; and

[(8) by repealing section 109(b).

[EMERGENCY OR EXTRAORDINARY RELIEF REQUIREMENTS

[SEC. 402. Section 104(d) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

[SELF-HELP MEASURES TO INCREASE AGRICULTURAL PRODUCTION; VERIFICATION OF SELF-HELP PROVISIONS

[SEC. 403. (a) Section 109(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting in paragraph (3) immediately before the semicolon ", and reducing illiteracy among the rural poor";

[(2) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

[(3) by inserting the following new paragraph immediately after paragraph (10);

["(11) carrying out programs to improve the health of the rural poor.".

[(b) Section 109 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new subsection as follows:

["(d)(1) In each agreement entered into under this title and in each amendment to such an agreement, the economic development and self-help measures which the recipient country agrees to undertake shall be described (A) to the maximum extend feasible, in specific and measurable terms, and (B) in a manner which ensures that the needy people in the recipient country will be the major beneficiaries of the self-help measures pursuant to each agreement.

["(2) the President shall, to the maximum extent feasible, take appropriate steps to assure that, in each agreement entered into under this title and in each amendment to such an agreement, the self-help measures agreed to are additional to the measures that

the recipient country otherwise would have undertaken irrespective of that agreement or amendment.

[“(3) The President shall take all appropriate steps to determine whether the economic development and self-help provisions of each agreement entered into under this title, and of each amendment to such an agreement, are being fully carried out.”.

[(c) The amendments made by this section shall not be effective if the Agriculture and Food Act of 1981 is enacted (either before or after the enactment of this Act) and contains the same amendments.

[TITLE II MINIMUM

[SEC. 404. Section 201(b)(3) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out “1,400,000 metric tons” and inserting in lieu thereof “1,200,000 metric tons for nonemergency programs”.

[TITLE V—OTHER ASSISTANCE PROGRAMS

[AMERICAN SCHOOLS AND HOSPITALS ABROAD

[SEC. 501. Section 214(c) of the Foreign Assistance Act of 1961 is amended by striking out “$30,000,000 for fiscal year 1981” and inserting in lieu thereof “$20,000,000 for the fiscal year 1982 and $20,000,000 for the fiscal year 1983”.

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 502. (a)(1) Section 481(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(d)(1) The Secretary of State shall inform the Secretary of Health and Human Services of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a program receiving assistance under this chapter.

[“(2) The Secretary of Health and Human Services shall monitor the impact of the health of persons who may use or consume marihuana of the spraying of a herbicide to eradicate such marihuana in a program receiving assistance under this chapter, and if the Secretary determines that such persons are exposed to amounts of such herbicide which are harmful to their health, the Secretary shall prepare and transmit a report to the Congress setting forth such determination together with any recommendations the Secretary may have.

[“(3) Of the funds authorized to be appropriated for the fiscal year 1982 under section 482, the President is urged to use not less than $100,000 to develop a substance that clearly and readily warns persons who may use or consume marihuana that it has been sprayed with the herbicide paraquat or other herbicide harmful to the health of such persons.

[“(4) If the Secretary of Agriculture determines that a substance has been developed that clearly and readily warns persons who may use or consume marihuana that it has been sprayed with the herbicide paraquat of other herbicide harmful to the health of such persons, such substance shall be used in conjunction with the spraying of paraquat or such other herbicide in any program receiving assistance under this chapter.”.

[(2) Assistance provided from funds appropriated, before the enactment of this Act, to carry out section 481 of the Foreign Assistance Act of 1961 may be made available for purposes prohibited by subsection (d) of such section as in effect immediately before the enactment of this subsection.

[(3) Funds appropriated for the fiscal year 1980 to carry out section 481 of the Foreign Assistance Act of 1961 which were obligated for assistance for the Republic of Columbia may be used for purposes other than those set forth in section 482(a)(2) of that Act as in effect immediately before the enactment of the International Security and Development Cooperation Act of 1980.

[(4) Paragraphs (2) and (3) of this subsection shall apply only to the extent provided in advance in an appropriations Act. For such purpose, the funds described in those paragraphs are authorized to be made available for the purposes specified in those paragraphs.

[(b) Section 481 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(e) Not later than February 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the status of the United States policy to establish and encourage an international strategy to prevent the illicit production of and to interdict and intercept trafficking in narcotics.".

[(c) Section 482(a) of such Act is amended to read as follows:

["(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $37,700,000 for the fiscal year 1982 and $37,700,000 for the fiscal year 1983.

["(2) Amounts appropriated under this subsection are authorized to remain available until expended.".

[INTERNATIONAL DISASTER ASSISTANCE

[SEC. 503. Section 492(a) of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1981" and inserting in lieu thereof "$27,000,000 for the fiscal year 1982 and $27,000,000 for the fiscal year 1983".

[ASSISTANCE FOR DISPLACED PERSONS IN CENTRAL AMERICA

[SEC. 504. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 495I. ASSISTANCE FOR DISPLACED PERSONS IN CENTRAL AMERICA.—(a)(1) The Congress recognizes that prompt United States assistance is necessary to help meet the basic human needs of persons displaced by strife in El Salvador. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to help alleviate the suffering of these displaced persons. Assistance provided under this section shall be for humanitarian purposes, with emphasis on the provision of food, medicine, medical care, and shelter and, where possible, implementation of other relief and rehabilitation activities. The Congress encourages the use, where appropriate, of the services of private and

voluntary organizations and international relief agencies in the provision of assistance under this section.

[“(2) The Congress understands that the country of Belize has expressed interest and willingness in the resettlement in its territory of Haitian nationals who desire to settle in Belize. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to assist the Government of Belize in the resettlement of Haitian nationals in the national territory of Belize.

[“(b) There are authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise available for such purposes, $5,000,000 for the fiscal year 1982 and $5,000,000 for the fiscal year 1983. Amounts appropriated under this section are authorized to remain available until expended.

[“(c) Assistance under this section shall be provided in accordance with the policies and utilizing the general authorities provided in section 491.”.

[TITLE VI—PEACE CORPS

[ESTABLISHMENT AS AN INDEPENDENT AGENCY

[SEC. 601. (a) The Peace Corps Act (22 U.S.C. 2501 et seq.) is amended by inserting the following new section 2A immediately after section 2:

[“PEACE CORPS AS AN INDEPENDENT AGENCY

[“SEC. 2A. Effective on the date of the enactment of the International Security and Development Cooperation Act of 1981, the Peace Corps shall be an independent agency within the executive branch and shall not be an agency within the ACTION Agency or any other department or agency of the United States.”.

[(b) There are transferred to the Director of the Peace Corps all functions relating to the Peace Corps which were vested in the Director of the ACTION Agency on the day before the date of the enactment of this Act.

[(c)(1) All personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations and other funds as are determined by the Director of the Office of Management and Budget, after consultation with the Comptroller General of the United States, the Director of the Peace Corps, and the Director of the ACTION Agency, to be employed, held, used, or assumed primarily in connection with any function relating to the Peace Corps before the date of the enactment of this Act are transferred to the Peace Corps. The transfer of unexpended balances pursuant to the preceding sentence shall be subject to section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c).

[(2)(A) The transfer pursuant to this subsection of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any employee to be separated or reduced in rank, class, grade, or compensation, or otherwise suffer a loss of employment benefits for one year after—

[(i) the date on which the Director of the Office of Management and Budget submits the report required by subsection (f)(1) of this section, or

[(ii) the effective date of the transfer of such employee, whichever occurs later

[(B) The personnel transferred pursuant to this subsection shall, to the maximum extent feasible, be assigned to such related functions and organizational units in the Peace Corps as such personnel were assigned to immediately before the date of the enactment of this Act.

[(C) Collective-bargaining agreements in effect on the date of the enactment of this Act covering personnel transferred pursuant to this subsection or employed on such date of enactment by the Peace Corps shall continue to be recognized by the Peace Corps until the termination date of such agreements or until such agreements are modified in accordance with applicable procedures.

[(3) Under such regulations as the President may prescribe, each person who, immediately before the date of the enactment of this Act, does not hold an appointment under section 7(a)(2) of the Peace Corps Act and who is determined under paragraph (1) of this subsection to be employed primarily in connection with any function relating to the Peace Corps shall, effective on the date of the enactment of this Act, and notwithstanding subparagraph (B) of section 7(a)(2) of the Peace Corps Act, be appointed a member of the Foreign Service under section 7(a)(2) of the Peace Corps Act, and be appointed or assigned to an appropriate class of the Foreign Service, except that—

[(A) any person who, immediately before such date of enactment, holds a career or career-conditional appointment shall not, without the consent of such person, be so appointed until three years after such date of enactment, during which period any such person not consenting to be so appointed may continue to hold such career or career-conditional appointment; and

[(B) each person so appointed who, immediately before such date of enactment, held a career or career-conditional appointment at grade GS–8 or lower of the General Schedule established by section 5332 of title 5, United States Code, shall be appointed a member of the Foreign Service for the duration of operations under the Peace Corps Act.

Each person appointed under this paragraph shall receive basic compensation at the rate of such persons class determined by the President to be appropriate, except that the rate of basic compensation received by such person immediately before the effective date of such person's appointment under this paragraph shall not be reduced as a result of the provisions of this paragraph.

[(d)(1) Section 4(b) of the Peace Corps Act (22 U.S.C. 2503(b)) is amended by striking out "such agency or officer of the United States Government as he shall direct. The head of any such agency or any such officer" and inserting in lieu thereof "the Director of the Peace Corps. The Director of the Peace Corps".

[(2) The Director of the Peace Corps shall continue to exercise all the functions under the Peace Corps Act or any other law or authority which the Director was performing on December 14, 1981.

[(e)(1) Section 3 of the Peace Corps Act (22 U.S.C. 2502) is amended by repealing subsections (d), (e), and (f) and by redesignating subsection (g) as subsection (d).

[(2) The amendment made by paragraph (1) of this subsection shall not alter or affect (A) the validity of any action taken before the date of the enactment of this Act under those provisions of law repealed by that amendment, or (B) the liability of any person for any payment described in section 3(f) of the Peace Corps Act as in effect immediately before the date of the enactment of this Act.

[(f)(1) Not later than the thirtieth day after the date of the enactment of this Act, or February 15, 1982, whichever occurs later, the Director of the Office of Management and Budget, after consultation with the Director of the Peace Corps and the Director of the ACTION Agency, shall submit to the appropriate committees of the Congress and to the Comptroller General a report on the steps taken to implement the provisions of this title, including descriptions of the dispositions of administrative matters, including matters relating to personnel, assets, liabilities, contracts, property, records, and unexpended balances or appropriations, authorizations, allocations, and other funds employed, used, held, available, or to be made available in connection with functions or activities relating to the Peace Corps.

[(2) Not later than the forty-fifth day after the date of the enactment of this Act, or March 1, 1982, whichever occurs later, the Comptroller General shall submit to the appropriate committees of the Congress a report stating whether, in the judgment of the Comptroller General, determinations made by the Director of the Office of Management and Budget under subsection (c)(1) of this section were equitable.

[(g) References in any statute, reorganization plan, Executive order, regulation, or other official document or proceeding to the ACTION Agency or the Director of the ACTION Agency with respect to functions or activities relating to the Peace Corps shall be deemed to refer to the Peace Corps or the Director of the Peace Corps, respectively.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 602. (a) Section 3(b) of the Peace Corps Act (22 U.S.C. 2502(b)) is amended by striking out "fiscal year 1981 not to exceed $188,000,000" and inserting in lieu thereof "the fiscal year 1982 not to exceed $105,000,000 and for the fiscal year 1983 not to exceed $105,000,000".

[(b) Section 3(c) of such Act is amended by striking out "fiscal year 1981" and inserting in lieu thereof "each fiscal year".

[INTEGRATION OF DISABLED PEOPLE

[SEC. 603. Section 3 of the Peace Corps Act (22 U.S.C. 2502) is amended by adding at the end thereof the following new subsection:

["(h) In recognition of the fact that there are over 400,000,000 disabled people in the world, 95 percent of whom are among the poorest of the poor, the Peace Corps shall be administered so as to give particular attention to programs, projects, and activities which tend to integrate disabled people into the national economies of de-

veloping countries, thus improving their status and assisting the total development effort.".

[RESTORATION OF CERTAIN AUTHORITIES FORMERLY CONTAINED IN THE FOREIGN SERVICE ACT

[SEC. 604. (a) Section 10 of the Peace Corps Act (22 U.S.C. 2509) is amended by adding at the end thereof the following new subsections:

["(i) The Director of the Peace Corps shall have the same authority as is available to the Secretary of State under section 26(a) of the State Department Basic Authorities Act of 1956. For purposes of this subsection, the reference in such section 26(a) to a principal officer of the Foreign Service shall be deemed to be a reference to a Peace Corps representative and the reference in such section to a member of the Foreign Service shall be deemed to be a reference to a person employed, appointed, or assigned under this Act.

["(j) The provisions of section 30 of the State Department Basic Authorities Act of 1956 shall apply to volunteers and persons employed, appointed, or assigned under this Act. For purposes of this subsection, references to the Secretary in subsection (b) of such section shall be deemed to be references to the Director of the Peace Corps, references to the Secretary in subsection (f) of such section shall be deemed to be references to the President, and the reference in subsection (g) of such section to a principal representative of the United States shall be deemed to be a reference to a Peace Corps representative.".

[(b) Section 5(h) of such Act is amended by striking out the last two sentences.

[(c) To the extent that the authorities provided by the amendments made by subsection (a) are authorities which are not applicable with respect to the Peace Corps immediately before the enactment of this Act and which require the expenditure of funds, those authorities may not be exercised using any funds appropriated after February 15, 1981, and before the date of the enactment of this Act.

[MISCELLANOUS—CONFORMING AMENDMENTS

[SEC. 605. (a) Section 9 of the Peace Corps Act (22 U.S.C. 2508) is amended by striking out "section 10(a)(4)" in the second sentence and inserting in lieu thereof "section 10(a)(5)".

[(b) Section 18 of such Act (22 U.S.C. 2517) is repealed.

[READJUSTMENT ALLOWANCE

[SEC. 606. The first sentence of section 5(c) of the Peace Corps Act (22 U.S.C. 2504(c)) is amended by striking out "not to exceed $125" and inserting in lieu thereof "not less than $125".

[TITLE VII—MISCELLANEOUS PROVISIONS

[ADVANCE ACQUISITION OF PROPERTY

[SEC. 701. Section 608(a) of the Foreign Assistance Act of 1961 is amended—

[(1) in the first sentence—

[(A) by inserting ", or (if a substantial savings would occur) other property already owned by an agency of the United States Government," immediately after "excess personal property", and

[(B) by inserting "or supplementary to" immediately after "in lieu of"; and

[(2) in the second sentence by inserting "any property available from an agency of the United States Government," immediately before "or other property".

[CONSTRUCTION OF PRODUCTIVE ENTERPRISES IN EGYPT

[SEC. 702. The first sentence of section 620(k) of the Foreign Assistance Act of 1961 is amended by striking out "for fiscal year 1977, fiscal year 1980, or fiscal year 1981".

[COMPENSATION FOR PARTICIPATING AGENCY EMPLOYEES

[SEC. 703. The first sentence of section 625(d) of the Foreign Assistance Act of 1961 is amended by striking out "together with allowances and benefits under that Act" and inserting in lieu thereof "or under chapter 53 of title 5, United States Code, or at any other rate authorized by law, together with allowances and benefits under the Foreign Service Act of 1980".

[NOTIFICATION OF PROGRAM CHANGES

[SEC. 704. Section 634A of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following: "Whenever a proposed reprogramming exceeds $1,000,000 and the total amount proposed for obligation for a country under this Act in a fiscal year exceeds by more than $500,000 the amount specified for that country in the report required by section 653(a) of this Act, notifications of such proposed reprogrammings shall specify—

["(1) the nature and purpose of such proposed obligation, and

["(2) to the extend possible at the time of the proposed obligation, the country for which such funds would otherwise have been obligated.".

[INSPECTOR GENERAL

[SEC. 705. (a) The Inspector General Act of 1978 is amended—

[(1) in paragraph (1) of section 2, by inserting "the Agency for International Development," immediately after "Department of Transportation,";

[(2) in section 11—

[(A) in paragraph (1), by inserting "the Agency for International Development," immediately after "Administrator of"; and

[(B) in paragraph (2), by inserting "the Agency for International Development," immediately after "Transportation or"; and

[(3) by inserting immediately after section 8 the following new section 8A:

[“SPECIAL PROVISIONS RELATING TO THE AGENCY FOR INTERNATIONAL DEVELOPMENT

[“SEC. 8A. (a) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Agency for International Development—

[“(1) shall supervise, direct, and control all security activities relating to the programs and operations of that Agency, subject to the supervision of the Administrator of that Agency; and

[“(2) to the extent requested by the Director of the United States International Development Cooperation Agency (after consultation with the Administrator of the Agency for International Development), shall supervise, direct, and control all audit, investigative, and security activities relating to programs and operations within the United States International Development Cooperation Agency.

[“(b) In addition to the Assistant Inspectors General provided for in section 3(d) of this Act, the Inspector General of the Agency for International Development shall, in accordance with applicable laws and regulations governing the civil service, appoint an Assistant Inspector General for Security who shall have the responsibility for supervising the performance of security activities relating to programs and operations of the Agency for International Development.

[“(c) The semiannual reports required to be submitted to the Administrator of the Agency for International Development pursuant to section 5(b) of this Act shall also be submitted to the Director of the United States International Development Cooperation Agency.

[“(d) In addition to the officers and employees provided for in section 6(a)(6) of this Act, member of the Foreign Service may, at the request of the Inspector General of the Agency for International Development, be assigned as employees of the Inspector General. Members of the Foreign Service so assigned shall be responsible solely to the Inspector General, and the Inspector General (or his or her designee) shall prepare the performance evaluation reports for such members.

[“(e) In establishing and staffing field offices pursuant to section 6(c) of this Act, the Administrator of the Agency for International Development shall not be bound by overseas personnel ceilings established under the Monitoring Overseas Direct Employment policy.

[“(f) The reference in section 7(a) of this Act to an employee of the establishment shall, with respect to the Inspector General of the Agency for International Development, be construed to include an employee of or under the United States International Development Cooperation Agency.

[“(g) The Inspector General of the Agency for International Development shall be in addition to the officers provided for in section 624(a) of the Foreign Assistance Act of 1961.

[“(h) As used in this Act, the term ‘Agency for International Development’ includes any successor agency primarily responsible for administering part I of the Foreign Assistance Act of 1961.”.

[(b)(1) Section 624(g) of the Foreign Assistance Act of 1961 is repealed.

[(2) Section 239(e) of such Act is amended by striking out "Auditor General" each of the three places it appears and inserting in lieu thereof "Inspector General".

[(3) Section 5316 of title 5, United States Code, is amended by striking out "Auditor General of the Agency for International Development" and inserting in lieu thereof "Inspector General, Agency for International Development".

[(c) The individual holding the position of Inspector General of the Agency for International Development on the date of enactment of this section shall not be required to be reappointed by reason of the enactment of this section.

[OPERATING EXPENSES

[SEC. 706. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out ", for the fiscal year 1981"; and

[(2) in paragraph (1) by striking out "$293,8000,000" and inserting in lieu thereof "$335,600,000 for the fiscal year 1982 and $335,600,000 for the fiscal year 1983".

[TECHNICAL AMENDMENT

[SEC. 707. The sentence of section 620(f) of the Foreign Assistance Act of 1961 is amended to read as follows: "For the purposes of this subsection, the phrase 'Communist country' includes specifically, but is not limited to, the following countries:

[Czechoslovak Socialist Republic,
[Democratic People's Republic of Korea,
[Estonia,
[German Democratic Republic,
[Hungarian People's Republic,
[Latvia,
[Lithuania,
[Mongolian People's Republic,
[People's Republic of Albania,
[People's Republic of Bulgaria,
[People's Republic of China,
[Polish People's Republic,
[Republic of Cuba,
[Socialist Federal Republic of Yugoslavia,
[Socialist Republic of Romania,
[Socialist Republic of Vietnam,
[Tibet,
[Union of Soviet Socialist Republics (including its captive constituent republics).".

[EMERGENCY HUMANITARIAN HELP FOR THE PEOPLE OF POLARD

[SEC. 708. (a) The people of Poland, with whom the people of the United States have a longstanding friendship, now face serious domestic food shortages which will be worsened by large-scale loss of their livestock this winter if feed supplies do not arrive quickly. Therefore, the President is urged, for urgent humanitarian reasons,

to use existing authorities promptly in order to provide to the people of Poland, under as favorable terms as possible, feed grains from Commodity Credit Corporation stocks or other appropriate commodities.

[(b) For the longer term, the President is encouraged to pursue discussions with other Western countries about a multilateral effort to help the people of Poland achieve self-sustaining economic recovery in the years ahead.

[(c) Chapter 4 of part II of the Foreign Assistance Act of 1961, as amended by section 202 of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 540. POLAND.—Notwithstanding any other provision of law, $5,000,000 of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1982 shall be available only for Poland for the purchase, transportation, and distribution of food and medical supplies through private and voluntary agencies where appropriate.".]

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[FINDINGS REGARDING GLOBAL SECURITY

[SEC. 710. (a) The Congress finds that the security of the United States and other countries is increasingly affected by a broad range of global problems including shortages or potential shortages of food, oil, water, wood, and other basic mineral and natural resources; desperate poverty; sickness; population pressures; environmental deterioration, including soil erosion and water pollution; and large-scale and destabilizing refugee problems.

[(b) The Congress finds that hunger, disease, and extreme poverty are among the most critical of these global problems, As ever greater numbers of people perceive the disparity between their own continuing deprivation and the prosperity of others, and judge their predicament to be neither just nor inevitable, it becomes increasingly likely that there will be unrest and violence with consequent disruption of the flow of essential materials, adverse effects on the world economy, decreased likelihood of cooperative efforts toward meeting the other critical problems threatening national and global security, and increased likelihood of confrontation between nations which possess nuclear arms.

[(c) Therefore, the Congress finds that the Nation's understanding of global and national security must be broad enough to include the problems cited in this section, and that adequate protection of the security of the United States requires effective action on these global problems, and in particular on the problems of hunger, disease, and extreme poverty.

[WORLD FOOD SECURITY RESERVES

[SEC. 711. (a) The Congress finds that—

[(1) the Congress recently passed and the President signed into law an Act which provides for establishment of a United States food security reserve of up to four million metric tons of wheat to be used for emergency food assistance;

[(2) the food import needs of developing countries will increase over the next ten years; and

[(3) other grain exporting countries could take additional steps to assure continuity of food assistance during food crisis years.

[(b) The President shall encourage other grain exporting countries to establish their own food security reserves or take other measures that complement the United States food security reserve.

[(c) The President shall report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate within one year after the enactment of this Act on the actions he has taken and the response of other countries to these proposals.

[FINDINGS AND DECLARATION OF POLICY REGARDING WORLD HUNGER

[SEC. 712. The Congress, affirming the value of human life, finds and declares that the elimination of hunger and its causes is of fundamental moral significance and, further, that it is in the political, economic, and security interests of the United States. Therefore, the Congress declares that the elimination of hunger and its causes shall be a primary objective of United States relations with developing countries.

[REAFFIRMATION OF SUPPORT FOR HUMAN RIGHTS PROVISIONS

[SEC. 713. (a) The Congress reaffirms its support for the various statutory provisions which have been enacted in order to promote internationally recognized human rights.

[(b) It is the sense of the Congress that a strong commitment to the defense of human rights should continue to be a central feature of United States foreign policy.]

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[LEBANON

[SEC. 715. It is the sense of the Congress that the Government of the United States should continue to support diplomatic efforts to resolve he current crisis in Lebanon, and to pursue a comprehensive and coordinated policy in Lebanon guided by the following principles:

[(1) maintenance of an effective cease-fire throughout Lebanon;

[(2) resolution of the issue of the Syrian missiles deployed in Lebanon;

[(3) freedom, security, and opportunity for the Christian and all other Lebanese communities, including the Moslem, Druze, Armenian, and Jewish communities in Lebanon;

[(4) reaffirmation of the historic United States-Lebanon relationship and strengthening the longstanding commitment of the United States to the independence, sovereignty, and territorial integrity of Lebanon, without partition, free from terrorism and violence, and free to determine its future without Soviet or other outside interference;

[(5) generous international support for relief, rehabilitation, and humanitarian assistance for Lebanon, particularly for those Lebanese citizens who have suffered from the terrorism and violence of recent events;

[(6) restoration of Lebanon's sovereignty free from outside domination or occupation; and

[(7) support for a free and open national election.

[USE OF CHEMICAL AND TOXIN WEAPONS

[SEC. 716. (a) The Congress condemns the use of, and the provision for use of, chemical agents and toxin weapons against the peoples of Laos, Kampuchea, or Afghanistan.

[(b) It is the sense of the Congress that the President should, acting through the Permanent Representative of the United States to the United Nations and all other appropriate diplomatic agents, seek definite measures to bring to an end actions by any party or government in using, and providing for use, chemical agents or toxin weapons against the peoples of Laos, Kampuchea, and Afghanistan, in violation of the spirit and the provisions of—

[(1) the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (done at Washington, London, and Moscow on April 10, 1972);

[(2) the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (signed at Geneva on June 17, 1925); and

[(3) customary international law.

[(c) It is further the sense of Congress that the President should—

[(1) allocate the highest possible priority to the development of further evidence clarifying the nature and origins of the chemical agents and toxin weapons being used against the peoples of Laos, Kampuchea, and Afghanistan; and

[(2) vigorously seek a satisfactory explanation from the Government of the Soviet Union regarding the strong circumstantial and presumptive evidence of its role in the use, or provision for use, of such weapons.

[(d) The Congress reiterates the concern expressed in House Resolution 644 (96th Congress), adopted by the House of Representatives on May 19, 1980, regarding the outbreak of pulmonary anthrax near Sverdlosk on April 3, 1979, and expresses its disappointment that the Soviet Union has failed adequately to respond to requests for data explaining this incident as provided in the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

[(e) It is further the sense of Congress that the negotiation of a treaty prohibiting the development, production, and stockpiling of chemical weapons, with reliable verification provisions, should be given a high priority by the United States Government and by all foreign governments.

[FINANCIAL OBLIGATIONS TO THE UNITED NATIONS

[SEC. 717. (a) The Congress finds and declares that—

[(1) the financing of the United Nations is the collective responsibility of all member nations;

[(2) the International Court of Justice has determined that the expenses of the United Nations incurred in its peacekeep-

ing operations are properly included as a part of the regular expenses of the United Nations; and

[(3) peacekeeping operations are vital to the mission of the United Nations and must be adequately financed if such operations are to continue.

[(4) the Government of the Union of Soviet Socialist Republics is currently $180,000,000 in arrears on its payments to the United Nations, primarily as a result of its refusal to pay for the peacekeeping operations of the United Nations.

[(b) It is the sense of the Congress that the President, acting through the Permanent Representative of the United States to the United Nations, should undertake appropriate diplomatic initiatives to ensure that members of the United Nations make payments of all their outstanding financial obligations to the United Nations, including their assessments with respect to the peacekeeping operations of the United Nations.

[CONDEMNATION OF LIBYA FOR ITS SUPPORT OF INTERNATIONAL TERRORIST MOVEMENTS

[SEC. 718. (a) The Congress condemns the Libyan Government for its support of international terrorist movements, its efforts to obstruct positive movement toward the peaceful resolution of problems in the Middle East region, and its actions to destabilize and control governments of neighboring states in Africa.

[(b) The Congress believes that the President should conduct an immediate review of concrete steps the United States could take, individually and in concert with its allies, to bring economic and political pressure on Libya to cease such activities, and should submit a report on that review to the Congress within one hundred and eighty days after the date of enactment of this Act. Such a review should include the possibility of tariffs on or prohibitions against the import of crude oil from Libya.

[UNITED STATES CITIZENS ACTING IN THE SERVICE OF INTERNATIONAL TERRORISM

[SEC. 719. (a) It is the sense of the Congress that the spread of international terrorism poses a grave and growing danger for world peace and for the national security of the United States. As a part of its vigorous opposition to the activities of international terrorist leaders and the increase of international terrorism, the United States should take all steps necessary to ensure that no United States citizen is acting in the service of terrorism or of the proponents of terrorism.

[(b) Not later than six months after the enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report which includes—

[(1) a description of all legislation, currently in force, and of all administrative remedies, presently available, which can be employed to prevent the involvement, service, or participation by United States citizens in activities in support of international terrorism or terrorist leaders;

[(2) an assessment of the adequacy of such legislation and remedies, and of the enforcement resources available to carry

out such measures, to prevent the involvement, service, or participation by United States citizens in activities in support of international terrorism or terrorist leaders; and

[(3) a description of available legislative and administrative alternatives, together with an assessment of their potential impact and effectiveness, which could be enacted or employed to put an end to the participation of United States citizens in activities in support of international terrorism or terrorist leaders.

[NONALIGNED COUNTRIES

[SEC. 720. (a) In considering whether to provide assistance, make sales, extend credits, or guarantee loans under the provisions of the Foreign Assistance Act of 1961, as amended, or the Arms Export Control Act, to any country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Session of the General Assembly of the United Nations on September 25 and 28, 1981, the President shall take into account whether such country has dissociated itself from the communique issued following the meeting.

[(b) Within thirty days after the date of enactment of this section, the President shall submit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the countries which have dissociated themselves from the nonaligned countries communique and on their methods of dissociation.

[PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI

[SEC. 721. (a)(1) It is the sense of the Congress that up to $15,000,000 of the funds available for the fiscal year 1982 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 should be made available for development assistance for Haiti, subject to the limitation in subsection (b) of this section.

[(2) To the maximum extent practical, assistance for Haiti for the fiscal year 1982 under chapter 1 of part I of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

[(b) Funds available for the fiscal year 1982 to carry out chapter 1 of part I or chapter 2 or chapter 5 of part II of the Foreign Assistance Act of 1961 may be expended for Haiti, and credits and guarantees extended for the fiscal year 1982 under the Arms Export Control Act may be approved for use for Haiti, only if the President determines that the Government of Haiti—

[(1) is cooperating with the United States in halting illegal emigration from Haiti:

[(2) is not aiding, abetting, or otherwise supporting illegal emigration from Haiti;

[(3) has provided assurances that it will cooperate fully in implementing United States development assistance programs in Haiti (including programs for prior fiscal years); and

[(4) is not engaged in a consistent pattern of gross violations of internationally recognized human rights.

[(c) Six months after the date of enactment of this Act, the President shall prepare and transmit to the Congress a report on the extent to which the actions of the Government of Haiti are consistent with paragraphs (1), (2), (3), and (4) of subsection (b) of this section.

[Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961, funds made available under such Act for the fiscal year 1982 and for the fiscal year 1983 may be used for programs with Haiti to assist in halting significant illegal emigration from Haiti to the United States.

[COMPREHENSIVE ANALYSIS OF FOREIGN ASSISTANCE

[SEC. 722. (a) It is the sense of Congress that at a time when major retrenchments and reappraisals are being made in domestic programs, it is also logical that, while maintaining past international commitments, the magnitude and direction of future foreign assistance programs should also be reviewed. As part of such a review process, the President is requested to provide a comprehensive report to the Congress on his approach to foreign assistance. Such report shall include an analysis and recommendations on the following issues:

[(1) the relationship between foreign assistance and defense expenditures as means of conducting foreign policy;

[(2) the appropriate mix between military and economic assistance;

[(3) the strengths and weaknesses, and appropriate mix, of bilateral and multilateral assistance programs;

[(4) the relevance of the basic human needs approach to current aid policy;

[(5) the performance of other aid donors, and the benefits they derive from their programs;

[(6) criteria for determining the appropriate size and composition of country programs;

[(7) the appropriateness of the current mix of grants and loans, and the possibility of combining them with new or existing guarantee, insurance, and export credit programs;

[(8) specific means to more actively engage the private sector in assistance programs; and

[(9) the usefulness of current functional categories in constructing the development assistance budget.

[(b) The Congress requests that the President provide to the Congress a preliminary report by March 31, 1982, and a final report by June 30, 1982, with respect to the issues referred to in subsection (a).

[EXTERNAL DEBT BURDENS OF EGYPT, ISRAEL, AND TURKEY

[SEC. 723. The Congress finds that the Governments of Egypt, Israel, and Turkey each have an enormous external debt burden which may be made more difficult by virtue of financing provided for those governments under various United States assistance programs. In order to assist the Congress in examining United States assistance for these countries, the President shall report to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, not later than

one hundred and twenty days after the date of enactment of this Act and not later than one year after the date of enactment of this Act, regarding economic conditions prevailing in Egypt, Israel, and Turkey which may affect their respective ability to meet their international debt obligations and to stabilize their economies. These reports shall also analyze the impact on Egypt's economy of Arab sanctions against Egypt.

[NICARAGUA

[SEC. 724. (a) In furnishing assistance under this Act to the Government of Nicaragua, the President shall take into account the extent to which that Government has engaged in violations of internationally recognized human rights (including the right to organize and operate labor unions free from political oppression, the right to freedom of the press, and the right to freedom of religion) and shall encourage the Government of Nicaragua to respect those rights.

[(b) In furnishing assistance under this Act to the Government of Nicaragua, the President shall take into account the extent to which that Government has fulfilled its pledge of July 1979 to the member states of the Organization of American States—

[(1) to establish full respect for human rights in Nicaragua in accordance with the United Nations Universal Declaration of the Rights and Duties of Man and the Charter on Human Rights of the Organization of American States;

[(2) to allow the free movement in Nicaragua of the Inter-American Commission on Human Rights; and

[(3) to establish the framework for free and democratic elections so that the people of Nicaragua may elect their representatives to city councils, to constitutional assembly, and to Nicaragua's highest-ranking authorities, with such framework to include, but not be limited to, the full and complete opportunity for political activity of the Nicaraguan people.

[(c) Assistance to the Government of Nicaragua under this Act shall be terminated if the President determines and reports to the Congress that the Government of Nicaragua cooperates with or harbors any international terrorist organization or is aiding, abetting, or supporting acts of violence or terrorism in other countries or that Soviet, Cuban, or other foreign combat military forces are stationed or situated within the borders of Nicaragua and the presence of such forces constitutes a threat to the national security of the United States or to any Latin American ally of the United States.

[(d) Any agreement between the United States and the Government of Nicaragua regarding the use of funds appropriated to carry out this Act, which are to be made available in the form of loans, shall specifically require that to the maximum extent possible such loan funds, and any local currency generated in conjunction therewith, shall be used for assistance to the private sector. Local currency loan programs in Nicaragua shall be monitored and audited in accordance with section 624(g) of the Foreign Assistance Act of 1961.

[(e) For each six-month period in which any funds are expended under this Act for Nicaragua, the President shall submit to

the Speaker of the House of Representatives, and the chairman of the Committee on Foreign Relations of the Senate, a report accounting fully and in itemized detail for the amounts obligated and actually expended in Nicaragua.

[REPEAL OF LIMITATIONS ON ASSISTANCE, SALES, AND SALES CREDIT FOR CHILE

[SEC. 726. (a) Section 406 of the International Security Assistance and Arms Export Control Act of 1976 (22 U.S.C. 2370 note) is repealed.

[(b) Notwithstanding any other provision of law—

[(1) no assistance may be furnished under chapter 2, 4, 5, or 6 of part II of the Foreign Assistance Act of 1961 to Chile;

[(2) no sale of defense articles or services may be made under the Arms Export Control Act to Chile:

[(3) no credits (including participation in credits) may be extended and no loan may be guaranteed under the Arms Export Control Act with respect to Chile; and

[(4) no export licenses may be issued under section 38 of the Arms Export Control Act to or for the Government of Chile;

unless and until the President submits to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a detailed report certifying—

[(A) that the Government of Chile has made significant progress in complying with internationally recognized principles of human rights;

[(B) that the provision of such assistance, articles or services is in the national interest of the United States; and

[(C) that the Government of Chile is not aiding or abetting international terrorism and has taken appropriate steps to cooperate to bring to justice by all legal means available in the United States or Chile those indicated by a United States grand jury in connection with the murders of Orlando Letelier and Ronni Moffitt.

[(c) The prohibition contained in subsection (b) does not prohibit the sale, or the licensing for export, of cartridge actuated devices, propellant actuated devices, components, parts, tools, technical manuals, time compliance to technical orders (TCTOs), or TCTO retrofits for aircraft of the F–5E/F, A/T–37, or C–103E/H type owned by the Chilean Air Force, so long as the items are provided only for purposes of enhancing the safety of the aircraft crew.

[ASSISTANCE FOR EL SALVADOR

[SEC. 727. (a) It is the sense of the Congress that assistance furnished to the Government of El Salvador, both economic and military, should be used to encourage—

[(1) full observance of internationally recognized human rights in accordance with sections 116 and 502B of the Foreign Assistance Act of 1961;

[(2) full respect for all other fundamental human rights, including the right of freedom of speech and of the press, the right to organize and operate free labor unions, and the right to freedom of religion;

[(3) continued progress in implementing essential economic and political reforms, including land reform and support for the private sector;

[(4) a complete and timely investigation of the deaths for all United States citizens killed in El Salvador since October 1979;

[(5) an end to extremist violence and the establishment of a unified command and control of all government security forces in this effort;

[(6) free, fair, and open elections at the earliest date; and

[(7) increased professional capability of the Salvadoran Armed Forces in order to establish a peaceful and secure environment in which economic development and reform and the democratic processes can be fully implemented, thereby permitting a phased withdrawal of United States military training and advisory personnel at the earliest possible date.

[(b) It is the sense of the Congress that the United States economic assistance to El Salvador should put emphasis on revitalizing the private sector and supporting the free market system. The Congress recognizes that the lack of foreign exchange to buy imported raw materials and intermediate goods is a major impediment to the ability of the Salvadoran economy to provide jobs. The Congress also recognizes that the funds budgeted for economic assistance are only a fraction of the foreign exchange needed, and United States economic aid should be used, wherever possible, to stimulate private sector lending. Therefore, the Congress urges the President to set aside a portion of the economic support funds to provide guarantees to private United States banks willing to give credits to the Salvadoran private sector.

[RESTRICTIONS ON MILITARY ASSISTANCE AND SALES TO EL SALVADOR

[SEC. 728. (a)(1) The Congress finds that peaceful and democratic development in Central America is in the interest of the United States and of the community of American States generally, that the recent civil strife in El Salvador has caused great human suffering and disruption to the economy of that country, and that substantial assistance to El Salvador is necessary to help alleviate that suffering and to promote economic recovery within a peaceful and democratic process. Moreover, the Congress recognizes that the efforts of the Government of El Salvador to achieve these goals are affected by the activities of forces beyond its control.

[(2) Taking note of the substantial progress made by the Government of El Salvador in land and banking reforms, the Congress declares it should be the policy of the United States to encourage and support the Government of El Salvador in the implementation of these reforms.

[(3) The United States also welcomes the continuing efforts of President Duarte and his supporters in the Government of El Salvador to establish greater control over the activities of members of the armed forces and government security forces. The Congress finds that it is in the interest of the United States to cooperate with the Duarte government in putting an end to violence in El Salvador by extremist elements among both the insurgents and the

security forces, and in establishing a unified command and control of all government forces.

[(4) The United States supports the holding of free, fair, and open elections in El Salvador at the earliest date. The Congress notes the progress being made by the Duarte government in this area, as evidenced by the appointment of an electoral commission.

[(b) In fiscal years 1982 and 1983, funds may be obligated for assistance for El Salvador under chapter 2 or 5 of part II of the Foreign Assistance Act of 1961, letters of offer may be issued and credits and guarantees may be extended for El Salvador under the Arms Export Control Act, and members of the Armed Forces may be assigned or detailed to El Salvador to carry out functions under the Foreign Assistance Act of 1961 or the Arms Export Control Act, only if not later than thirty days after the date of enactment of this Act and every one hundred and eighty days thereafter, the President makes a certification in accordance with subsection (d).

[(c) If the President does not make such a certification at any of the specified times then the President shall immediately—

[(1) suspend all expenditures of funds and other deliveries of assistance for El Salvador which were obligated under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 after the date of enactment of this Act;

[(2) withhold all approvals for use of credits and guarantees for El Salvador which were extended under the Arms Export Control Act after the date of enactment of this Act;

[(3) suspend all deliveries of defense articles, defense services, and design and construction services to El Salvador which were sold under the Arms Export Control Act after the date of enactment of this Act; and

[(4) order the prompt withdrawal from El Salvador of all members of the Armed Forces performing defense services, conducting international military education and training activities, or performing management functions under section 515 of the Foreign Assistance Act of 1961.

Any suspension of assistance pursuant to paragraphs (1) through (4) of this subsection shall remain in effect during fiscal year 1982 and during fiscal year 1983 until such time as the President makes a certification in accordance with subsection (d).

[(d) The certification required by subsection (b) is a certification by the President to the Speaker of the House of Representatives and to the Chairman of the Committee on Foreign Relations of the Senate of a determination that the Government of El Salvador—

[(1) is making a concerted and significant effort to comply with internationally recognized human rights.

[(2) is achieving substantial control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

[(3) is making continued progress in implementing essential economic and political reforms, including the land reform program;

[(4) is committed to the holding of free elections at an early date and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in El

Salvador which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

[(A) a renouncement of further military or paramilitary activity; and

[(B) the electoral process with internationally recognized observers.

Each such certification shall discuss fully and completely the justification for making each of the determinations required by paragraphs (1) through (4).

[(e) On making the first certification under subsection (b) of this section, the President shall also certify to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that he has determined that the Government of El Salvador has made good faith efforts both to investigate the murders of the six United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice those responsible for those murders. The second certification required under this section may be made only if it includes a determination by the President that the Government of El Salvador (1) made good faith efforts since the first such certification was made to investigate the murders of those six United States citizens and to bring to justice those responsible for those murders, and (2) has taken all reasonable steps to investigate the disappearance of journalist John Sullivan in El Salvador in January 1981. The fourth certification required under this section may be made only if it includes a determination by the President that, since the third such certification was made, the Government of El Salvador (1) has made good faith efforts both to investigate the murders of the seven United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice all those responsible for those murders, and (2) has taken all reasonable steps to investigate the killing of Michael Kline in El Salvador in October 1982.

[REPORTING REQUIREMENT RELATING TO EL SALVADOR

[SEC. 729. (a) Not later than ninety days after the date of enactment of this section, the President shall prepare and transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a report setting forth—

[(1) the viewpoints of all major parties to the conflict in El Salvador and of the influential actors in the Salvadoran political system regarding the potential for interest and in negotiations, elections, and a settlement of the conflict; and

[(2) the views of democratic Latin American nations, Canada, the Organization of American States, and European allies of the United States regarding a negotiated settlement to such conflict.

[(b) It is the sense of the Congress that the President shall, as soon as possible, send a special envoy or use other appropriate means to consult with and gather information from appropriate representatives of the parties to the Salvadoran conflict, democratic governments of Latin America, Canada, and European allies of the

United States regarding the attainment of a negotiated settlement in El Salvador.

[RESTRICTIONS ON AID TO EL SALVADOR

[SEC. 730. None of the funds authorized to be appropriated by this Act may be made available for the provision of assistance to El Salvador for the purpose of planning for compensation, or for the purpose of compensation, for the confiscation, nationalization, acquisition, or expropriation of any agricultural or banking enterprise, or of the properties or stock shares which may be pertaining thereto.

[EL SALVADORAN REFUGEES

[SEC. 731. It is the sense of the Congress that the administration should continue to review, on a case-by-case basis, petitions for extended voluntary departure made by citizens of El Salvador who claim that they are subject to persecution in their homeland, and should take full account of the civil strife in El Salvador in making decisions on such petitions.

[CONSOLIDATED REPORTS: ARMS EXPORT CONTROL ACT

[SEC. 732. Section 25 of the Arms Export Control Act is amended to read as follows:

["SEC. 25. ANNUAL ESTIMATE AND JUSTIFICATION FOR SALES PROGRAM.—(a) No later than February 1 of each year, the President shall transmit to the Congress, as a part of the annual presentation materials for security assistance programs proposed for the next fiscal year, a report which sets forth—

["(1) an arms sales proposal covering all sales and licensed commercial exports under this Act of major weapons or weapons-related defense equipment for $7,000,000 or more, or of any other weapons or weapons-related defense equipment for $25,000,000 or more, which are considered eligible for approval during the current calendar year, together with an indication of which sales and licensed commercial exports are deemed most likely actually to result in the issuance of a letter of offer or of an export license during such year;

["(2) an estimate of the total amount of sales and licensed commercial exports expected to be made to each foreign nation from the United States;

["(3) the United States national security considerations involved in expected sales or licensed commercial exports to each country, an analysis of the relationship between anticipated sales to each country and arms control efforts concerning such country and an analysis of the impact of such anticipated sales on the stability of the region that includes such country;

["(4) an estimate with regard to the international volume of arms traffic to and from nations purchasing arms as set forth in paragraphs (1) and (2) of this subsection, together with best estimates of the sale and delivery of weapons and weapons-related defense equipment by all major arms suppliers to all major recipient countries during the preceding fiscal year;

[“(5) an estimate of the aggregate dollar value and quantity of defense articles and defense services, military education and training, grant military assistance, and credits and guarantees, to be furnished by the United States to each foreign country and international organization in the next fiscal year;

[“(6) an analysis and description of the services performed during the preceding fiscal year by officers and employees of the United States Government carrying out functions on a full-time basis under this Act for which reimbursement is provided under section 43(b) or section 21(a) of this Act, including the number of personnel involved in performing such services;

[“(7) the total amount of funds in the reserve under section 24(c) at the end of the fiscal year immediately preceding the fiscal year in which a report under this section is made, together with an assessment of the adequacy of such total amount of funds as a reserve for the payment of claims under guarantees issued pursuant to section 24 in view of the current debt servicing capacity of borrowing countries, as reported to the Congress pursuant to section 634(a)(5) of the Foreign Assistance Act of 1961;

[“(8) a list of all countries with respect to which findings made by the President pursuant to section 3(a)(1) of this Act are in effect on the date of such transmission;

[“(9) The progress made under the program of the Republic of Korea to modernize its armed forces, the role of the United States in mutual security efforts in the Republic of Korea and the military balance between the People's Republic of Korea and the Republic of Korea;

[“(10) the amount and nature of Soviet military assistance to the armed forces of Cuba during the preceding fiscal year and the military capabilities of those armed forces;

[“(11) the status of each loan and each contract of guaranty or insurance theretofore made under the Foreign Assistance Act of 1961, predecessor Acts, or any Act authorizing international security assistance, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each extension of credit for the procurement of defense articles or defense services, and of each contract of guaranty in connection with any such procurement, theretofore made under the Arms Export Control Act with respect to which there remains outstanding any unpaid obligation or potential liability; and

[“(12) such other information as the President may deem necessary.

[“(b) Not later than thirty days following the receipt of a request made by the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives for additional information with respect to any information submitted pursuant to subsection (a), the President shall submit such information to such committee.

[“(c) The President shall make every effort to submit all of the information required by subsection (a) or (b) wholly in unclassified form. Whenever the President submits any such information in classified form, he shall submit such classified information in an

addendum and shall also submit simultaneously a detailed summary, in unclassified form, of such classified information.".

[CONSOLIDATED REPORTS: FOREIGN ASSISTANCE ACT OF 1961

[SEC. 733. Section 634(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by amending the first sentence to read as follows: "In order that the Congress and the American people may be better and more currently informed regarding American foreign policy and the effectiveness of assistance provided by the United States Government to other countries and to international organizations, the Chairman of the Development Coordination Committee shall prepare and transmit to the Congress, no later than February 1 of each year, as a part of the annual presentation materials for foreign assistance, a report as described in this subsection. This report shall include—";

[(2) in paragraph (1)(B), by striking out "the progressive developing countries are making toward achieving those objectives which are indicative of improved well-being of the poor majority, which objectives shall include but not be limited to";

[(3) in paragraph (2)—

[(A) by striking out "and" at the end of subparagraph (D);

[(B) by adding "and" at the end of subparagraph (E); and

[(C) by adding at the end thereof the following:

["(F) of any contract in excess of $100,000 administered by the Agency for International Development which was entered into in the preceding fiscal year without competitive selection procedures, and the reasons for doing so;";

[(4) by amending paragraph (4) to read as follows:

["(4) the status of each sale of agricultural commodities on credit terms theretofore made under the Agricultural Trade Development and Assistance Act of 1954 with respect to which there remains outstanding any unpaid obligation; and the status of each transaction with respect to which a loan, contract or guarantee of insurance, or extension of credit (or participation therein) was theretofore made under the Export-Import Bank Act of 1945 with respect to which there remains outstanding any unpaid obligation or potential liability; except that such report shall include individually only any loan, contract, sale, extension of credit, or other transactions listed in this paragraph which is in excess of $1,000,000;";

[(5) In paragraph (7), by striking out "and" after the semicolon; and

[(6) by striking out paragraph (8) and inserting in lieu thereof the following new paragraphs:

["(8) the amount of all foreign currencies acquired without payment of dollars on hand of each foreign country as of September 30 of the preceding fiscal year;

["(9) the Development Coordination Committee's operations pursuant to section 640B(f) of this Act;

[“(10) the aggregate dollar value and quantity of grant military assistance, military education and training, and any other defense articles and services furnished under this Act by the United States to each foreign country and international organization for the preceding fiscal year;

[“(11) information concerning the activities of the Minority Resource Center during the preceding fiscal year; and

[“(12) other information appropriate to the conduct of the foreign assistance program of the United States Government.”.

[REPEALS

[SEC. 734. (a) The following provisions of the following Acts are repealed:

[(1) The Foreign Assistance Act of 1961: Sections 125(b), 301(b), 301(e)(3), 302(a)(3), 451(b), 481(c)(2), 495D(e), 495H(c)(2), 513, 601(e)(2), 613(c), 620(b), 620(i), 620(m), 640B(g), 657, 659, and 668, and the second sentence of section 542.

[(2) The International Security and Development Cooperation Act of 1980; Sections 108, 313(b), 603, 713, 714, 720, and 721.

[(3) The International Development Cooperation Act of 1979: Section 124, 504(b), 506, 507(b), 508(b), and 509(c).

[(4) The Special International Security Assistance Act of 1979: Sections 4(e)(2), 7(b), 8(c), and 9.

[(5) The International Development and Food Assistance Act of 1978: Sections 117(b)(2), 122(b), 201, 303, and 603(a)(1).

[(6) The International Development and Food Assistance Act of 1977: Sections 132(a), 133(c)(6), and 214.

[(7) Section 213 of the International Development and Food Assistance Act of 1975.

[(8) The Foreign Assistance Act of 1974: Sections 3, 25, 26, 27, 43, 49, 50(c), and 51(c).

[(9) The Foreign Assistance Act of 1973; Sections 36(e), 37, and 38.

[(10) The Arms Export Control Act: Section 43(c), and the fifth paragraph of section 1.

[(11) The International Security Assistance Act of 1979: Sections 6(b), 20(a), 25, and 28.

[(12) The International Security Assistance Act of 1978: Sections 15(b), 23(d), 23(e)(2), 24(C), 25, and 27.

[(13) The International Security Assistance Act of 1977: Sections 14, 22, 24(c), 25, and 28(a)(2).

[(14) Section 507 of the International Security Assistance and Arms Export Control Act of 1976.

[(15) Section 7 of the Act entitled “An Act to amend the Foreign Military Sales Act, and for other purposes”, approved January 12, 1971 (22 U.S.C. 2410a).

[(b) Section 620(s)(1) of the Foreign Assistance Act of 1961 is amended—

[(1) in subparagraph (A) by inserting “and” after the semicolon;

[(2) in subparagraph (B)—

[(A) by inserting "or other" after "foreign exchange", and

[(B) by striking out "; and" and inserting in lieu thereof a period; and

[(3) by repealing subparagraph (C).

[(c) Except as otherwise explicitly provided by their terms, amendments to the Foreign Assistance Act of 1961 and the Arms Export Control Act which are applicable only to a single fiscal or calendar year or which require reports or other actions on a nonrecurring basis shall be deemed to have expired and shall be removed form law upon the expiration of the applicable time periods for the fulfillment of the required actions.

[REPORT ON NUCLEAR ACTIVITIES

[SEC. 735. Beginning with the fiscal year 1983 and for each fiscal year thereafter, the President shall prepare and transmit to the Congress, as part of the presentation materials for foreign assistance programs proposed for the fiscal year, a classified report describing the nuclear programs and related activities of any country for which a waiver of section 669 or 760 of the Foreign Assistance Act of 1961 is in effect, including an assessment of—

[(1) the extent and effectiveness of International Atomic Energy Agency safeguards at that country's nuclear facilities; and

[(2) the capability, actions, and intentions of the government of that country with respect to the manufacture or acquisition of a nuclear explosive device.

[ASSISTANCE TO PAKISTAN

[SEC. 736. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

["SEC. 620E. ASSISTANCE TO PAKISTAN.—The Congress recognizes that Soviet forces occupying Afghanistan pose a security threat to Pakistan. The Congress also recognizes that an independent and democratic Pakistan with continued friendly ties with the United States is in the interest of both nations. The Congress finds that United States assistance will help Pakistan maintain its independence. Assistance to Pakistan is intended to benefit the people of Pakistan by helping them meet the burdens imposed by the presence of Soviet forces in Afghanistan and by promoting economic development. In authorizing assistance to Pakistan, it is the intent of Congress to promote the expeditious restoration of full civil liberties and representative government in Pakistan. The Congress further recognizes that it is in the mutual interest of Pakistan and the Untied States to avoid the profoundly destabilizing effects of the proliferation of nuclear explosive devices or the capacity to manufacture or otherwise acquire nuclear devices.

["(b) The United States reaffirms the commitment made in its 1959 bilateral agreement with Pakistan relating to aggression from a Communist or Communist-dominated state.

["(c) Security assistance for Pakistan shall be made available in order to assist Pakistan in dealing with the threat to its security posed by the Soviet presence in Afghanistan. The United States

will take appropriate steps to ensure that defense articles provided by the United States to Pakistan are used for defensive purposes.

[“(d) The President may waive the prohibitions of section 669 of this Act at any time during the period beginning on the date of enactment of this section and ending on September 30, 1987, to provide assistance to Pakistan during that period if he determines that to do so is in the national interest of the United States.”.

[PROHIBITIONS RELATING TO NUCLEAR TRANSFERS AND NUCLEAR DETONATIONS

[SEC. 737. (a) The Congress finds that any transfer of a nuclear explosive device to a non-nuclear-weapon state or, in the case of a non-nuclear-weapon state, any receipt or detonation of a nuclear explosive device would cause grave damage to bilateral relations between the United States and that country.

[(b) Section 669(b)(2) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(2)(A) A certification under paragraph (1) of this subsection shall take effect on the date on which the certification is received by the Congress. However, if, within thirty calendar days after receiving this certification, the Congress adopts a concurrent resolution stating in substance that the Congress disapproves the furnishing of assistance pursuant to the certification, then upon the adoption of that resolution the certification shall cease to be effective and all deliveries of assistance furnished under the authority of that certification shall be suspended immediately.

[“(B) Any concurrent resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(C) For the purpose of expediting the consideration and adoption of concurrent resolutions under this paragraph, a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.”.

[(c) Section 670 of such Act is amended to read as follows:

[“SEC. 670. NUCLEAR REPROCESSING TRANSFERS, TRANSFERS OF NUCLEAR EXPLOSIVE DEVICES, AND NUCLEAR DETONATIONS.—(a)(1) Except as provided in paragraph (2) of this subsection, no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of providing economic assistance (including assistance under chapter 4 of part II), providing military assistance or grant military education and training, providing assistance under chapter 6 of part II, or extending military credits or making guarantees, to any country which on or after the date of enactment of the International Security Assistance Act of 1977 delivers nuclear reprocessing equipment, materials, or technology to any other country or receives such equipment, materials, or technology from any other country (except for the transfer of reprocessing technology associated with the investigation, under international evaluation programs in which the United States participates, of technologies which are alternatives to pure plutonium reprocessing).

[“(2) Notwithstanding paragraph (1) of this subsection, the President may furnish assistance which would otherwise be prohibited under that paragraph if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

[“(3)(A) A certification under paragraph (2) of this subsection shall take effect on the date on which the certification is received by the Congress. However, if, within 30 calendar days after receiving this certification, the Congress adopts a concurrent resolution stating in substance that the Congress disapproves the furnishing of assistance pursuant to the certification, then upon the adoption of that resolution the certification shall cease to be effective and all deliveries of assistance furnished under the authority of that certification shall be suspended immediately.

[“(B) Any concurrent resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(C) For the purpose of expediting the consideration and adoption of concurrent resolutions under this paragraph, a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

[“(b)(1) Except as provided in paragraphs (2) and (3) of this subsection, no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of providing economic assistance (including assistance under chapter 4 of part II), providing military assistance or grant military education and training, providing assistance under chapter 6 of part II, or extending military credits or making guarantees, to any country which on or after the date of enactment of the International Security Assistance Act of 1977—

[“(A) transfers a nuclear explosive device to a non-nuclear-weapon state, or

[“(B) is a non-nuclear-weapon state and either—

[“(i) receives a nuclear explosive device, or

[“(ii) detonates a nuclear explosive device.

[“(2)(A) Notwithstanding paragraph (1) of this subsection, the President may, for a period of not more than 30 days of continuous session, furnish assistance which would otherwise be prohibited under paragraph (1) of this subsection if, before furnishing such assistance, the President transmits to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign Relations of the Senate, a certification that he has determined that an immediate termination of assistance to that country would be detrimental to the national security of the United States. Not more than one such certification may be transmitted for a country with respect to the same detonation, transfer, or receipt of a nuclear explosive device.

[“(B) If the President transmits a certification to the Congress under subparagraph (A), a joint resolution which would permit the President to exercise the waiver authority of paragraph (3) of this subsection shall, if introduced in either House within thirty days of continuous session after the Congress receives this certification, be considered in the Senate and House of Representatives in accordance with subparagraphs (C) and (D) of this paragraph.

[“(C) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(D) For the purpose of expediting the consideration and adoption of joint resolutions under this paragraph, a motion to proceed to the consideration of such a joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

[“(E) For purposes of this paragraph, the term ‘joint resolution’ means a joint resolution the matter after the resolving clause of which is as follows: ‘That the Congress having received on a certification by the President under section 670(b)(2) of the Foreign Assistance Act of 1961 with respect to , the Congress hereby authorizes the President to exercise the waiver authority contained in section 670(b)(3) of that Act.’, with the date of receipt of the certification inserted in the first blank and the name of the country inserted in the second blank.

[“(3) Notwithstanding paragraph (1) of this subsection, if the Congress enacts a joint resolution under paragraph (2) of this subsection, the President may furnish assistance which would otherwise be prohibited under paragraph (1) if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

[“(4) For the purposes of this subsection, continuity of session is broken only by an adjournment of Congress sine die and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

[“(5) As used in this subsection, the term ‘non-nuclear-weapon state’ means any country which is not a nuclear-weapon state, as defined in article IX(3) of the Treaty on the Non-Proliferation of Nuclear Weapons.”.]

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1980

AN ACT To authorize appropriations for the fiscal year 1980 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes.

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

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security and Development Cooperation Act of 1980".

[TITLE I—MILITARY AND RELATED ASSISTANCE AND SALES PROGRAMS

[THIRD COUNTRY TRANSFERS

[SEC. 101. (a)(1) Section 3(d) of the Arms Export Control Act is amended—

[(A) by redesignating existing paragraph (3) as paragraph (4); and

[(B) by inserting the following new paragraph (3) immediately after paragraph (2):

["(3) The President may not give his consent to the transfer to a third country of a defense article or a defense service valued (in terms of its original acquisition costs) at $25,000,000 or more, or of major defense equipment valued (in terms of its original acquisition costs) at $7,000,000 or more, the export of which has been licensed or approved under section 38 of this Act, unless at least 30 calendar days before giving such consent the President submits to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report containing the information specified in subparagraphs (A) through (E) of paragraph (1).".

[(2) Such section is further amended—

[(A) in the last sentence of paragraph (1) by striking out "subsection" and inserting in lieu thereof "paragraph"; and

[(B) in paragraph (2) by inserting "paragraph (1) of" immediately before "this subsection".

[(b) Paragraph (4) of section 3(d) of such Act, as so redesignated by subsection (a)(1)(A) of this section, is amended—

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

[(2) by striking out the period at the end of clause (ii) of subparagraph (C) and inserting in lieu thereof "; or "; and

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

[(D) to transfers to the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand, of any major defense equipment valued (in terms of its original acquisition cost) at less than $7,000,000 or of any defense article or related training or other defense service valued (in terms of its original acquisition cost) at less than $25,000,000.".

[PERFORMANCE OF DEFENSE SERVICES

[SEC. 102. Section 21(c) of the Arms Export Control Act is amended—

[(1) by striking out "training advising, or otherwise providing assistance regarding combat activities" and inserting in lieu thereof "training and advising that may engage United States personnel in combat activities";)

[(2) by inserting "(1)" immediately after "(c)"; and

[(3) by adding at the end thereof the following:

[(2) Within 48 hours after the outbreak of significant hostilities involving a country in which United States personnel are performing defense services pursuant to this Act or the Foreign Assistance Act of 1961, the President shall submit to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, setting forth—

["(A) the identity of such country and a description of such hostilities; and

["(B) the number of members of the United States Armed Forces and the number of United States civilian personnel performing defense services related to such hostilities in such country, their location, the precise nature of their activities, and the likelihood of their becoming engaged in or endangered by hostilities.".

[RECIPROCAL TRAINING AGREEMENTS

[SEC. 103. Section 21(g) of the Arms Export Control Act is amended by striking out "In carrying out section 814 of the Act of October 7, 1975 (Public Law 94–106), the President may enter into North Atlantic Treaty Organization standardization agreements" and inserting in lieu thereof "The President may enter into North Atlantic Treaty Organization standardization agreements in carrying out section 814 of the Act of October 7, 1975 (Public Law 94–106), and may enter into similar agreements with Japan, Australia, and New Zealand,".

[GUARANTY RESERVE

[SEC. 104. (a) Section 24(c) of the Arms Export Control Act is amended to read as follows:

["(c) Funds obligated under this section before the date of enactment of the International Security and Development Cooperation Act of 1980 which constitute a single reserve for the payment of claims under guaranties issued under this section shall remain available for expenditure for the purposes of this section on and after that date. The President shall report promptly to the Congress whenever the payment of a claim under any such guaranty reduces the total amount of funds in the single reserve under this subsection to an amount less than $750,000,000, together with his recommendations for the authorization of appropriations of additional funds for such reserve. For purposes of any provision in this Act or any other Act relating to a prohibition or limitation on the availability of funds under this Act, whenever a guaranty is issued under this section, the principal amount of the loan so guaranteed shall be deemed to be funds made available for use under this Act.

Any guaranties issued hereunder shall be backed by the full faith and credit of the United States.".

[(b) Section 37 of such Act is amended by adding at the end thereof the following:

["(c) Notwithstanding the provisions of subsection (b), to the extent that any of the funds constituting the reserve under section 24(c) are paid out for a claim arising out of a loan guaranteed under section 24, amounts received from a foreign government or international organization after the date of such payment, with respect to such claim, shall be credited to such reserve, shall be merged with the funds in such reserve, and shall be available for any purpose for which funds in such reserve are available.".

[(c) Section 25(a) of such Act is amended—

[(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5); and

[(2) by inserting after paragraph (2) the following:

["(3) the total amount of funds in the reserve under section 24(c) at the end of the fiscal year immediately preceding the fiscal year in which a report under this section is made, together with an assessment of the adequacy of such total amount of funds as a reserve for the payment of claims under guaranties issued pursuant to section 24 in view of the current debt servicing capacity of borrowing countries, as reported to the Congress pursuant to section 634(a)(5) of the Foreign Assistance Act of 1961;".

[(d) Section 31(a) of such Act is amended by inserting immediately after the first sentence the following new sentence: "Credits may not be extended under section 23 of this Act in an amount, and loans may not be guaranteed under section 24(a) of this Act in a principal amount, which exceeds any maximum amount which may be established with respect to such credits or such loan guarantees in legislation appropriating funds to carry out this Act.".

[MILITARY CONSTRUCTION

[SEC. 105. (a) The Arms Export Control Act is amended by inserting immediately after chapter 2 the following new chapter:

["CHAPTER 2A—FOREIGN MILITARY CONSTRUCTION SALES

["SEC. 29. FOREIGN MILITARY CONSTRUCTION SALES.—The President may sell design and construction services to any eligible foreign country or international organization if such country or international organization agrees to pay in United States dollars not less than the full cost to the United States Government of furnishing such services. Payment shall be made to the United States Government in advance of the performance of such services by officers or employees of the United States Government. The President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of design and construction services for sale under this section if such country or international organization provides the United States Government with a dependable undertaking (1) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (2) to

make funds available in such amounts and at such time as may be required to meet the payments required by the contract and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.".

[(b)(1) Section 21(h) of such Act is amended by striking out "defense articles or defense services" both places it appears and inserting in lieu thereof "defense articles, defense services, or design and construction services".

[(2) Section 22(c) of such Act is amended to read as follows:

["(c) The provisions of the Renegotiation Act of 1951 do not apply to procurement contracts heretofore or hereafter entered into under this section, section 29, or predecessor provisions of law.".

[(3) Sections 23, 24(a), and 31(c) of such Act are each amended by striking out "defense articles and defense services" each place it appears and inserting in lieu thereof "defense articles, defense services, and design and construction services".

[(c) Section 36(a) of such Act is amended—

[(1) by striking out "and" immediately after the semicolon at the end of paragraph (7);

[(2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon; and

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

["(9) a listing of each sale under section 29 during the quarter for which such report is made, specifying (A) the purchaser, (B) the United States Government department or agency responsible for implementing the sale, (C) an estimate of the dollar amount of the sale, and (D) a general description of the real property facilities to be constructed pursuant to such sale; and".

[(d)(1) Section 36(b)(1) of such Act is amended in the first sentence by inserting "any design and construction services for $200,000,000 or more," immediately after "$25,000,000 or more,".

[(2) Such section is further amended—

[(A) in the first sentence by inserting ", or (in the case of a sale of design and construction services) the information specified in clauses (A) through (D) or paragraph (9) of subsection (a)," immediately after "subsection (a)" the first place it appears;

[(B) in the second sentence by striking out "or defense services" and inserting in lieu thereof ", defense services, or design and construction services,"; and

[(C) in the third sentence—

[(i) in subparagraph (A) by striking out "or services" and inserting in lieu thereof ", defense services, or design and construction services";

[(ii) in subparagraph (C) by striking out "or defense service" and inserting in lieu thereof ", defense service, or design and construction service";

[(iii) in subparagraph (E) by striking out "or services" both places it appears and inserting in lieu thereof ", defense services, or design and construction services";

[(iv) in subparagraph (I) by striking out "or services" both places it appears and inserting in lieu thereof ", defense services, or design and construction services";

[(v) in subparagraph (J) by striking out "or services" and inserting in lieu thereof ", defense services, or design and construction services";

[(vi) in subparagraph (K) by striking out "or services" and inserting in lieu thereof ", defense services, or design and construction services";

[(vii) in subparagraph (L) by striking out "or services" and inserting in lieu thereof ", defense services, or design and construction services";

[(viii) in subparagraph (M) by striking out "services, or" the first place it appears and inserting in lieu thereof "defense services, design and construction services, or defense"; and

[(ix) in subparagraph (N) by inserting ", defense services, or design and construction services immediately after "defense articles".

[(e)(1) Section 37(a) of such Act is amended by striking out "sections 21 and 22" and inserting in lieu thereof "sections 21, 22, and 29".

[(2) Section 39 of such Act is amended—

[(A) in subsection (a) by inserting ", or of design and construction services under section 29," immediately after "section 22"; and

[(B) in subsection (c) by inserting "or section 29" immediately after "section 22".

[(3) Section 42 of such Act is amended—

[(A) in subsection (d) by striking out "and 24" and inserting in lieu thereof "24, and 29"; and

[(B) in subsection (e) by striking out "and 22" both places that it appears and inserting in lieu thereof ", 22, and 29".

[(f) Section 47 of such Act is amended—

[(1) in paragraph (4) by inserting ", but does not include design and construction services under section 29 of this Act" immediately after "military sales";

[(2) in paragraph (6) by striking out "and" immediately after the semicolon;

[(3) in paragraph (7) by striking out the period and inserting in lieu thereof "; and"; and

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

["(8) 'design and construction services' means, with respect to sales under section 29 of this Act, the design and construction of real property facilities, including necessary construction equipment and materials, engineering services, construction contract management services relating thereto, and technical advisory assistance in the operation and maintenance of real property facilities provided or performed by any department or agency of the Department of Defense or by a contractor pursuant to a contract with such department or agency.".

[FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

[SEC. 106. (a) Section 31(a) of the Arms Export Control Act is amended by striking out "$673,500,000 for the fiscal year 1980" and inserting in lieu thereof "$500,000,000 for the fiscal year 1981".

[(b) Section 31(b) of such Act is amended to read as follows:

["(b)(1) The total amount of credits, or participations in credits, extended pursuant to section 23 of this Act for the fiscal year 1981 shall not exceed $500,000,000.

["(2) The total principal amount of loans guaranteed pursuant to section 24(a) of this Act for the fiscal year 1981 shall not exceed $2,616,000,000.

["(3) Of the aggregate total of such credits, or participations in credits, and of the total principal amount of such loans guaranteed, not less than $1,400,000,000 for the fiscal year 1981 shall be available only for Israel, of which $200,000,000 shall be available only for costs associated with the relocation of Israeli forces from the Sinai.".

[(c) Section 31(c) of such Act is amended—

[(1) in the first sentence by striking out "fiscal year 1980" and inserting in lieu thereof "fiscal year 1981"; and

[(2) in the last sentence by striking out "one-half" and inserting in lieu thereof "$500,000,000".

[(d) The principal amount of the loans guaranteed under section 24(a) of such Act for the fiscal year 1981 with respect to Egypt, the Sudan, Greece, and Turkey shall be repaid, and with respect to Somalia may be repaid, in not less than twenty years, following a grace period of ten years on repayment of principal.

[COMMERCIAL EXPORTS OF DEFENSE ARTICLES AND DEFENSE SERVICES

[SEC. 107. (a) Section 38(b)(3) of the Arms Export Control Act is amended by striking out "$35,000,000" and inserting in lieu thereof "$100,000,000".

[(b) Section 36(c) of such Act is amended—

[(1) in the first sentence by striking out "not less than 30 days";

[(2) by redesignating paragraphs (1), (2), and (3) as clauses (A), (B), and (C), respectively;

[(3) in the last sentence by striking out "paragraph (2)" and inserting in lieu thereof "clause (B)" and by striking out "paragraph (3)" and inserting in lieu thereof "clause (C)";

[(4) by inserting "(1) immediately after "(c)"; and

[(5) by adding at the end thereof the following:

["(2) Unless the President states in his certification that an emergency exists which requires the proposed export in the national security interests of the United States, a license for export described in paragraph (1)—

["(A) shall not be issued at least 30 calendar days after the Congress receives such certification; and

["(B) shall not be issued then if the Congress, within such 30-day period, adopts a concurrent resolution stating that it objects to the proposed export, except that this subparagraph

does not apply with respect to a license issued for an export to the North Atlantic Treaty Organization, any member country of that Organization, Japan, Australia, or New Zealand.

If the President states in his certification that an emergency exists which requires the proposed export in the national security interests of the United States, thus waiving the requirements of subparagraphs (A) and (B) of this paragraph, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate issuance of the export license and a discussion of the national security interests involved.

[“(3)(A) Any resolution under this subsection shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(B) For the purpose of expediting the consideration and adoption of concurrent resolutions under this subsection, a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.”.

[(c) Section 38(a) of such Act is amended by adding at the end thereof the following new paragraph:

[“(3) In exercising the authorities conferred by this section, the President may require that any defense article or defense service be sold under this Act as a condition of its eligibility for export, and may require that persons engaged in the negotiation for the export of defense articles and services keep the President fully and currently informed of the progress and future prospects of such negotiations.”.

[(d) Section 25(d)(1) of such Act is amended—

[(1) in the first sentence by inserting “and licensed commercial exports” immediately after “sales” both places it appears; and

[(2) in the second sentence—

[(A) by inserting “and licensed commercial exports” immediately after “Sales”, and

[(B) by inserting “or of an export license” immediately after “letter of offer”.]

* * * * * * *

[NOTIFICATION OF CERTAIN COMMERCIAL EXPORTS TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

[“SEC. 111. Section 6(i) of the Export Administration Act of 1979 is amended in text preceding paragraph (1) by striking out “of the Senate” and inserting in lieu thereof “and the Committee on Foreign Relations of the Senate at least 30 days”.

[MILITARY ASSISTANCE

[“SEC. 112. (a) Section 503(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “or” at the end of paragraph (1);

[(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof “; or”; and

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

["(3) transferring such of the funds appropriated or otherwise made available under this chapter as the President may determine for assistance to a recipient specified in section 504(a)(1) of this Act, within the dollar limitations of that section, to the account in which funds for the procurement of defense articles and defense services under section 21 and section 22 of the Arms Export Control Act have been deposited for such recipient, to be merged with such deposited funds, and to be used solely to meet obligations of the recipient for payment for sales under that Act.".

[(b) Section 504(a)(1) of such Act is amended to read as follows:

["(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $106,100,000 for the fiscal year 1981. Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for fiscal year 1981:

[Portugal	$51,000,000
[Spain	3,600,000
[The Philippines	25,000,000
[The Sudan	1,700,000

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

[(c) Section 506(a) of such Act is amended by striking out "$10,000,000" and inserting in lieu thereof "$50,000,000".

[(d) Section 516(a) of such Act is amended—

[(1) by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1982"; and

[(2) by striking out "three" and inserting in lieu thereof "five".

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

["SEC. 113. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$95,000,000 for the fiscal year 1980" and inserting in lieu thereof "$85,000,000 for the fiscal year 1981".

[INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

["SEC. 114. Section 515 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (b)(1)—

[(A) by striking out "fiscal year 1980" and inserting in lieu thereof "fiscal year 1981";

[(B) by striking out "the countries specified in section 504(a)(1) and in" and inserting in lieu thereof "Portugal, Spain, Jordan, the Philippines,"; and

[(C) by striking out "Iran, Kuwait" and inserting in lieu thereof "Egypt";

[(2) in subsection (b)(3)—

[(A) by striking out "Iran, Kuwait, and";

[(B) by striking out "countries" and inserting in lieu thereof "country"; and

[(C) by striking out "each"; and

[(3) in the last sentence of subsection (f)—

[(A) by inserting "six more than" immediately after "may not exceed";

[(B) by striking out "December 31, 1978" and inserting in lieu thereof "December 31, 1979"; and

[(C) by inserting "and countries to which military personnel have been assigned pursuant to subsection (c)" immediately after "such countries".

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 115. (a) The first sentence of section 542 of the Foreign Assistance Act of 1961 is amended by striking out all that follows "the purposes of this chapter" and inserting in lieu thereof "$34,000,000 for the fiscal year 1981.".

[(b)(1) Section 644(m) of such Act is amended—

[(A) by striking out "and" at the end of paragraph (3);

[(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

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

["(5) with respect to military education and training, the additional costs that are incurred by the United States Government in furnishing such assistance.".

[(2) Section 21(a)(3) of the Arms Export Control Act is amended by inserting immediately before the period the following: ", except that in the case of training sold to a purchaser who is concurrently receiving assistance under chapter 5 of part II of the Foreign Assistance Act of 1961, only those additional costs that are incurred by the United States Government in furnishing such training".

[PEACEKEEPING OPERATIONS

[SEC. 116. (a) Section 552(a) of the Foreign Assistance Act of 1961 is amended by striking out "$21,100,000 for the fiscal year 1980" and inserting in lieu thereof "$25,000,000 for the fiscal year 1981".

[(b) Section 553 of such Act is repealed and section 554 is redesignated as section 553.

[SPECIAL AUTHORITY

[SEC. 117. (a) Section 614(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) The President may authorize the furnishing of assistance under this Act without regard to any provision of this Act, the Arms Export control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under this Act, in furtherance of any of the purposes of this Act, when the President determines, and so noti-

fies in writing the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that to do so is important to the security interests of the United States.

[“(2) The President may make sales, extend credit, and issue guaranties under the Arms Export Control Act, without regard to any provision of this Act, the Arms Export Control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under the Arms Export Control Act, in furtherance of any of the purpose of such Act, when the President determines, and so notifies in writing the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that to do so is vital to the national security interests of the United States.

[“(3) Before exercising the authority granted in this subsection, the President shall consult with, and shall provide a written policy justification to, the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

[“(4) The authority of this subsection may not be used to authorize the use of more than $250,000,000 of funds made available for use under this Act or the Arms Export Control Act, or the use of more than $100,000,000 of foreign currencies accruing under this Act or any other law, in any fiscal year. Not more than $50,000,000 of the funds available under this subsection may be allocated to any one country in any fiscal year, unless such country is a victim of active Communist or Communist-supported aggression.

[“(5) The authority of this section may not be used to waive the limitations on transfers contained in section 610(a) of this Act.”.

[(b) Section 652 of such Act is amended by striking out “, 610(a), or 614(a)” and inserting in lieu thereof “or 610(a)”.

[PROHIBITION ON MILITARY ASSISTANCE TO NICARAGUA

[SEC. 119. None of the funds authorized to be appropriated by this title shall be made available for any aid or assistance to Nicaragua.

[TITLE II—ECONOMIC SUPPORT FUND

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 201. Section 531(b)(1) of the Foreign Assistance Act of 1961 is amended by striking out “fiscal year 1980, $1,935,000,000” and inserting in lieu thereof “fiscal year 1981, $2,065,300,000”.

[USE OF FUNDS

[SEC. 202. Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by striking out all that follows section 531 and inserting in lieu thereof the following:

[“SEC. 532. USE OF FISCAL YEAR 1981 FUNDS.—(a)(1) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1981, not less than $785,000,000 shall be available

only for Israel and not less than $750,000,000 shall be available only for Egypt.

[“(2) All of the funds made available to Israel and to Egypt under this chapter for the fiscal year 1981 shall be provided on a grant basis.

[“(3) The total amount of funds allocated for Israel under this chapter for the fiscal year 1981 may be made available as a cash transfer. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfers made to Israel does not cause an adverse impact on the total amount of non-military exports from the United States to Israel.

[“(b) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year, 1981, not less than $200,000,000 shall be available only for Turkey. Not less than two-thirds of the funds made available to Turkey under this chapter for the fiscal year 1981 shall be provided on a grant basis.

[“(c) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1981, $15,000,000 shall be available only for Cyprus for refugee relief, reconstruction, and educational exchange programs.

[“(d)(1) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1981, $12,500,000 may be used for special requirements in the Middle East, including regional programs and development programs on the West Bank and in Gaza.

[“(2) The President may obligate or expend funds under this subsection only if—

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

[“(i) the name of the proposed recipient of such funds,

[“(ii) the amount of funds to be made available to such recipient, and

[“(iii) the purpose for which such funds are to be made available;

[“(B) a period of 30 calendar days has elapsed since the Congress received such report; and

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

[“(e)(1) Up to $50,000,000 of the funds appropriated to carry out this chapter for the fiscal year 1981 may be made available for emergency use under this chapter when the national interests of the United States urgently require economic support to promote economic or political stability.

[“(2) Notwithstanding subsections (a)(1), (b), (c), and (d)(1) of this section, up to 5 percent of the funds available for any country or region pursuant to such subsections may be used under paragraph (1) of this subsection.

[“(f) None of the funds appropriated to carry out this chapter for fiscal year 1981 may be made available for Syria.

[“(g) Funds available to carry out this chapter for the fiscal year 1981 may not be used to finance the construction of, the oper-

ation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that use of funds for such purpose is indispensable to the achievement of nonproliferation objectives which are uniquely significant and of paramount importance to the United States.

[“SEC. 533. CENTRAL AMERICAN ECONOMIC SUPPORT.—(a) The Congress finds that peaceful and democratic development in Central America is in the interest of the United States and of the community of American States generally, that the recent civil strife in Nicaragua has caused great human suffering and disruption to the economy of that country, and that substantial external assistance to Nicaragua is necessary to help alleviate that suffering and to promote economic recovery within a peaceful and democratic process. The Congress further finds that peaceful and democratic development in certain other Central American countries will be significantly assisted by additional economic support at this time.

[“(b) In furnishing assistance under this chapter to the Government of Nicaragua, the President shall take into account the extent to which that Government has engaged in violations of the right to organize and operate labor unions free from political oppression, has engaged in or permitted violations of human rights, has engaged in violations of the right to freedom of the press, or has engaged in violations of the right to freedom of religion.

[“(c) The President shall encourage the Government of Nicaragua to respect the right to freedom of the press, the right to organize and operate free labor unions, the right to freedom of religion, as well as all other fundamental human rights.

[“(d) The Congress reaffirms the requirement of section 502B(a)(1) of this Act that a principal goal of the foreign policy of the United States shall be to promote the increased observance of internationally recognized human rights by all countries. In furtherance of the goal, assistance to Nicaragua for the fiscal year 1981 under this chapter shall be terminated, in accordance with sections 116 and 502B of this Act, if the Government of Nicaragua engages in a consistent pattern of gross violations of internationally recognized human rights.

[“(e) The President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report for each 6-month period in which funds are expended under this chapter for Nicaragua for the fiscal year 1981. Each such report shall discuss fully and completely the status of respect in Nicaragua for human rights, political pluralism, freedom of the press and assembly, freedom of religion, and freedom of labor to organize and bargain collectively.

[“(f) Prior to releasing any assistance to the Government of Nicaragua under this chapter, the President shall transmit a certification to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the Government of Nicaragua has not cooperated with or harbored any international terrorist organization and is not aiding, abetting, or supporting acts of violence or terrorism in other countries. In the event that the President transmits such a certification, but at a later date he determines that the Government of Nicaragua cooperates with or harbors any international terrorist organization or is aid-

ing, abetting, or supporting acts of violence or terrorism in other countries, the President shall terminate assistance to the Government of Nicaragua under this chapter, and the outstanding balance of any loan to the Government of Nicaragua, or any of its agencies or instrumentalities, with funds authorized to be appropriated by this chapter shall become immediately due and payable.

[“(g) It is the sense of the Congress that the United States should support those traditionally faithful allies of the United States which are responsible members of the Organization of American States, including Guatemala, El Salvador, Costa Rica, Nicaragua, Panama, and Honduras, against terrorism and external subversion.

[“(h) Funds made available under this chapter for the National School of Agriculture in Nicaragua shall be used under an understanding with the Autonomous National University of Nicaragua that the National School of Agriculture will cooperate in programs with United States institutions of higher education.

[“(i) Any agreement between the United States and the Government of Nicaragua regarding the use of funds authorized to be appropriated under this chapter, which are to be made available in the form of loans, shall specifically require that at least 60 percent of such loan funds, and any local currency generated in conjunction therewith, shall be used for assistance to the private sector. Insofar as practicable, local currency used for assistance to the private sector in Nicaragua shall, consistent with the accomplishment of the purposes set forth in subsection (a) of this section, be used in ways which will strengthen private financial institutions which will help keep the private sector in Nicaragua financially independent. Local currency loan programs in Nicaragua shall be monitored and audited in accordance with section 624(g) of this Act. The President shall report on the implementation of this subsection in the reports required under subsection (e) of this section.

[“(j) The President shall terminate assistance to the Government of Nicaragua under this chapter if he determines and reports to the Congress that Soviet, Cuban, or other foreign combat military forces are stationed or situated within the boarders of Nicaragua and that the presence of such forces constitutes a threat to the national security of the United States or to any Latin American ally of the United States.

[“(k) The President shall terminate assistance to Nicaragua under this chapter for the fiscal year 1981 if he determines that the Government of Nicaragua has engaged in a consistent pattern of violations of the right to organize and operate labor unions free from political oppression.

[“(l) The President shall encourage the holding of free, open elections in Nicaragua within a reasonable period of time and shall, in providing any additional assistance to Nicaragua, take into consideration the progress which is being made toward holding such elections.

[“(m) None of the funds made available for Nicaragua under this chapter may be used for assistance for any school or other educational instrumentality or facility which would house, employ, or be made available to Cuban personnel.

[“(n) The President shall terminate assistance to Nicaragua under this chapter if he determines that the Government of Nicaragua engages in systematic violations of free speech and press.

[“(o) Any agreement between the United States and the Government of Nicaragua regarding the use of funds authorized to be appropriated under this chapter, which are to be made available in the form of loans, shall specifically require that such loan funds shall be used for the purchase of goods or services of United States origin.

[“(p) Up to one percent of the funds made available to Nicaragua under this chapter for the fiscal year 1981 shall be used to make publicly known to the people of Nicaragua the extent of United States aid programs to them. The President shall periodically report to the Congress on the effectiveness of this efforts to carry out this subsection.”.

[CONSTRUCTION OF PRODUCTIVE ENTERPRISE IN EGYPT

[SEC. 203. The first sentence of section 620(k) of the Foreign Assistance Act of 1961 is amended by inserting “, fiscal year 1980, or fiscal year 1981” immediately after “fiscal year 1977”.

[TITLE III—DEVELOPMENT ASSISTANCE PROGRAMS

[AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

[SEC. 301. The first sentence of section 103(a)(2) of the Foreign Assistance Act of 1961 is amended to read as follows: “There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $713,500,000 for the fiscal year 1981.”.

[POPULATION AND HEALTH

[SEC. 302. (a) Section 104(b) of the Foreign Assistance Act of 1961 is amended by inserting after “information and services” in the second sentence the following: “, including also information and services which relate to and support natural family planning methods,”.

[(b) The first sentence of section 104(g) of such Act is amended to read as follows: “There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

[“(1) $238,000,000 for the fiscal year 1981 to carry out subsection (b) of this section, of which not less than $3,000,000 shall be available only to support the World Health Organization’s Special Program of Research, Development and Research Training in Human Reproduction; and

[“(2) $145,300,000 for the fiscal year 1981 to carry out subsection (c) of this section.”.

[EDUCATION AND HUMAN RESOURCES DEVELOPMENT

[SEC. 303. The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended to read as follows: “There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes,

$101,000,000 for the fiscal year 1981, which are authorized to remain available until expended.".

[ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES

[SEC. 304. (a) The section caption of section 106 of the Foreign Assistance Act of 1961 is amended by striking out "technical assistance, energy, research, reconstruction, and selected development problems" and inserting in lieu thereof "energy, private voluntary organizations, and selected development activities".

[(b) Subsection (a) of such section is amended—

[(1) by inserting "(A)" immediately after "(a)(1)";

[(2) by striking out "(2)", "(3)", and "(4)" and inserting in lieu thereof "(B)", "(C)", and "(D)", respectively;

[(3) by striking out "(A)", "(B)", and "(C)" in paragraph (3) and inserting in lieu thereof "(i)", "(ii)", and "(iii)", respectively; and

["(4) by adding at the end thereof the following new paragraph:

["(2) The Congress also finds that energy production from renewable, decentralized sources and energy conservation are vital elements in the development process. Inadequate access by the poor to energy sources as well as the prospect of depleted fossil fuel reserves and higher energy prices require an enhanced effort to expand the energy resources of developing countries through greater emphasis on renewable sources. Renewable and decentralized energy technologies have particular applicability for the poor, especially in rural areas.".

[(c) Subsection (b) of such section is amended—

[(1) by inserting "(A)" immediately after "(b)(1)";

[(2) by striking out "fiscal year 1980 shall be used for purposes of paragraph (1)" and inserting in lieu thereof "fiscal year 1981 shall be used for purposes of subparagraph (A)".

[(d) Such section is further amended by inserting at the end of subsection (b) the following:

["(2) The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation through research on and development and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act. Such programs shall also be directed toward the earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain, and are transferable from one region of the world to another. Such programs may include research on and the development, demonstration, and application of suitable energy technologies (including use of wood); analysis of energy uses, needs, and resources; training and institutional development; and scientific interchange.

["(c) The agency primarily responsible for administering this part and the Department of Energy shall coordinate with one an-

other, to the maximum extent possible, the planning and implementation of energy programs under this chapter.".

[(e) Existing subsection (c) of such section is redesignated as subsection (d).

[(f) Existing subsection (d) of such section is amended to read as follows:

["(e)(1) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $140,000,000 for the fiscal year 1981.

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

[(g) Section 119 of such Act is repealed.

[HUMAN RIGHTS IN DEVELOPING COUNTRIES

[SEC. 305. Section 116(e) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1980" and inserting in lieu thereof "fiscal year 1981".

[SAHEL DEVELOPMENT PROGRAM

[SEC. 306. Section 121(c) of the Foreign Assistance Act of 1961 is amended by inserting immediately after the second sentence the following new sentence: "In addition to the amounts authorized in the preceding sentences and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $88,442,000 for the fiscal year 1981.".

[PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES

[SEC. 307. Section 123 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a) by inserting before the period at the end of the fourth sentence the following: "and, if necessary and determined on a case-by-case basis, for the purpose of sharing the cost of developing programs related to such activities";

[(2) in subsection (a) by inserting before the period at the end of the fifth sentence the following: "and to establish simplified procedures for the development and approval of programs to be carried out by such private and voluntary organizations and cooperatives as have demonstrated a capacity to undertake effective development activities"; and

[(3) By adding at the end thereof the following new subsection:

["(e) Prohibitions on assistance to countries contained in this or any other Act shall not be construed to prohibit assistance by the agency primarily responsible for administering this part in support of programs of private and voluntary organizations and cooperatives already being supported prior to the date such prohibition becomes applicable. The President shall take into consideration, in any case in which statutory prohibitions on assistance would be applicable but for this subsection, whether continuation of support for such programs is in the national interest of the United States. If the President continues such support after such date, he shall prepare and transmit, not later than thirty days after such date, to the Speaker of the House of Representatives and to the

chairman of the Committee on Foreign Relations of the Senate a report setting forth the reasons for such continuation.".

[RELATIVELY LEAST DEVELOPED COUNTRIES

[SEC. 308. The last sentence of section 124(c)(2) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "1980" and inserting in lieu thereof "1981"; and

[(2) by striking out "$18,800,000" and inserting in lieu thereof "$10,845,000".

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 309. Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $233,350,000 for the fiscal year 1981.".

[PARTICIPANT TRAINING

[SEC. 310. Section 617 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "In order to ensure the effectiveness of assistance under this Act, such expenses for orderly termination of programs may include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.".

[REIMBURSABLE DEVELOPMENT PROGRAMS

[SEC. 311. Section 661 of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$3,800,000 of the funds made available for the purposes of this Act for the fiscal year 1980" and inserting in lieu thereof "$4,000,000 of the funds made available for the fiscal year 1981 for the purposes of this Act".

[INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

[SEC. 312. The first sentence of section 410 of the International Development Cooperation Act of 1979 is amended by striking out "$23,750,000 for the fiscal year 1980" and inserting in lieu thereof "$12,000,000 for the fiscal year 1981".

[ASSISTANCE TO THE EASTERN CARIBBEAN

[SEC. 313. (a) The Congress urges the President to use up to $7,000,000 for the fiscal year 1981 for bilateral development assistance for the countries of the eastern Caribbean.

[ASSISTANCE FOR EQUATORIAL GUINEA

[SEC. 314. The President is urged to provide up to $3,000,000 of the funds authorized to be appropriated for the fiscal year 1981 by this title for assistance to Equatorial Guinea if he deems that conditions in that country warrant such assistance.

[CARIBBEAN DEVELOPMENT BANK

[SEC. 315. Notwithstanding section 620(r) of the Foreign Assistance Act of 1961, the President may, after consultation with the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, make arrangements at his discretion for the assumption by the recipient members of the Caribbean Development Bank of any loans made to the Bank under the authority of that Act.]

* * * * * * *

[REDUCTION OF POSTHARVEST LOSSES OF FOOD

[SEC. 317. It is the sense of the Congress that—

[(1) the President should reaffirm the policy of the United States Government to support the goal established by the United Nations General Assembly of reducing by 50 percent postharvest losses of food in developing countries; and

[(2) the President, acting through the Agency for International Development, should increase substantially the proportion of funds made available under the Foreign Assistance Act of 1961 for the purpose of assisting, together with other donor countries and with developing countries, in the reduction of postharvest losses of food in developing countries.

[TITLE IV—OTHER ASSISTANCE PROGRAMS

[AMERICAN SCHOOLS AND HOSPITALS ABROAD

[SEC. 401. Section 214(c) of the Foreign Assistance Act of 1961 is amended by striking out $25,000,000 for the fiscal year 1980" and inserting in lieu thereof "$30,000,000 for the fiscal year 1981".

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 402. (a) Section 482(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $38,573,000 for the fiscal year 1981.

["(2) Funds appropriated under this subsection for the fiscal year 1981 may not be used for a contribution to the United Nations Fund for Drug Abuse Control in an amount which exceeds the lesser of $3,000,000 or 50 percent of the total contributions by all countries to such Fund for the calendar year with respect to which the United States contribution is made.

["(3) Amounts appropriated under this subsection are authorized to remain available until expended.".

[(b) Section 482 of such Act is amended by adding at the end thereof the following new subsection:

["(c) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, section 508 of the General Government Matters, Department of Commerce, and Related Agencies Appropriation Act, 1962, and section 105 of the Agricultural Trade Development and Assistance Act of 1954, up to the equivalent of $10,000,000 in currencies or credits of the Government of Pakistan held by the Unit-

ed States shall, to such extent as may be provided in an appropriation Act, be available to the President for the fiscal year 1981 (and shall remain available until expended) to carry out the purposes of section 481 through assistance to the Government of Pakistan. Notwithstanding any other provision of law, the availability or expenditure of such foreign currencies shall not affect or reduce appropriations otherwise available to carry out the administration of the international narcotics control program.".

[(c) Notwithstanding the provisions of section 482(a)(2) of the Foreign Assistance Act of 1961 as in effect immediately prior to the enactment of this Act, funds appropriated for the fiscal year 1980 to carry out the purposes of section 481 of that Act which were obligated for assistance for Colombia may be used for fixed-wing aircraft, communications equipment, and such other equipment and operational support, including aviation services, as are essential to the Colombian anti-narcotics enforcement program.

[INTERNATIONAL DISASTER ASSISTANCE

[SEC. 403. Section 492 of the Foreign Assistance Act of 1961 is amended by striking out "$21,800,000 for the fiscal year 1980" and inserting in lieu thereof "$25,000,000 for the fiscal year 1981".

[DISASTER ASSISTANCE BORROWING AUTHORITY

[SEC. 404. (a) Section 492 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(a)" immediately before "There is"; and

[(2) by adding at the end thereof the following new subsection:

["(b) In addition to amounts otherwise available to carry out this chapter, up to $50,000,000 in any fiscal year may be obligated against appropriations under this part (other than this chapter) for use in providing assistance in accordance with the authorities and general policies of section 491. Amounts subsequently appropriated under this chapter with respect to a disaster may be used to reimburse any appropriation account against which obligations were incurred under this subsection with respect to that disaster.".

[(b) Section 491(b) of such Act is amended by striking out "limitation on appropriations" and inserting in lieu thereof "limitations."

[AFRICAN REHABILITATION AND RESETTLEMENT

[SEC. 405. Section 495F of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 495F. AFRICAN REHABILITATION AND RESETTLEMENT.—(a) The Congress recognizes that United States assistance is necessary to help developing countries in Africa meet the longer term rehabilitation and resettlement needs of displaced persons and other innocent victims of civil strife. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for the longer term rehabilitation and resettlement needs of such victims. Funds for this purpose should be used to assist African governments in providing semipermanent housing, po-

table water supply systems, and sanitary facilities which are generally not provided by existing refugee relief agencies.

[“(b) There are authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise available for such purposes, $15,000,000 for the fiscal year 1981. Amounts appropriated under this subsection are authorized to remain available until expended.

[“(c) Assistance under this section shall be provided in accordance with the policies and general authorities contained in section 491.”.

[MIGRATION AND REFUGEE ASSISTANCE

[SEC. 406. Section 102(a)(4) of the Department of State Authorization Act, Fiscal Years 1980 and 1981, is amended by striking out “$457,798,000” and inserting in lieu thereof “$517,209,000”.

[PUBLIC LAW 480 TRANSFER AUTHORITY

[SEC. 407. Section 403 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following:

[“(c) Notwithstanding any other provision of this Act or any other Act, if the President determines it to be necessary for the purposes of this Act, he may direct that not to exceed 15 percent of the funds available in any fiscal year for carrying out any title of this Act be used to carry out any other title of this Act.”.

[EAST TIMOR

[SEC. 408. It is the sense of the Congress that the President should take all appropriate measures to—

[(1) continue to support and encourage relief operations by the Government of Indonesia and by international relief agencies in East Timor;

[(2) assist the Government of Indonesia to facilitate the reuniting of families separated because of developments in recent years in East Timor; and

[(3) encourage the Government of Indonesia to allow access to East Timor by international journalists.]

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[TITLE VI—PEACE CORPS

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 601. (a) Section 3(b) of the Peace Corps Act is amended by striking out “fiscal year 2980 not to exceed $105,404,000” and inserting in lieu thereof “fiscal year 1981 not to exceed $118,000,000”.

[(b) Section 3(c) of such Act is amended by striking out “fiscal year 1980” and inserting in lieu thereof “fiscal year 1981”.

[(c) Section 15(d)(7) of such Act is amended by striking out “$5,000” and inserting in lieu thereof “$20,000”.

[AMENDMENTS TO THE DOMESTIC VOLUNTEER SERVICE ACT

[SEC. 602. (a) Section 401 of the Domestic Volunteer Service Act of 1973 is amended—

[(1) by striking out "two Associate Directors" in the first sentence and inserting in lieu thereof "one Associate Director";

[(2) by striking out "One such" and by inserting in lieu thereof "Such"; and

[(3) by striking out ", and the other such Associate Director" and all that follows through "(22 U.S.C. 2501 et seq.)".

[(b) Section 405 of such Act is amended—

[(1) in subsection (a) by striking out "and the Peace Corps Act (22 U.S.C. 2501 et seq.)".

[(2) in subsection (b)(1) by striking out "and the Peace Corps Act (22 U.S.C. 2501 et seq.)"; and

[(3) in subsection (b)(2)—

[(A) by striking out "and the Peace Corps Act", and

[(B) by striking out "Acts" both places it appears and inserting in lieu thereof "Act".

[UTILIZATION OF RETURNED PEACE CORPS VOLUNTEERS

[SEC. 603. The Director of the Peace Corps shall develop a plan providing for more effective utilization of returned Peace Corps volunteers in order to promote a better understanding of other peoples and cultures on the part of the American people. The Director shall report to the Congress no later than January 15, 1981, on the plan and necessary procedures for implementing the plan.

[TITLE VII—MISCELLANEOUS PROVISIONS

[HUMAN RIGHTS

[SEC. 701 (a) Section 116(a) of the Foreign Assistance Act of 1961 is amended by inserting "causing the disappearance of persons by the abduction and clandestine detention of those persons," immediately after "without charges,".

[(b) Section 502B(d)(1) of such Act is amended by inserting "causing the disappearance of persons by the abduction and clandestine detention of those persons," immediately after "trial,".

[(c) Section 112(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "causing the disappearance of persons by the abduction and clandestine detention of those persons," immediately after "without charges,".

[AUDITING OF INTERNATIONAL PROGRAMS

[SEC. 702. (a) Section 301(d) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following: "The Comptroller General shall report simultaneously to the Congress and the President the results of the audits conducted under this subsection.".

[(b) Section 301(e) of such Act is amended—

[(1) in the first sentence of paragraph (1)—

[(A) by striking out "a single professionally qualified group"; and inserting in lieu thereof "of external, professionally qualified groups", and

[(B) by striking out "and evaluation" and inserting in lieu thereof "evaluation, and audits";

[(2) in the second sentence of paragraph (1)—

[(A) by striking out "group" both places it appears and inserting in lieu thereof "groups", and

[(B) by striking out "and evaluation" and inserting in lieu thereof "evaluation, or audit";

[(3) in the third sentence of paragraph (1) by striking out "group" and inserting in lieu thereof "groups";

[(4) in the first sentence of paragraph (2) by striking out "and evaluation" and inserting in lieu thereof "evaluation, and audits";

[(5) in the second sentence of paragraph (2) by striking out "and evaluation" and inserting in lieu thereof "evaluation, or audit"; and

[(6) in the second sentence of paragraph (3) by inserting "his evaluation of such reports and related information," immediately after "to the President".

[REPORTS ON INTERNATIONAL ORGANIZATIONS

[SEC. 703. Chapter 3 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 306. REPORTS ON INTERNATIONAL ORGANIZATIONS.—(a) The annual reports to the Congress under section 2 of the Act of September 21, 1950 (64 Stat. 902; 22 U.S.C. 262a), shall be submitted within nine months after the end of the fiscal year to which they relate.

["(b)(1) The President shall submit semiannual reports to the Congress listing all voluntary contributions by the United States Government to international organizations. One of the semiannual reports shall be submitted no later than July 1 and shall list all contributions made during the first six months of the then current fiscal year. The other semiannual report shall be submitted no later than January 1 and shall list all contributions made during the last six months of the preceding fiscal year. Each such report shall specify the Government agency making the voluntary contribution, the international organization to which the contribution was made, the amount and form of the contribution, and the purpose of the contribution. Contributions shall be listed on both an agency-by-agency basis and an organization-by-organization basis.

["(2) In order to facilitate the preparation of the reports required by paragraph (1), the head of any Government agency which makes a voluntary contribution to any international organization shall promptly report that contribution to the Director of the Office of Management and Budget.

["(3) As used in this subsection, the term 'contribution' means any contribution of any kind, including the furnishing of funds or other financial support, services of any kind (including the use of experts or other personnel), or commodities, equipment, supplies, or other materiel.".

[TECHNICAL AMENDMENT CORRECTING CROSS REFERENCE

[SEC. 704. Section 502B(a)(2) of the Foreign Assistance Act of 1961 is amended by striking out "Export Administration Act of 1969" and inserting in lieu thereof "Export Administration Act of 1979".

[PROCUREMENT

[SEC. 705. (a) Section 604(e) of the Foreign Assistance Act of 1961 is amended by inserting the following immediately before the period at the end thereof: ", unless the commodity to be financed could not reasonably be procured in the United States in fulfillment of the objectives of a particular assistance program under which such commodity procurement is to be financed".

[(b) Section 604 of such Act is amended by adding at the end thereof the following new subsection:

["(g) None of the funds authorized to be appropriated or made available for obligation or expenditure under this Act may be made available for the procurement of construction or engineering services from advanced developing countries, eligible under the Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services.".

[INSPECTOR GENERAL

[SEC. 706. Section 624(g) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "Auditor General" each place is appears and inserting in lieu thereof "Inspector General";

[(2) in paragraph (3)—

[(A) by striking out "and investigative" and inserting in lieu thereof ", investigative, and security"; and

[(B) by adding at the end thereof the following: "In addition, to the extent requested by the Director of the United States International Development Cooperation Agency (after consultation with the Administrator), the Inspector General shall with respect to the duties and responsibilities of that Agency supervise, direct, and control all audit, investigative, and security activities relating to programs and operations within the require International Development Cooperation Agency.";

[(3) in paragraph (4) by inserting "and the Director" immediately after "Administrator"; and

[(4) by adding at the end thereof the following:

["(6) The Inspector General shall have the authority to require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of functions under this subsection. Any such subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court. Procedures other than subpenas shall be used to obtain documents and information from agencies of the United States Government.

[“(7) In carrying out the responsibilities specified in paragraph (3), the Inspector General shall—

[“(A) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

[“(B) establish guidelines for determining when it is appropriate to use non-Federal auditors; and

[“(C) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in subparagraph (A).

[“(8) The Administrator shall provide the Inspector General with appropriate and adequate office space at central and field office locations of the agency primarily responsible for administering part I of this Act, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices and the equipment and facilities located in such offices. In establishing and staffing such field offices, the Administrator shall not be bound by overseas personnel ceilings established under the Monitoring Overseas Direct Employment policy.

[“(9)(A) The Inspector General may receive and investigate complaints or information from any employee of or under the United States International Development Cooperation Agency concerning the possible existence of an activity constituting a violation of law, rules, or regulations, constituting mismanagement, gross waste of funds, abuse of authority, or constituting a substantial and specific danger to the public health and safety.

[“(B) The Inspector General shall not, after receipt of a complaint or information from an employee, disclose the identity of the employee without the consent of the employee, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

[“(C) Any employee who has authority to take, direct others to take, recommend, or approve any personnel action shall not exercise or threaten to exercise such authority in order to take any action against any employee as a reprisal for making a complaint or disclosing information to the Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.”.

[ANNUAL REPORT

[SEC. 707. Section 634(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “and” at the end of paragraph (5);

[(2) by redesignating paragraph (6) as paragraph (8); and

[(3) by inserting after paragraph (5) the following new paragraphs:

[“(6) the dollar value of all official development assistance, security assistance, international disaster assistance, refugee assistance, and international narcotics control assistance provided by each government of a country which is a member of the Organization for Economic Cooperation and Development or of the Organization of Petroleum Exporting Countries;

[“(7) the percentage which each type of assistance described in paragraph (6) represents of (A) the gross national product of each country referred to in paragraph (6), and (B) the budget of the government of such country, as well as the per capita contribution for each country for each type of assistance described in paragraph (6); and

[SHIPPING DIFFERENTIAL

[SEC. 708. Section 640C of the Foreign Assistance Act of 1961 is amended by striking out “Part V” and inserting in lieu thereof “chapter 4 of part II”.

[OPERATING EXPENSES

[SEC. 709. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “fiscal year 1980” and inserting in lieu thereof “fiscal year 1981”; and

[(2) in paragraph (1) by striking out “$263,000,000” and inserting in lieu thereof “$293,800,000”.

[INTERAGENCY GROUP ON HUMAN RIGHTS AND FOREIGN ASSISTANCE

[SEC. 710. It is the sense of the Congress that—

[(1) the Interagency Group on Human Rights and Foreign Assistance has been an effective mechanism for coordinating and implementing United States human rights policies;

[(2) the President should consider establishing the Interagency Group on a more permanent basis;

[(3) the Interagency Group should examine proposals for not only economic assistance but also for security assistance; and

[(4) the President should report his recommendations for strengthening the Interagency Group to the Congress no later than July 1, 1981.

[PEACE IN THE MIDDLE EAST

[SEC. 711. (a) It is the sense of the Congress that all parties to the Arab-Israeli conflict need to reaffirm their unequivocal commitment to the peace process in order to achieve further progress toward a comprehensive settlement, to reinforce the principles of the Camp David accords, and to take actions to encourage parties not currently involved in the peace process to become active participants in peace efforts.

[(b) It is further the sense of the Congress that to further these goals (1) all parties to the conflict should accept Israel’s unequivocal right to exist within secure and recognized borders; (2) the Governments of Israel and Egypt should maintain and strengthen their commitment to the process of normalization of relations and continue actions to support that commitment; (3) the Governments of Israel and Egypt should reaffirm their commitment to United Nations Resolution 242 and its applicability, in all its aspects, to territories under negotiations; and (4) the governments of countries in the Middle East should assure that their poli-

cies and actions are consistent with the objectives of achieving peace and of involving other parties in the peace process.

[ASSISTANCE FOR JORDAN

[SEC. 712. It is the sense of the Congress that for Jordan to receive any funds authorized to be appropriated by this Act, it should be judged by the President that Jordan is acting in good faith to achieve peace in the Middle East and that the expenditure of such funds for Jordan will serve to further peace in the Middle East.

[CUBAN REFUGEES

[SEC. 715. (a) The Congress finds that—

[(1) the flow of refugees for political, economic, or other compelling reasons is a growing and world-wide phenomenon;

[(2) the United States represents freedom of thought and action and economic opportunity and has historically played a major role in providing a home to the refugees of the world;

[(3) an orderly and lawful refugee process is necessary for the furtherance of United States domestic well-being;

[(4) continuation of the traditional compassionate and humanitarian policy of the United States regarding entry to its shores of refugees and other victims of oppression is threatened by the precipitate influx of large numbers of Cubans fleeing their country;

[(5) the United States has sought to negotiate with the Government of Cuba to establish a lawful, safe, and orderly process by which Cubans may be allowed to leave their country; and

[(6) the Cuban refugee crisis is a problem of international concern and other nations should contribute to its resolution.

[(b)(1) The Congress urges the President to take the necessary steps to encourage and secure greater international cooperation with respect to the large number of Cuban natives who have recently fled or are attempting to flee Cuba. Such steps should include seeking the agreement of other countries to admit some of those persons into their respective countries and to contribute funds and other assistance for the resettlement of those persons.

[(2) In order to encourage countries throughout the world which are recipients of United States bilateral and multilateral assistance to permit and to help finance the resettlement of Cuban and other refugees within their borders, the President shall, to the maximum extent feasible, attempt to channel such assistance to countries which have demonstrated a willingness to provide assistance to Cuban and other refugees.

[(c) It is the sense of the Congress that, in carrying out subsection (b)(1), the President should seek the discussion, in an appropriate international forum such as the United Nations or the Organization of American States, of the situation involving the flight of large numbers of Cuban natives from Cuba, of the resettlement of Cuban refugees, and of means by which a more orderly process may be established to handle future crises of a similar nature.

[INCARCERATION AND DEPORTATION OF CERTAIN CUBANS

[SEC. 716. The Congress finds that the United States Government has already incarcerated recently arrived Cubans who are admitted criminals, are security threats, or have incited civil disturbances in Federal processing facilities. The Congress urges the Executive branch, consistent with United States law, to seek the deportation of such individuals.

[PROHIBITION ON ASSISTANCE TO THE GOVERNMENTS OF CUBA, VIETNAM, AND CAMBODIA

[SEC. 717. None of the funds authorized to be appropriated by this Act may be used to provide assistance to the Governments of Cuba, Vietnam, or Cambodia. Nothing in this section shall be construed to prohibit food assistance or humanitarian assistance which is distributed directly to the people of Cambodia.

[COOPERATION OF OTHER GOVERNMENTS IN THE BOYCOTT OF THE 1980 SUMMER OLYMPIC GAMES IN MOSCOW

[SEC. 718. In determining the levels of assistance to be provided to a foreign government with funds authorized to be appropriated by this Act, the President shall take into account the position of that government with respect to the United States proposed boycott of the 1980 summer Olympic games in Moscow.

[ELECTIONS IN UGANDA

[SEC. 719. The President shall encourage the holding of free, open elections in Uganda and shall, in considering assistance for Uganda with funds authorized to be appropriated by this Act, take into account whether such elections are held.]

INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

[SHORT TITLE

[SECTION 1. This Act may be cited as the "International Development Cooperation Act of 1979".

[TITLE I—DEVELOPMENT ASSISTANCE

[AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

[SEC. 101. (a) Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to the President for purposes of this section in addition to funds otherwise available for such purposes, $659,000,000 for the fiscal year 1980.".

[(b) Section 103(b) of such Act is amended by adding at the end thereof the following new paragraph:

["(3) The Congress recognizes that the accelerating loss of forests and tree cover in developing countries undermines and offsets efforts to improve agricultural production and nutrition and otherwise to meet the basic human needs of the poor. Deforestation results in increased flooding, reduction in water supply for agricul-

tural capacity, loss of firewood and needed wood products, and loss of valuable plants and animals. In order to maintain and increase forest resources, the President is authorized to provide assistance under this section for forestry projects which are essential to fulfill the fundamental purposes of this section. Emphasis shall be given to community woodlots, agroforestry, reforestation, protection of watershed forests, and more effective forest management.".

[(c) Section 103 of such Act is amended by adding at the end thereof the following new subsection:

["(f) The Congress finds that the efforts of developing countries to enhance their national food security deserves encouragement as a matter of United States development assistance policy. Measures complementary to assistance for expanding food production in developing countries are needed to help assure that food becomes increasingly available on a regular basis to the poor in such countries. Therefore, United States bilateral assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, and United States participation in multilateral institutions, shall emphasize policies and programs which assist developing countries to increase their national food security by improving their food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing postharvest food losses, and improving food distribution.".

[POPULATION AND HEALTH

[SEC. 102. (a) The first sentence of section 104(g) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

["(1) $201,000,000 for the fiscal year 1980 to carry out subsection (b) of this section; and

["(2) $141,000,000 for the fiscal year 1980 to carry out subsection (c) of this section, of which amount not less than $4,000,000 shall be made available to assist in the development of the John Sparkman Center for International Public Health Education to be located at the University of Alabama at Birmingham.".

[(b) Section 104(d)(1) of such Act is amended by inserting immediately before the period at the end of the second sentence the following: ", and through community-based development programs which give recognition to people motivated to limit the size of their families".

[EDUCATION AND HUMAN RESOURCES DEVELOPMENT

[SEC. 103. (a) The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $105,000,000 for the fiscal year 1980, which are authorized to remain available until expended.".

[(b) Section 105(b) of such Act is amended by adding at the end thereof the following new sentence: "Assistance under this sec-

tion shall also be provided for advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.".

[DEVELOPMENT OF INDIGENOUS ENERGY RESOURCES

[SEC. 104. (a) Section 102(b) of the Foreign Assistance Act of 1961 is amended—

[(1) in paragraph (5) by striking out "and" immediately after the last semicolon and by inserting "; and energy development and production" immediately before the period; and

[(2) in paragraph (7) by inserting "the development, production, and" immediately after "promotes".

[(b) Section 106 of such Act is amended—

[(1) in subsection (a)—

[(A) by striking out paragraph (2), and

[(B) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively;

[(2) by redesignating subsections (a) and (B) as subsections (c) and (d), respectively; and

[(3) by inserting the following new subsections (a) and (b) immediately after the section caption:

["(a)(1) The Congress finds that energy development and production are vital elements in the development process, that energy shortages in developing countries severely limit the development process in such countries, that two-thirds of the developing countries which import oil depend on it for at least 90 percent of the energy which their economies require, and that the dramatic increase in world oil prices since 1973 has resulted in considerable economic hardship for many developing countries. The Congress is concerned that the value and purpose of much of the assistance provided to developing countries under sections 103, 104, and 105 are undermined by the inability of many developing countries to satisfy their energy requirements. Unless the energy deficit of the developing countries can be narrowed by more fully exploiting indigenous sources of energy such as oil, natural gas, and coal, scrace foreign exchange will increasingly have to be diverted to oil imports, primarily to the detriment of long-term development and economic growth.

["(2) The Congress recognizes that many developing countries lack access to the financial resources and technology necessary to locate, explore, and develop indigenous energy resources.

["(3) The Congress declares that there is potential for at least a moderate increase by 1990 in the production of energy for commercial use in the developing countries which are not members of the Organization of Petroleum Exporting Countries. In addition, there is a compelling need for vigorous efforts to improve the available data on the location, scale, and commercial exploitability of potential oil, natural gas, and coal reserves in developing countries especially those which are not members of the Organization of Petroleum Exporting Countries. The Congress further declares that there are many benefits to be gained by the developing countries and by the United States and other developed countries through expanded efforts to expedite the location, exploration, and develop-

ment of potential sources of energy in developing countries. These benefits include, but are not limited to, the following:

[“(A) The world's energy supply would be increased and the fear of abrupt depletion would be lessened with new energy production. This could have a positive impact upon energy prices in international markets as well as a positive effect upon the balance of payments problems of many developing countries.

[“(B) Diversification of the world's supplies of energy from fossil fuels would make all countries, developing and developed, less susceptible to supply interruptions and arbitrary production and pricing policies.

[“(C) Even a moderate increase in energy production in the developing countries would improve their ability to expand commercial trade, foreign investment, and technology transfer possibilities with the United States and other developed countries.

[“(4) Assistance for the production of energy from indigenous resources, as authorized by subsection (b) of this section, would be of direct benefit to the poor in developing countries because of the overwhelming impact of imported energy costs upon the lives of the poor and their ability to participate in development.

[“(b)(1) In order to help developing countries alleviate their energy problems by improving their ability to use indigenous energy resources to produce the energy needed by their economies, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to enable such countries to prepare for and undertake development of their energy resources. Such assistance may include data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production.

[“(2) Of the funds made available to carry out this section, up to $7,000,000 for the fiscal year 1980 shall be used for purposes of paragraph (1) to facilitate geological and geophysical survey work to locate potential oil, natural gas, and coal reserves and to encourage exploration for potential oil, natural gas, and coal reserves in developing countries which are not members of the Organization of Petroleum Exporting Countries.”.

[(c) Section 119(a) of such Act is amended by amending the first sentence to read as follows: “The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation through research on and development and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act.”.

[TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

[SEC. 105. Section 106(d) of the Foreign Assistance Act of 1961, as so redesignated by section 104(b)(2) of this Act, is amended to read as follows:

[“(d) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $125,000,000 for the fiscal year 1980, which are authorized to remain available until expended.”.

[HUMAN RIGHTS STUDIES AND ACTIVITIES

[SEC. 106. Section 116(e) of the Foreign Assistance Act of 1961 is amended by striking out “the fiscal year 1979” and inserting in lieu thereof “the fiscal year 1980”.

[RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES

[SEC. 107. (a) Section 119 of the Foreign Assistance Act of 1961 is amended by redesignating existing subsection (a) as subsection (b) and by inserting the following new subsection (a) immediately after the section caption:

[“(a) The Congress finds that energy production and conservation are vital elements in the development process and that energy shortages in developing countries severely limit the development progress of such countries. Inadequate access by the poor to energy sources as well as the prospect of depleted fossil fuel reserves and higher energy prices require an enhanced effort to expand the energy resources of developing countries, primarily through greater emphasis on renewable sources. Renewable and decentralized energy technologies have particular applicability for the poor, especially in rural areas.”.

[(b) Such section is further amended by redesignating existing subsection (b) as subsection (d) and by inserting the following new subsection (c) between subsections (b) and (d), as so redesignated by this subsection and subsection (a) of this section:

[“(c) Such programs may include research on, and the development, demonstration, and application of suitable energy technologies (including use of wood); analysis of energy uses, needs, and resources; training and institutional development; and scientific interchange.”.

[SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

[SEC. 108. Section 121(c) of the Foreign Assistance Act of 1961 is amended by inserting the following sentence immediately after the first sentence: “In addition to the amount authorized in the preceding sentence and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $25,000,000.”.

[RELATIVELY LEAST DEVELOPED COUNTRIES

[SEC. 109. Section 124(c)(2) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: “Amounts due and payable during fiscal year 1980 to the United States from relatively least developed countries on loans made under this part (or any predecessor legislation) are authorized to be approved for use, in accordance with the provisions of paragraph (1) of this subsection, in an amount not to exceed $18,800,000.”.

[DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION

[SEC. 110. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 126. DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION.—(a) The Congress recognizes that illicit narcotics cultivation is related to overall development problems and that the vast majority of all individuals employed in the cultivation of illicit narcotics reside in the developing countries and are among the poorest of the poor in those countries and that therefore the ultimate success of any effort to eliminate illicit narcotics production depends upon the availability of alternative economic opportunities for those individuals, upon other factors which assistance under this chapter could address, as well as upon direct narcotics control efforts.

["(b) In planning programs of assistance under this chapter for countries in which there is illicit narcotics cultivation, the agency primarily responsible for administering this part should give priority consideration to programs which would help reduce illicit narcotics cultivation by stimulating broader development opportunities.

["(c) In furtherance of the purposes of this section, the agency primarily responsible for administering this part shall cooperate fully with, and share its expertise in development matters with, other agencies of the United States Government involved in narcotics control activities abroad.".

[AMERICAN SCHOOLS AND HOSPITALS ABROAD

[SEC. 111. Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(c) To carry out the purposes of this section, there are authorized to be appropriated to the President $25,000,000 for the fiscal year 1980, which are authorized to remain available until expended.".

[HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

[SEC. 112. (a) Section 222(a) of the Foreign Assistance Act of 1961 is amended—

[(1) in the second sentence by striking out "$1,180,000,000" and inserting in lieu thereof "$1,555,000,000"; and

[(2) in the third sentence by striking out "until September 30, 1980" and inserting in lieu thereof "through September 30, 1982".

[(b)(1) Section 222A(a) of such Act is amended by striking out "five" and inserting in lieu thereof "six".

[(2) Section 222A(c) of such Act is amended by striking out "$15,000,000" and inserting in lieu thereof "$20,000,000".

[(3) Section 222A(h) of such Act is amended by striking out "until September 30, 1979" and inserting in lieu thereof "through September 30, 1982".

[(c) Section 223(f) of such Act is amended—

[(1) by striking out everything after "not" in the first sentence through "exceeds" in the second sentence and inserting in lieu thereof "exceed"; and

[(2) by striking out "such Department" and inserting in lieu thereof "the Department of Housing and Urban Development".

[(d) Section 223(j) of such Act is amended—

[(1) in the first sentence, by striking out "(1) and all that follows through "(3) and inserting in lieu thereof "are coordinated with and complementary to any development assistance being furnished under chapter 1 of this part and which"; and

[(2) by striking out the last sentence and inserting in lieu thereof the following: "Of the total amount of housing guaranties authorized to be issued under section 222 through September 30, 1982, not less than a face amount of $25,000,000 shall be issued for projects in Israel and not less than a face amount of $25,000,000 shall be issued for projects in Israel and not less than a face amount of $25,000,000 shall be issued for projects in Egypt.".

[FAMINE PREVENTION AND FREEDOM FROM HUNGER

[SEC. 113. Section 297 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a)(3) by inserting ", in the developing countries themselves to the maximum extent practicable," immediately after "university research"; and

[(2) by amending subsection (c) to read as follows:

["(c) To the maximum extent practicable, activities under this section shall—

["(1) be directly related to the food and agricultural needs of developing countries;

["(2) be carried out within the developing countries;

["(3) be adapted to local circumstances;

["(4) provide for the most effective interrelationship between research, education, and extension in promoting agricultural development in developing countries; and

["(5) emphasize the improvement of local systems for delivering the best available knowledge to the small farmers of such countries.".

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 114. (a) Section 302(1)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $267,280,000 for the fiscal year 1980, of which not to exceed $52,000,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees, except that not more than $42,500,000 of this amount may be obligated unless the President certifies to the Congress that any contributions above this level have been matched by equivalent contributions by members of the Organization of Petroleum Exporting Countries.".

[(b) Notwithstanding any other provision of law, funds appropriated for the fiscal year 1979 to meet the annual obligations of membership of the United States in the United Nations and its specialized agencies may be made available for the furnishing of technical assistance by the United Nations and its specialized agencies.

[INTERNATIONAL DISASTER ASSISTANCE

[SEC. 115. Section 492 of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1979" and inserting in lieu thereof "$21,800,000 for the fiscal year 1980".

[ASSISTANCE FOR AFRICAN REFUGEES

[SEC. 116. Section 495F of the Foreign Assistance Act of 1961 is amended in the second sentence—

[(1) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

[(2) by striking out "$15,000,000" and inserting in lieu thereof "$14,920,000".

[COMPLETION OF PLANS AND COST ESTIMATES

[SEC. 117. Section 611(b) of the Foreign Assistance Act of 1961 is amended by striking out "Memorandum of the President dated May 15, 1962" and inserting in lieu thereof "Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973".

[REPRESENTATION OF THE DEPARTMENT OF ENERGY ON THE DEVELOPMENT COORDINATION COMMITTEE

[SEC. 118. Section 640B(a) of the Foreign Assistance Act of 1961 is amended in the third sentence by inserting "Energy," immediately after "Agriculture,".

[REIMBURSABLE DEVELOPMENT PROGRAMS

[SEC. 119. Section 661 of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$3,000,000 of the funds made available for the purposes of this Act for the fiscal year 1979" and inserting in lieu thereof "$3,800,000 of the funds made available for the purposes of this Act for the fiscal year 1980".

[OPERATING EXPENSES

[SEC. 120. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

[(2) in paragraph (1) by striking out "$261,000,000" and inserting in lieu thereof "$263,000,000".

[REGISTRATION OF PRIVATE VOLUNTARY AGENCIES

[SEC. 121. Sections 123(b), 607(a), and 635(c) of the Foreign Assistance Act of 1961 and sections 104(f) and 202(a) of the Agricultural Trade Development and Assistance Act of 1954 are amended by striking out "Advisory Committee on Voluntary Foreign Aid"

and "Advisory Committee" wherever they appear and inserting in lieu thereof "Agency for International Development".

[MISCELLANEOUS REPEALS

[SEC. 122. Section 105(c), the last sentence of section 111, sections 113 (b) and (c), and section 118(c) of the Foreign Assistance Act of 1961 are repealed. Subsection (d) of section 113 of such Act is redesignated as subsection (b).

[MINORITY RESOURCE CENTER

[SEC. 123. Section 133 of the International Development and Food Assistance Act of 1977 is amended by adding at the end thereof the following new subsection:

["(c)(1) Upon the enactment of the International Development Cooperation Act of 1979, the section on minority business established pursuant to subsection (a) shall be redesignated as the Minority Resource Center (hereafter in this section referred to as the 'Center') which shall be responsible for increasing the participation of economically and socially disadvantaged business enterprises in contract, procurement, grant, and research and development activities funded by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 (hereafter in this section referred to as the 'agency').

["(2) The Center shall—

["(A) establish, maintain, and disseminate information to, and otherwise serve as an information clearinghouse for, economically and socially disadvantaged business enterprises regarding business opportunities in development assistance programs funded by the agency;

["(B) design and conduct programs to encourage, promote, and assist economically and socially disadvantaged business enterprises to secure direct contracts, host country contracts, operation expatriate contracts, indefinite quantity contracts, subcontracts, projects, grants, and research and development contracts in order for such enterprises to participate in such development assistance programs;

["(C) conduct market research, planning, economic and business analyses, and feasibility studies to identify business opportunities in such development assistance programs;

["(D) develop support mechanisms which will enable socially and economically disadvantaged businesses to take advantage of business opportunities in such development assistance programs; and

["(E) enter into such contracts (to such extent or in such amounts as are provided in appropriation Acts), cooperative agreements, or other transactions as may be necessary in the conduct of its functions under this section.

["(3) The Administrator of the agency and the Secretary of State shall provide the Center with such relevant information, including procurement schedules, bids, and specifications with respect to development assistance programs funded by the agency, as may be requested by the Center in connection with the performance of its functions under this section.

[“(4) There shall be a Director of the Center who shall be the chief executive officer of the Center. The Director shall be appointed by the Administrator of the agency.

[“(5)(A) For the purposes of this section, the term ‘economically and socially disadvantaged enterprise’ means a business—

[“(i) which is at least 51 percent owned by one or more socially and economically disadvantaged individuals or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

[“(ii) whose management and daily business operations are controlled by one or more such individuals.

[“(B) Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

[“(C) Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. In determining the degree of diminished credit and capital opportunities, the Administrator of the agency shall consider, but not be limited to, the assets and net worth of the socially disadvantaged individual.

[“(6) Not later than February 1 of each year, the Administrator of the agency shall submit to the Congress a report concerning the activities of the Center during the preceding fiscal year.

[“(7) Of the funds available to the agency for operating expenses, up to $950,000 for fiscal year 1980 may be allocated to the Center to carry out its functions under this section.

[“(8) If the Administrator of the agency determines that such a consolidation would significantly further the purposes of this section and would eliminate unnecessary duplication of activity, the Administrator may consolidate the Center with the Office of Small and Disadvantaged Business Utilization established in the agency by section 15(k) of the Small Business Act. Any such consolidation shall ensure that all the functions specified in paragraph (2) of this subsection continue to be carried out. Before implementing any such consolidation, the Administrator shall submit to the Congress a detailed report setting forth the reasons for the proposed consolidation.”.

[ASSISTANCE TO LATIN AMERICAN AND CARIBBEAN COUNTRIES

[SEC. 125. It is the sense of the Congress that the United States should place greater emphasis on public and private resources for development programs in Latin America and the Caribbean which address problems common to the Western Hemisphere. It is further the sense of the Congress that provision of such assistance to Latin American and Caribbean countries, including transitional developing countries, is consistent with the purposes of part I of the Foreign Assistance Act of 1961.

[INCREASED CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE

[SEC. 126. In recognition of the rapidly growing economic strength and ability to contribute to international development and security efforts of other nations, it is the sense of the Congress that the President should take all appropriate steps to negotiate with those nations with adequate financial resources to provide assistance to increase their contributions for development assistance through multilateral programs as well as through bilateral efforts.

[TITLE II—FOOD FOR PEACE

[INCREASING DEMAND FOR FOOD AND ENCOURAGING LOCAL FOOD PRODUCTION

[SEC. 201. Section 103(f) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

["(f) give consideration to the development and expansion of markets for United States agricultural commodities and local foodstuffs by increasing the effective demand for agricultural commodities through the support of measures to stimulate equitable economic growth in recipient countries, with appropriate emphasis on developing more adequate storage, handling, and food distribution facilities;".

[ROLE OF INDIGENOUS INSTITUTIONS AND WORKERS

[SEC. 202. Section 202(b)(2) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

[(2) In order to assure that food commodities made available under this title are used effectively and in the areas of greatest need, entities through which such commodities are distributed shall be encouraged to work with indigenous institutions and employ indigenous workers, to the extent feasible, to assess nutritional and other needs of beneficiary groups, help these groups design and carry out mutually acceptable projects, recommend ways of making food assistance available that are most appropriate for each local setting, supervise food distribution, and regularly evaluate the effectiveness of each project.".

[ALLEVIATING THE CAUSES OF THE NEED FOR TITLE II ASSISTANCE

[SEC. 203. Section 206 of the Agricultural Trade Development and Assistance Act of 1954 is amended by amending clause (3) of the first sentence to read as follows: "(3) such agreement provides that the currencies will be used for (A) alleviating the causes of the need for the assistance in accordance with the purposes and policies specified in section 103 of the Foreign Assistance Act of 1961, or (B) programs and projects to increase the effectiveness of food distribution and increase the availability of food commodities provided under this title to the neediest individuals in recipient countries.".

[INCENTIVES FOR ENTERING INTO FOOD FOR DEVELOPMENT PROGRAMS

[SEC. 204. (a) Section 301(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) in the first sentence, by inserting ", or the dollar sales value of the commodities themselves," immediately after "the local sale of such commodities"; and

[(2) in the second sentence, by striking out "of funds from the sale of such commodities in the participating country" and inserting in lieu thereof "in the participating country of funds from the sale of such commodities or of the commodities themselves".

[(b) Section 305 of such Act is amended by adding at the end thereof the following new subsection:

["(c) When agricultural commodities made available under this title are used by the participating country in development projects in accordance with the applicable Food for Development Program, the dollar sales value of such commodities shall be applied, in accordance with subsections (a) and (b) of this section, against repayment obligations of that country under this Act, with the value of the commodities so used being deemed to be disbursements made at the time of such use.".

[(c) Section 303(a) of such Act is amended by striking out "for each year such funds are to be disbursed" in the second sentence.

[PARTICIPATION OF AMERICAN AGRICULTURE IN FOOD FOR DEVELOPMENT PROGRAMS

[SEC. 205. Section 302(c) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new paragraph:

["(4) In developing and carrying out Food for Development Programs under this title, consideration shall be given to using the capability and expertise of American agriculture, in partnership with indigenous individuals and organizations, in furthering economic development and increased food production.".

[FULL FORGIVENESS OF REPAYMENT OBLIGATIONS UNDER FOOD FOR DEVELOPMENT PROGRAMS

[SEC. 206. Section 305(a) of the Agricultural Trade Development and Assistant Act of 1954 is amended by adding at the end thereof the following: "Disbursements of funds from the special account in an amount equivalent to the dollar value of the credit furnished by the Commodity Credit Corporation under section 304(a) shall be deemed to be payment of all installments of principal and interest payable thereon for the commodities purchased by the participating country for purposes of this title.".

[REPORTS UNDER TITLE III

[SEC. 207. (a) Section 306 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting in the first sentence "a detailed description of how the commodities were used or" immediately before "a specific".

[(b) The first sentence of section 307(a) of such Act is amended to read as follows: "Each year the President shall review all agreements providing for the use under this title of the proceeds from the sale of agricultural commodities, or of the commodities them-

selves, with respect to which there was not full disbursement during the preceding fiscal year.".

[AVOIDING INTERFERENCE WITH PRODUCTION OR MARKETING IN RECIPIENT COUNTRIES

[SEC. 208. Section 401(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended in clause (2)—

[(1) by inserting "or interference with" immediately after "to"; and

[(2) by inserting "or marketing" immediately after "production".

[DETERMINATION OF COMMODITY NEEDS AND PROGRAM BENEFICIARIES IN EACH COUNTRY

[SEC. 209. Section 404 of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

["SEC. 404. (a) The programs of assistance conducted under this Act, and the types and quantities of agricultural commodities to be made available, shall be directed in the national interest toward the attainment of humanitarian and developmental objectives as well as the development and expansion of United States and recipient country agricultural commodity markets. To the maximum extent possible, either the commodities themselves shall be used to improve the economic and nutritional status of the poor through effective and sustainable programs, or any proceeds generated from the sales of agricultural commodities shall be used to promote policies and programs that benefit the poor.

["(b) Country assessments shall be carried out whenever necessary in order to determine the types and quantities of agricultural commodities needed, the conditions under which commodities should be provided and distributed, the relationship between United States food assistance and other development resources, the development plans of that country, the most suitable timing for commodity deliveries, the rate at which food assistance levels can be effectively used to meet nutritional and developmental needs, and the country's potential as a new or expanded market for both United States agricultural commodities and recipient country foodstuffs.".

[COMMODITES FOR MULTIYEAR DEVELOPMENT PURPOSES

[SEC. 210. Title IV of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

["SEC. 413. In order to best meet the humanitarian and developmental purposes of this Act, commodities provided under this Act for developmental purposes shall be made available, to the maximum extent practicable, on a multiyear basis when necessary for the most effective accomplishment of these purposes.".

[TITLE III—PEACE CORPS

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 301. Section 3 of the Peace Corps Act is amended—

[(1) in subsection (b), by striking out the matter before the first proviso and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out the purposes of this Act for fiscal year 1980 not to exceed $105,404,000"; and

[(2) in subsection (c), by striking out "for fiscal year 1978, $1,069,000, and for fiscal year 1979" and inserting in lieu thereof "for fiscal year 1980".

[PEACE CORPS PERSONNEL

[SEC. 302. Section 7(a) of the Peace Corps Act is amended by adding at the end thereof the following new paragraph:

["(4) Until such time as the Congress enacts Foreign Service personnel reform legislation which amends or otherwise supersedes this paragraph, a person who has received a Foreign Service Reserve or staff appointment or assignment under this subsection may, not later than three years after the effective date of this paragraph or after separation from such appointment or assignment, whichever is later, be appointed to a position in any United States department, agency, or establishment—

["(A) in the competitive service under title 5, United States Code, without competitive examination and in accordance with such regulations and conditions consistent with this subsection as may be prescribed by the Director of the Office of Personnel Management, or

["(B) in an established merit system in the excepted service,

if such person (i) served satisfactorily under the authority of this subsection, as certified by the President, for not less than thirty-six months on a substantially continuous basis, and (ii) is qualified for the position in question.".

[TITLE IV—INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

[STATEMENT OF POLICY

[SEC. 401. As declared by Congress in the Foreign Assistance Act of 1961, a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives. The Congress reaffirms the profound humanitarian and foreign policy concerns of the United States in the economic and social progress of the developing countries and in the alleviation of the worst physical manifestations of poverty in these countries.

[In furtherance of that objective, the Congress recognizes that developing countries require extensive scientific and technological capacity in order to deal effectively with their developmental problems, relate to the industrialized nations, and constructively participate in the shaping of a stable world order.

[It is therefore in the mutual interest of the United States and the developing countries to increase scientific and technological cooperation and jointly to support long-term research on critical prob-

lems that impede development and limit the efficient use of the world's human, natural, and capital resources.

[PURPOSES AND ESTABLISHMENT OF THE INSTITUTE

[SEC. 402. (a) To strengthen the capacity of the people of developing countries to solve their development problems through scientific and technological innovation, to foster research on problems of development, and to facilitate scientific and technological cooperation with developing countries, the President is authorized to establish an Institute for Scientific and Technological Cooperation (hereafter in this title referred to as the "Institute"), which shall be subject to the foreign policy guidance of the Secretary of State.

[(b) The Institute shall be guided by the policies set forth in sections 101 and 102 of the Foreign Assistance Act of 1961 and shall direct a substantial share of its resources to those objectives.

[FUNCTIONS OF THE INSTITUTE

[SEC. 401. (a) In carrying out its purposes, the Institute shall—

[(1) assist developing countries to strengthen their own scientific and technological capacity in order for them to undertake the research and experimentation necessary for development;

[(2) support research, in the United States and in developing countries, on critical development problems, with emphasis on research relating to technologies which are labor-intensive or which do not generate additional unemployment or underemployment and with emphasis on those problems which are the greatest impediment to improvement in the lives of the majority of the poor;

[(3) foster the exchange of scientists and other technological experts with developing countries, and other forms of exchange and communication to promote the joint solution of problems of mutual concern to the United States and developing countries;

[(4) advise and assist other agencies of the United States Government in planning and executing policies and programs of scientific and technological cooperation with developing countries;

[(5) facilitate the participation of private United States institutions, businesses, and individuals in scientific and technological cooperation with developing countries; and

[(6) gather, analyze, and disseminate information relevant to the scientific and technological needs of developing countries.

[(b) In carrying out the functions specified in subsection (a), the Institute shall take particular care to review all of its programs, projects, and other activities to ensure that technologies which are developed, utilized, or promoted are assessed with regard to minimizing any new problems and that participants in such programs, projects, and activities are fully aware of the need for such review with respect to any technology-related activities for which they are responsible.

[(c) For purposes of carrying out the functions of the Institute, the President may utilize, in addition to authorities conferred by this title, such authority contained in the Foreign Assistance Act of 1961, the Foreign Service Act of 1980, title V of the Foreign Relations Authorization Act, Fiscal Year 1979, and title IV of the International Development and Food Assistance Act of 1978, as the President deems necessary.

[(d) The Institute shall carry out its functions in consultation and cooperation with the agencies of the United States Government, international organizations, and agencies of other governments engaged in promoting economic, social, and technological development in developing countries.

[(e) The President shall prescribe appropriate procedures to assure coordination of the activities of the Institute with other activities of the United States Government in furthering the use of science and technology in the cause of development.

[GENERAL AUTHORITIES

[SEC. 404. (a) To carry out the purposes and functions of the Institute, the President may—

[(1) make and perform contracts and other agreements with any individual, institution, corporation, or other body of persons however designated, within or outside the United States, and with governments or government agencies, domestic or foreign;

[(2) make advances, grants, and loans to any individual, institution, corporation, or other body of persons however designated, within or outside the United States, and to governments or government agencies, domestic or foreign;

[(3) employ such personnel as necessary and fix their compensation;

[(4) make provision for compensation, transportation, housing, subsistence (or per diem in lieu thereof), and health care or health and accident insurance for foreign nationals engaged in activities authorized by this title while they are away from their homes, without regard to the provisions of any other law;

[(5) accept and use money, funds, property, and services of any kind by gift, devise, bequest, grant, or otherwise in furtherance of the purposes of the Institute;

[(6) acquire by purchase, lease, loan, bequest, or gift and hold and dispose of by sale, lease, loan, or grant, real and personal property of all kinds;

[(7) prescribe, amend, and repeal such rules and regulations as may be necessary to the conduct of the business of the Institute;

[(8) utilize information, services, facilities, officers, and employees of any agency of the United States Government;

[(9) establish a principal office in the United States and such other offices within or outside the United States, as may be necessary;

[(10) make such expenditures as may be necessary for administering the provisions of this title;

[(11) adopt, alter, and use an official seal for the Institute, which shall be judicially noticed; and

[(12) take such other actions as may be necessary and incidental to carrying out the functions of the Institute.

[(b) Any authority provided by this section involving the expenditures of appropriated funds shall be effective for a fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

[DIRECTOR OF THE INSTITUTE

[SEC. 405. (a) There shall be a Director of the Institute (hereafter in this title referred to as the "Director") who shall be the chief executive officer of the Institute. The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate payable for level III of the Executive Schedule under section 5314 of title 5 of the United States Code.

[(b) The President may exercise any authorities conferred upon him by this title through the Director or any other agency or officer of the United States Government as he shall direct. The Director or head of any such agency or any such officer may delegate to any of his subordinates authority to perform any of such functions.

[DEPUTY DIRECTOR AND OTHER STATUTORY OFFICERS

[SEC. 406. (a) A Deputy Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director shall receive compensation at the rate payable for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code.

[(b) The Deputy Director shall perform such duties and exercise such powers as the Director may prescribe.

[(c) The President may establish up to two additional positions in the Institute to be compensated at the rate payable for level V of the Executive Schedule under section 5316 of title 5 of the United States Code.

[COUNCIL ON INTERNATIONAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION

[SEC. 407. (a) In order to further the purposes of the Institute, the President is authorized to establish a Council on International Scientific and Technological Cooperation (hereafter in this title referred to as the "Council").

[(b)(1) The Council shall—

[(A) advise the Director with respect to the policies, programs, planning, and procedures of the Institute;

[(B) make recommendations to the Director on the use of the resources available to the Institute; and

[(C) advise the Director on matters involving the activities of the Institute overseas and appropriate relationship with the private sector, within and outside the United States.

[(2) The Council shall prepare an annual report setting forth the major recommendations made and advice given pursuant to paragraph (1) of this subsection.

[(c) The Director shall seek the advice of the Council before making any decision with respect to the selection or termination of, or any significant change in, the areas and issues in which the Institute conducts its activities, and with respect to the transfer of specific programs and projects from any other Government agency to the Institute. The Council shall have the authority to review all new programs and initiatives before their implementation and to make recommendations with regard to the approval or disapproval of new programs and initiatives having a cost in excess of $500,000 or a duration greater than two years.

[(d) The Council shall consist of up to twenty-five members appointed by the President, one of whom the President shall designate as Chairman. The members of the Council shall be appointed for terms for four years, except that the members first appointed shall be appointed for terms of one, two, three, or four years, as designated by the President at the time of their appointment, so that the terms of approximately one-fourth of the members of the Council expire in any year. The members of the Council shall be selected from among—

[(1) citizens of the United States who are widely recognized for their broad knowledge of, or expertise in, science and technology, or their interest in the scientific and technological problems of developing countries;

[(2) citizens of foreign countries who by their knowledge and expertise are capable of providing advice and guidance to the Institute on the application of science and technology to the problems of developing countries, except that not more than one-third of the membership of the Council shall consist of members who are citizens of foreign countries; and

[(3) officials of the United States Government, except that not to exceed five members of the Council may be appointed under this paragraph, one of whom shall be the Secretary of State or his designee.

[(e) Members of the Council who are not officials of the United States Government shall be entitled to compensation, not to exceed the daily equivalent of the highest rate which may be paid by an employee under the General Schedule established by section 5332 of title 5 of the United States Code, while in the performance of their duties under this title, and to reimbursement for expenses and per diem in lieu of subsistence while away from their homes or regular places of business in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code. Members of the Council who are not officials of the United States Government shall not be deemed officers, employees, or otherwise in the service or employment of the United States Government for any purpose, except that members of the Council who are United States citizens shall be deemed Government employees for the purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

[(f) The Council may appoint from among its members an Executive Committee, and such other committees it deems necessary, to assist it in exercising its power and functions. The Executive Committee shall consist of seven members, one of whom shall be

the Chairman of the Council and not more than three of whom shall be employees of the United States Government. The Executive Committee shall exercise such powers and functions as are delegated to it by the Council.

[INSTITUTE FELLOWSHIPS

[Sec. 408. (a) The President is authorized to award up to twenty fellowships annually for periods up to two years, such awards to be renewable for an additional period not to exceed two years, to individuals who have demonstrated exceptional competence and ability in the fields of scientific, technological, economic, or social endeavor selected by the Institute for concentration. The awards shall be made so as to encompass a wide diversity of disciplines and backgrounds, and shall be made on the basis of criteria established by the President upon the advice of the Council. Up to ten of the awards in any year may be made to citizens of countries other than the United States. Individuals awarded fellowships shall be designated as Institute Fellows.

[(b) The President may assign Institute Fellows to undertake such activities, in the United States or abroad, as will further the purposes of the Institute.

[(c) The amount of the awards made pursuant to this section shall be established by the President, but shall not in any case exceed the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code. In addition, where appropriate, the President may make provisions for transportation, housing (when assigned outside country of residence), subsistence (or per diem in lieu thereof), and health care or health or accident insurance for Institute Fellows and their dependents while engaged in activities authorized by this title.

[(d) Except as provided otherwise in this section, Institute Fellows shall not be deemed employees or otherwise in the service or employment of the United States Government. Institute Fellows shall be considered employees for purposes of compensation of injuries under chapter 81 of title 5 of the United States Code and the tort claim provisions of chapter 171 of title 28 of the United States Code. In addition, Institute Fellows who are United States citizens shall be considered Government employees for purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

[(e) Alien participants in any program of the Institute, including Institute Fellows and their dependents, may be admitted to the United States, if otherwise qualified as non-immigrants under section 101(a)(150 of the Immigration and Nationality Act, for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

[CONFLICT OF INTEREST

[SEC. 409. Members of the Council and Institute Fellows shall avoid any action, in their activities with respect to the Institute, which might result in, or create the appearance of, a conflict of interest, including but not limited to—

[(1) using their office or position for private gain;

[(2) giving preferential treatment to any person;

[(3) making recommendations or decisions relating to any activity authorized by this title in other than an impartial and independent manner;

[(4) mussing Government property or official information obtained through their office or position which has not been made available to the general public; or

[(5) affecting adversely the confidence of the public in the integrity of the Institute.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 410. There are authorized to be appropriated to the President to carry out this title, in addition to funds otherwise available for such purpose, $12,000,000 for the fiscal year 1981. Funds appropriated under this section are authorized to remain available until expended.

[CONFORMING AMENDMENTS

SEC. 412. (a) Section 5314 of title 5 of the United States Code, relating to level III of the Executive Schedule, is amended by adding at the end thereof the following:

["(70) Director, Institute for Scientific and Technological Co-operation."

[(b) Section 5315 of title 5 of the United States Code, relating to level IV of the Executive Schedule, is amended by adding at the end thereof the following:

["(128) Deputy Director, Institute for Scientific and Technological Cooperation.".

[(c) Section 5316 of title 5 of the United States Code, relating to level V of the Executive Schedule, is amended by adding at the end thereof the following:

["(152 Additional officers, Institute for Scientific and Technological Cooperation (2).".

[ESTABLISHMENT IN INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

[SEC. 413. Upon the establishment of the United States International Development Cooperation Agency pursuant to Reorganization Plan Numbered 2 of 1979, the Institute shall be established within such Agency.

[EXPIRATION OF AUTHORITIES

[SEC. 414. The authorities contained in this title shall expire on September 30, 1984.

[TITLE V—MISCELLANEOUS PROVISIONS

[EARMARKING FOR LEBANON OF UNOBLIGATED BALANCES IN THE MIDDLE EAST SPECIAL REQUIREMENTS FUND

[SEC. 501. Of the funds continued available for the fiscal year 1979 for the Middle East Special Requirements Fund by section 103 of the Foreign Assistance and Related Programs Appropria-

tions Act, 1979, which are unobligated on the date of enactment of this Act, $5,000,000 shall be available only for Lebanon and may hereafter be continued available for such country.

[MILITARY ASSISTANCE TO SUDAN

[SEC. 502. In addition to the amount authorized to be appropriated for grant military assistance for the fiscal year 1980 by section 504(a)(1) of the Foreign Assistance Act of 1961, there is authorized to be appropriated to carry out the purposes of chapter 2 of part II of that Act for the fiscal year 1980 $1,700,000. Not more than $1,700,000 of the funds available to carry out that chapter for the fiscal year 1980 may be allocated and made available for assistance for Sudan. For purposes of the last sentence of section 504(a)(1) and for purposes of section 515(b)1) of the Foreign Assistance Act of 1961, this section shall be deemed to be part of such section 504(a)(1).

[UNIFIED PERSONNEL SYSTEM

[SEC. 503. (a) Section 401(a) of the International Development and Food Assistance Act of 1978 is amended by striking out "March 15" and inserting in lieu thereof "May 1".

[(b) The amendment made by subsection (a) shall be effective as of March 15, 1979.

[HUMAN RIGHTS REPORTS

[SEC. 504. (a) Paragraph (1) of section 116(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(1) the status of internationally recognized human rights, within the meaning of subsection (a)—

["(A) in countries that receive assistance under this part, and

["(B) in all other foreign countries which are members of the United Nations and which are not otherwise the subject of a human rights report under this Act; and".

[(b) Not later than November 15, 1979, the Secretary of State shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report on the impact on the foreign relations of the United States of the reports required by the Foreign Assistance Act of 1961 on the human rights practices of foreign governments.

[PROHIBITION ON ASSISTANCE TO AFGHANISTAN

[SEC. 505. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 620D. PROHIBITION ON ASSISTANCE TO AFGHANISTAN.—(a) None of the funds authorized to be appropriated under this Act may be used to furnish assistance to Afghanistan nor may funds authorized to be appropriated under the Act before October 1, 1979, be expended for assistance to Afghanistan until the President certifies to the Congress that—

[“(1) the Government of Afghanistan has apologized officially and assumes responsibility for the death of Ambassador Adolph Dubs; and

[“(2) the Government of Afghanistan agrees to provide adequate protection for all personnel of the United States Government in Afghanistan.

[“(b) The provisions of subsection (a) shall not apply if the President determines that such assistance is in the national interest of the United States because of substantially changed circumstances in Afghanistan.”.

[NONPROLIFERATION OF NUCLEAR WEAPONS

[SEC. 507. (a) In accordance with the Nuclear Non-Proliferation Act of 1978, the Congress strongly urges all nations which are not parties to the Treaty on Non-Proliferation of Nuclear Weapons to become parties to that treaty.

[ACCELERATED LOAN REPAYMENTS

[SEC. 508. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by section 110 of this Act, is further amended by adding at the end thereof the following new section:

[“SEC. 127. ACCELERATED LOAN REPAYMENTS.—The Administrator of the agency primarily responsible for administering this part shall conduct an annual review of bilateral concessional loan balances and shall determine and identify those countries whose financial resources make possible accelerated loan repayments. In particular, European countries that were recipients of concessional loans by predecessor agencies to the agency primarily responsible for administering this part shall be contacted to negotiate accelerated repayments. The criteria used by the Administrator in making these determinations shall be established in conjunction with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.”.

[REFUGEE CRISIS IN SOUTHEAST ASIA

[SEC. 509. (a)(1) The refugee crisis in Indochina is unfolding as one of the great human tragedies of our time.

[(2) At least seven hundred and fifty thousand human beings have fled Vietnam, Kampuchea, and Laos since the spring of 1975.

[(3) Approximately three hundred thousand human beings currently remain in refugee camps throughout Southeast Asia.

[(4) As many as two hundred and fifty thousand human beings may have perished in their attempts to reach freedom and many thousands more face death should the present situation continue.

[(5) The international borders are closing to the refugees fleeing from Indochina.

[(6) The international community has failed to respond adequately to the crisis, despite the existence of adequate mechanisms to respond.

[(b) It is the sense of the Congress that the President should continue to support the efforts of the Secretary General of the United Nations to use appropriate fora to deal with the refugee crisis in Southeast Asia.

[CERTAIN TRAVEL EXPENSES

[SEC. 510. Section 5924(4)(B) of title 5, United States Code, is amended by striking out "one annual trip each way for each dependent of an employee of the Department of State or the United States Information Agency, or" and inserting in lieu thereof "(i) in the case of dependents traveling to obtain secondary education, one annual trip, or in the case of dependents traveling to obtain undergraduate college education, two annual trips, each way for each dependent of an employee of the Department of State, of the International Communication Agency, or of the Agency for International Development, or (ii)".

[HUMAN RIGHTS

[SEC. 511. Section 502B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(e) Notwithstanding any other provision of law, funds authorized to be appropriated under part I of this Act may be made available for the furnishing of assistance to any country with respect to which the President finds that such a significant improvement in its human rights record has occurred as to warrant lifting the prohibition on furnishing such assistance in the national interest of the United States.".

[EFFECTIVE DATES

[SEC. 512. (a) Except as provided in subsection (b) of this section and in section 503(b), this Act shall take effect on October 1, 1979.

[(b) Sections 114(b), 123, 501, and 509 of this Act shall take effect on the date of enactment of this Act.]

INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

AN ACT To amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1980, and for other purposes

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

[SHORT TITLE

[SECTION 1. This Act may be cited as the "International Security Assistance Act of 1979".

[CONTINGENCIES

[SEC. 2. (a) The heading for chapter 5 of part I of the Foreign Assistance Act of 1961 is amended by striking out "CONTINGENCY FUND" and inserting in lieu thereof "CONTINGENCIES".

[(b) Section 451 of such Act is amended—

[(1) by striking out "CONTINGENCY FUND" and inserting in lieu thereof "CONTINGENCIES"; and

[(2) by amending subsection (a) to read as follows:

["(a)(1) Notwithstanding any other provision of law, the President is authorized to use not to exceed $10,000,000 of funds made

available in any fiscal year to carry out any provision of this Act (other than the provisions of chapter 1 of this part) in order to provide, for any emergency purposes, assistance authorized by this part in accordance with the provisions applicable to the furnishing of such assistance.

[“(2) The President shall report promptly to the Speaker of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate each time he exercises the authority contained in this subsection.”.

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 3.(a) Section 482(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $51,758,000 for the fiscal year 1980.

[“(2) Of the amount authorized to be appropriated for the fiscal year 1980 by paragraph (1), $16,000,000 shall be available only for the Republic of Colombia for the interdiction of drug traffic. Such funds may be used only (A) for helicopters, patrol vessels, fixed radar equipment, transport vehicles, and fuel, which will be used exclusively for interdicting drug traffic, and (B) for training personnel with respect to the interdiction of drug traffic.

[“(3) Funds appropriated under this subsection for the fiscal year 1980 may not be used for a contribution to the United Nations Fund for Drug Abuse Control in an amount which exceeds the lesser of $3,000,000 or 25 percent of the total contributions by all countries to such Fund for the calendar year with respect to which the United States contribution is made.

[“(4) Amounts appropriated under this subsection are authorized to remain available until expended.”.

[(b) Section 481(d)(1) of such Act is amended by striking out “or used for any program involving” and inserting in lieu thereof “for the purpose of”.

[HUMAN RIGHTS

[SEC. 4. Section 502B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the follow new subsection:

[“(f) In allocating the funds authorized to be appropriated by this Act and the Arms Export Control Act, the President shall take into account significant improvements in the human rights records of recipient countries, except that such allocations may not contravene any other provision of law.”.

[MILITARY ASSISTANCE

[SEC. 5. (a) Section 504(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $110,200,000 for the fiscal year 1980. Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1980:

[“Country

	Amount
Portugal	$30,000,000
Spain	3,800,000
Jordan	30,000,000
Philippines	25,000,000

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

[(b) Section 506 of such Act is amended to read as follows:

[“SEC. 506. SPECIAL AUTHORITY.—(a) If the President determines and reports to the Congress in accordance with section 652 of this Act that—

[“(1) an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization; and

[“(2) the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except this section;

he may direct, for the purposes of this part, the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not to exceed $10,000,000 in any fiscal year.

[“(b)(1) The authority contained in this section shall be effective for any such emergency only upon prior notification to the Committee on Foreign Affairs of the House of Representatives, the Committee on Foreign Relations of the Senate, and the Committee on Appropriations of each House of Congress.

[“(2) The President shall keep the Congress fully and currently informed of all defense articles, defense services, and military education and training provided under this section.

[“(c) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for defense articles, defense services, and military education and training provided under this section.”.

[(c) Section 516(a) of such Act is amended by striking out “until September 30, 1981,” and all that follows thereafter and inserting in lieu thereof “shall remain available for a period of three fiscal years next following any fiscal year after the fiscal year 1977 for which assistance under this chapter has been authorized for a country, to the extent necessary to carry out obligations incurred under this chapter with respect to such assistance for such country on or before September 30 of such fiscal year.”.

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

[SEC. 6 (a) Section 514 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (b)(2), by striking out “$90,000,000 for the fiscal year 1979” and inserting in lieu thereof “$95,000,000 for the fiscal year 1980”; and

[(2) in subsection (c), by inserting “the Republic of Korea or” immediately after “stockpiles located in”.

[INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

[SEC. 7. Section 515 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (b)(1)—

[(A) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

[(B) by inserting "Greece," immediately after "Panama,"; and

[(2) in subsection (f), by striking out "December 31, 1997" and inserting in lieu thereof "December 31, 1978".

[ECONOMIC SUPPORT FUND

[SEC. 8. (a) Section 531(b)(1) of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1979, $1,902,000,000" and inserting in lieu thereof "for the fiscal year 1980, $1,935,000,000".

[(b) Section 532 of such Act is amended by striking out subsection (b) and inserting in lieu thereof the following:

["(b)(1) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, not less than $785,000,000 shall be available only for Israel and not less than $750,000,000 shall be available only for Egypt. Not less than two-thirds of such funds shall be provided on a grant basis to each such country.

["(2) The total amount of funds allocated for Israel under this chapter for the fiscal year 1980 may be made available as a cash transfer. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfers made to Israel does not cause an adverse impact on the total amount of nonmilitary exports from the United States to Israel.

["(c) It is the sense of the Congress that programs which stress regional development or regional scientific and technical cooperation in the Middle East can contribute in an important way to the mutual understanding that must serve as the basis for permanent peace in the Middle East.

["(d) It is the sense of the Congress that—

["(1) funds made available under this chapter for countries in the Middle East are designed to promote progress toward a comprehensive peace settlement in the Middle East; and

["(2) for Syria and Jordan to continue to receive funds under this chapter, it should be judged by the President that they are acting in good faith to achieve further progress toward a comprehensive peace settlement and that the expenditure of the funds will serve the process of peace in the Middle East.

["(e) None of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1980 may be used to provide assistance for Syria, unless the President determines, and so reports to the Congress, that assistance for Syria is in the national interest of the United States.".

[(c) Section 533 of such Act is amended to read as follows:

["SEC. 533. SOUTHERN AFRICA PROGRAMS.—(a) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, $68,000,000 shall be available for the countries of

southern Africa and for a southern Africa regional refugee support, training, and economic planning program to address the problems caused by the economic dislocation resulting from the conflict in that region and for education and job training assistance. Such funds may be used for education and job training assistance. Such funds may be used to provide humanitarian assistance to Africa refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts, and to provide support to countries in that region.

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

[(d) Section 534 of such Act is amended to read as follows:

[“SEC. 534. TURKEY AND CYPRUS PROGRAMS.—(a) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, $15,000,000 shall be available only for Cyprus for refugee relief, reconstruction, or other activities consistent with a reconciliation on Cyprus.

[“(b) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, not more than $98,000,000 shall be available for Turkey.”.

[(e) Chapter 4 of part II of such Act is amended by adding at the end thereof the following new section:

[“SEC. 535. SUDAN PROGRAM.—Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1980, not less than $40,000,000 shall be available for Sudan.”.

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 9. Section 542 of the Foreign Assistance Act of 1961 is amended by striking out “$31,800,000 for the fiscal year 1979” and inserting in lieu thereof “$31,800,000 for the fiscal year 1980, except that no part of such amount may be made available for Inter-American regional programs unless the foreign countries participating in such programs collectively contribute an equivalent amount to carry out the purposes of such programs”.

[PEACEKEEPING OPERATIONS

[SEC. 10. (a) Section 552(a) of the Foreign Assistance Act of 1961 is amended by striking out “$30,900,000 for the fiscal year 1979” and inserting in lieu thereof “$21,100,000 for the fiscal year 1980”.

[(b) Section 551 of such Act is amended by adding at the end thereof the following new sentence: “Such assistance may include reimbursement to the Department of Defense for expenses incurred pursuant to section 7 of the United Nations Participation Act of 1945, except that such reimbursements may not exceed $5,000,000 in any fiscal year unless a greater amount is specifically authorized by this section.”.

[(c) Section 552 of such Act is amended by adding at the end thereof the following new subsection:

[“(c) If the President determines that, as the result of an unforeseen emergency, the provision of assistance under this chapter in amounts in excess of funds otherwise available for such assistance is important to the national interests of the United States, the President may exercise the authority of section 610(a) of this Act to transfer funds available to carry out chapter 4 of this part for use under this chapter without regard to the 20-percent increase limitation contained in such section, except that (1) the total amount so transferred in any fiscal year may not exceed $10,000,000, and (2) earmarked funds may not be transferred.”.

[COOPERATIVE CROSS SERVICING AND LEAD-NATION PROCUREMENT ARRANGEMENTS WITHIN THE NORTH ATLANTIC TREATY ORGANIZATION

[SEC. 11. Subparagraph (C) of section 3(d)(3) of the Arms Export Control Act is amended to read as follows:

[“(C) to arrangements among members of the North Atlantic Treaty Organization or between the North Atlantic Treaty Organization and any of its member countries—

[“(i) for cooperative cross servicing, or

[“(ii) for lead-nation procurement if the certification transmitted to the Congress pursuant to section 36(b) of this Act with regard to such lead-nation procurement identified the transferees on whose behalf the lead-nation procurement was proposed.”.

[RECIPROCAL QUALITY ASSURANCE, INSPECTION, AND CONTRACT AUDIT SERVICES

[SEC. 12. Section 21 of the Arms Export Control Act is amended—

[(1) by redesignating subsection (h) as subsection (i); and

[(2) by inserting the following new subsection (h) immediately after subsection (g):

[“(h) The President is authorized to provide (without charge) quality assurance, inspection, and contract audit defense services under this section—

[“(1) in connection with the placement or administration of any contract or subcontract for defense articles or defense services entered into after the date of enactment of this subsection by, or under this Act on behalf of, a foreign government which is a member of the North Atlantic Treaty Organization, if such government provides such services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government; or

[“(2) in connection with the placement or administration of any contract or subcontract for defense articles or defense services pursuant to the North Atlantic Treaty Organization Infrastructure Program in accordance with an agreement under which the foreign governments participating in such program provide such services, without charge, in connection with similar contracts or subcontracts.”.

[MODIFICATION OF THE ANNUAL ARMS SALES PROPOSAL

[SEC. 13. Section 25(d) of the Arms Export Control Act is amended—

[(1) by inserting "weapons or weapons-related" immediately after "major";

[(2) by striking out "defense articles or defense services" and inserting in lieu thereof "weapons or weapons-related defense equipment";

[(3) by adding at the end thereof the following new sentence: "Sales deemed most likely actually to result in the issuance of a letter of offer during such fiscal year shall be appropriately so identified in the reports submitted pursuant to this paragraph and paragraph (2) of this subsection."; and

[(4) by inserting "(1)" immediately after "(d)" and by adding at the end thereof the following new paragraph:

["(2) The President shall notify the Congress in writing at intervals of six months of any charges in the Arms Sales Proposal for such fiscal year, together with the reasons therefor.".

[MULTILATERAL ARMS SALES INFORMATION

[SEC. 14. Section 25 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

["(e) The President shall transmit to the Congress, at the time of the transmittal of each Arms Sales Proposal required by subsection (d)(1), a classified report detailing the executive branch's best estimates with regard to the international volume of arms traffic. The report shall include estimates on an annual basis of the sale and delivery of weapons and weapons-related defense equipment by all major arms suppliers to all major recipient countries during the preceding three years.".

[NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS

[SEC. 15. Chapter 2 of the Arms Export Control Act is amended by adding at the end thereof the following new section:

["SEC. 27. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS.—(a) For purposes of this section, the term 'cooperative project' means a project described in an agreement, entered into after the date of enactment of this section, under which—

["(1) the North Atlantic Treaty Organization, or one or more member countries thereof, agrees to share with the United States the costs of research on and development, testing, and evaluation of certain defense articles, and the costs of any agreed joint production ensuing therefrom, in order to further the objectives of standardization and interoperability of the armed forces of North Atlantic Treaty Organization member countries; or

["(2) the North Atlantic Treaty Organization, or one or more member countries thereof other than the United States, agrees to bear the costs of research on and development, testing, and evaluation of certain defense articles (or categories of defense articles) and to have such articles produced for sale to, and licensed for production within, other participant member countries including the United States, and the United States

agrees to bear the costs of research on and development, testing, and evaluation of other defense articles (or categories of defense articles) and to have such defense articles produced for sale to, and licensed for production within, other participant member countries in order to further the objectives of rationalization of the industrial and technological resources within the North Atlantic Treaty area.

[“(b)(1) The President may reduce or waive the charge or charges which would otherwise be considered appropriate under section 21(e) of this Act (and, in the case of agreements described in subsection (a)(2) of this section, may reduce or waive the charges for reimbursement of the costs of officers and employees of the United States Government which would otherwise be required) in connection with sales under section 21 and section 22 of this Act in furtherance of cooperative projects. Notwithstanding the provisions of section 21(e)(1)(A) and section 43(b) of this Act, administrative surcharges shall not be increased on other sales made under this Act in order to compensate for reductions or waivers of such surcharges under this section. Funds received pursuant to such other sales shall not be available to reimburse the costs incurred by the United States Government for which reduction or waiver is approved by the President under this section.

[“(2) The provisions of paragraph (1) shall apply only if for each cooperative project the other countries which participate in such cooperative project reciprocate by waiving comparable charges for their sales related to such cooperative project and if the President determines that the magnitude of the contribution of a member country of the North Atlantic Treaty Organization to such cooperative project would help the United States conserve defense resources and promote a stronger alliance.

[“(c)(1) Not less than thirty days prior to signature on behalf of the United States of an agreement for a cooperative project, the President shall transmit to the Speaker of the House of Representatives, the chairman of the Committee on Foreign Relations of the Senate, and the chairman of the Committee on Armed Services of the Senate, a numbered certification with respect to such proposed agreement, setting forth—

[“(A) a detailed description of the cooperative project with respect to which the certification is made;

[“(B) an estimate of the amount of sales and exports expected to be made or approved under this Act in furtherance of such cooperative project;

[“(C) an estimate of the dollar value of any charges expected to be reduced or waived under this section in connection with such cooperative project, such dollar value to consist of expenses that will be charged against Department of Defense funds without reimbursement and amounts not to be recovered and deposited to the General Fund of the Treasury;

[“(D) an estimate of the dollar value of the costs to be borne by the North Atlantic Treaty Organization or by the member countries thereof in connection with such cooperative project; and

[“(E) a statement of the foreign policy and national security benefits anticipated to be derived from such cooperative project.

[“(2) The provisions of subsection (b) of section 36 of this Act shall not apply to sales made under section 21 or section 22 of this Act, and the provisions of subsection (c) of section 36 of this Act shall not apply to the issuance of licenses or other approvals under section 38 of this Act, if such sales are made, or such licenses or approvals are issued, in furtherance of a cooperative project.”.

[REPORTS ON PRICE AND AVAILABILITY ESTIMATES

[SEC. 16. (a) Chapter 2 of the Arms Export Control Act, as amended by section 15 of this Act, is further amended by adding at the end thereof the following new section:

[“SEC. 28. REPORTS ON PRICE AND AVAILABILITY ESTIMATES.—(a) The President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, within five days after the end of each calendar quarter, a report listing each price and availability estimate provided by the United States Government during such quarter to a foreign country with respect to a possible sale under this Act of major defense equipment for $7,000,000 or more or of any other defense articles or defense services for $25,000,000 or more. Each such listing shall specify the name of the country to which the estimate was provided, the defense articles or services involved, the quantity involved, and the price estimate provided.

[“(b) Such reports shall also list each request received by the United States Government from a foreign country, during the quarter in question, for the issuance of a letter of offer to sell defense articles or defense services if (1) the proposed sale has not been the subject of a listing pursuant to subsection (a) of this section, and (2) the issuance of a letter of offer in accordance with such request would be subject to the requirements of section 36(b) of this Act. Each such listing shall include the name of the country making the request, the date of the request, the defense articles or services involved, the quantity involved, and the price and availability terms requested.”.

[(b) Section 36(b) of such Act is amended by adding at the end thereof the following new paragraph:

[“(4) In addition to the other information required to be contained in a certification submitted to the Congress under this subsection, each such certification shall cite any quarterly report submitted pursuant to section 28 of this Act which listed a price and availability estimate, or a request for the issuance of a letter of offer, which was basis for the proposed sale which is the subject of such certification.”.

[AUTHORIZATION AND AGGREGATE CEILING FOR FOREIGN MILITARY SALES CREDITS

[SEC. 17. (a) Section 31 of the Arms Export Control Act is amended—

[(1) in subsection (a), by striking out “$682,000,000 for the fiscal year 1978 and $674,300,000 for the fiscal year 1979” and inserting in lieu thereof “$673,500,000 for the fiscal year 1980”;

[(2) in subsection (b), by striking out "$2,152,350,000 for the fiscal year 1978 and $2,085,500,000 for the fiscal year 1979, of which amount for each such year" and inserting in lieu thereof "$2,235,000,000 for the fiscal year 1980, of which";

[(3) in subsection (c), by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

[(4) in subsection (d), by striking out "$150,000,000" and inserting in lieu thereof "$250,000,000".

[(b) Of the principal amount of loans guaranteed for the fiscal year 1980 under section 24 of the Arms Export Control Act—

[(1) with respect to Turkey, not to exceed $50,000,000,

[(2) with respect to Greece, not to exceed $42,000,000, and

[(3) with respect to Sudan, not to exceed $25,000,000,

shall be repaid in not less than 20 years, following a grace period of 10 years on repayment of principal.

[RESTRAINT IN ARMS SALES TO SUB-SAHARAN AFRICA

[SEC. 18. Section 33 of the Arms Export Control Act is amended to read as follows:

["SEC. 33. RESTRAINT IN ARMS SALES TO SUB-SAHARAN AFRICA.—It is the sense of the Congress that the problems of Sub-Saharan Africa are primarily those of economic development and that United States policy should insist in limiting the development of costly military conflict in that region. Therefore, the President shall exercise restraint in selling defense articles and defense services, and in providing financing for sales of defense articles and defense services, to countries in Sub-Saharan Africa.".

[REPORTS TO THE CONGRESS

[SEC. 19. (a) Section 36(a) of the Arms Export Control Act is amended—

[(1) by striking out "thirty" in the text preceding paragraph (1) and inserting in lieu thereof "sixty";

[(2) by inserting "and" immediately after the semicolon at the end of paragraph (7);

[(3) by striking out "; and " at the end of paragraph (8) and inserting in lieu thereof a period; and

[(4) by striking out paragraph (9).

[(b) Section 43 of such Act is amended by adding at the end thereof the following new subsection:

["(c) Not later than January 15 of each year, the President shall submit to the Congress a report containing an analysis and description of the services performed during the preceding fiscal year by officers and employees of the United States Government carrying out functions on a full-time basis under this Act for which reimbursement is provided under subsection (b) of this section or under section 21(a) of this Act. Such reports shall specify the number of personnel involved in performing such services.".

[(c) Section 36(b)(1) of such Act is amended by adding at the end thereof the following: "If the President states in his certification that an emergency exists which requires the proposed sale in the national security interest of the United States, thus waiving the congressional review requirements of this subsection, he shall set forth in the certification a detailed justification for his deter-

mination, including a description of the emergency circumstances which necessitate the immediate insurance of the letter of offer and a discussion of the national security interests involved".

[NATIONAL DISCLOSURE POLICY FOR SENSITIVE WEAPONS TECHNOLOGY

[SEC. 20.

[(b) Section 36(b)(1) of the Arms Export Control Act is amended by inserting after the first sentence the following: "Such numbered certifications shall also contain an item, classified if necessary, identifying the sensitivity of technology contained in the defense articles or defense services proposed to be sold."

[CEILING ON COMMERCIAL ARMS SALES

[SEC. 21. Section 38(b)(3) of the Arms Export Control Act is amended by striking out "$25,000,000" and inserting in lieu thereof "$35,000,000".

[DEFINITIONS

[SEC. 22. Section 644(b) of the Foreign Assistance Act of 1961 and section 47(3) of the Arms Export Control Act are each amended by inserting "(except uranium depleted in the isotope 235 which is incorporated in defense articles solely to take advantage of high density or pyrophoric characteristics unrelated to radioactivity)" immediately after "source material".

[TRANSFER OF WAR RESERVE MATERIEL AND OTHER PROPERTY TO TAIWAN

[SEC. 23. (a) Notwithstanding any other provision of law, during the calendar year 1980 the President is authorized to transfer to Taiwan, under such terms and conditions as he may deem appropriate, such United States war reserve materiel that was located on Taiwan on January 1, 1979, as he may determine.

[(b) Notwithstanding any other provision of law, during the calendar years 1979 and 1980 the President is authorized to transfer to Taiwan, under such terms and conditions as he may deem appropriate, such rights of the United States in property (other than war reserve materiel) that was located on Taiwan on January 1, 1979, as he may determine.

[AMMUNITION SOLD TO THAILAND

[SEC. 24. The Royal Thai Government shall be released from its contractual obligation to pay to the United States Government such amount as is due on or before October 30, 1979, as a condition precedent under the letter of offer accepted by the Royal Thai Government on April 12, 1977, to the transfer of title to the last increment of United States ammunition stocks sold to the Royal Thai Government under such letter of offer pursuant to the Memorandum of Agreement of March 22, 1977, relating to the storage of ammunition in Thailand.

[SHABA AIRLIFT

[SEC. 26. Notwithstanding any other provision of law, the President is authorized to make available the services of the Department of Defense for the purpose of facilitating the removal from Zaire of those foreign armed forces which were transported to Zaire by the United States at the time of the crisis in Shaba Province in 1978.

[FISCAL YEAR 1979 SUPPLEMENTAL AUTHORIZATION FOR TURKEY

[SEC. 27. (a) It is hereby determined that the national interests of the United States would be served by the furnishing of additional economic support fund assistance to Turkey in order to promote the economic and political stability of that country, and to strengthen its ability to fulfill its responsibilities as a member of the North Atlantic Treaty Organization.

[(b) In furtherance of subsection (a) of this section, and in addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President to carry out the purposes of chapter 4 of part II of the Foreign Assistance Act of 1961 $100,000,000 for the fiscal year 1979, which amount shall be available only for Turkey.

[(c) Amounts appropriated under this section may be made available until expended.

[(d) Notwithstanding any assistance authorized for Turkey under this Act, it remains the policy of the United States that all foreign troops in Cyprus, except those stationed in Cyprus under the auspices of the United Nations, should be withdrawn from Cyprus.

[(e) It is the sense of the Congress that the recent announcement by the leaders of the Greek Cypriots and the Turkish Cypriots to resume intercommunal negotiations is an encouraging recognition by the parties that the human rights and fundamental freedoms of all the citizens of the Republic of Cyprus will be respected. The Congress urges all parties to the negotiations to demonstrate good faith in the negotiations and to move promptly toward a full, just, and lasting settlement.]

SPECIAL INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

[SHORT TITLE

[SECTION 1. This Act may be cited as the "Special International Security Assistance Act of 1979".

[STATEMENT OF POLICY AND FINDINGS

[SEC. 2. (a) It is the policy of the United States to support the peace treaty concluded between the Government of Egypt and the Government of Israel on March 26, 1979. This treaty is a significant step toward a full and comprehensive peace in the Middle East. The Congress urges the President to continue to exert every effort to bring about a comprehensive peace and to seek an end by all parties to the violence which could jeopardize this peace.

[(b) The peace treaty between Egypt and Israel having been ratified, the Congress finds that the national interests of the United States are served—

[(1) by authorizing the President to construct air bases in Israel to replace the Israeli air bases on the Sinai peninsula that are to be evacuated:

[(2) by authorizing additional funds to finance procurements by Egypt and Israel through the fiscal year 1982 of defense articles and defense services for their respective security requirements; and

[(3) by authorizing additional funds for economic assistance for Egypt in order to promote the economic stability and development of that country and to support the peace process in the Middle East.

[(c) The authorities contained in this Act to implement certain arrangements in support of the peace treaty between Egypt and Israel do not signify approval by the Congress of any other agreement, understanding, or commitment made by the executive branch.

[CONSTRUCTION OF AIR BASES IN ISRAEL

[SEC. 3. Part II of the Foreign Assistance Act of 196 is amended by adding at the end thereof the following new chapter:

["CHAPTER 7—AIR BASE CONSTRUCTION IN ISRAEL

"SEC. 561. GENERAL AUTHORITY.—The President is authorized—

["(1) to construct such air bases in Israel for the Government of Israel as may be agreed upon between the Government of Israel and the Government of the United States to replace the Israeli air bases located at Etzion and Etam on the Sinai peninsula that are to be evacuated by the Government of Israel; and

["(2) for the purposes of such construction, to furnish as a grant to the Government of Israel, on such terms and conditions as the President may determine, defense articles and defense services, which he may acquire from any source, of a value not to exceed the amount appropriated pursuant to section 562(a).

["SEC. 562. AUTHORIZATION AND UTILIZATION OF FUNDS.—(a) There is authorized to be appropriated to the President to carry out this chapter not to exceed $800,000,000, which may be made available until expended.

["(b) Upon agreement by the Government of Israel to provide to the Government of the United States funds equal to the difference between the amount required to complete the agreed construction work and the amount appropriated pursuant to subsection (a) of this section, and to make those funds available, in advance of the time when payments are due, in such amounts and at such times as may be required by the Government of the United States to meet those additional costs of construction, the President may incur obligations and enter into contracts to the extent necessary to complete the agreed construction work, except that this

authority shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

[“(c) Funds made available by the Government of Israel pursuant to subsection (b) of this section may be credited to the appropriation account established to carry out the purposes of this section for the payment of obligations incurred and for refund to the Government of Israel if they are unnecessary for that purpose, as determined by the President. Credits and the proceeds of guaranteed loans made available to the Government of Israel pursuant to the Arms Export Control Act, as well as any other source of financing available to it, may be used by Israel to carry out its undertaking to provide such additional funds.

[“SEC. 563. WAIVER AUTHORITIES.—(a) It is the sense of the Congress that the President should take all necessary measures consistent with law to insure the efficient and timely completion of the construction authorized by this chapter, including the exercise of authority vested in him by section 633(a) of this Act.

[“(b) The provisions of paragraph (3) of section 636(a) of this Act shall be applicable to the use of funds available to carry out this chapter, except that no more than sixty persons may be engaged at any one time under that paragraph for purposes of this chapter.”.

[SUPPLEMENTAL AUTHORIZATION OF FOREIGN MILITARY SALES LOAN GUARANTIES FOR EGYPT AND ISRAEL

[SEC. 4. (a) The Congress finds that the legitimate defense interests of Israel and Egypt require a one time extraordinary assistance package due to Israel’s phased withdrawal from the Sinai and Egypt’s shift from reliance on Soviet weaponry. The authorizations contained in this section do not, however, constitute Congressional approval of the sale of any particular weapons system to either country. These sales will be reviewed under the normal procedures set forth in section 36(b) of the Arms Export Control Act.

[(b) In addition to amounts authorized to be appropriated for the fiscal year 1979 by section 31(a) of the Arms Export Control Act, there is authorized to be appropriated to the President to carry out that Act $370,000,000 for the fiscal year 1979.

[(c) Funds made available pursuant to subsection (b) of this section may be used only for guaranties for Egypt and Israel pursuant to section 24(a) of the Arms Export Control Act. The principal amount of loans guaranteed with such funds may not exceed $3,700,000,000 of which $2,200,000,000 shall be available only for Israel and $1,500,000,000 shall be available only for Egypt. The principal amount of such guaranteed loans shall be in addition to the aggregate ceiling authorized for the fiscal year 1979 by section 31(b) of the Arms Export Control Act.

[(d) Loans guaranteed with funds made available pursuant to subsection (b) of this section shall be on terms calling for repayment within a period of not less than thirty years, including an initial grace period of ten years on repayment of principal.

[(e)(1) The Congress finds that the Governments of Israel and Egypt each have an enormous external debt burden which may be made more difficult by virtue of the financing authorized by this section. The Congress further finds that, as a consequence of the

impact of the debt burdens incurred by Israel and Egypt under such financing, it may become necessary in future years to modify the terms of the loans guaranteed with funds made available pursuant to this section.

[SUPPLEMENTAL AUTHORIZATION OF ECONOMIC SUPPORT FOR EGYPT

[SEC. 5. There is authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $300,000,000 for the fiscal year 1979 for Egypt, in addition to amounts otherwise authorized to be appropriated for such chapter for the fiscal year 1979. The amounts appropriated pursuant to this section may be made available until expended.

[TRANSFER OF FACILITIES OF THE SINAI FIELD MISSION TO EGYPT

[SEC. 6. The President is authorized to transfer to Egypt, on such terms and conditions as he may determine, such of the facilities and related property of the United States Sinai Field Mission as he may determine, upon the termination of the activities of the Sinai Field Mission in accordance with the terms of the peace treaty between Egypt and Israel.

[CONTRIBUTIONS BY OTHER COUNTRIES TO SUPPORT PEACE IN THE MIDDLE EAST

[SEC. 7. (a) It is the sense of the Congress that other countries should give favorable consideration to providing support for the implementation of the peace treaty between Egypt and Israel. Therefore, the Congress requests that the President consult with other countries in order to (1) promote and develop an agreement for the establishment of a peace development fund whose purpose would be to underwrite the costs of implementing a Middle East peace, and (2) encourage investments in Israel and Egypt and other countries in the region should they join in Middle East peace, and (2) encourage investments in Israel and Egypt and other countries in the region should they join in Middle East peace agreements.

[PLANNING FOR TRILATERAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION BY EGYPT, ISRAEL, AND THE UNITED STATES

[SEC. 8. (a) It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should be prepared to participate, at an appropriate time, in trilateral cooperative projects of a scientific and technological nature involving Egypt, Israel, and the United States.

[(b) Therefore, the President shall develop a plan to guide the participation of both United States Government agencies and private institutions in such projects. This plan shall identify—

[(1) potential projects in a variety of areas appropriate for scientific and technological cooperation by the three countries, including agriculture, health, energy, the environment, education, and water resources;

[(2) the resources which are available or which would be needed to implement such projects; and

[(3) the means by which such projects would be implemented.

[NON-PROLIFERATION OF NUCLEAR WEAPONS

[SEC. 10. In accordance with the Nuclear Non-Proliferation Act of 1978, the Congress strongly encourages all countries in the Middle East which are not parties to the Treaty on the Non-Proliferation of Nuclear Weapons to become parties to that Treaty.]

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1978

AN ACT To amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that Act and the Agricultural Trade Development and Assistance Act of 1954, to improve coordination and administration of United States development-related policies and programs, and for other purposes

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

SHORT TITLE

SECTION 1. This Act may be cited as the "International Development and Food Assistance Act of 1978".

[TITLE I—DEVELOPMENT ASSISTANCE

[DEVELOPMENT ASSISTANCE POLICY

[SEC. 101. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by striking out section 102 and inserting in lieu thereof the following new sections:

["SEC. 101. GENERAL POLICY.—(a) The Congress finds that fundamental political, economic, and technological changes have resulted in the interdependence of nations. The Congress declares that the individual liberties, economic prosperity, and security of the people of the United States are best sustained and enhanced in a community of nations which respect individual civil and economic rights and freedoms and which work together to use wisely the world's limited resources in an open and equitable international economic system. Furthermore, the Congress reaffirms the traditional humanitarian ideals of the American people and renews its commitment to assist people in developing countries to eliminate hunger, poverty, illness, and ignorance.

["Therefore, the Congress declares that a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives.

["United States development cooperation policy should emphasize four principal goals:

["(1) the alleviation of the worst physical manifestations of poverty among the world's poor majority;

["(2) the promotion of conditions enabling developing countries to achieve self-sustaining economic growth with equitable distribution of benefits;

[“(3) the encouragement of development processes in which individual civil and economic rights are respected and enhanced; and

[“(4) the integration of the developing countries into an open and equitable international economic system.

[“The Congress declares that pursuit of these goals requires that development concerns be fully reflected in United States foreign policy and that United States development resources be effectively and efficiently utilized.

[“(b) Under the policy guidance of the Secretary of State, the agency primarily responsible for administering this part should have the responsibility for coordinating all United States development-related activities.

[“SEC. 102. DEVELOPMENT ASSISTANCE POLICY.—(a) The Congress finds that the efforts of developing countries to build and maintain the social and economic institutions necessary to achieve self-sustaining growth and to provide opportunities to improve the quality of life for their people depend primarily upon successfully marshalling their own economic and human resources. The Congress recognizes that the magnitude of these efforts exceeds the resources of developing countries and therefore accepts that there will be a long-term need for wealthy countries to contribute additional resources for development purposes. The United States should take the lead in concert with other nations to mobilize such resources from public and private sources.

[“Provision of development resources must be adapted to the needs and capabilities of specific developing countries. United States assistance to countries with low per capita incomes which have limited access to private external resources should primarily be provided on concessional terms. Assistance to other developing countries should generally consist of programs which facilitate their access to private capital markets, investment, and technical skills, whether directly through guarantee or reimbursable programs by the United States Government or indirectly through callable capital provided to the international financial institutions.

[“Bilateral assistance and United States participation in multilateral institutions shall emphasize programs in support of countries which pursue development strategies designed to meet basic human needs and achieve self-sustaining growth with equity.

[“The Congress declares that the principal purpose of United States bilateral development assistance is to help the poor majority of people in developing countries to participate in a process of equitable growth through productive work and to influence decisions that shape their lives, with the goal of increasing their incomes and their access to public services which will enable them to satisfy their basic needs and lead lives of decency, dignity, and hope. Activities shall be emphasized that effectively involve the poor in development by expanding their access to the economy through services and institutions at the local level, increasing their participation in the making of decisions that affect their lives, increasing labor-intensive production and the use of appropriate technology, expanding productive investment and services out from major cities to small towns and rural areas, and otherwise providing opportunities for the poor to improve their lives through their own efforts.

Participation of the United States in multilateral institutions shall also place appropriate emphasis on these principles.

[“(b) Assistance under this chapter should be used not only for the purpose of transferring financial resources to developing countries, but also to help countries solve development problems in accordance with a strategy that aims to insure wide participation of the poor in the benefits of development on a sustained basis. Moreover, assistance shall be provided in a prompt and effective manner, using appropriate United States institutions for carrying out this strategy. In order to achieve these objectives and the broad objectives set forth in section 101 and in subsection (a) of this section, bilateral development assistance authorized by this Act shall be carried out in accordance with the following principles:

[“(1) Development is primarily the responsibility of the people of the developing countries themselves. Assistance from the United States shall be used in support of, rather than substitution for, the self-help efforts that are essential to successful development programs and shall be concentrated in those countries that take positive steps to help themselves. Maximum effort shall be made, in the administration of this part, to stimulate the involvement of the people in the development profess through the encouragement of democratic participation in private and local governmental activities and institution building appropriate to the requirements of the recipient countries.

[“(2) Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

[“(3) United States bilateral development assistance should give high priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries, while also helping such governments enhance their planning, technical, and administrative capabilities needed to insure the success of such undertakings.

[“(4) Development assistance provided under this chapter shall be concentrated in counties which will make the most effective use of such assistance to help satisfy basic human needs of poor people through equitable growth, especially in those countries having the greatest need for outside assistance. In order to make possible consistent and informed judgments in this respect, the President shall assess the commitment and progress of countries in moving toward the objectives and purposes of this chapter by utilizing criteria, including but not limited to the following:

[“(A) increase in agricultural productivity per unit of land through small-farm, labor-intensive agriculture;

[“(B) reduction of infant mortality;

[“(C) control of population growth;

[“(D) promotion of greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers;

[“(E) reduction of rates of unemployment and underemployment; and

[“(F) increase in literacy.

[“(5) United States development assistance should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries; food production and nutrition; rural development and generation of gainful employment; population planning and health; environment and natural resources; and education, development administration, and human resource development.

[“(6) United States assistance shall encourage and promote the participation of women in the national economies of developing countries and the improvement of women's status as an important means of promoting the total development effort.

[“(7) United States bilateral assistance shall recognize that the prosperity of developing countries and effective development efforts require the adoption of an overall strategy that promotes efficient utilization of energy and, therefore, consideration shall be given the full implications of such assistance on the price, availability, and consumption of energy in recipient countries.

[“(8) United States cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, free labor unions, and private and voluntary agencies.

[“(9) To the maximum extent practicable, United States private investment should be encouraged in economic and social development programs to which the United States lends support.

[“(10) Assistance shall be planned and utilized to encourage regional cooperation by developing countries in the solution of common problems and the development of shared resources.

[“(11) Assistance efforts of the United States shall be planned and furnished to the maximum extent practicable in coordination and cooperation with assistance efforts of other countries, including the planning and implementation of programs and projects on a multilateral and multidonor basis.

“(12) United States bilateral development assistance should be concentrated on projects which do not involve large-scale capital transfers. However, to the extent that such assistance does involve large-scale capital transfers, it should be furnished in association with contributions from other countries working together in a multilateral framework.

[“(c) The Congress, recognizing the desirability of overcoming the worst aspects of absolute poverty by the end of this century by, among other measures, substantially lowering infant mortality and birth rates, and increasing life expectancy, food production, literacy, and employment, encourages the President to explore with other countries, through all appropriate channels, the feasibility of a worldwide cooperative effort to overcome the worst aspects of ab-

solute poverty and to assure self-reliant growth in the developing countries by the year 2000.".

[DEVELOPMENT ASSISTANCE AUTHORITIES

[SEC. 102. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

["SEC. 122. GENERAL AUTHORITIES.—(a) In order to carry out the purposes of this chapter, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to countries and areas through programs of grant and loan assistance, bilaterally or through regional, multilateral, or private entities.".

[(b)(1) Part I of such Act is further amended—

[(A) by striking out "less developed friendly" in the first sentence in subsection (b) of section 201;

[(B) by striking out everything after the first sentence in subsection (b) of section 201 through "herein) be loaned" in subsection (d) of such section and inserting in lieu thereof the following:

["The President shall determine the interest payable on any loan. In making loans under this chapter, the President shall consider the economic circumstances of the borrower and other relevant factors, including the capacity of the recipient country to repay the loan at a reasonable rate of interest, except that loans may not be made"; and

[(C) by inserting subsection (b) of section 201, as amended by subparagraphs (A) and (B) of this paragraph, immediately after section 122(a), as added by subsection 9a) of this section.

[(2)(A) Section 301(a) of such Act is amended by striking out "201(d)" and inserting in lieu thereof "122(b)".

[(B) Section 103(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "201" and inserting in lieu thereof "122".

[(C) Section 106(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended in the second sentence by striking out "201" and inserting in lieu thereof "122(b)".

[(c)(1) Section 122 of the Foreign Assistance Act of 1961, as added by subsection (a) of this section and as amended by subsection (b)(1) of this section, is amended by adding at the end thereof the following new subsections:

["(c) Dollar receipts paid during any fiscal year from loans made under this part or from loans made under predecessor foreign assistance legislation shall be deposited in the Treasury as miscellaneous receipts.

["(d) Not to exceed $10,000,000 of the funds made available each fiscal year for the purposes of this chapter may be used for assistance, on such terms and conditions as the President may determine, to research and educational institutions in the United States for the purpose of strengthening their capacity to develop and carry out programs concerned with the economic and social development of developing countries.".

[(2) Section 299(a) of such Act is amended by striking "110(b), 211(a), and 211(d)" and inserting in lieu thereof "110(b) and 122(d)".

[(d) Part I of such Act is further amended—

[(1) in section 204—

[(A) by striking out "SEC. 204. DEVELOPMENT LOAN COMMITTEE.—" and inserting in lieu thereof "(e)"; and

[(B) by striking out "title" and inserting in lieu thereof "chapter"; and

[(2) by inserting such section, as so redesignated and amended, at the end of section 122, as added and amended by subsections (a) through (c) of this section.

[(e) Chapter 1 of part I of such Act, as amended by subsections (a) through (d) of this section, is further amended by adding at the end thereof the following new section;

["SEC. 123. PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES IN OVERSEAS DEVELOPMENT.—(a) The Congress finds that the participation of rural and urban poor people in their countries' development can be assisted and accelerated in an effective manner through an increase in activities planned and carried out by private and voluntary organizations and cooperatives. Such organizations and cooperatives, embodying the American spirit of self-help and assistance to others to improve their lives and incomes, constitute an important means of mobilizing private American financial and human resources to benefit poor people in developing countries. The Congress declares that it is in the interest of the United States that such organizations and cooperatives expand their overseas development efforts without compromising their private and independent nature. The Congress further declares that the financial resources of such organizations and cooperatives should be supplemented by the contribution of public funds for the purpose of undertaking development activities in accordance with the principles set forth in section 102. The Congress urges the Administrator of the agency primarily responsible for administering this part, in implementing programs authorized under this part, to draw on the resource of private and voluntary organizations and cooperatives to plan and carry out development activities.

["(b) In order to further the efficient use of United States voluntary contributions for development, relief, and rehabilitation of friendly peoples, the President is authorized to use funds made available for the purposes of this chapter to pay transportation charges on shipments by the American National Red Cross and by United States voluntary agencies registered with the Advisory Committee on Voluntary Foreign Aid.

["(c) Reimbursement under this section may be provided for transportation charges on shipments from United States ports, or in the case of excess or surplus property supplied by the United States from foreign ports, to ports of entry abroad or to points of entry abroad in cases (1) of landlocked countries, (2) where ports cannot be used effectively because of natural or other disturbances, (3) where carriers to a specified country are unavailable, or (4) where a substantial savings in costs or time can be effected by the utilization of points of entry other than ports.

["(d) Where practicable, the President shall make arrangements with the receiving country for free entry of such shipments and for the making available by the country of local currencies for the purpose of defraying the transportation costs of such shipments

from the port or point of entry of the receiving country to the designated shipping point of the consignee.".

[“(f) Section 15 of such Act is repealed.

[“(g)(1) Chapter 2 of part I of such Act, as amended by this section, is further amended—

[“(A) by repealing title I (except sections 206 and 209), title II except sections 214 and 219), title VI, title VII, and title VIII;

[“(B) by amending the chapter heading to read as follows: “CHAPTER 2—OTHER PROGRAMS”;

[“(C) by inserting the following new title heading immediately before section 206: “TITLE I—MULTILATERAL AND REGIONAL DEVELOPMENT PROGRAMS”; and

[“(D) by inserting the following new title heading immediately before section 214: “TITLE II—AMERICAN SCHOOLS AND HOSPITALS ABROAD; PROTOTYPE DESALTING PLANT”.

[(B) Section 601(b)(5) of such Act is amended by striking out “201” and inserting in lieu thereof “122”.

[(C) Section 608(a) of such Act is amended by striking out “section 212” and inserting in lieu thereof “chapter 1 of part I”.

[(D) Section 611(a) of such Act is amended by striking out “titles I, II, and VI of chapter 2 and chapter 4 of part I” and inserting in lieu thereof “chapter 1 of part I, title II of chapter 2 of part I, or chapter 4 of part II”.

[(E) Section 611(e) of such Act is amended by striking out “titles I, II, or VI of chapter 2 or chapter 4 of part I of this Act” and inserting in lieu thereof “chapter 1 of part I, title II of chapter 2 of part I, or chapter 4 of part II”.

[(F) Section 620(d) of such Act is amended by striking out “under section 201” and inserting in lieu thereof “on a loan basis under chapter 1 of part I”.

[(G) Section 635(h) of such Act is amended by striking out “titles II, V, and VI (except development loans)” and inserting in lieu thereof “chapter 1 (except development loans) and title II”.

[(H) Section 636(c) of such Act is amended by striking out “(other than title I of chapter 2 of part I)” both places it appears.

[(I) Section 636 (d) and (e) of such Act are each amended by striking out “(other than title I of chapter 2 of part I)”.

[(J) Section 636(f) of such Act is amended—

[(i) by striking out “section 212” and inserting in lieu thereof “chapter 1 of part I”; and

[(ii) by striking out “title I of chapter 2” and inserting in lieu thereof “chapter 1”.

[(K)(i) Section 108 of such Act is repealed.

[(ii) Section 109 of such Act is amended by striking out “Notwithstanding section 108 of this Act, whenever” and inserting in lieu thereof “Whenever”.

[AGRICULTURE, RURAL, DEVELOPMENT, AND NUTRITION

[SEC. 103. (a) Section 103 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 103. AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION.—(a)(1) In recognition of the fact that the great majority of the people of developing countries live in rural areas and are de-

pendent on agriculture and agricultural-related pursuits for their livelihood, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition—

[“(A) to alleviate starvation, hunger, and malnutrition;

[“(B) to expand significantly the provision of basic services to rural poor people to enhance their capacity for self-help; and

[“(C) to help create productive farm and off-farm employment in rural areas to provide a more viable economic base and enhance opportunities for improved incomes, living standards, and contributions by rural poor people to the economic and social development of their countries.

[“(2) There is authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $665,231,000 for the fiscal year 1979. Amounts appropriated under this section are authorized to remain available until expended.

[“(b)(1) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansion of rural infrastructure and utilities such as farm-to-market roads, water management systems, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, forestry, soil conservation, and improved seed, in ways which assure access to them by small farmers.

[“(2) In circumstances where development of major infrastructure is necessary to achieve the objectives set forth in this section, assistance for that purpose should be furnished under this chapter in association with significant contributions from other countries working together in a multilateral framework. Infrastructure projects so assisted should be complemented by other measures to ensure that the benefits of the infrastructure reach the poor.

[“(c) The Congress finds that the greatest potential for significantly expanding availability of food for people in rural areas and augmenting world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the agricultural producers in developing countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice and a principal element contributing to broadly based economic growth, as well as an important factor in alleviating inflation in the industrialized countries. In the allocation of funds under this section, special attention shall be given to increasing agricultural production in countries which have been designated at ‘least developed’ by the United Nations General Assembly.

[“(d) Assistance provided under this section shall also be used in coordination with programs carried out under section 104 to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people. In particular, the President is encouraged—

[“(1) to devise and carry out in partnership with developing countries a strategy for programs of nutrition and health improvement for mothers and children, including breast feeding; and

[“(2) to provide technical, financial, and material support to individuals or groups at the local level for such programs.

[“(e) Local currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance Act of 1954 which are owned by foreign governments shall be used whenever practicable to carry out the provisions of this section.”.

[(b) Section 644 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

[(o) ‘Agriculture’ includes aquaculture and fisheries.

[(p) ‘Farmers’ includes fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.”.

[(c) Sections 117 and 296 (f) and (g) of such Act are repealed.

[(d) Section 103A of such Act is amended by inserting “environmental,” immediately after “social,” in clause (2) of the first sentence.

[POPULATION AND HEALTH

[SEC. 104. (a) Section 104 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 104. POPULATION AND HEALTH.—(a) FINDINGS.—The Congress recognizes that poor health conditions and uncontrolled population growth can vitiate otherwise successful development efforts.

[“Large families in developing countries are the result of complex social and economic factors which change relatively slowly among the poor majority least affected by economic progress, as well as the result of a lack of effective birth control. Therefore, effective family planning depends upon economic and social change as well as the delivery of services and is often a matter of political and religious sensitivity. While every country has the right to determine its own policies with respect to population growth, voluntary population planning programs can make a substantial contribution to economic development, higher living standards, and improved health and nutrition.

[“Good health conditions are a principal element in improved quality of life and contribute to the indiviual’s capacity to participate in the development process, while poor health and debilitating disease can limit productivity.

[“(b) ASSISTANCE FOR POPULATION PLANNING.—In order to increase the opportunities and motivation for family planning and to reduce the rate of population growth, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for voluntary population planning. In addition to the provision of family planning information and services and the conduct of directly relevant demographic research, population planning programs shall emphasize motivation for small families.

[“(c) ASSISTANCE FOR HEALTH AND DISEASE PREVENTION.—In order to contribute to improvements in the health of the greatest number of poor people in developing countries, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for health programs. Assistance under this subsection shall be used primarily for basic integrated health services, safe water and sanitation, disease prevention and control, and related health planning and research. This assistance shall emphasize self-sustaining community-based health programs by means such as training of health auxiliary and other appropriate personnel, support for the establishment and evaluation of projects that can be replicated on a broader scale, measures to improve management of health programs, and other services and supplies to support health and disease prevention programs.

[(d) INTEGRATION OF ASSISTANCE PROGRAMS.—(1) Assistance under this chapter shall be administered so as to give particular attention to the interrelationship between (A) population growth and (B) development and overall improvement in living standards in developing countries, and to the impact of all programs, project, and activities on population growth. All appropriate activities proposed for financing under this chapter shall be designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families, in programs such as education in and out of school, nutrition, disease control, maternal and child health services, imporvenments in the status and employment of women, agricultural production, rural development, and assistance to the urban poor. Population planning programs shall be coordinated with other programs aimed at reducing the infant mortality rate, providing better nutrition for pregnant women and infants, and raising the standard of living of the poor.

[“(2) Since the problems of malnutrition, disease, and rapid population growth are closely related, planning for assistance to be provided under subsections (b) and (c) of this section and under section 13 shall be coordinated to the maximum extent practicable.

[“(3) Assistance provided under this section shall emphasize low-cost integrated delivery systems for health, nutrition, and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

[“(e) RESEARCH AND ANALYSIS.—(1) Health and population research and analysis carried out under this Act shall—

[“(A) be undertaken to the maximum extent practicable in developing countries by developing country personnel, linked

as appropriate with private and governmental biomedical research facilities within the United States;

[“(B) take account of the special needs of the poor people of developing countries in the determination of research priorities; and

[“(C) make extensive use of field testing to adapt basic research to local conditions.

[“(2) The President is authorized to study the complex factors affecting population growth in developing countries and to identify factors which might motivate people to plan family size or to space their children.

[“(f) PROHIBITION ON USE OF FUNDS FOR ABORTIONS AND INVOLUNTARY STERILIZATIONS.—(1) None of the funds made available to carry out this part may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

[“(2) None of the funds made available to carry out this part may be used to pay for the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations.

[“(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

[“(1) $224,745,000 for the fiscal year 1979 to carry out subsection (b) of this section; and

[“(2) $148,494,000 for the fiscal year 1979 to carry out subsection (c) of this section.

Funds appropriated under this subsection are authorized to remain available until expended.”.

[(b) Section 114 of title X of chapter 2 of part I of such Act are repealed.

[EDUCATION AND HUMAN RESOURCES DEVELOPMENT

[SEC. 105. Section 105(a) of the Foreign Assistance Act of 1961 is amended in the second sentence by striking out “$101,800,000 for the fiscal year 1977 and $84,900,000 for the fiscal year 1978, which amounts are” and inserting in lieu thereof “$109,036,000 for the fiscal year 1979, which amount is”.

[TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

[SEC. 106. Section 106(b) of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out “$104,500,000 for the fiscal year 1977 and $105,000,000 for the fiscal year 1978, which amounts are” and inserting in lieu thereof “$126,244,000 for the fiscal year 1979, which amount is”.

[APPROPRIATE TECHNOLOGY

[SEC. 107. Section 107 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 107. APPROPRIATE TECHNOLOGY.—(a) In carrying out activities under this chapter, the President shall place special emphasis on the use of relatively smaller, cost-saving, labor-using tech-

nologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.

[“(b) Funds made available to carry out this chapter should be used to the extent practicable for activities in the field of appropriate technology, including support of an expanded and coordinated private effort to promote the development and dissemination of appropriate technology in developing countries.”.

[WOMEN IN DEVELOPMENT

[SEC. 108. Section 113 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(d)(1) Up to $10,000,000 of the funds made available each fiscal year under this chapter shall be used, in addition to funds otherwise available for such purposes, for assistance on such terms and conditions as the President may determine to encourage and promote the participation and integration of women as equal partners in the development process in the developing countries. These funds shall be used primarily to support activities which will increase the economic productivity and income earning capacity of women.

[“(2) Nothing in this section shall be construed to authorize the establishment of a separate development assistance program for women.”.

[HUMAN RIGHTS ACTIVITIES

[SEC. 109. Section 116(e) of the Foreign Assistance Act of 1961 is amended in the first sentence—

[(1) by striking out “Of” and inserting in lieu thereof “The President is authorized and encouraged to use not less than $1,500,000 of”; and

[(2) by striking out “1978, not less than $750,000 may be used only” and inserting in lieu thereof “1979”.

[ENVIRONMENT AND NATURAL RESOURCES

[SEC. 110. Section 118 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting “(a)” immediately after the section caption; and

[(2) by adding at the end thereof the following new subsections;

[“(b) In carrying out programs under this chapter, the President shall take into consideration the environmental consequences of development actions.

[“(c) In furtherance of the purposes of this section, the President shall carry out studies to identify the major environment and natural resource problems, and the institutional capabilities to solve those problems, which exist in developing countries. The results of these studies shall be reported to the Congress by March 1, 1979.”.

[RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES

[SEC. 111. Section 119 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 119. RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES.—(a) The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation, with particular emphasis on programs in research and development, and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act. Such programs shall also be directed toward the earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain, and are transferable from one region of the world to another.

["(b) The agency primarily responsible for administering this part shall coordinate with the Department of Energy, to the maximum extent possible, the planning and implementation of energy programs authorized under this chapter, including section 107, and shall consult with the Department of Energy on such planning and implementation.".

[RELATIVELY LEAST DEVELOPED COUNTRIES

[SEC. 112. (a)(1) Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by section 102 of this Act, is further amended by inserting the following new section 124 immediately after section 123:

["SEC. 124. RELATIVELY LEAST DEVELOPED COUNTRIES.—(a) Relatively least developed countries (as determined on the basis of criteria comparable to those used for the United Nations General Assembly list of 'least developed countries') are characterized by extreme poverty, very limited infrastructure, and limited administrative capacity to implement basic human needs growth strategies. In such countries special measures may be necessary to insure the full effectiveness of assistance furnished under this part.

["(b) For the purpose of promoting economic growth in these countries, the President is authorized and encouraged to make assistance under this chapter available on a grant basis to the maximum extent that is consistent with the attainment of United States development objectives.

["(c)(1) The Congress recognizes that the relatively least developed countries have virtually no access to private international capital markets. Insofar as possible, prior assistance terms should be consistent with present grant assistance terms for relatively least developed countries. Therefore, notwithstanding section 620(r) of this Act and section 321 of the International Development and Food Assistance Act of 1975 but subject to paragraph (2) of this subsection, the President on a case-by-case basis, taking into account the needs of the country for financial resources and the commitment of the country to the development objectives set forth in sections 101 and 102—

[“(A) may permit a relatively least developed country to place amounts, which would otherwise be paid to the United States as payments on principal or interest on liability incurred by that country under this part (or any predecessor legislation) into local currency accounts (in equivalent amounts of local currencies as determined by the official exchange rate for United States dollars) for use by the relatively least developed country, with the concurrence of the Administrator of the agency primarily responsible for administering this part, for activities which are consistent with section 102; and

[“(B) may waive interest payments on liability incurred by a relatively least developed country under this part (or any predecessor legislation) if the President determines that that country would be unable to use for development purposes the equivalent amounts of local currencies which could be made available under subparagraph (A).

[“(2) The aggregate amount of interest waived and interest and principal paid into local currency accounts under this subsection in any fiscal year may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this chapter for that fiscal year, which amount may not exceed the amount authorized to be so approved by the annual authorizing legislation for development assistance programs.

[“(3) In exercising the authority granted by this subsection, the President should act in concert with other creditor countries.

[“(d) The President may on a case-by-case basis waive the requirement of section 110(a) for financial or “in kind” contributions in the case of programs, projects, or activities in relatively least developed countries.

[“(e) Section 110(b) shall not apply with respect to grants to relatively least developed countries.”.

[(2) The authority granted by section 124(c) of the Foreign Assistance Act of 1961 shall not become effective until October 1, 1979.

[(b)(1) Section 110(a) of such Act is amended by striking out “and except that” and all that follows through the end of the sentence and inserting in lieu thereof a period.

[(2) Section 110(b) of such Act is amended by striking out “Except” and all that follows through “no” and inserting in lieu thereof “No”.

[PROJECT AND PROGRAM EVALUATION

[SEC. 113. Chapter 1 of part I of the Foreign Assistance Act, as amended by sections 102 and 112 of this Act, is further amended by inserting the following new section 125 immediately after section 124:

[“SEC. 125. PROJECT AND PROGRAM EVALUATION.—(a) The Administrator of the agency primarily responsible for administering this part is directed to improve the assessment and evaluation of the programs and projects carried out by that agency under this chapter. The Administrator shall consult with the appropriate committees of the Congress in establishing standards for such evaluations.

[“(b) The President shall report on actions taken by the international financial institutions and the United Nations Development Program to improve the evaluation of projects and programs conducted by those institutions. The report required by this subsection shall be submitted as a part of the report required by section 634.”.

[AMERICAN SCHOOLS AND HOSPITALS ABROAD

[SEC. 114. Section 214 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (c) by striking out “for the fiscal year 1977, $25,000,000, and for the fiscal year 1978, $25,000,000, which amounts are” and inserting in lieu thereof “$25,000,000 for the fiscal year 1979, which amount is”; and

[(2) by striking out subsections (d) and (e) and by redesignating subsection (f) as subsection (d).

[HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

[SEC. 115. (a) Sections 221 and 222 of the Foreign Act of 1961 are amended to read as follows:

[“SEC. 221. HOUSING GUARANTIES.—The Congress recognizes that shelter requirements are among the most fundamental of human needs. Shelter for most people in the developing countries consists largely of domestic materials assembled by local labor. While recognizing that most financing for such housing must come from domestic resources, the Congress finds that carefully designed programs involving United States capital and expertise can increase the availability of domestic financing for improved housing and related services for low-income people by demonstrating to local entrepreneurs and institutions that providing low-cost housing can be financially viable. The Congress reaffirms, therefore, that the United States should continue to assist developing countries in marshalling resources for low-cost housing. Particular attention should be given to programs which will support pilot projects for low-cost shelter or which will have a maximum demonstration impact on local institutions and national policy. The congress declares that the long run goal of all such programs should be to develop domestic construction capabilities and to stimulate local credit institutions to make available domestic capital and other management and technological resources required for effective low-cost shelter programs and policies.

[“SEC. 222. AUTHORIZATION.—(a) To carry out the policy of section 221, the President is authorized to issue guaranties to eligible investors (as defined in section 238(c)) assuring against losses incurred in connection with loans made for projects meeting the criteria set forth in section 221. The total principal amount of guaranties issued under this title or heretofore issued under prior housing guaranty authorities, which are outstanding at any one time, shall not exceed $1,180,000,000. The authority of this section shall continue until September 30, 1980. The President may issue regulations from time to time with regard to the terms and conditions upon which such guaranties shall be issued and the eligibility of lenders.

[“(b) Activities carried out under this section shall emphasize

[“(1) projects which provide improved home sites to poor families on which to build shelter, and related services;

[“(2) projects comprised of expandable core shelter units on service sites;

[“(3) slum upgrading projects designed to conserve and improve existing shelter;

[“(4) shelter projects for low income people designed for demonstration or institution building purposes; and

[“(5) community facilities and services in support of projects authorized under this section to improve the shelter occupied by the poor.

[“(c) In issuing guaranties under this section with respect to projects in a country which require the use or conservation of energy, the President shall give consideration to the use of solar energy technologies, where such technologies are economically and technically feasible. Technologies which may be used include solar hot water systems, solar heating and cooling, passive solar heating, biomass conversion, photovoltaic and wind applications, and community-scale thermal applications.”.

[“(b) Section 222A(h) of such Act is amended by striking out “September 30, 1978” and inserting in lieu thereof “September 30, 1979”.

[“(c) Section 223(a) of such Act is amended by striking out “221, 222,” and inserting in lieu thereof “222”.

[“(d) Section 223(b) of such Act is amended in the first sentence—

[“(1) by striking out “221 or” the first place it appears;

[“(2) by striking out “221 and section 222 and of” and inserting in lieu thereof “222 and administering housing guaranties heretofore authorized under this title and under”;

[“(3) by striking out “section 221 or” the second place it appears; and

[“(4) by inserting “this title or” immediately after “heretofore pursuant to”.

[(e) Section 223(c) of such Act is amended by striking out “section 221 or” and by inserting “under this title or” immediately after “heretofore”.

[(f) Section 223(d) of such Act is amended—

[“(1) by striking out “221, 222, 222A,” and inserting in lieu thereof “222 or 222A”; and

[(2) by inserting “under this title or” immediately after “heretofore”.

[(g) Section 223(f) of such Act is amended in the first sentence by striking out “section 221 or”.

[(h) Section 223(g) of such Act is amended by inserting “heretofore under this title or” immediately after “outstanding”.

[(i) Section 223(i) of such Act is repealed.

[(j) Section 223(j) of such Act is amended by striking out “sections 221 and” in the first sentence and inserting in lieu thereof “section”.

[(k) Section 620(l) of such Act is amended by striking out “221(b)(1)” both places it appears and inserting in lieu thereof “234(a)(1)”.

[ASSISTANCE FOR CERTAIN DISADVANTAGED CHILDREN IN ASIA

[SEC. 116. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by striking out the title heading for title V and inserting in lieu thereof the following:

["TITLE V—DISADVANTAGED CHILDREN IN ASIA

[SEC. 241. ASSISTANCE TO CERTAIN DISADVANTAGED CHILDREN IN ASIA.—(a) The Congress recognizes the humanitarian needs of disadvantaged children in Asian countries where there has been or continues to be a heavy presence of United States military and related personnel in recent years. Moreover, the Congress finds that inadequate provision has been made for the care and welfare of such disadvantaged children, particularly those fathered by the United States citizens.

["(b) Accordingly, the President is authorized to expend up to $2,000,000 of funds made available under chapter 1 of this part, in addition to funds otherwise available for such purposes, to help meet the needs of these disadvantaged children in Asia by assisting in the expansion and improvement of orphanages, hostels, day care centers, school feeding programs, and health, education, and welfare programs. Assistance provided under this section shall be furnished under the auspices of and by international organizations or private voluntary agencies operating within, and in cooperation with, the countries of Asia where these disadvantaged children reside.".

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 117. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "for the fiscal year 1977, $219,900,000 and for the fiscal year 1978, $252,000,000" and inserting in lieu thereof $285,450,000 for the fiscal year 1979 of which not to exceed $300,000 shall be available for contribution to the United Nations Trust Fund on South Africa".

[(b)(1) Section 302(a)(1) of such Act is further amended—

[(A) by striking out "$42,500,000" in the third sentence and inserting in lieu thereof $52,000,000"; and

[(B) by inserting immediately after the third sentence the following: "Of the funds authorized to be appropriated under this subsection for the fiscal year 1979, not to exceed $52,000,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees, except that not more than $42,500,000 of this amount may be obligated unless the President certifies to the Congress that any contributions above this level have been matched by equivalent contributions by members of the Organization of Petroleum Exporting Countries.".

[(c) Section 302(a) of such Act is amended by adding at the end thereof the following new paragraph:

["(3) None of the funds made available under this subsection for the fiscal year 1979 may be used for the United Nations for Institute for Namibia unless the President determines that such funds will not be used to support the military or paramilitary activities of the Southwest African Peoples Organization.".

[(d) Section 301 of such Act is amended by adding at the end thereof the following new subsection:

["(g) It is the sense of the Congress that the President should instruct the appropriate representatives of the United States to the United Nations to encourage the specialized agencies of the United Nations to transfer the funding of technical assistance programs carried out by such agencies to the United Nations Development Program.".

[(e) In addition to amounts otherwise available for such purpose, there are authorized to be appropriated to the President not to exceed $1,000,000 for contributions to the World Assembly on Aging to be convened under the auspices of the United Nations, except that the amount so contributed may not exceed 25 percent of the expenditures of such Assembly. Amounts appropriated under this subsection be authorized to remain available until expended.

[INTERNATIONAL DISASTER ASSISTANCE

[SEC. 118. (a) Section 491(b) of the Foreign Assistance Act of 1961 is amended by striking "or international organization" and inserting in lieu thereof ", international organization, or private voluntary organization,".

[(b) Section 492 of such act is amended—

[(1) in the first sentence by striking out "each of the fiscal years 1977 and 1978" and inserting in lieu thereof "the fiscal year 1979"; and

[(2) by striking out the third sentence.

[ASSISTANCE FOR AFRICAN REFUGEES

[SEC. 119. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended—

[(1) by redesignating section 495D, as added by section 121 of the International Development and Food Assistance Act of 1977, as section 495E; and

[(2) by adding at the end thereof the following new section:

["SEC. 495F. ASSISTANCE TO AFRICAN REFUGEES.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, exclusively for the relief and rehabilitation of African refugees and other needy people located in Africa. There is authorized to be appropriated for the fiscal year 1979 for purposes of this section, in addition to amounts otherwise available for such purposes, $15,000,000, which amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with policies and general authorities contained in section 491.".

[LOCUST PLAGUES CONTROL IN AFRICA

[SEC. 120. In order to assist in attempts to control locust plagues in Africa, especially in the Horn of Africa, there is authorized to be appropriated to the President, in addition to amounts otherwise authorized for disaster relief purposes, $2,000,000, which amount is authorized to remain available until expended.

[REIMBURSABLE DEVELOPMENT PROGRAMS

[SEC. 121. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out "$2,000,000" the first place it appears and all that follows through "1978," and inserting in lieu thereof "$3,000,000 of the funds made available for the purposes of this Act for the fiscal year 1979".

[AFRICAN DEVELOPMENT FOUNDATION

[SEC. 122. (a) The Congress declares that the United States should place higher priority on the formulation and implementation of policies and programs to enable the people of African nations to develop their potential, fulfill their aspirations, and enjoy better, more productive lives. In furtherance of these objectives, the Congress finds that additional support is needed for community-based self-help activities in Africa and that an African Development Foundation, organized to further the purposes set forth in section 123 of the Foreign Assistance Act of 1961, can complement current United States development programs in Africa.

[TITLE II—FOOD FOR PEACE

[TRANSPORTATION COSTS FOR FOOD FOR DEVELOPMENT PROGRAMS

[SEC. 202. Section 304 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new subsection:

["(d) The Commodity Credit Corporation may pay, with respect to commodities made available under this title to a country on the United Nations Conference on Trade and Development list of relatively least developed countries, freight charges from United States ports to designated ports of entry abroad or to designated points of entry abroad in the case of landlocked countries.".

[APPLICATION OF FOOD FOR DEVELOPMENT PROCEEDS TO REPAYMENT OBLIGATIONS

[SEC. 203. Section 305 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting "(a)" immediately after "SEC. 305."; and

[(2) by adding at the end thereof the following new subsection:

["(b) Such disbursements shall be deemed to be payments with respect to the credit furnished pursuant to the agreement or if, in the case of a country on the United Nation's Conference on Trade and Development list of relatively least developed countries, the disbursements in a fiscal year are greater than the amount of the annual repayment obligation which that country would have to meet for that fiscal year under the agreement but for the disbursements in accordance with the Food for Development Program, then the disbursements which are in excess of the amount of that annual repayment obligation may, to the extent provided in the agreement, be considered as payments with respect to the annual repayment obligations of that country for that fiscal year under other financing agreements under this Act.".

[TITLE III—COORDINATION AND ADMINISTRATION OF THE DEVELOPMENT-RELATED PROGRAMS AND POLICIES OF THE UNITED STATES

[DECLARATION OF OBJECTIVES

[SEC. 301. The Congress declares that the United States Government should place higher priority, in the formulation and implementation of governmental policies, on efforts to help meet the legitimate needs of poor countries for improving the quality of the lives of their populations. The Congress also declares that greater effectiveness and efficiency of United States assistance to such countries can be achieved through improved coordination and administrative consolidation.

[IMPLEMENTATION OF OBJECTIVES

[SEC. 302. In furtherance of the objectives set forth in section 301 the Congress directs the President to institute a strengthened system of coordination of all United States economic policies which impact on the developing countries of the world, including but not limited to policies concerning international trade, commodity agreements, investment, debt, international financial institutions, international and multilateral development agencies and programs, and concessional and grant food assistance, in addition to policies concerning United States bilateral economic development assistance.]

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[TITLE V—ADMINISTRATIVE PROVISIONS

[USE OF COMPETITIVE SELECTION PROCEDURES

[SEC. 501. Section 601 of the Foreign Assistance Act of 1961 is amended by adding the following new subsection at the end thereof:

["(e)(1) The Congress finds that significantly greater effort must be made in carrying out programs under part I of this Act to award contracts on the basis of competitive selection procedures. All such contracts should be let on the basis of competitive selection procedures except in those limited cases in which the procurement regulations governing the agency primarily responsible for administering part I of this Act allow noncompetitive procedures to be used.

["(2) In order to provide the Congress with information to assist it in assessing the efforts of the agency primarily responsible for administering part I of this Act to make the maximum possible use of competitive selection procedures, the Administrator of that agency—

["(A) when submitting the congressional presentation materials for developing assistance for fiscal year 1980, shall also submit to the Congress a report identifying and describing each contract in an amount in excess of $100,000 which the agency entered into without competitive procedures during the period April 1, 1978, to September 30, 1978, and explaining why each such contract was not the subject of competitive selection procedures; and

[“(B) when submitting the congressional presentation materials for development assistance for fiscal year 1981, shall also submit to the Congress a report identifying and describing each contract in an amount in excess of $100,000 which the agency entered into without competitive selection procedures during the fiscal year 1979 and explaining why each such contract was not the subject of competitive selection procedures.”.

[ANNUAL FOREIGN ASSISTANCE REPORT

[SEC. 502. (a) Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “(c)” in section 634(c) and inserting in lieu thereof “SEC. 633A. FURNISHING INFORMATION.—” and by inserting such redesignated section immediately after section 633; and

[(2) by striking out the remaining provisions of section 634 and inserting in lieu thereof the following:

[“SEC. 634. ANNUAL REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding United States development policy, including the amounts and effectiveness of assistance provided by the United States Government to developing countries and international organizations, the Chairman of the Development Coordination Committee shall transmit to the Congress not later than February 1 of each year a report on foreign assistance for the fiscal year ending the previous September 30. The report shall include—

[“(1)(A) a comprehensive and coordinated review of all United States policies and programs having a major impact on the development of developing countries, including but not limited to bilateral and multilateral assistance, trade, debt, employment, food, energy, technology, population, oceans, environment, human settlements, natural resources, and participation in international agencies concerned with development;

[“(B) an assessment of the impact of such policies and programs on the well-being of the poor majority in developing countries in accordance with the policy objectives of chapter 1 of part I, including the progress developing countries are making toward achieving those objectives which are indicative of improved well-being of the poor majority, which objectives shall include but not be limited to increasing life expectancy and literacy, lowering infant mortality and birth rates, and increasing food production and employment; and

[“(C) an assessment of the impact of such policies and programs on economic conditions in the United States, including but not limited to employment, wages, and working conditions;

[“(2) the dollar value of all foreign assistance and guaranties by category and by country provided or made by the United States Government by any means to all foreign countries and international organizations—

[“(A) from 1946 to the fiscal year immediately preceding the fiscal year for which the report is required;

[“(B) as presented to Congress for the immediate preceding fiscal year;

[“(C) as obligated during the immediately preceding fiscal year;

[“(D) as planned for the fiscal year in which the report is presented; and

[“(E) as proposed for the fiscal year following the year in which the report is presented;

[“(3) a summary of repayments, by country, to the United States from previous foreign assistance loans;

[“(4) the status of each loan and each contract of guaranty or insurance theretofore made under this Act, predecessor Acts, or any Act authorizing international security assistance, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each extension of credit for the procurement of defense articles or defense services, and of each contract of guarantee in connection with any such procurement, therefore made under the Arms Export Control Act with respect to which their remains outstanding any unpaid obligation or potential liability; the status of each sale of agricultural commodities on credit terms, theretofore made under the Agricultural Trade Development and Assistance Act of 1954 with respect to which there remains outstanding any unpaid obligation; and the status of each transaction with respect to which a loan, contract or guarantee of insurance, or extension of credit (of participation therein) was theretofore made under the Export-Import Bank Act of 1945 with respect to which there remains outstanding any unpaid obligation or potential liability; except that such report shall include individually only any loan, contract, sale, extension of credit, or other transaction listed in this paragraph which is in excess of $1,000,000;

[“(5)(A) the status of the debt servicing capacity of each country receiving assistance under this Act;

[“(B) all forms of debt relief granted by the United States with respect to such countries, together with a detailed statement of the specific debt relief granted with respect to each such country and the purpose for which it was granted; and

[“(C) a summary of the net aid flow from the United States to such countries, taking into consideration the debt relief granted by the United States; and

[“(6) such other matters relating to foreign assistance provided by the United States Government under part I as the Chairman of the Development Coordination Committee considers appropriate.

[“(b) For purposes of this section—

[“(1) ‘foreign assistance’ means any tangible or intangible item provided by the United States Government to a foreign country or international organization under this or any other Act, including but not limited to any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies of any foreign country which are owned by the United States Government; and

[“(2) ‘provided by the United States Government’ includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit, or guaranty.”.

[(b) Part III of the Foreign Assistance Act of 1961 is amended by redesignating section 671 as section 634A and by inserting such redesignated section immediately after section 634.

[(c) Part III of such Act, as amended by subsection (b) of this section, is further amended by adding the following new section immediately after new section 634A:

[“SEC. 634B. CLASSIFICATION OF REPORTS.—All information contained in any report transmitted under this Act shall be public information. However, in the case of any item of information be included in any such report that the President, on an extraordinary basis, determines is clearly determental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplemental report shall be transmitted to the Congress at the time the report is transmitted.”.

[(d)(1) Title XI of chapter 2 of part I and sections 120(d), 222A (j), 495C(e), 620(w), 621A(c), 640B(d), and 657 of the Foreign Assistance Act of 1961 are repealed.

[(2) Section 640B(g) of such Act is amended by striking out “subsection (d), the President” and inserting in lieu thereof “section 634, the Chairman of the Committee”.

[REIMBURSABLE TECHNICAL ASSISTANCE

[“SEC. 503. Section 607 of the Foreign Assistance Act of 1961 is amended by redesignating subsection (b) as subsection (c) and by inserting the following new subsection (b) immediately after subsection (a):

[“(b) When any agency of the United States Government provides services on an advance-of-funds or reimbursable basis under this section, such agency may contract with individuals for personal service abroad or in the United States to perform such services or to replace officers or employees of the United States Government who are assigned by the agency to provide such services. Such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Civil Service Commission.”.

[AUDITOR GENERAL

[“SEC. 504. Section 624 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(g)(1) In addition to the officers provided for in subsection (a) of this section, there shall be an Auditor General who shall be appointed by the Administrator of the agency primarily responsible for administering part I of this Act. The Auditor General shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code.

[“(2) The Auditor General shall report to and be under the direct supervision of the Administrator.

[“(3) The Auditor General shall, with respect to the duties and responsibilities of the agency primarily responsible for administer-

ing part I of this Act and subject to the authority of the Administrator of such agency, supervise, direct, and control all audit and investigative activities relating to the programs and operations of the agency.

[“(4) The Auditory General shall submit an annual report to the Administrator. This report shall be provided to the Congress without further clearance or approval as part of the annual report required by section 634 of this Act.

[“(5) In the execution of the responsibilities and duties assigned in paragraph (3) of this subsection, the Auditor General shall have (A) access to all records, reports, papers, and documents of the agency and its administrative subdivisions, and (B) authority to request such information or assistance as necessary for carrying out the duties set forth in this subsection from any Federal, State, or local governmental agency or unit thereof, and from contractors, grantees, and loan recipients of the agency.”.

[MOTOR VEHICLES

[SEC. 505. Section 636(a)(5) of the Foreign Assistance Act of 1961 is amended by striking “$3,500” and inserting in lieu thereof “the current market price in the United States of a mid-sized sedan or station wagon meeting the requirements established by the General Services Administration for a Class III vehicle of United States manufacture (or, if the replacement vehicle is a right-hand drive vehicle, 120 percent of that price)”.

[OPERATING EXPENSES

[SEC. 506. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

[(1) in the text preceding paragraph (1) by striking out “1978” and inserting in lieu thereof “1979”; and

[(2) in paragraph (12) by striking out “$220,200,000’ and inserting in lieu thereof “$261,000,000”.

[TITLE VI—MISCELLANEOUS PROVISIONS

[REDUCTION OF AUTHORIZATION

[SEC. 601. The total funds authorized to be appropriated in this Act (excluding funds authorized to be appropriated to carry out section 214 of the Foreign Assistance Act of 1961) shall be reduced by 5 percent.

[PROHIBITION ON ASSISTANCE TO VIETNAM, CAMBODIA, AND CUBA

[SEC. 602. Notwithstanding any other provision of law or of this Act, funds authorized to be appropriated in this Act shall not be used for any form of aid, either by monetary payment or by the sale or transfer of any goods of any nature, to the Socialist Republic of Vietnam, Cambodia, or Cuba.

[REPORTS TO CONGRESS ON DEBT RELIEF AGREEMENTS

[SEC. 603(a)(1) The Secretary of State shall keep the Committee on Foreign Relations of the Senate, the Committee on International Relations of the House of Representatives, and the

Comittee on Appropriations of each House of the Congress fully and currently informed of any negotiations with any foreign government with respect to any cancellation, renegotiations, rescheduling, compromise, or other form of debt relief (including any modification of the terms, conditions, or manner of repayment), with regard to any debt owed to the United States by such foreign government.]

* * * * * * *

[(b) Section 4 of the Foreign Disaster Assistance Act of 1974 is repealed.

[MISCELLANEOUS REPEALS

[SEC. 604. Sections 302(d), 302(e), 302(f), 302(g), 302(h), 304, 494A, 495A, 618, 619, 637(a), 649, 651, 655, 656, 658, and 665, and chapters 6 and 7 of part I, of the Foreign Assistance Act of 1961 are repealed.

EFFECTIVE DATE

[SEC. 605. The amendments made by this Act shall take effect on October 1, 1978.]

INTERNATIONAL SECURITY ASSISTANCE ACT OF 1978

[SHORT TITLE

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

[CONTINGENCY FUND

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

[INVOLVEMENT OF UNITED STATES PERSONNEL IN NARCOTICS CONTROL ENFORCEMENT ACTIVITIES ABROAD

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

[USE OF HERBICIDES TO ERADICATE MARIHUANA

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

["(d)(1) Assistance authorized by this chapter may not be made available or used for any program involving the spraying of a herbicide to eradicate marihuana plants if the use of that herbicide is

likely to cause serious harm to the health of persons who may use or consume the sprayed marihuana. This prohibition shall not apply if the herbicide is used in conjunction with another substance that will clearly and readily warn potential users and consumers of the sprayed marihuana that a herbicide has been used on it.

[“(2) The Secretary of State shall inform the Secretary of Health, Education, and Welfare of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a program receiving assistance under this chapter. The Secretary of Health, Education, and Welfare, on the basis of scientific information and testing and after receiving comments from the Secretary of Agriculture and the Administrator of the Environmental Protection Agency, shall promptly advise the Secretary of State if the use of that herbicide is likely to cause serious harm to the health of persons who may use or consume marihuana sprayed with that herbicide. If the Secretary of State is so advised with respect to any herbicide, the prohibition contained in paragraph (1) shall apply with respect to the use of that herbicide.

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

[INTERNATIONAL NARCOTICS CONTROL

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

[(b) Such section is further amended—

[(1) by inserting “(a)” immediately before “To carry out”; and

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

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

[HUMAN RIGHTS

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

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

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

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

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

[(2) Section 4 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new subsection:

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

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

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

[MILITARY ASSISTANCE

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

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

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

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

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

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

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

[INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

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

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

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

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

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

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

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

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

[ECONOMIC SUPPORT FUND

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

["CHAPTER 4—ECONOMIC SUPPORT FUND

["SEC. 531. AUTHORITY.—(a)(1) The Congress recognizes that under special economic, political, or security conditions the national interests of the United States may require economic support for countries or in amounts which could not be justified solely under chapter 1 of part I. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. In planning assistance intended for economic

development under this chapter, the President shall take into account, to the maximum extent feasible, the policy direction of section 102.

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

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

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

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

[“SEC. 532. MIDDLE EAST PROGRAM.—(a) The Congress recognizes that a peaceful and lasting resolution of the divisive issues that have contributed to tension and conflict between countries in the Middle East is essential to the security of the United States and the cause of world peace. The Congress declares and finds that the United States can and should play a constructive role in securing a just and durable peace in the Middle East by facilitating increased understanding between the Arab countries and Israel and by assisting the countries in the region in their efforts to achieve economic progress and political stability, which are the essential foundations for peace. It is the sense of the Congress that United States assistance programs in the Middle East should be designed to promote mutual respect and security among the countries in the region and to foster a climate conducive to increased economic development, thereby contributing to a community of free, secure, and prospering countries in the Middle East.

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

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

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

[“(4) The President is requested to provide that at least $65,000,000 of the funds allocated for Egypt under this chapter for the fiscal year 1979 shall be available for the development and encouragement of private enterprise in Egypt. Programs financed under this paragraph shall be developed in close consultation with

the Overseas Private Investment Corporation. It is the intent of the Congress that the funds made available under this paragraph should be used, to the maximum extent feasible, to encourage other donors, especially the Arab countries that are members of the Organization of Petroleum Exporting Countries, to participate in private enterprise development in Egypt. Funds made available under this paragraph may be used, among other things, for lending to Egyptian private business enterprise, to provide necessary surveys, services, and programs to encourage and support private enterprise development, and to contract for personnel to assist such programs.

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

[“(6)(A) Funds appropriated to carry out this chapter for the fiscal year 1979 may not be expended for construction of the proposed potash production facility in Jordan until the President has determined, and has reported his determination to the Congress, that Jordan has obtained firm commitments from other sources for the financing, in addition to the proposed United States contribution, which will be required for that project.

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

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

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

[“SEC. 534. TURKEY AND CYPRUS PROGRAMS.—(a) Of the amount authorized to be appropriated to carry out this chapter for

the fiscal year 1979, not less than $15,000,000 shall be available only for refugee relief and reconstruction of Cyprus.

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

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

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

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

[(4) Section 669(a) and 670(a) of such Act are each amended by inserting “(including assistance under chapter 4 of part II)” immediately after “economic assistance” and by striking out “or security supporting”.

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

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

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 11. (a) Section 542 of the Foreign Assistant Act of 1961 is amended by striking out “$31,000,000 for the fiscal year 1978” and inserting in lieu thereof “$31,800,000 for the fiscal year 1979”.

[(b) Section 543 of such Act is amended)

[(1) by striking out “and” at the end of paragraph (1);

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

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

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

[ASSISTANCE FOR PEACEKEEPING OPERATIONS

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

[“CHAPTER 6—PEACEKEEPING OPERATIONS

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

[“SEC. 552. AUTHORIZATION OF APPROPRIATIONS.—(a) There is authorized to be appropriated to the President to carry out the pur-

poses of this chapter, in addition to amounts otherwise available for such purposes, $30,900,000 for the fiscal year 1979.

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

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

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

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

[“(A) the name of such country or organization;

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

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

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

[“(i) using other available funds; or

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

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

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

[“SEC. 554. ADMINISTRATIVE AUTHORITIES.—Except where expressly provided to the contrary, any reference in any law to part I of this Act shall be deemed to include reference to this chapter and any reference in any law to part II of this Act shall be deemed to exclude reference to this chapter.”.

[(b) Section 502B(d)(2)(A) of such Act is amended—

[(1) by inserting “or chapter 6 (peacekeeping operations)” immediately after “and training)”; and

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

[(c)(1) Section 620B of such Act is amended in paragraph (1) by striking out “or 5” and inserting in lieu thereof “5, or 6”.

[(2) Section 653(b) of such Act is amended—

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

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

[(3) Section 669(a) and 670(a) of such Act are each amended by inserting “providing assistance under chapter 6 of part II,” immediately after “training,”.

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

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

[UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

tion 35(b) of the Arms Export Control Act, of a proposed sale of defense articles or services to Greece or Turkey.".

[ANNUAL MILITARY ASSISTANCE REPORT

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

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

[ARMS TRANSFER POLICY

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

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

[SALES FROM STOCK

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

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

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

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

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

[RENEGOTIATION ACT OF 1951

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

["(c) The provisions of the Renegotiation Act of 1951 do not apply to contracts for the procurement of defense articles and de-

fense services heretofore or hereafter entered into under this section or predecessor provisions of law.".

[ANNUAL ARMS SALES PROPOSAL

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

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

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

[DEFENSE REQUIREMENT SURVEYS

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

["SEC. 26. DEFENSE REQUIREMENT SURVEYS.—(a) The Congress finds that defense requirement surveys prepared by the United States for foreign countries have had a significant impact on subsequent military procurement decisions of those countries. It is the policy of the United States that the results of defense requirement surveys conducted by the United States clearly do not represent a commitment by the United States to provide any military equipment to any foreign country. Further, recommendations in such surveys should be consistent with the arms export control policy provided for in this Act.

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

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

[FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

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

[(b) Section 31(b) of such Act is amended by striking out "$2,102,350,000 for the fiscal year 1978, of which" and inserting in

lieu thereof "$2,152,350,000 for the fiscal year 1978 and $2,085,500,000 for the fiscal year 1979, of which amount for each such year".

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

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

[FULL DISCLOSURE REPORTS

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

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

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

["(i) contribute to an arms race;

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

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

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

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

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

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

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

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

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

[USE OF FOREIGN CURRENCY

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

["(b)(1)(A) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provisions of law—

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

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

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

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

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

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

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

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

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

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

[“(2) On a quarterly basis, the chairman of each committee of the House of Representatives or the Senate and of each joint committee of the Congress (A) shall prepare a consolidated report (i) which itemizes the amounts and dollar equivalent values of each foreign currency expended and the amounts of dollar expenditures from appropriated funds in connection with travel outside the United States, stating the purposes of the expenditures including per diem (lodging and meals), transportation, and other purposes, and (ii) which shows the total itemized expenditures, by such committee and by each member or employee of such committee (including in the case of a committee of the Senate, each employee of a member of the committee who received an authorization under paragraph (1) from the chairman of the committee); and (B) shall forward such consolidated report to the Clerk of the House of Representatives (if the committee is a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Secretary of the Senate (if the committee is a committee of the Senate or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such consolidated report shall be open to public inspection and shall be published in the Congressional Record within ten legislative days after the report is forwarded pursuant to this paragraph. In the case of the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives, such consolidated report may, in the discretion of the chairman of the committee, omit such information as would identity the foreign countries in which members and employees of that committee traveled.

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

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

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

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

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

[(A) to transfer, without reimbursement, to the Republic of Korea, only in conjunction with the withdrawal of the 2d Infantry Division and support forces from Korea, such United States Government-owned defense articles as he may determine which are located in Korea in the custody of units of the United States Army scheduled to depart from Korea; and

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

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

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

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

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

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

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

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

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

[UNITED STATES-REPUBLIC OF CHINA MUTUAL DEFENSE TREATY

[SEC. 26. (a) The Congress finds that—

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

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

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

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

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

[NEGOTIATIONS BETWEEN ISRAEL AND EGYPT

[SEC. 28. (a) The Congress finds that—

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

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

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

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

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

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

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

[REPORTS TO CONGRESS

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

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

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

[(A) in section 202, by striking out "(a)" immediately after "SEC. 202." and by repealing subsection (b);

[(B) by repealing section 217;

[(C) by repealing section 218; and

[(D) in section 407, by striking out "(a)" and by repealing subsection (b).

[(2) The International Security Assistance Act of 1977 is amended—

[(A) in section 9—

[(i) by striking out "REVIEW OF" in the section heading;

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

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

[(B) by repealing section 23.

[(3) Section 5 of the Emergency Security Assistance Act of 1973 is repealed.

[(4) Section 17 of the Foreign Assistance Act of 1974 is repealed.

[SAVINGS PROVISION

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

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1977

AN ACT To amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1978, to amend the Agricultural Trade Development and Assistance Act of 1954 to make certain changes in the authorities of that Act, and for other purposes.

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

SHORT TITLE

SECTION 1. This Act may be cited as the "International Development and Food Assistance Act of 1977".

[TITLE I—INTERNATIONAL DEVELOPMENT ASSISTANCE

[DEVELOPMENT ASSISTANCE POLICY

[SEC. 101. (a) Subsection (d) of section 102 of the Foreign Assistance Act of 1961 is amended to read as follows:

["(d)(1) Development assistance furnished under this chapter shall be increasingly concentrated in countries which will make the most effective use of such assistance to help the poor toward a better life (especially such countries which are suffering from the worst and most widespread poverty and are in greatest need of outside assistance). In order to make possible consistent and informed judgments concerning which countries will make the most effective use of such assistance, the President shall propose appropriate criteria and factors to assess the commitment and progress of countries in meeting the objectives set forth in subsection (c) of this section and in other sections of this chapter. In developing such criteria and factors, the President shall specifically take into account their value in assessing countries' actions which demonstrate genuine concern and effective action for materially improving the lives of the poor and their ability to participate in development, including but not limited to efforts to—

["(A) increase agricultural productivity per unit of land through small-farm, labor-intensive agriculture;

["(B) reduce infant mortality;

["(C) control population growth;

[“(D) promote greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers; and

[“(E) reduce rates of unemployment and underemployment.

A report on such proposed criteria and factors shall be transmitted to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate by January 31, 1978.

[“(2) The President shall endeavor to bring about the adoption of similar criteria and factors by international development organizations in which the United States participates.

[“(3) Presentation materials, submitted to the Congress with respect to assistance under this chapter, beginning with fiscal year 1977, shall contain detailed information concerning the steps being taken to implement this subsection.”.

[(b) Such section 102 is amended by adding at the end thereof the following new subsection:

[“(e) For the purpose of promoting economic growth in the poorest countries, the President is authorized, notwithstanding any other provision of law, to make assistance under this chapter available to the relatively least developed countries on a grant basis to the maximum extent that is consistent with the attainment of United States development objectives.”.

[FOOD AND NUTRITION

[SEC. 102. (a) Subsection (a) of section 103 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “$291,000,000” and all that follows through “1976 and”; and

[(2) by inserting “and $580,000,000 for the fiscal year 1978” immediately after “1977”.

[(b) Such section 103 is amended by adding at the end thereof the following new subsection:

[“(h) of the funds authorized to be appropriated by this section for the fiscal year 1978, the President is requested to commit up to $60,000,000 for the purposes of assisting India with foreign exchange costs incurred in connection with the construction of grain storage facilities or other purposes specified in this section.”.

[POPULATION PLANNING AND HEALTH

[SEC. 103. (a) Section 104 of the Foreign Assistance Act of 1961 is amended by striking out subsection (a) and inserting in lieu thereof the following new subsections:

[“(a) In order to increase the opportunities and motivation for family planning and to reduce the rate of population growth, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for population planning. There are authorized to be appropriated to the President for the purposes of this subsection, in addition to funds otherwise available for such purposes, $167,000,000 for the fiscal year 1978, which amount is authorized to remain available until expended.

[“(b) In order to prevent and combat disease and to help provide health services for the great majority, the President is authorized to furnish assistance, on such terms and conditions as he may

determine, for health, disease prevention, and environmental sanitation. There are authorized to be appropriated to the President for the purposes of this subsection, in addition to funds otherwise available for such purposes, $107,700,000 for the fiscal year 1978, which amount is authorized to remain available until expended.".

[(b) Subsection (b) of such section 104 is redesignated as subsection (c).

[(c) Such section 104 is amended by adding at the end thereof the following new subsection:

["(d)(1) Assistance under this chapter shall be administered so as to give particular attention to the interrelationship between (A) population growth, and (B) development and overall improvement in living standards in developing countries, and to the impact of all programs, projects, and activities on population growth. All appropriate activities proposed for financing under this chapter shall be designed to build motivation for smaller families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to the urban poor.

["(2) The President is authorized to study the complex factors affecting population growth in developing countries and to identify factors which might motivate people to plan family size or space their children.".

[(d) The amendment made by subsection (a) of this section shall take effect on October 1, 1977.

[EDUCATION AND HUMAN RESOURCE DEVELOPMENT

[SEC. 104. (a) Subsection (a) of section 105 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "$90,000,000" and all that follows through "1976 and"; and

[(2) by inserting "and $84,900,000 for the fiscal year 1978" immediately after "1977".

[(b) Subsection (c) of such section is amended by inserting "for the fiscal year 1977, and not less than $1,647,000 shall be available for the fiscal year 1978," immediately after "shall be available".

[TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

[SEC. 105. Section 106(b) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "$99,550,000 for the fiscal year 1976 and"; and

[(2) by inserting "and $105,000,000 for the fiscal year 1978" immediately after "fiscal year 1977".

[COST-SHARING AND FUNDING LIMITS

[SEC. 106. Section 110 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a) by striking out "107" and inserting in lieu there of "106"; and

[(2) in subsection (b)—

[(A) by striking out "No" and inserting in lieu there of "Except for grants to countries determined to be relatively least developed based on the United Nations Conference on Trade and Development list of 'relatively least developed countries', no"; and

[(B) by striking out "107" and inserting in lieu thereof "106".

[DEVELOPMENT AND USE OF COOPERATIVES

[SEC. 107. (a) Section 111 of the Foreign Assistance Act of 1961 is amended—

[(1) in the first sentence by striking out "assistance in the development" and inserting in lieu thereof "technical and capital assistance in the development and use"; and

[(2) by amending the second sentence to read as follows: "Not less than $10,000,000 of the funds made available under this Act for the fiscal year 1978 may be used only for technical assistance to carry out the purposes of this section.".

[(b) The amendments made by subsection (a) shall take effect on October 1, 1977.

[INTEGRATING WOMEN INTO NATIONAL ECONOMIES

[SEC. 108. Section 113 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 113. INTEGRATING WOMEN INTO NATIONAL ECONOMIES.—(a) In recognition of the fact that women in developing countries play a significant role in economic production, family support, and the overall development process of the national economies of such countries, this part shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of developing countries, thus improving their status and assisting the total development effort.

["(b) The President shall transmit to the Speaker of the House of Representatives and to the committee on Foreign Relations of the Senate a report on the impact of development programs, projects, and activities on the integration of women into the developing economies of countries receiving assistance under this part. The report shall include—

["(1) an evaluation of progress toward developing an adequate data base on the role of women in the national economies of recipient countries;

["(2) a specific description of the efforts undertaken to implement subsection (a); and

["(3) an evaluation of the effectiveness of such efforts.

["(c) The report required by subsection (b) shall be transmitted not later than one year after the date of enactment of this subsection.".

[PROHIBITION ON USE OF FUNDS FOR INVOLUNTARY STERILIZATIONS

[SEC. 109. Section 114 of the Foreign Assistance Act of 1961 is amended—

[“(1) by striking out “ABORTIONS.—” and inserting in lieu thereof “ABORTIONS OR INVOLUNTARY STERILIZATIONS.—(a) ”; and

[“(2) by adding at the end thereof the following new subsection:

[“(b) None of the funds made available to carry out this part shall be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to practice sterilizations.”.

[LIMITATIONS ON DEVELOPMENT ASSISTANCE

[SEC. 110. Section 115(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(a) None of the funds made available to carry out this chapter may be used in any fiscal year for any country to which assistance is furnished in such fiscal year under chapter 4 of part II (security supporting assistance) or under part VI (assistance for Middle East peace) unless the Congress has specifically authorized such use of those funds. The specific authorization requirement of this subsection shall be deemed to be satisfied if the purpose for which funds are to be used is described in the presentation materials submitted to the Congress on proposed development assistance programs for the fiscal year in question and the Congress indicates its approval of such use in the legislation authorizing development assistance programs for such fiscal year.”.

[HUMAN RIGHTS

[SEC. 111. (a) Subsections (c) and (d) of section 116 of the Foreign Assistance Act of 1961 are amended to read as follows:

[“(c) In determining whether or not a government falls within the provisions of subsection (a) and in formulating development assistance programs under this part, the Administrator shall consider, in consultation with the Coordinator for Human Rights and Humanitarian Affairs—

[“(1) the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organization of American States; and

[“(2) specific actions which have been taken by the President or the Congress relating to multilateral or security assistance to a less developed country because of the human rights practices or policies of such country.

[“(d) The Secretary of State shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, by January 31 of each year, a full and complete report regarding—

[“(1) the status of internationally recognized human rights, within the meaning of subsection (a), in countries that receive assistance under this part; and

[“(2) the steps the Administrator has taken to alter United States programs under this part in any country because of human rights considerations.”.

[(b) Such section 116 is amended by adding at the end thereof the following new subsection:

[“(e) Of the funds made available under this chapter for the fiscal year 1978, not less than $750,000 may be used only for studies to identify, and for openly carrying out, programs and activities which will encourage or promote increased adherence to civil and political rights, as set forth in the Universal Declaration of Human Rights, in countries eligible for assistance under this chapter. None of these funds may be used, directly or indirectly, to influence the outcome of any election in any country.”.

[INFANT NUTRITION

[SEC. 112. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 117. INFANT NUTRITION.—The President is encouraged (1) to devise and carry out in partnership with developing nations a strategy for programs of nutrition and health improvement for mothers and children, including breast-feeding, and (2) to provide technical, financial, and material support to individuals or groups at the local level for such programs.”.

[ENVIRONMENT AND NATURAL RESOURCES

[SEC. 113. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by section 112 of this Act, is further amended by adding at the end thereof the following new section:

[“SEC. 118. ENVIRONMENT AND NATURAL RESOURCES.—The President is authorized to furnish assistance under this part for developing and strengthening the capacity of less developed countries to protect and manage their environment and natural resources. Special efforts shall be made to maintain and where possible restore the land, vegetation, water, wildlife, and other resources upon which depend economic growth and human well-being, especially that of the poor.”.

[(b) Section 102 of such Act is amended—

[(1) by inserting in the seventh paragraph of subsection (a) “environment and natural resources,” immediately after “decent housing,”; and

[(2) by inserting in subsection (b)(2) “environment and natural resources;” immediately after “health;”.

[RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES

[SEC. 114. Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by sections 112 and 113 of this Act, is further amended by adding at the end thereof the following new section:

[“SEC. 119. RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES.—(a)(1) The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation, with particular emphasis on programs in research, development, and use of small-

scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act. Programs under this subsection shall be undertaken, whenever appropriate, in cooperation with the Energy Research and Development Administration or its successor and shall be carried out, to the greatest extent possible, through and in conjunction with activities under section 107 of this Act. These programs shall be directed toward the earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain, and are transferable from one region of the world to another.

[“(2) Of the funds made available to carry out this chapter for the fiscal year 1978, up to $18,000,000 are to be used for carrying out this subsection.

[“(b)(1) In furtherance of the purposes of this section, the President is authorized to carry out studies to identify the energy needs, uses, and resources which exist in developing countries. The results of the studies conducted under this subsection shall be reported to the Congress by March 1, 1978.

[“(2) The Agency for International Development, in cooperation with the Energy Research and Development Administration or its successor, shall conduct a review of the options for implementing the purposes of this section, one of which shall be a proposal for a nonprofit Government corporation (which would be designated as the International Energy Institute) outside the Agency for International Development. The President shall submit a comprehensive report on such review to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate by January 31, 1978, together with his recommendations as to which option should be implemented.”.

[SAHEL DEVELOPMENT PROGRAM

[SEC. 115. Part I of the Foreign Assistance Act of 1961 is amended—

[(1) by redesignating section 494B as section 120 and inserting such redesignated section at the end of chapter 1 of such part, as amended by sections 112, 113, and 114 of this Act;

[(2) by amending the section caption of such redesignated section to read “SAHEL DEVELOPMENT PROGRAM—PLANNING”; and

[(3) by inserting the following new section immediately after such redesignated section:

[“SEC. 121. SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may determined, for the long-term development of the Sahelian region. Assistance furnished under this section shall be in accordance with a long-term, multidonor development plan which calls for equitable burdensharing with other donors and shall be furnished, whenever appropriate, in cooperation with an international coordinating mechanism.

[“(b) The President shall prepare an annual report on the Sahel Development Program concerning the allocation of the United States contribution to the Program, the extent of the contributions from other donor countries, the effectiveness of the integrated effort through the Club des Amis du Sahel, and the progress made in achieving the objective of the Program.

[“(c) There are authorized to be appropriated to the President for purposes of this section beginning in the fiscal year 1978, in addition to funds otherwise available for such purposes, $200,000,000, except that not to exceed $50,000,000 may be appropriated under this section for the fiscal year 1978. Amounts appropriated under this section are authorized to remain available until expended.”.

[AMERICAN SCHOOLS AND HOSPITALS ABROAD

[SEC. 116. (a) Section 214 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (c)—

[(A) by striking out “each of the fiscal years 1974” and all that follows through “1976 and” and inserting in lieu thereof “the fiscal year”; and

[(B) by inserting “and for the fiscal year 1978, $25,000,000, immediately after “$25,000,000,”;

[(2) in subsection (d)—

[(A) by striking out “1974” and all that follows through “1976 and”; and

[(B) by inserting “and 1978” immediately after “1977”; and

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

[“(f) Notwithstanding the provisions of subsection (b), funds appropriated under this section may be used for assistance to centers for pediatric plastic and reconstructive surgery established by Children’s Medical Relief International, except that assistance may not be furnished for the domestic operations of any such center located in the United States, its territories or possessions.”.

[(b) The amendment made by subsection (a)(3) shall not apply to funds appropriated before the date of enactment of this Act.

[HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

[SEC. 117. (a)(1) Section 221 of the Foreign Assistance Act of 1961 is amended—

[(A) by striking out the second sentence; and

[(B) in the last sentence, by inserting “, section 222(c),” immediately after “222(b)”.

[(2) Section 222(c) of such Act is amended—

[(A) by inserting “or under section 221” immediately after “1969”; and

[(B) by striking out “$600,000,000” and inserting in lieu thereof “$1,030,000,000”.

[(3) Section 223(i) of such Act is amended by striking out “1978” and inserting in lieu thereof “1979”.

[(b)(1) Section 222A(h) of such Act is amended by striking out “December 31, 1977” and inserting in lieu thereof “September 30, 1978”.

[(2) Section 223(b) of such Act is amended—

[(A) by striking out "hereunder" and inserting in lieu thereof "under section 221 or 222 or under prior housing guaranty authorities"; and

[(B) by adding at the end thereof the following new sentence: "Fees collected in connection with guaranties issued under section 222A shall likewise be available to meet similar expenses, costs, or liabilities incurred in connection with the programs authorized by that section.".

[(c) Section 223(j) of such Act is amended in the last sentence—

[(1) by striking out "1977" and inserting in lieu thereof "1978"; and

[(2) by striking out "$50,000,000", "$20,000,000", and "$15,000,000", and inserting in lieu thereof "$75,000,000", "$30,000,000", and "$30,000,000", respectively.

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 118. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "for the fiscal year 1974," and all that follows through "$194,500,000 and";

[(2) by inserting immediately before the period at the end of the first sentence "and for the fiscal year 1978, $252,000,000"; and

[(3) by adding at the end thereof the following new sentence: "Of the funds authorized to be appropriated under this subsection for the fiscal year 1978, not to exceed $42,500,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees.".

[(b) Section 305 of such Act is amended by adding at the end thereof the following new sentence: "The President is further requested, in making United States contributions to such organizations, to take into account the progress, or lack of progress, of such organizations in adopting and implementing policies and practices which encourage and promote the integration of women into the national economies of member and recipient countries, and into professional and policymaking positions within such organizations, in accordance with the World Plan of Action of the Decade for Women.".

[INTERNATIONAL DISASTER ASSISTANCE

[SEC. 119. The first sentence of section 492 of the Foreign Assistance Act of 1961 is amended by striking out "1976 and 1977" and inserting in lieu thereof "1977 and 1978".

[ITALIAN RELIEF, REHABILITATION, AND RECONSTRUCTION

[SEC. 120. Section 495B of the Foreign Assistance Act of 1961 is amended—

[(1) by redesignating subsection (b) as subsection (c); and

[(2) by inserting immediately after subsection (a) the following new subsection:

[“(b) There are authorized to be appropriated to the President $30,000,000 for the fiscal year 1978 for relief, rehabilitation, and reconstruction assistance, in accordance with the provisions of section 491 and on such terms and conditions as he may determine, for the people who have been victimized by the recent earthquakes in Italy. Amounts appropriated under this subsection are authorized to remain available until expended.”.

[TURKEY RELIEF, REHABILITATION, AND RECONSTRUCTION

[SEC. 121. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 495D. TURKEY RELIEF, REHABILITATION, AND RECONSTRUCTION.—The President is requested to use up to $10,000,000 of the funds made available under section 492 of this Act to provide relief, rehabilitation, and reconstruction assistance to the victims of the recent earthquakes in Turkey.”.

[USE OF FOREIGN VOLUNTARY NONPROFIT AGENCIES

[SEC. 122. (a) Section 607 of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end of the first sentence “(including foreign voluntary nonprofit relief agencies so registered and approved when no United States voluntary nonprofit relief agency is available)”.

[(b) For purposes of implementing the amendment made by subsection (a), the President shall issue regulations governing registration with and approval by the Advisory Committee on Voluntary Foreign Aid of Foreign voluntary nonprofit agencies.

[REPEAL OF PROHIBITIONS ON AID TO COUNTRIES ASSISTING OR TRADING WITH CUBA OR VIETNAM

[SEC. 123. (a) Section 620(a) of the Foreign Assistance Act of 1961 is amended—

[(1) in the first sentence of paragraph (1) by striking out the semicolon and all that follows through “States”; and

[(2) by striking out paragraph (3).

[(b) Section 620(n) of such Act is repealed.

[(c) Section 664 of such Act is repealed.

[INSPECTOR GENERAL, FOREIGN ASSISTANCE

[SEC. 124. (a)(1) Section 624(d) of the Foreign Assistance Act of 1961 is repealed.

[(b) Section 5315 of title 5, United States Code, is amended by repealing paragraphs (52) and (53).

[(c) The amendments made by this section shall take effect on July 1, 1978.

[FOREIGN SERVICE OFFICERS

[SEC. 125. The last proviso of section 625(d)(2) of the Foreign Assistance Act of 1961 is amended by striking out the semicolon and “however, the authority contained in this proviso may not be exercised with respect to the assignment to such duty of more than fifty persons at any time”.

[DOUBLE DIPPING

[SEC. 126. Section 626(b) of the Foreign Assistance Act of 1961 is amended by striking out "sections 3323(a) and 8344 of title 5 of the United States Code, section 872 of the Foreign Service Act of 1946, as amended, or any other law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities, subject to section 5532" and inserting in lieu thereof "section 3323(a)".

[COORDINATION OF UNITED STATES INTERNATIONAL DEVELOPMENT POLICIES AND PROGRAMS

[SEC. 127. (a) Subsection (a) of section 640B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "The Committee shall advise the President concerning the degree to which bilateral and multilateral development assistance should focus on critical problems in those functional sectors which affect the lives of the majority of people in the developing countries: food production; rural development and nutrition; population planning and health; and education, public administration, and human resource development.".

[(b) Subsection (d) of such section is amended to read as follows:

["(d) The President shall report to the Congress during the first quarter of each calendar year on United States actions affecting the development of less developed countries. The report shall include (1) a comprehensive and coordinated review of all United States policies and programs having a major impact on the development of such countries, including but not limited to the areas of bilateral and multilateral assistance, trade, commodities, monetary affairs, private investment, debt, employment, food, energy, technology, population, oceans, environment, human settlements, natural resources, and participation in international agencies concerned with development; and (2) an assessment of the impact of such policies and programs on (A) national employment, wages, and working conditions in the United States, as well as other aspects of the United States economy, and (B) the well-being of the poor in the less developed countries in accordance with the approach to development outlined in subsections (c) and (d) of section 102 of this Act.".

[(c) Such section 640B is amended by adding at the end thereof the following new subsections:

["(e) The head of any of the departments or agencies referred to in subsection (a) may temporarily assign, upon the request of the Chairman, any employee from such department or agency to the staff of the Committee.

["(f) To carry out the purposes of subsection (a), the Committee shall—

["(1) prepare studies on various development problems;

["(2) devise implementation strategies on developmental problems appropriate to each such department or agency;

["(3) monitor and evaluate the results of the development activities of each such department or agency; and

[“(4) arrange for the exchange of information and studies between such agencies and departments.

[“(g) In his annual report to the Congress pursuant to subsection (d), the President shall include a report on the Committee's operations pursuant to subsection (f).”.

[REIMBURSABLE DEVELOPMENT PROGRAMS

[SEC. 128. Section 661 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “up to $1,000,000” and all that follows through “1976, and”;

[(2) by inserting “of the funds made available for the purposes of this Act” immediately after “$2,000,000” the second place it appears; and

[(3) by inserting “and $2,000,000 of the funds made available for the purposes of this Act in the fiscal year 1978” immediately after “1977”.

[OPERATING EXPENSES

[Sec. 129. (a) Section 667 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 667. OPERATING EXPENSES.—(a) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes, for the final year 1978—

[“(1) $220,200,000 for necessary operating expenses of the agency primarily responsible for administering part I of this Act; and

[“(2) such amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs of such agency.

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

[(b) Section 109 of such Act is amended by inserting immediately before the period in the last sentence a comma and the following: “except that the authority of such sections may be used to transfer for the purposes of section 667 not to exceed five per centum of the amount of funds made available for section 667(a)(1)”.

[NOTIFICATION OF PROGRAM CHANGES

[SEC. 130. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 671. NOTIFICATION OF PROGRAM CHANGES.—None of the funds appropriated to carry out the purposes of this Act (except for programs under title III or title IV of chapter 2 of part I, chapter 5 of part I, and programs of disaster relief and rehabilitation) may be obligated for any activities, programs, projects, types of materiel assistance, countries, or other operations not justified, or in excess of the amount justified, to the Congress for obligation under this Act for any fiscal year unless the Committee on Foreign Relations of the Senate, the Committee on International Relations of the House of Representatives, and the Committee on Appropriations of

each House of the Congress are notified fifteen days in advance of such obligation.".

[FUTURE UNITED STATES DEVELOPMENT ASSISTANCE

[SEC. 131. It is the sense of the Congress that the United States should increase substantially its assistance for self-help development among the world's poorest people. Such assistance should be provided in accordance with the general policies and principles of chapter 1 of part I of the Foreign Assistance Act of 1961, with particular emphasis on encouraging and supporting more equitable patterns of economic growth, especially in the poorest countries, and should be coordinated with similar expanded efforts by international organizations, donor nations, and the recipient countries themselves.

[LIMITATION ON USE OF FUNDS; MISSING IN ACTION IN VIETNAM

[SEC. 132. (a) None of the funds authorized to be appropriated by this Act may be used for assistance to or reparations for the Socialist Republic of Vietnam, Cambodia, Laos, or Cuba.]

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[TITLE II—FOOD FOR PEACE

[REPEAL OF CERTAIN PROHIBITIONS ON TITLE I FINANCING

[SEC. 201. (a) Section 102 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out ": *Provided,*" and all that follows through the end of the section and inserting in lieu thereof a period.

[(b) Section 103(d) of such Act is amended by striking out ", or (3)" and all that follows through "United Arab Republic under title I of this Act".

[ALLOCATION OF TITLE I AGREEMENTS

[SEC. 202. Section 111 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out the first three sentences and inserting in lieu thereof the following: "Not more than 25 per centum of the food aid commodities provided under this title in each fiscal year shall be allocated and agreed to be delivered to countries other than those which meet the poverty criterion established for International Development Association financing and which are affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that (1) the use of such food assistance is required for humanitarian food purposes, or (2) the quantity of commodities which would be required to be allocated under this section to countries which meet the International Development Association poverty criterion could not be used effectively to carry out the humanitarian or development purposes of this title. A reduction below 75 per centum in the proportion of food aid allocated and agreed to be delivered to countries which meet the International Development Association poverty criterion and which are affected by inability to secure sufficient food for their immediate requirements through

their own production or commercial purchase from abroad which results from significantly changed circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section.".

[HUMAN RIGHTS

["Sec. 203. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

["SEC. 112. (a) No agreement may be entered into under this title to finance the sale of agricultural commodities to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, unless such agreement will directly benefit the needy people in such country. An agreement will not directly benefit the needy people in the country for purposes of the preceding sentence unless either the commodities themselves or the proceeds from their sale will be used for specific projects or programs which the President determines would directly benefit the needy people of that country. The agreement shall specify how the projects or programs will be used to benefit the needy people and shall require a report to the President on such use within 6 months after the commodities are delivered to the recipient country.

["(b) To assist in determining whether the requirements of subsection (a) are being met, the Committee on Agriculture, Nutrition, and Forestry of the Senate or the Committee on International Relations of the House of Representatives may require the President to submit in writing information demonstrating that an agreement will directly benefit the needy people in a country.

["(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organization of American States.

["(d) The President shall transmit to the Speaker of the House of Representatives, the President of the Senate, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, in the annual presentation materials on planned programing of assistance under this Act, a full and complete report regarding the steps he has taken to carry out the provisions of this section.".

[FINANCING THE SALE OF FOOD AND FIBER COMMODITIES

[SEC. 204. Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended by sections 203 of this Act, is further amended by adding at the end thereof the following new section:

[“SEC. 113. In the allocation of funds made available under this title, priority shall be given to financing the sale of food and fiber commodities.”.

[HIGH PROTEIN, BLENDED, AND FORTIFIED FOODS

[“SEC. 205 Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended by sections 203 and 204 of this Act, is further amended by adding at the end thereof the following new section:

[“SEC. 114. (a) The Congress declares it to be the policy of the United States to assist developing countries in the transition from food assistance recipients to economic self-sufficiency and to assist those nations which have been recipients of high protein, blended, or fortified foods under title II of this Act to continue to combat hunger and malnutrition among the lower income segments of their population, especially children, through the continued provision of these foods under this title.

[“(b) In implementing the policy declared in subsection (a), the President, in entering into agreements for the sale of high protein, blended, or fortified foods under this title with countries which (1) give assurance that the benefits of any waiver under this section will be passed on to the individual recipients of such foods, and (2) have a reasonable potential for transition to commercial purchasers of such foods, may make provisions for a waiver of repayment of up to that part of the product value which is attributable to the costs of processing, enrichment, or fortification.

[“(c) In implementing this section, due care shall be taken to minimize its impact on other commercial and concessional sales of whole grains and, where feasible, agreements under this title utilizing the authority contained in this section will provide for sales of such commodities.”.

[TITLE II MINIMUM DISTRIBUTION

[SEC. 206. Section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out “title shall be” and all that follows through “unless” and inserting in lieu thereof the following: “title—

[“(1) for fiscal years 1978 through 1980 shall be 1,600,000 metric tons, of which not less than 1,300,000 metric tons shall be distributed through nonprofit voluntary agencies and the World Food Program;

[“(2) for fiscal year 1981 shall be 1,650,000 metric tons, of which not less than 1,350,000 metric tons shall be distributed through nonprofit voluntary agencies and the World Food Program; and

[“(3) for fiscal year 1982 and each fiscal year thereafter shall be 1,700,000 metric tons, of which not less than 1,400,000 metric tons shall be distributed through nonprofit voluntary agencies and the World Food Program;

[unless”.

[TITLE II DISTRIBUTION PRIORITIES

[SEC. 207. Section 202 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting "(a)" immediately after "SEC. 202.";

[(2) by striking out the next to the last sentence; and

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

["(b)(1) Assistance to needy persons under this title shall be directed, insofar as practicable, toward community and other self-help activities designed to alleviate the causes of need for such assistance.

["(2) In order to assure that food commodities made available under this title are used effectively, indigenous workers shall be employed, to the extent feasible, to provide information on nutrition and conduct food distribution programs in the most remote villages.

["(3) In distributing food commodities under this title, priority shall be given, to the extent feasible, to those who are suffering from malnutrition by using means such as (A) giving priority within food programs for preschool children to malnourished children, and (B) giving priority to the poorest regions of countries.".

[USE OF FOREIGN NONPROFIT VOLUNTARY AGENCIES

[SEC. 208. (a) Section 202(a) of the Agricultural Trade Development and Assistance Act of 1954, as redesignated by section 207(1) of this Act, is amended by inserting the following new sentence immediately after the second sentence: "If no United States nonprofit voluntary agency registered with and approved by the Advisory Committee on Voluntary Foreign Aid is available, the President may utilize a foreign nonprofit voluntary agency which is registered with and approved by the Advisory Committee.".

[(b) For purposes of implementing the amendment made by subsection (a), the President shall issue regulations governing registration with an approval by the Advisory Committee on Voluntary Foreign Aid of foreign nonprofit voluntary agencies.

[REIMBURSEMENT OF TRANSPORTATION COSTS

[SEC. 209. Section 203 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by striking out ", or, in the case of landlocked countries," and inserting in lieu thereof a semicolon; and

[(2) by inserting immediately after "points of entry abroad" the following: "in the case (1) of landlocked countries, (2) where ports cannot be used effectively because of natural or other disturbances, (3) where carriers to a specific country are unavailable, or (4) where a substantial savings in costs or time can be effected by the utilization of points of entry other than ports".

[SALE OF TITLE II COMMODITIES TO INCREASE PROGRAM EFFECTIVENESS

[SEC. 210. Section 206 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "purposes

specified in section 103 of the Foreign Assistance Act of 1961" and inserting in lieu thereof "increasing the effectiveness of the programs of food distribution and increasing the availability of food commodities provided under this title to the neediest individuals in recipient countries".

[FOOD FOR DEVELOPMENT PROGRAM

[SEC. 211. (a) Title III of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

[(1) redesignating sections 301, 302, and 303 as sections 308, 309, and 310, respectively; and

[(2) inserting immediately before section 308, as redesignated by paragraph (1), the following new sections:

["SEC. 301. (a) In order to establish a strong relationship between United States food assistance and efforts by developing countries to increase the availability of food for the poor in such countries and improve in other ways the quality of their lives, the President is authorized to encourage the use of the resources provided by the concessional financing of agricultural commodities under this Act for agricultural and rural development, including voluntary family planning, health, and nutrition programs, by permitting the funds accruing from the local sale of such commodities which are used for such purposes to be applied against the repayment obligation of governments receiving concessional financing under this Act. The agreement between the United States Government and an eligible developing country government which provides for repayment of the obligation to the United States accruing from the concessional sale of United States agricultural commodities by the use of funds from the sale of such purposes shall be called a Food for Development Program.

["(b) The overall goal of assistance under this title shall be to increase the access of the poor in the recipient country to a growing and improving food supply through activities designed to improve the production, protection, and utilization of food, and to increase the wellbeing of the poor in the rural sector of the recipient country. Assistance under this title shall be used for programs of agricultural development, rural development, nutrition, health services, and population planning, and the program described in section 406(a)(1) of this Act, in those countries which are undertaking (or are seriously prepared to undertake in connection with the provision of agricultural commodities under this Act) self-help measures to increase agricultural production, improve storage, transportation, and distribution of commodities, and reduce population growth in accordance with section 109 of this Act, when such programs are directed at and likely to achieve the policy objectives of sections 103 and 104 of the Foreign Assistance Act of 1961 and are consistent with the policy objectives of this Act. Particular emphasis should be placed on activities which effectively assist small farmers, tenants, sharecroppers, and landless agricultural services and institutions at the local level, and otherwise providing opportunities for the poor who are dependent upon agriculture and agriculturally related activities to better their lives through their own efforts.

[“SEC. 302. (a) Whenever the President, in consultation with the government of a developing country, determines that such developing country meets the criteria specified in subsection (b) of this section and could benefit from the sale of United States agricultural commodities (including processed and blended foods) for the purposes of generating funds or distributing such commodities for agricultural and rural development, and improving food distribution and use within such country, the President may designate such country as eligible for a Food for Development Program.

[“(b) In order to be eligible for a Food for Development Program under this section, a country must (1) have a need for external resources to improve its food production, marketing, distribution, and storage systems; (2) meet the criterion used to determine basic eligibility for development loans of the International Development Association of the International Bank for Reconstruction and Development; (3) have the ability to utilize effectively the resources made available by the sale of food commodities under this section for the purposes specified in clause (1) of this subsection; and (4) indicate the willingness to take steps to improve its food production, marketing, distribution, and storage systems.

[“(c)(1) Except as provided in paragraph (2) of this subsection, the aggregate value of all agreements entered into under this title—

[“(A) for fiscal year 1978, shall be not less than 5 percent,

[“(B) for fiscal year 1979, shall be not less than 10 percent, and

[“(C) for fiscal year 1980 and each fiscal year thereafter, shall be not less than 15 percent,

of the aggregate value of all agreements entered into under title I of this Act for such fiscal year.

[“(2) The President may waive the requirement of paragraph (1) of this subsection with respect to a fiscal year if he determines that there are an insufficient number of agricultural and rural development projects which qualify for assistance under this title and that therefore the humanitarian purposes of this Act would be better served by furnishing financing under other provisions of this Act. Any such waiver shall be reported to the Congress, together with a detailed statement of the reasons for the lack of acceptable projects and a detailed description of efforts by the United States Government to assist eligible countries, pursuant to section 303(a), in identifying appropriate projects for assistance under this title.

[“(3) Greatest efforts shall be made by relevant United States agencies to encourage maximum utilization of assistance for Food for Development projects under this title, even beyond the minimums required by paragraph (1) of this subsection.

[“SEC. 303. (a) A country designated as eligible and wishing to participate in a Food for Development Program shall formulate, with the assistance (if requested) of the United States Government, a multi-year proposal which shall be submitted to the President. Such proposal shall include an annual value or amount of agricultural commodities proposed to be financed under the authority of title I of this Act pursuant to the provisions of this title, and a plan for the intended uses of commodities or the funds generated from the sale of such commodities, on an annual basis for each year such

funds are to be disbursed. Such proposal shall also specify the nature and magnitude of problems to be affected by the effort, and shall present targets in quantified terms, insofar as possible, and a description of the relationships among the various projects, activities, or programs to be supported.

[“(b) The multiyear utilization proposal for a Food for Development Program shall include, but not be limited to a statement of how assistance under such Program will be integrated into and complement that country’s overall development plans and other forms of bilateral and multilateral development assistance, including assistance made available under section 103 of the Foreign Assistance Act of 1961 or under any other title of this Act.

[“(c) In his review of any utilization proposal for a Food for development Program, the President shall be satisfied that such assistance is intended to complement, but not replace, assistance authorized by the Foreign Assistance Act of 1961, or any other program of bilateral or multilateral assistance, or under the development program of the country desiring to initiate a Food for Development program.

[“SEC. 304. (a) Whenever a utilization proposal has been agreed upon by the President and the participating country, the Commodity Credit Corporation is authorized to furnish credit under the authority of title I of this Act to the participating country for the purchase of a specific annual value of agricultural commodities to be delivered over a period of from one to five years, subject to the availability of commodities under section 401 of this Act.

[“(b) Notwithstanding any other provision of this Act, no payment except as provided for under this title shall be required of the recipient government as a part of any agreement to finance the sale of agricultural commodities pursuant to a Food for Development Program.

[“(c) In making food assistance available under this title to a country on the United Nations Conference on Trade and Development list of relatively least developed countries, the President may waive any requirement contained in section 303 (a) or (b), in that portion of section 303(c) which requires that assistance under this title is intended to complement but not replace any part of the development program of the participating country, or in section 306, if he finds that such country is unable to meet such requirement but could use assistance under this title to meet important humanitarian or developmental objectives of this Act. Such waivers, and the reasons therefore, shall be reported annually by the President to the Congress.

[“SEC. 305. Funds generated from the sale of agricultural commodities by any participating country under this title shall be held in a special account, where practicable, to be disbursed for the purposes described in the approved Food for Development Program of such country. The amount of funds disbursed for such purposes and in accordance with the agreement shall be deemed payments for the purposes of section 103(b) of this Act.

[“SEC. 306. Not more than one year after the initial delivery of commodities to any country under this title and each year thereafter for the period of agreement, the government of the participating country, with the assistance (if requested) of the United States

Government, shall submit a comprehensive report to the President on the activities and progress achieved under the Food for Development Program for such country, including, but not limited to, a comparison of results with projected targets, a specific accounting for funds generated, their uses, and the outstanding balances at the end of the most recent fiscal year. Such annual report may also include recommendations for modification and improvement in the Food for Development Program of such country.

[“SEC. 307. (a) Each year the President shall review the disposition of all agreements providing for the use of the proceeds from the sale of agricultural commodities pursuant to this title for which such funds were not fully disbursed the preceding year. The results of such review shall be included in the annual report to the Congress required under section 408(a) of this Act.

[“(b) If the President finds that the provisions of an agreement are not being substantially met, he shall not extend financing for sales under this title until the end of the following fiscal year or until the situation is remedied, whichever occurs first, unless the failure to meet the provisions is due to unusual circumstances beyond the control of the recipient government.”.

[(b)(1) Section 103(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out “section 106(b)(2)” in the proviso and inserting in lieu thereof “title III”.

[(2) Section 106(b)(2) of such Act is amended by striking out the second and third sentences.

[ADEQUACY OF FACILITIES: EFFECT OF SHIPMENTS ON AGRICULTURAL PRODUCTION IN RECIPIENT COUNTRY

[SEC. 212. Section 401 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting “(a)” immediately after “SEC. 401.” and by adding at the end thereof the following new subsection:

[“(b) No agricultural commodity may be financed or otherwise made available under the authority of this Act except upon a determination by the Secretary of Agriculture that (1) adequate storage facilities are available in the recipient country at the time of exportation of the commodity to prevent the spoilage or waste of the commodity, and (2) the distribution of the commodity in the recipient country will not result in a substantial disincentive to domestic production in that country.”.

[REVISION OF REPORTING REQUIREMENTS; PROGRAM EVALUATION REPORTS

[SEC. 213. Subsections (b) and (c) of section 408 of the Agricultural Trade Development and Assistance Act of 1954 are amended to read as follows:

[“(b) Not later than September 30 of each year, the President shall submit to the Congress a report containing a global assessment of food assistance under title I for the coming fiscal year. Not later than December 31, March 31, and June 30 of each year, the President shall submit a report to the Congress showing the current status of planned programming of food assistance under title I for the current fiscal year.

[“(c) Beginning October 1, 1978, and at each five-year interval thereafter, the President shall submit to the Congress a comparative cross-country evaluation of programs conducted under titles II and III. Such evaluations shall cover no fewer than five countries sampled from the developing regions (Asia, Africa, Latin America, and the Caribbean), and shall assess the nutritional and other impacts, achievements, problems, and future prospects for programs under these titles.”.

[EFFECTIVE DATE

[SEC. 215. The provisions of this title shall become effective October 1, 1977.]

INTERNATIONAL SECURITY ASSISTANCE ACT OF 1977

AN ACT To amend the Foreign Assistance Act of 1961 to authorize international security assistance programs for fiscal year 1978, to amend the Arms Export Control Act to make certain changes in the authorities of that Act, and for other purposes.

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

[SHORT TITLE

[SECTION 1. This Act may be cited as the “International Security Assistance Act of 1977”.

[CONTINGENCY FUND

[SEC. 2. Section 451(a) of the Foreign Assistance Act of 1961 is amended by striking out “for the fiscal year 1976 not to exceed $5,000,000 and for the fiscal year 1977 not to exceed $5,000,000” and inserting in lieu thereof “for the fiscal year 1978 not to exceed $5,000,000”.

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 3. Section 482 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 482. AUTHORIZATION.—To carry out the purposes of section 481, there are authorized to be appropriated to the President $39,000,000 for the fiscal year 1978. Amounts appropriated under this section are authorized to remain available until expended.”.

[ASSISTANCE TO PORTUGAL

[SEC. 4. Chapter 10 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 497. BALANCE OF PAYMENTS LOAN FOR PORTUGAL.—(a) In recognition of the established interest of the United States in fostering a democratic government in Portugal, in maintaining the strength of the North Atlantic Treaty Organization alliance, and in supporting European economic recovery, the purpose of this section is to provide essential balance of payments assistance to Portugal.

[“(b) The President is authorized to make balance of payments support loans to Portugal as part of a special international effort

to assist that country in the development and implementation of a program to gain financial stability and economic recovery.

[“(c) There are authorized to be appropriated to the President not to exceed $300,000,000 for the fiscal year 1978 to carry out the purposes of this section, which amount is authorized to remain available until expended.”.

[MILITARY ASSISTANCE

[SEC. 5. (a) Section 504(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $228,900,000 for the fiscal year 1978. Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1978:

[“Greece	$33,000,000
[“Portugal	25,000,000
[“Spain	15,000,000
[“Turkey	48,000,000
[“Jordan	55,000,000
[“Indonesia	15,000,000
[“Philippines	19,000,000
[“Thailand	8,000,000

The amount specified in this paragraph for military assistance to any such country for the fiscal year 1978 may be increased by not more than 10 per centum of such amount if the President deems such increase necessary for the purposes of this chapter.

[“(2) Except with respect to costs incurred under the authority of section 516(b) or as otherwise specifically authorized by law, none of the funds available for assistance under this chapter may be used to provide assistance to any recipient other than the countries specified in paragraph (1).

[“(3) The authority of section 610(a) and of section 614(a) may not be used to increase any amount specified in paragraph (1) or to waive the limitations of paragraph (2).

[“(4) Amounts appropriated under this subsection are authorized to remain available until expended.”.

[(b) Section 516(b) of the Foreign Assistance Act of 1961 is amended by striking out “paragraphs (2) and (3)” and inserting in lieu thereof “paragraph (2)”.

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

[SEC. 6. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out “$93,750,000 for the period beginning July 1, 1975, and ending September 30, 1976, and $125,000,000 for the fiscal year 1977” and inserting in lieu thereof “$270,000,000 for the fiscal year 1978”.

[INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

[SEC. 7. (a) Section 515 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 515. OVERSEAS MANAGEMENT OF ASSISTANCE AND SALES PROGRAMS.—(a) No military assistance advisory group, military mission, or other organization of United States military personnel performing similar military advisory functions under this Act or the Arms Export Control Act may operate in any foreign country unless specifically authorized by the Congress. The prohibition contained in this subsection does not apply to regular units of the Armed Forces of the United States engaged in routine functions designed to bring about the standardization of military operations and procedures between the Armed Forces of the United States and countries which are members of the North Atlantic Treaty Organization or other defense treaty allies of the United States.

[“(b)(1) In order to carry out his responsibilities for the management during the fiscal year 1978 of international security assistance programs conducted under this chapter, under chapter 5 of this part, or under the Arms Export Control Act, the President may assign members of the Armed Forces of the United States to perform necessary functions with respect to such programs in the countries specified in section 504(a)(1) and in the Republic of Korea, Panama, Brazil, Morocco, Iran, Kuwait, and Saudi Arabia. Members of the Armed Forces assigned under this subsection shall have as their primary functions logistics management, transportation, fiscal management, and contract administration of country programs. It is the sense of the Congress that advisory and training assistance in the countries specified above shall primarily be provided by personnel who are not assigned under this subsection and who are detailed for limited periods to perform specific tasks.

[“(2) The total number of members of the Armed Forces assigned under this subsection to each country specified in paragraph (1) of this subsection may not exceed the number justified to the Congress in the congressional presentation materials, unless the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives are so notified.

[“(3) Members of the Armed Forces authorized to be assigned to Iran, Kuwait, and Saudi Arabia by paragraph (1) of this subsection may only be assigned to such countries on a fully reimbursable basis under section 21(a) of the Arms Export Control Act, except that this requirement shall apply only to the extent that the number of members of the Armed Forces assigned to each such country exceeds six.

[“(c) The President may assign not to exceed three members of the Armed Forces to any country not specified in subsection (b)(1) to perform accounting and other management functions with respect to international security assistance programs conducted under this chapter, chapter 5 of this part, or under the Arms Export Control Act, except that not to exceed three additional members of the Armed Forces may be assigned to a country to perform such functions when specifically requested by the Chief of the Diplomatic Mission as necessary to the efficient operation of the Mission.

[“(d) The total number of members of the Armed Forces assigned to foreign countries under subsections (b) an (c) may not exceed 865 for the fiscal year 1978.

[“(e) Members of the Armed Forces assigned to a foreign country under subsection (b) or (c) shall serve under the direction and supervision of the Chief of the United States Diplomatic Mission in that country.

[“(f) Defense attachés may perform overseas management functions described in this section only if the President determines that the performance of such functions by defense attachés is the most economic and efficient means of performing such functions. The President shall promptly report each such determination to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations and the chairman of the Senate Committee on Armed Services, together with a description of the number of personnel involved and a statement of the reasons for such determination. The number of defense attachés performing overseas management functions in a country under this subsection may not exceed the number of defense attachés authorized to be assigned to that country on December 31, 1976.

[“(g) The entire costs (including salaries of United States military personnel) of overseas management of international security assistance programs under this section shall be charged to or reimbursed from funds made available to carry out this chapter, including any such costs which are reimbursed from charges from services collected from foreign governments pursuant to sections 21(e) and 43(b) of the Arms Export Control Act. The prohibition contained in subsection (a) of this section and the numerical limitations contained in subsections (b), (c), and (d) of this section shall not apply to members of the Armed Forces performing services for specific purposes and periods of time on a fully reimbursable basis under section 21(a) of the Arms Export Control Act.”.

[(b) Section 516(a) of the Foreign Assistance Act of 1961 is amended by striking out “515(b)(2)” and inserting in lieu thereof “515”.

[(c) Section 631(d) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “this Act” and inserting in lieu thereof “part I of this Act”; and

[(2) by striking out all that follows after “economic officer of the mission” and inserting a period in lieu thereof.

[(d) Section 43(b) of the Arms Export Control Act is amended to read as follows:

[“(b) Charges for administrative services calculated under section 21(e)(1)(A) of this Act shall include recovery of administrative expenses incurred by any department or agency of the United States Government, including any mission or group thereof, in carrying out functions under this Act when—

[“(1) such functions are primarily for the benefit of any foreign country; and

[“(2) such expenses are not directly and fully charged to, and reimbursed from amounts received for, sale of defense services under section 21(a) of this Act.”.

[SECURITY SUPPORTING ASSISTANCE

[SEC. 8 (a) Section 531 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out in the last sentence thereof "The" and inserting in lieu thereof "Except for programs in southern Africa, the"; and

[(2) by adding at the end thereof the following new sentence: "In planning security supporting assistance programs intended for economic development, the President shall take into account to the maximum extent feasible the policy directions set forth in chapter 1 of part I of this Act.".

[(b) Section 532 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 532. AUTHORIZATION.—(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1978 not to exceed $1,890,000,000, of which not less than the following amounts shall be available only for the following countries:

["Israel	$785,000,000
["Egypt	750,000,000
["Jordan	93,000,000
["Syria	90,000,000
["Lebanon	20,000,000
["Cyprus	15,000,000

["(2) Of the amount authorized to be appropriated by paragraph (1) for the fiscal year 1978 which is available for Israel, not less than $300,000,000 shall be available only for budgetary support on a grant basis.

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

[(c) Chapter 4 of part II of such Act is amended by adding at the end thereof the following new section:

["SEC. 533. SOUTHERN AFRICAN SPECIAL REQUIREMENTS FUNDS.—(a)(1) Of the funds authorized to be appropriated by section 532 for the fiscal year 1978, $80,000,000 shall be available only for the countries of southern Africa to address the problems caused by the economic dislocation resulting from the conflict in that region, and for education and job training assistance for Africans from Namibia and Zimbabwe (Southern Rhodesia). Such funds may be used to provide assistance to African refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts, and to provide trade credits for the purchase of United States products to those countries in the region adversely affected by blocked outlets for their exports and by the overall strains of the world economy.

["(2) Of the funds made available under this section, not more than the following amounts may be made available for the following:

["Botswana	$15,000,000
["Lesotho	15,000,000
["Swaziland	5,000,000
["Regional programs for education, training, and refugee assistance	45,000,000

["(3) To the extent practicable consistent with the purposes specified in paragraph (1), assistance under this section should be used to meet the objectives set forth in section 102 (c) and (d) and in other sections of chapter 1 of part I of this Act.

[“(4) Before obligating any funds under this section, the President shall notify the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate with respect to the specific projects and programs for which such funds will be used.

[“(b) Of the funds made available under subsection (a) of this section for regional programs, not to exceed $1,000,000 may be used by the President for the preparation of a comprehensive analysis of the development needs of southern Africa to enable the Congress to determine what contribution United States foreign assistance can make.

[“(c)(1) None of the funds made available under this section may be used for military, guerrilla, or paramilitary activities in any country.

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

[“(d) It is the sense of the Congress that the United States should support an internationally recognized constitutional settlement of the Rhodesian conflict leading promptly to majority rule based upon democratic principles and upholding basic human rights. The Congress declares its intent to support United States participation in a Zimbabwe Development Fund. The Congress intends to authorize the necessary appropriation when progress toward such an internationally recognized settlement would permit establishment of the Fund.”.

[SECURITY SUPPORTING ASSISTANCE PROGRAM FOR EGYPT

[SEC. 9. It is the sense of the Congress that the security supporting assistance program for Egypt plays an important role in the Middle East peace effort and that the Executive branch should concentrate its efforts in order to make the program a success.

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 10. Section 542 of the Foreign Assistance Act of 1961 is amended by striking out “$27,000,000 for the fiscal year 1976 and $30,200,000 for the fiscal year 1977” and inserting in lieu thereof “$31,000,000 for the fiscal year 1978”.

[PROHIBITION AGAINST ASSISTANCE AND SALES TO ARGENTINA

[SEC. 11. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 620B. PROHIBITION AGAINST ASSISTANCE AND SALES TO ARGENTINA.—After September 30, 1978—

[“(1) no assistance may be furnished under chapter 2, 4, or 5 of part II of this Act to Argentina;

[“(2) no credits (including participation in credits) may be extended and no loan may be guaranteed under the Arms Export Control Act with respect to Argentina;

[“(3) no sales of defense articles or services may be made under the Arms Export Control Act to Argentina; and

[“(4) no export licenses may be issued under section 38 of the Arms Export Control Act to or for the Government of Argentina.”.

[NUCLEAR ENRICHMENT AND REPROCESSING TRANSFERS; NUCLEAR DETONATIONS

[SEC. 12. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by striking out section 669 and inserting in lieu thereof the following new sections:

[SEC. 669. NUCLEAR ENRICHMENT TRANSFERS.—(a) Except as provided in subsection (b), no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of providing economic assistance, providing military or security supporting assistance or grant military education and training, or extending military credits or making guarantees, to any country which, on or after the date of enactment of the International Security Assistance Act of 1977, delivers nuclear enrichment equipment, materials, or technology to any other country, or receives such equipment, materials, or technology from any other country, unless before such delivery—

[“(1) the supplying country and receiving country have reached agreement to place all such equipment, materials, or technology, upon delivery, under multilateral auspices and management when available; and

[“(2) the recipient country has entered into an agreement with the International Atomic Energy Agency to place all such equipment, materials, technology, and all nuclear fuel and facilities in such country under the safeguards system of such Agency.

[“(b)(1) Notwithstanding subsection (a) of this section, the President may furnish assistance which would otherwise be prohibited under such subsection if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that—

[“(A) the termination of such assistance would have a serious adverse effect on vital United States interests; and

[“(B) he has received reliable assurances that the country in question will not acquire or develop nuclear weapons or assist other nations in doing so.

Such certification shall set forth the reasons supporting such determination in each particular case.

[“(2) Any joint resolution which would terminate or restrict assistance described in subsection (a) with respect to a country to which the prohibition in such subsection applies shall, if introduced within thirty days after the transmittal of a certification under paragraph (1) of this subsection with respect to such country, be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[SEC. 670. NUCLEAR REPROCESSING TRANSFERS AND NUCLEAR DETONATIONS.—(a) Except as provided in subsection (b), no funds authorized to be appropriated by this Act, or the Arms Export Con-

trol Act may be used for the purpose of providing economic assistance, providing military or security supporting assistance or grant military education and training, or extending military credits or making guarantees, to any country which on or after the date of enactment of the International Security Assistance Act of 1977—

[“(1) delivers nuclear reprocessing equipment, materials, or technology to any other country or receives such equipment, materials, or technology from any other country (except for the transfer of reprocessing technology associated with the investigation, under international evaluation programs in which the United States participates, of technologies which are alternatives to pure plutonium reprocessing); or

[“(2) is not a nuclear-weapon state as defined in article IX(3) of the Treaty of the Non-Proliferation of Nuclear Weapons and which detonates a nuclear explosive device.

[“(b)(1) Notwithstanding subsection (a) of this section, the President may furnish assistance which would otherwise be prohibited under such subsection if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

[(2) Any joint resolution which would terminate or restrict assistance described in subsection (a) with respect to a country to which the prohibition in such subsection applies shall, if introduced within thirty days after the transmittal of a certification under paragraph (1) of this subsection with respect to such country, be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.”.

[MIDDLE EAST PEACE

[SEC. 13. Section 903 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a), by striking out “for the fiscal year 1976 not to exceed $50,000,000 and for the fiscal year 1977 not to exceed $35,000,000” and inserting in lieu thereof “for the fiscal year 1978 not to exceed $25,000,000, of which not less than $12,200,000 shall be available only for the Sinai support mission,”;

[(2) in subsection (b)—

[(A) in paragraph (1)—

[(i) by striking out “and” at the end of clause (B), and

[(ii) by inserting immediately before the semicolon at the end thereof “, and (D) the reasons why the President has determined that it is in the national interest to use funds appropriated under this section for such purpose rather than (i) using funds available for such purpose under part I, or (ii) if no funds are available for such purpose under part I, awaiting the enact-

ment of legislation making funds specifically available for such purpose"; and

[(B) in paragraph (2), by striking out "provided by clauses (A), (B), and (C) of" and inserting in lieu thereof "required by"; and

[(3) in subsection (e), by striking out "1977" and inserting in lieu thereof "1978".

[REPEAL OF PROHIBITION RELATING TO THE TWELVE-MILE FISHING LIMIT

[SEC. 15. Section 3(b) of the Arms Export Control Act is repealed.

[CONGRESSIONAL DISAPPROVAL OF THIRD COUNTRY TRANSFERS

[SEC. 16. Section 3(d) of the Arms Export Control Act is amended—

[(1) by striking out ", 30 days prior to giving such consent," in the text preceding paragraph (1);

[(2) by redesignating such section as section 3(d)(1) and redesignating paragraphs (1) through (5) thereof as subparagraphs (A) through (E), respectively; and

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

["(2) Unless the President states in the certification submitted pursuant to this subsection that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, such consent shall not become effective until 30 calendar days after the date of such submission and such consent shall become effective then only if the Congress does not adopt, within such 30-day period, a concurrent resolution disapproving the proposed transfer.".

[TRANSFERS OF DEFENSE ARTICLES AND DEFENSE SERVICES FOR MAINTENANCE, REPAIR, AND OVERHAUL

[SEC. 17. Section 3(d) of the Arms Export Control Act, as amended by section 16 of this Act, is further amended by adding the following new paragraph at the end thereof:

["(3) This subsection shall not apply—

["(A) to transfers of maintenance, repair, or overhaul defense services, or of the repair parts or other defense articles used in furnishing such services, if the transfer will not result in any increase, relative to the original specifications, in the military capability of the defense articles and services to be maintained, repaired, or overhauled;

["(B) to temporary transfers of defense articles for the sole purpose of receiving maintenance, repair, or overhaul; or

["(C) to cooperative cross servicing arrangements among members of the North Atlantic Treaty Organization.".

[PROHIBITION AGAINST SALES, CREDITS, AND GUARANTIES TO COUNTRIES WHICH GRANT SANCTUARY TO INTERNATIONAL TERRORISTS

[SEC. 18. Section 3 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

[“(f)(1) Unless the President finds that the national security requires otherwise, he shall terminate all sales, credits, and guaranties under this Act to any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism. The President may not thereafter make or extend sales, credits, or guaranties to such government until the end of the one year period beginning on the date of such termination, except that if during its period of ineligibility for sales, credits, and guaranties pursuant to this section such government aids or abets, by granting sanctuary from prosecution to, any other individual or group which has committed an act of international terrorism, such government's period of ineligibility shall be extended for an additional year for each such individual or group.

[“(2) If the President finds that the national security justifies a continuation of sales, credits, or guaranties to any government described in paragraph (1), he shall report such finding to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.”.

[FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

[SEC. 19. Section 31 of the Arms Export Control Act is amended—

[(1) in subsection (a), by striking out all in the first sentence after “not to exceed” the first time it appears and inserting in lieu thereof “$677,000,000 for the fiscal year 1978.”;

[(2) in subsection (b), by striking out all after “shall not exceed” the first time it appears and inserting in lieu thereof “$2,102,350,000 for the fiscal year 1978, of which not less than $1,000,000,000 shall be available only for Israel.”; and

[(3) in subsection (c)—

[(A) in the first sentence, by striking out “the fiscal years 1976 and 1977” and inserting in lieu thereof “the fiscal year 1978”; and

[(B) in the last sentence, by striking out “each”.

[LICENSES FOR THE EXPORT OF CERTAIN MAJOR DEFENSE EQUIPMENT

[SEC. 20 Section 38(b)(3) of the Arms Export Control Act is amended by adding at the end thereof the following new sentence: “The prohibition contained in the first sentence of this paragraph shall not apply to the issuance of licenses under this section for the export of major defense equipment to Australia, Japan, or New Zealand, or major defense equipment sold commercially in implementation of an agreement between the United States Government and the government of a foreign country for the production of the major defense equipment to which such licenses relate if the President his submitted a certificate with respect to such proposed agreement, prior to its signature, to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate in the same form as the certification required under section 36(b) of this Act and subject to the requirements of such section.”.

[FISCAL YEAR 1977 AUTHORIZATIONS AND LIMITATIONS

[SEC. 21. Authorizations of appropriations and limitations of authority applicable to the fiscal year 1977 contained in provisions of law amended by this Act shall not be affected by enactment of this Act.

[STUDY OF TECHNOLOGY TRANSFERS

[SEC. 24. (a) The President shall conduct a comprehensive study of the policies and practices of the United States Government with respect to the national security and military implications of international transfers of technology in order to determine whether such policies and practices should be changed. Such study shall examine—

[(1) the nature of technology transfer;

[(2) the effect of technology transfers on United States technological superiority;

[(3) the rationale for transfers of technology from the United States to foreign countries;

[(4) the benefits and risks of such transfers;

[(5) trends in technology transfers by the United States and other countries;

[(6) the need for controls on transfers of technology, including controls on the use of transferred technology, the effectiveness of existing end-use controls, and possible unilateral sanctions if end-use restrictions are violated;

[(7) the effectiveness of existing organizational arrangements in the Executive branch in regulating technology transfers from the United States;

[(8) the adequacy of existing legislation and regulations with respect to transfers of technology from the United States; and

[(9) the possibilities for international agreements with respect to transfers of technology.

[(b) In conducting the study required by subsection (a), the President shall utilize the resources and expertise of the Arms Control and Disarmament Agency, the Department of State, the Department of Defense, the Department of Commerce, the National Science Foundation, the Office of Science and Technology Policy, and such other entities within the Executive branch as he deems necessary.

[POLICY STATEMENT ON UNITED STATES ARMS SALES TO ISRAEL

[SEC. 26. In accordance with the historic special relationship between the United States and Israel and previous agreements and continuing understandings, the Congress joins with the President in reaffirming that a policy of restraint in United States arms transfers, including arms sales ceiling, shall not impair Israel's deterrent strength or undermine the military balance in the Middle East.

[REVIEW OF ARMS SALES CONTROLS ON NONLETHAL ITEMS

[SEC. 27. The President shall undertake a review of all regulations relating to arms control for the purpose of defining and cat-

egorizing lethal and non-lethal products and establishing the appropriate level of control for each category.

[REPUBLIC OF KOREA

[SEC. 28. (a)(1) It is the sense of the Congress that the President should take all effective measures to assure that the Republic of Korea is cooperating fully with the investigation (including any resulting prosecutions) being conducted by the Department of Justice with respect to allegations of improper activity in the United States by agents of the Republic of Korea.

[(b) It is the further sense of the Congress that the President should take all effective measures to assure that the Republic of Korea is cooperating fully with the investigations being conducted by committees of Congress.

[PIASTER CONVERSION

[SEC. 29. No provision of law shall be construed to prevent payment of claims of former and present Vietnamese employees of the Agency for International Development, who presently reside in the United States, for the conversion of Vietnamese piasters to dollars because such conversion cannot take place in the territory of the former Republic of Vietnam or because of official with whom such piasters were deposited was not a United States disbursing officer.]

INTERNATIONAL SECURITY ASSISTANCE AND ARMS EXPORT CONTROL ACT OF 1976

AN ACT To amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Security Assistance and Arms Export Control Act of 1976".

[TITLE I—MILITARY ASSISTANCE PROGRAM

[AUTHORIZATION

[SEC. 101. Section 504(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(a)(1) There is authorized to be appropriated to the President to carry out the purposes of this chapter $198,700,000 for the fiscal year 1976 and $177,300,000 for the fiscal year 1977. Not more than the following amounts of funds available for carrying out this chapter (other than funds appropriated under section 507 of the International Security Assistance and Arms Export Control Act of 1976) may be allocated and made available to each of the following countries for such fiscal years:

[Country	Fiscal Year 1976 Amount	Fiscal Year 1977 Amount
Greece	$31,000,000	$33,000,000
Indonesia	13,000,000	15,000,000
Jordan	50,000,000	55,000,000

[Country	Fiscal Year 1976 Amount	Fiscal Year 1977 Amount
Republic of Korea	55,000,000	8,300,000
Philippines	17,000,000	17,000,000
Thailand	16,000,000	16,000,000
Turkey	31,000,000	50,000,000
Ethiopia	6,000,000	6,000,000

The amount specified in this paragraph for military assistance to any such country for fiscal year 1976 or for fiscal year 1977 may be increased by not more than 10 per centum of such amount if the President deems such increase necessary for the purposes of this chapter.

[“(2) Not to exceed $6,000,000 of the funds available for fiscal year 1976 to carry out the purposes of this chapter, and not to exceed $3,700,000 of the funds available for fiscal year 1977 to carry out the purposes of this chapter (other than funds appropriated under section 507 of the International Security Assistance and Arms Export Control Act of 1976), may be used to provide assistance to international organizations and, subject to the limitations contained in paragraph (3), to countries which are not designated in paragraph (1).

[“(3) Funds available for assistance under this chapter may not be used to furnish assistance to more than 20 countries (including those countries designated in paragraph (1)) in fiscal year 1976. Funds available for assistance under this chapter (other than funds appropriated under section 507 of the International Security Assistance and Arms Export Control Act of 1976) may not be used to furnish assistance to more than 12 countries (including those countries designated in paragraph (1)) in fiscal year 1977.

[“(4) The authority of section 610(a) and of section 614(a) may not be used to increase any amount specified in paragraph (1) or (2). The limitations contained in paragraphs (1), (2), and (3) shall not apply to emergency assistance furnished under section 506(a).

[“(5) There is authorized to be appropriated to the President, for administrative and other related expenses incurred in carrying out the purposes of this chapter, $32,000,000 for the fiscal year 1976 and $70,000,000 for the fiscal year 1977.

[“(6) None of the funds appropriated under this subsection shall be used to furnish sophisticated weapons systems, such as missile systems or jet aircraft for military purposes, to any less developed country not specified in paragraph (1) unless the President determines that the furnishing of such weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress.

[“(7) Amounts appropriated under this subsection are authorized to remain available until expended.

[“(8) Assistance for Turkey under this chapter shall be subject to the requirements of section 620(x) of this Act.”.

[SPECIAL AUTHORITY

[SEC. 102. Section 506(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(a)(1) If the President first determines and reports to Congress in accordance with section 652 of this Act—

[“(A) that an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization;

[“(B) that a failure to respond immediately to that emergency will result in serious harm to vital United States security interests; and

[“(C) that the emergency requirement cannot be met under authority of the Arms Export Control Act or any other law except this section;

he may order defense articles from the stocks of the Department of Defense and defense services for the purposes of this part, subject to reimbursement from subsequent appropriations made specifically therefor under subsection (b).

[“(2) the total value of defense articles and defense services ordered under this subsection in any fiscal year may not exceed $67,500,000. The authority contained in this subsection shall be effective in any fiscal year only to the extent provided in an appropriation Act.

[“(3) The President shall keep the Congress fully and currently informed of all defense articles and defense services ordered under this subsection.”.

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

[SEC. 103. Section 514 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 514. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.—(a) No defense article in the inventory of the Department of Defense which is set aside, reserved, or in any way earmarked or intended for future use by any foreign country may be made available to or for use by any foreign country unless such transfer is authorized under this Act or the Arms Export Control Act, or any subsequent corresponding legislation, and the value of such transfer is charged against funds authorized under such legislation or against the limitations specified in such legislation, as appropriate, for the fiscal period in which such defense article is transferred. For purposes of this subsection, ‘value’ means the acquisition cost plus crating, packing, handling, and transportation costs incurred in carrying out this section.

[“(b)(1) The value of defense articles to be set aside, earmarked, reserved, or intended for use as war reserve stocks for allied or other foreign countries (other than for purposes of the North Atlantic Treaty Organization) in stockpiles located in foreign countries may not exceed in any fiscal year an amount greater than is specified in security assistance authorizing legislation for that fiscal year.

[“(2) The value of such additions to stockpiles in foreign countries shall not exceed $93,750,000 for the period beginning July 1, 1975, and ending September 30, 1976, and $125,000,000 for the fiscal year 1977.

[“(c) Except for stockpiles in existence on the date of enactment of the International Security Assistance and Arms Export Control Act of 1976 and for stockpiles located in countries which are members of the North Atlantic Treaty Organization, no stock-

pile may be located outside the boundaries of a United States military base or a military base used primarily by the United States.

[“(d) No defense article transferred from any stockpile which is made available to or for use by any foreign country may be considered an excess defense article for the purpose of determining the value thereof.

[“(e) The President shall promptly report to the Congress each new stockpile, or addition to an existing stockpile, described in this section of defense articles valued in excess of $10,000,000 in any fiscal year.”.

[TERMINATION OF MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

[SEC. 104. Section 515 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “Effective July 1, 1976,” and inserting in lieu thereof “(a) During the period beginning July 1, 1976, and ending September 30, 1977,”; and

[(2) by adding at the end thereof the following new subsections:

[“(b)(1) After September 30, 1977, no military assistance advisory group, military mission, or other organization of United States military personnel performing similar military advisory functions under this Act may operate in any foreign country unless specifically authorized by the Congress.

[“(2) The President may assign not more than three members of the Armed Forces of the United States to the Chief of each United States Diplomatic Mission to perform such functions as such Chief of Mission determines necessary with respect to international military education and training provided under chapter 5 of this part, to sales of defense articles and services under the Arms Export Control Act, or to such other international security assistance programs as the President may designate. After September 30, 1977, no such functions or related activities may be performed by any defense attachés assigned, detailed, or attached to the United States Diplomatic Mission in any foreign country.

[“(c) After September 30, 1976, the number of military missions, groups, and similar organizations may not exceed 34.

[“(d) As used in this section, the term ‘military assistance advisory group, military mission, or other organization of United States military personnel performing similar military advisory functions under this Act’ does not include regular units of Armed Forces of the United States engaged in routine functions designed to bring about the standardization of military operations and procedures between the Armed Forces of the United States and allies of the United States.”.

[TERMINATION OF AUTHORITY TO FURNISH GRANT MILITARY ASSISTANCE

[SEC. 105. Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 516. TERMINATION OF AUTHORITY.—(a) Except to the extent that the Congress may, subsequent to the enactment of this

section, authorize the furnishing of military assistance in accordance with this chapter to specified countries in specified amounts, the authorities contained in this chapter (other than the authorities contained in sections 506, 514, and 515(b)(2)) may not be exercised after September 30, 1977, except that such authorities shall remain available until September 30, 1980, to the extent necessary to carry out obligations incurred under this chapter on or before September 30, 1977.

[“(b) Funds available to carry out this chapter shall be available notwithstanding the limitations contained in paragraphs (2) and (3) of section 504(a) of this Act—

[“(1) for the winding up of military assistance programs under this chapter, including payment of the costs of packing, crating, handling, and transporting defense articles furnished under this chapter and of related administrative costs; and

[“(2) for costs incurred under section 503(c) with respect to defense articles on loan to countries no longer eligible under section 504(a) for military assistance.”.

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 106. (a) Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

[“CHAPTER 5—INTERNATIONAL MILITARY EDUCATION AND TRAINING

[“SEC. 541. GENERAL AUTHORITY.—The President is authorized to furnish, on such terms and conditions consistent with this Act as the President may determine (but whenever feasible on a reimbursable basis), military education and training to military and related civilian personnel of foreign countries. Such training and education may be provided through—

[“(1) attendance at military educational and training facilities in the United States (other than Service academies) and abroad;

[“(2) attendance in special courses of instruction at schools and institutions of learning or research in the United States and abroad; and

[“(3) observation and orientation visits to military facilities and related activities in the United States and abroad.

[“SEC. 542. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter $27,000,000 for the fiscal year 1976 and $30,200,000 for the fiscal year 1977. After June 30, 1976, no training under this section may be conducted outside the United States unless the President has reported and justified such training to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.

[“SEC. 543. PURPOSES.—Education and training activities conducted under this chapter shall be designed—

[“(1) to encourage effective and mutually beneficial relations and increased understanding between the United States and foreign countries in furtherance of the goals of international peace and security; and

[“(2) to improve the ability of participating foreign countries to utilize their resources, including defense articles and defense services obtained by them from the United States, with maximum effectiveness, thereby contributing to greater self-reliance by such countries.”.

[(b) The Foreign Assistance Act of 1961 is amended as follows:

[(1) Section 510 is repealed.

[(2) Section 622 is amended—

[(A) in subsection (b) by inserting “and military education and training” immediately after “(including civic action)”; and

[(B) by amending subsection (c) to read as follows:

“[(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of economic assistance, military assistance, and military education and training programs, including but not limited to determining whether there shall be a military assistance (including civic action) or a military education and training program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.”.

[(3) Section 623 is amended—

[(A) in subsection (a)(4) by inserting “and related civilian” immediately after “military”; and

[(B) in subsection (a)(6) by inserting “, education and training” immediately after “assistance”.

[(4) Section 632 is amended—

[(A) in subsections (a) and (e) by inserting “, military education and training” immediately after “articles” wherever it appears; and

[(B) in subsection (b) by striking out “and defense articles” and inserting in lieu thereof “, defense articles, or military education and training”.

[(5) Section 636 is amended—

[(A) in subsection (g)(1) by inserting “, military education and training” immediately after “articles”; and

[(B) in subsection (g)(2) and in subsection (g)(3) by striking out “personnel” and inserting in lieu thereof “and related civilian personnel”.

[(6) Section 644 is amended—

[(A) by amending subsection (f) to read as follows:

[“(f) ‘Defense service’ includes any service, test, inspection, repair, publication, or technical or other assistance or defense information use for the purposes of furnishing military assistance, but does not include military educational and training activities under chapter 5 of part II.”; and

[(B) by adding at the end thereof the following new subsection:

[“(n) ‘Military education and training’ includes formal or informal instruction of foreign students in the United State or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publica-

tions and media of all kinds, training aids, orientation, and military advice to foreign military units and forces.".

[(c) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law amended or repealed by this section shall continue in full force and effect until modified, revoked, or superseded by appropriate authority.

[(d) Funds made available pursuant to other provisions of law for foreign military educational and training activities shall remain available for obligation and expenditure for their original purposes in accordance with the provisions of law originally applicable to those purposes or in accordance with the provisions of law currently applicable to those purposes.

[TITLE II—ARMS EXPORT CONTROLS

[CHANGE IN TITLE

[SEC. 201. (a) The first section of the Foreign Military Sales Act is amended by striking out "'The Foreign Military Sales Act" and inserting in lieu thereof "the 'Arms Export Control Act".]

(b) Any reference to the Foreign Military Sales Act shall be deemed to be a reference to the Arms Export Control Act.

[ARMS SALES POLICY

[SEC. 202. Section 1 of the Foreign Military Sales Act is amended by striking out the last paragraph and inserting in lieu thereof the following new paragraphs:

["It shall be the policy of the United States to exert leadership in the world community to bring about arrangements for reducing the international trade in implements of war and to lessen the danger of outbreak of regional conflict and the burdens of armaments. United States programs for or procedures governing the export, sale, and grant of defense articles and defense services to foreign countries and international organizations shall be administered in a manner which will carry out this policy.

["It is the sense of the Congress that the President should seek to initiate multilateral discussions for the purpose of reaching agreements among the principal arms suppliers and arms purchasers and other countries with respect to the control of the international trade in armaments. It is further the sense of Congress that the President should work actively with all nations to check and control the international sale and distribution of conventional weapons of death and destruction and to encourage regional arms control arrangements. In furtherance of this policy, the President should undertake a concerted effort to convene an international conference of major arms-supplying and arms-purchasing nations which shall consider measures to limit conventional arms transfers in the interest of international peace and stability.

"[It is the sense of the Congress that the aggregate value of defense articles and defense services—

["(1) which are sold under section 21 or section 22 of this Act; or

[“(2) which are licensed or approved for export under section 38 of this Act to, for the use, or for benefit of the armed forces, police, intelligence, or other internal security forces of a foreign country or international organization under a commercial sales contract;

in any fiscal year should not exceed current levels.”.

[TRANSFER OF DEFENSE SERVICES

[SEC. 203. (a) Section 3(a)(2) of the Foreign Military Sales Act is amended, effective July 1, 1976, by inserting immediately after “article” each time it appears “or related training or other defense service”.

[(b) Section 505(a) of the Foreign Assistance Act of 1961 is amended, effective July 1, 1976, by inserting immediately after “articles” each time it appears “or related training or other defense service.”.

[APPROVAL FOR TRANSFER OF DEFENSE ARTICLES

[SEC. 204. (a) Section 3 of the Foreign Military Sales Act is amended by adding at the end thereof the following new subsections:

[“(e) The President may not give his consent under paragraph (2) of subsection (a) or under the third sentence of such subsection to a transfer of a defense article, or related training or other defense service, sold under this Act and may not give his consent to such a transfer under section 505(a)(1) or 505(a)(4) of the Foreign Assistance Act of 1961 unless, 30 days prior to giving such consent, the President submits to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a written certification with respect to such proposed transfer containing—

[“(1) the name of the country or international organization proposing to make such transfer,

[“(2) a description of the defense article or related training or other defense service proposed to be transferred, including the original acquisition cost of such defense article or related training or other defense service,

[“(3) the name of the proposed recipient of such defense article or related training or other defense service,

[“(4) the reasons for such proposed transfer, and

[“(5) the date on which such transfer is proposed to be made.

Any certification submitted to Congress pursuant to this subsection shall be unclassified, except that information regarding the dollar value and number of defense articles, or related training or other defense services, proposed to be transferred may be classified if public disclosure thereof would be clearly detrimental to the security of the United States.

[“(f) If the President receives any information that a transfer of any defense article, or related training or other defense service, has been made without his consent as required under this section or under section 505 of the Foreign Assistance Act of 1961, he shall report such information immediately to the Speaker of the House

of Representatives and the Committee on Foreign Relations of the Senate.".

[(b)(1) The second sentence of subsection (a) of section 3 of the Foreign Military Sales Act is amended by striking out ", and prior" and all that follows thereafter through "transferred" the second time it appears.

[(2) The first sentence of section 505(e) of the Foreign Assistance Act of 1961 is amended by striking out ", and prior" and all that follows thereafter through "transferred" the second time it appears.

[SALES FROM STOCKS

[SEC. 205. Section 21 of the Foreign Military Sales Act is amended to read as follows:

["SEC. 21. SALES FROM STOCKS.—(a) The President may sell defense articles and defense services from the stocks of the Department of Defense to any eligible country or international organization if such country or international organization agrees to pay in United States dollars—

["(1) in the case of a defense article not intended to be replaced at the time such agreement is entered into, not less than the actual value thereof;

["(2) in the case of a defense article intended to be replaced at the time such agreement is entered into, the estimated cost of replacement of such article, including the contract or production costs less any depreciation in the value of such article; or

["(3) in the case of the sale of a defense service, the full cost to the United States Government of furnishing such service.

["(b) Except as provided by subsection (d) of this section, payment shall be made in advance or, if the President determines it to be in the national interest, upon delivery of the defense article or rendering of the defense service.

["(c) Personnel performing defense services sold under this Act may not perform any duties of a combatant nature, including any duties related to training, advising, or otherwise providing assistance regarding combat activities, outside the United States in connection with the performance of those defense services.

["(d) If the President determines it to be in the national interest pursuant to subsection (b) of this section, billings for sales made under letters of offer issued under this section after the enactment of this subsection may be dated and issued upon delivery of the defense article or rendering of the defense service and shall be due and payable which is not paid within sixty days after the date of such billing. The rate of interest charged shall be a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding short-term obligations of the United States as of the last day of the month preceding the billing and shall be computed from the date of billing. The President may extend such sixty-day period to one hundred and twenty days if he determines that emergency requirements of the purchaser for acquisition of such defense articles or defense services exceed the ready availability to the pur-

chaser of funds sufficient to pay the United States in full for them within such sixty-day period and submits that determination to the Congress together with a special emergency request for the authorization and appropriation of additional funds to finance such purchases under this Act.

[“(e)(1) After September 30, 1976, letters of offer for the sale of defense articles or for the sale of defense services that are issued pursuant to this section or pursuant to section 22 of this Act shall include appropriate charges for—

[“(A) administrative services, calculated on an average percentage basis to recover the full estimated costs of administration of sales made under this Act to all purchasers of such articles and services;

[“(B) any use of plant and production equipment in connection with such defense articles; and

[“(C) a proportionate amount of any nonrecurring costs of research, development, and production of major defense equipment.

[“(2) The President may reduce or waive the charge or charges which would otherwise be considered appropriate under paragraphs (1)(B) and (1)(C) for particular sales that would, if made, significantly advance United States Government interests in North Atlantic Treaty Organization standardization, or foreign procurement in the United States under coproduction arrangements.

[“(f) Any contracts entered into between the United States and a foreign country under the authority of this section or section 22 of this Act shall be prepared in a manner which will permit them to be made available for public inspection to the fullest extent possible consistent with the national security of the United States.

[“(g) In carrying out section 814 of the Act of October 7, 1975 (Public Law 94–106), the President may enter into North Atlantic Treaty Organization standardization agreements for the cooperative furnishing of training on a bilateral or multilateral basis, if the financial principles of such agreements are based on reciprocity. Such agreements shall include reimbursement for all direct costs but may exclude reimbursement for indirect costs, administrative surcharges, and costs of billeting of trainees (except to the extent that members of the United States Armed Forces occupying comparable accommodations are charged for such accommodations by the United States). Each such agreement shall be transmitted promptly to the Speaker of the House of Representatives and the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate.”.

[SALES FROM STOCKS AFFECTING UNITED STATES COMBAT READINESS

[SEC. 206. Section 21 of the Foreign Military Sales Act, as amended by section 205 of this Act, is further amended by adding at the end thereof the following new subsection:

[“(h)(1) Sales of defense articles and defense services which could have significant adverse effect on the combat readiness of the Armed Forces of the United States shall be kept to an absolute minimum. The President shall transmit to the Speaker of the House of Representatives and the Committees on Armed Services and Foreign Relations of the Senate on the same day a written

statement giving a complete explanation with respect to any proposal to sell, under this section, any defense articles or defense services if such sale could have a significant adverse effect on the combat readiness of the Armed Forces of the United States. Each such statement shall be unclassified except to the extent that public disclosure of any item of information contained therein would be clearly detrimental to the security of the United States. Any necessarily classified information shall be confined to a supplemental report. Each such statement shall include an explanation relating to only one such proposal to sell and shall set forth—

[“(A) the country or international organization to which the sale is proposed to be made;

[“(B) the amount of the proposed sale;

[“(C) a description of the defense article or service proposed to be sold;

[“(D) a full description of the impact which the proposed sale will have on the Armed Forces of the United States; and

[“(E) a justification for such proposed sale, including a certification that such sale is important to the security of the United States.

A certification described in subparagraph (E) shall take effect on the date on which such certification is transmitted and shall remain in effect for not to exceed one year.

[“(2) No delivery may be made under any sale which is required to be reported under paragraph (1) of this subsection unless the certification required to be transmitted by paragraph (E) of paragraph (1) is in effect.”.

[PROCUREMENT FOR CASH SALES

[SEC. 207. (a) Section 22(a) of the Foreign Military Sales Act is amended by adding at the end thereof the following: “Interest shall be charged on any net amount by which any such country or international organization is in arrears under all of its outstanding unliquidated dependable undertakings, considered collectively. The rate of interest charged shall be a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding short-term obligations of the United States as of the last day of the month preceding the net arrearage and shall be computed from the date of net arrearage.”.

[(b) Section 22(b) of the Foreign Military Sales Act is amended by striking out the first sentence and inserting in lieu thereof the following: “The President may, if he determines it to be in the national interest, issue letters of offer under this section which provide for billing upon delivery of the defense article or rendering of the defense service and for payment within one hundred and twenty days after the date of billing. This authority may be exercised, however, only if the President also determines that the emergency requirements of the purchaser for acquisition of such defense articles and services exceed the ready availability to the purchaser of funds sufficient to make payments on a dependable undertaking basis and submits both determinations to the Congress together with a special emergency request for authorization and appropriation of additional funds to finance such purchases under this Act.”.

[EXTENSION OF PAYMENT PERIOD FOR CREDIT SALES

[SEC. 208. (a) Paragraph (1) of section 23 of the Foreign Military Sales Act is amended by striking out "ten years" and inserting in lieu thereof "twelve years".

[(b) The amendment made by subsection (a) shall apply with respect to financing under agreements entered into on or after the date of enactment of this Act for the procurement of defense articles to be delivered, or defense services to be rendered, after such date.

[ANNUAL ESTIMATE AND JUSTIFICATION FOR SALES PROGRAM

[SEC. 209. (a) Immediately after section 24 of the Foreign Military Sales Act, add the following new section:

["SEC. 25. ANNUAL ESTIMATE AND JUSTIFICATION FOR SALES PROGRAM.—(a) The President shall transmit to the Congress, as a part of the presentation materials for security assistance programs proposed for each fiscal year, a report which sets forth—

["(1) an estimate of the amount of sales expected to be made to each country under sections 21 and 22 of this Act, including a detailed explanation of the foreign policy and United States national security considerations involved in expected sales to each country;

["(2) an estimate of the amount of credits and guaranties expected to be extended to each country under sections 23 and 24 of this Act;

["(3) a list of all findings which are in effect on the date of such transmission made by the President pursuant to section 3(a)(1) of this Act, together with a full and complete justification for each such finding, explaining how sales to each country with respect to which such finding has been made will strengthen the security of the United States and promote world peace; and

["(4) an arms control impact statement for each purchasing country, including (A) an analysis of the relationship between expected sales to each country and arms control efforts relating to that country, and (B) the impact of such expected sales on the stability of the region that includes the purchasing country.

["(b) Not later than thirty days following the receipt of a request made by the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives for additional information with respect to any estimate submitted pursuant to subsection (a), the President shall submit such information to such committee.

["(c) The President shall make every effort to submit all of the information required by this section wholly in unclassified form. In the event the President submits any such information in classified form, he shall submit such classified information in an addendum and shall also submit simultaneously a detailed summary, in unclassified form, of such classified information.".

[(b) Section 634(d) of the Foreign Assistance Act of 1961 is amended by striking out "and military sales under this or any other Act" in the fourth sentence.

[MILITARY SALES AUTHORIZATION

[SEC. 210. (a) Section 31(a) of the Foreign Military Sales Act is amended by striking out "not to exceed $405,000,000 for the fiscal year 1975" and inserting in lieu thereof "not to exceed $1,039,000,000 for the fiscal year 1976 and not to exceed $740,000,000 for the fiscal year 1977".

[(b) Section 31(b) of such Act is amended to read as follows:

["(b) The aggregate total of credits, or participations in credits, extended pursuant to this Act and of the principal amount of loans guaranteed pursuant to section 24(a) shall not exceed $2,374,700,000 for the fiscal year 1976, of which not less than $1,500,000,000 shall be available only for Israel, and shall not exceed $2,022,100,000 for the fiscal year 1977, of which not less than $1,000,000,000 shall be available only for Israel.".

[(c)(1) Section 31 of such Act is further amended by adding at the end thereof the following new subsections:

["(c) Funds made available for the fiscal years 1976 and 1977 under subsection (a) of this section shall be obligated to finance the procurement of defense articles and defense services by Israel on a long-term repayment basis either by the extension of credits, without regard to the limitations contained in section 23, or by the issuance of guaranties under section 24. Repayment shall be in not less than twenty years, following a grace period of ten years on repayment of principal. Israel shall be released from one-half of its contractual liability to repay the United States Government with respect to defense articles and defense services so financed for each such year.

["(d) The aggregate acquisition cost to the United States of excess defense articles ordered by the President in any fiscal year after fiscal year 1976 for delivery to foreign countries or international organizations under the authority of chapter 2 of part II of the Foreign Assistance Act of 1961 or pursuant to sales under this Act may not exceed $100,000,000 (exclusive of ships and their on-board stores and supplies transferred in accordance with law).".

[(2) Subsections (a), (b), (c), and (e) of section 8 of the Act entitled "An Act to amend the Foreign Military Sales Act and for other purposes", approved January 12, 1971 (Public Law 91–672; 84 Stat. 2053), are repealed effective July 1, 1976. All funds in the suspense account referred to in subsection (a) of such section on July 1, 1976, shall be transferred to the general fund of the Treasury.

[REPORTS ON COMMERCIAL AND GOVERNMENTAL MILITARY EXPORTS; CONGRESSIONAL ACTION

[SEC. 211. (a) Section 36 of the Foreign Military Sales Act is amended to read as follows:

["SEC. 36. REPORTS ON COMMERCIAL AND GOVERNMENTAL MILITARY EXPORTS; CONGRESSIONAL ACTION.—(a) The President shall transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate not more than thirty days after the end of each quarter an unclassified report (except that any material which was transmitted in classified form under subsection (b)(1) or (c)(1) of this section may be contained in a classified addendum to such report, and any

letter of offer referred to in paragraph (1) of this subsection may be listed in such addendum unless such letter of offer has been the subject of an unclassified certification pursuant to subsection (b)(1) of this section) containing—

[“(1) a listing of all letters of offer to sell any major defense equipment for $1,000,000 or more under this Act to each foreign country and international organization, by category, if such letters of offer have not been accepted or canceled;

[“(2) a listing of all such letters of offer that have been accepted during the fiscal year in which such report is submitted, together with the total value of all defense articles and defense services sold to each foreign country and international organization during such fiscal year;

[“(3) the cumulative dollar amounts, by foreign country and international organization, of sales credit agreements under section 23 and guaranty agreements under section 24 made during the fiscal year in which such report is submitted;

[“(4) a numbered listing of all licenses and approvals for the export to each foreign country and international organization during such fiscal year of commercially sold major defense equipment, by category, sold for $1,000,000 or more, together with the total value of all defense articles and defense services so licensed for each foreign country and international organization, setting forth with respect to the listed major defense equipment—

[“(A) the items to be exported under the license,

[“(B) the quantity and contract price of each such item to be furnished, and

[“(C) the name and address of the ultimate user of each such item;

[“(5) projections of the dollar amounts, by foreign country and international organization, of cash sales expected to be made under sections 21 and 22, credits to be extended under section 23, and guaranty agreements to be made under section 24 in the quarter of the fiscal year immediately following the quarter for which such report is submitted;

[“(6) a projection with respect to all cash sales expected to be made and credits expected to be extended to each country and organization for the remainder of the fiscal year in which such report is transmitted;

[“(7) an estimate of the number of officers and employees of the United States Government and of United States civilian contract personnel present in each such country at the end of that quarter for assignments in implementation of sales and commercial exports under this Act; and

[“(8) an analysis and description of the services being performed by officers and employees of the United States Government under section 21(a) of this Act, including the number of personnel so employed.

For each letter of offer to sell under paragraphs (1) and (2), the report shall specify (i) the foreign country or international organization to which the defense article or service is offered or was sold, as the case may be; (ii) the dollar amount of the offer to sell or the sale and the number of defense articles offered or sold, as the case

may be; (iii) a description of the defense article or service offered or sold, as the case may be; and (iv) the United States Armed Force or other agency of the United States which is making the offer to sell or the sale, as the case may be.

[“(b)(1) In the case of any letter of offer to sell any defense articles or services under this Act for $25,000,000 or more, or any major defense equipment for $7,000,000 or more, before such letter of offer is issued, the President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a numbered certification with respect to such offer to sell containing the information specified in clauses (i) through (iv) of subsection (a). In addition, the President shall, upon the request of such committee or the Committee on International Relations of the House of Representatives, transmit promptly to both such committees a statement setting forth, to the extent specified in such request—

[“(A) a detailed description of the defense articles or services to be offered including a brief description of the capabilities of any defense article to be offered;

[“(B) an estimate of the number of officers and employees of the United States Government and of United States civilian contract personnel expected to be needed in such country to carry out the proposed sale;

[“(C) the name of each contractor expected to provide the defense article or defense service proposed to be sold (if known on the date of transmittal of such statement);

[“(D) an analysis of the arms control impact pertinent to such offer to sell, prepared in consultation with the Secretary of Defense;

[“(E) the reasons why the foreign country or international organization to which the sale is proposed to be made needs the defense articles or services which are the subject of such sale and a description of how such country or organization intends to use such defense articles or services;

[“(F) an analysis by the President of the impact of the proposed sale on the military stocks and the military preparedness of the United States;

[“(G) the reasons why the proposed sale is in the national interest of the United States;

[“(H) an analysis by the President of the impact of the proposed sale on the military capabilities of the foreign country or international organization to which such sale would be made;

[“(I) an analysis by the President of how the proposed sale would affect the relative military strengths of countries in the region to which the defense articles or services which are the subject of such sale would be delivered and whether other countries in the region have comparable kinds and amounts of defense articles or services;

[“(J) an estimate of the levels of trained personnel and maintenance facilities of the foreign country or international organization to which the sale would be made which are needed and available to utilize effectively the defense articles or services proposed to be sold;

[“(K) an analysis of the extent to which comparable kinds and amounts of defense articles or services are available from other countries;

[“(L) an analysis of the impact of the proposed sale on United States relations with the countries in the region to which the defense articles or services which are the subject of such sale would be delivered; and

[“(M) a detailed description of any agreement proposed to be entered into by the United States for the purchase or acquisition by the United States of defense articles, services, or equipment, or other articles, services, or equipment of the foreign country or international organization in connection with, or as consideration for, such letter of offer, including an analysis of the impact of such proposed agreement upon United States business concerns which might otherwise have provided such articles, services, or equipment to the United States, an estimate of the costs to be incurred by the United States in connection with such agreement compared with costs which would otherwise have been incurred, an estimate of the economic impact and unemployment which would result from entering into such proposed agreement, and an analysis of whether such costs and such domestic economic impact justify entering into such proposed agreement.

A certification transmitted pursuant to this subsection shall be unclassified, except that the information specified in clause (ii) and the details of the description specified in clause (iii) of subsection (a) may be classified if the public disclosure thereof would be clearly detrimental to the security of the United States. The letter of offer shall not be issued if the Congress, within thirty calendar days after receiving such certification, adopts a concurrent resolution stating that it objects to the proposed sale, unless the President states in his certification that an emergency exists which requires such sale in the national security interests of the United States.

[“(2) Any such resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(3) For the purpose of expediting the consideration and adoption of concurrent resolutions under this subsection, a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

[“(c) In the case of an application by a person (other than with regard to a sale under section 21 or section 22 of this Act) for a license for the export of any major defense equipment sold under a contract in the amount of $7,000,000 or more or of defense articles or defense services sold under a contract in the amount of $25,000,000 or more, not less than 30 days before issuing such license the President shall transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate an unclassified numbered certification with respect to such application specifying (1) the foreign country or international organization to which such export will be made, (2) the dollar amount of the items to be exported, and (3) a description

of the items to be exported. In addition, the President shall, upon the request of such committee or the Committee on International Relations of the House of Representatives, transmit promptly to both such committees a statement setting forth, to the extent specified in such request, a description of the capabilities of the items to be exported, an estimate of the total number of United States personnel expected to be needed in the foreign country concerned in connection with the items to be exported and an analysis of the arms control impact pertinent to such application, prepared in consultation with the Secretary of Defense. A certification transmitted pursuant to this subsection shall be unclassified, except that the information specified in paragraph (2) and the details of the description specified in paragraph (3) may be classified if the public disclosure thereof would be clearly detrimental to the security of the United States.

[''(d) In the case of an approval under section 38 of this Act of a United States commercial technical assistance or manufacturing licensing agreement for or in a country not a member of the North Atlantic Treaty Organization which involves the manufacture abroad of any item of significant combat equipment on the United States Munitions List, before such approval is given, the President shall submit a certification with respect to such proposed commercial agreement in a manner similar to the certification required under subsection (c) containing comparable information, except that the last sentence of such subsection shall not apply to certifications submitted pursuant to this subsection.''.

[(b) The amendment made by subsection (a) of this section shall apply with respect to letters of offer for which a certification is transmitted pursuant to section 36(b) of the Arms Export Control Act on or after the date of enactment of this Act and to export licenses for which an application is filed under section 38 of such Act on or after such date.

[CONTROL OF LICENSES WITH RESPECT TO ARMS EXPORTS AND IMPORTS

[SEC. 212. (a)(1) Chapter 3 of the Foreign Military Sales Act is amended by adding at the end thereof the following new section:

[''SEC. 38. CONTROL OF ARMS EXPORTS AND IMPORTS.—(a)(1) In furtherance of world peace and the security and foreign policy of the United States, the President is authorized to control the import and the export of defense articles and defense services and to provide foreign policy guidance to persons of the United States involved in the export and import of such articles and services. The President is authorized to designate those items which shall be considered as defense articles and defense services for the purposes of this section and to promulgate regulations for the import and export of such articles and services. The items so designated shall constitute the United States Munitions List.

[''(2) Decision on issuing export licenses under this section shall be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account the Director's opinion as to whether the export of an article will contribute to an arms race, increase the possibility of outbreak

or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements.

[“(b)(1) As prescribed in regulations issued under this section, every person (other than an officer or employee of the United States Government acting in an official capacity) who engages in the business of manufacturing, exporting, or importing any defense articles or defense services designated by the President under subsection (a)(1) shall register with the United States Government agency charged with the administration of this section, and shall pay a registration fee which shall be prescribed by such regulations, Such regulations shall prohibit the return to the United States for sale in the United States (other than for the Armed Forces of the United States and its allies or for any State or local law enforcement) of any mili8tary firearms or ammunition of United States manufacture furnished to foreign governments by the United States under this Act or any other foreign assistance or sales program of the United States, whether or not enhanced in value or improved in condition in a foreign country. This prohibition shall not extend to similar firearms that have been so substantially transformed as to become, in effect, articles of foreign manufacture.

[“(2) Except as otherwise specifically provided in regulations issued under subsection (a)(1), no defense articles or defense services designated by the President under subsection (a)(1) may be exported or imported without a license for such export or import, issued in accordance with this Act and regulations issued under this Act, except that no license shall be required for exports or imports made by or for an agency of the United States Government (A) for official use by a department or agency of the United States Government or (B) for carrying out any foreign assistance or sales program authorized by law and subject to the control of the President by other means.

[“(3) No license may be issued under this Act for the export of any major defense equipment sold under a contract in the amount of $25,000,000 or more to any foreign country which is not a member of the North Atlantic Treaty Organization unless such major defense equipment was sold under this Act.

[“(c) Any person who willfully violates any provision of this section or section 39, or any rule or regulation issued under either section, or who willfully, in a registration or license application or required report, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall upon conviction be fined not more than $100,000 or imprisoned not more than two years, or both.

[“(d) This section applies to and within the Canal Zone.

[“(e) In carrying out functions under this section with respect to the export of defense articles and defense services, the President is authorized to exercise the same powers concerning violations and enforcement which are conferred upon departments, agencies officials by sections 6 (c), (d), (e), and (f) and 7 (a) and (c) of the Export Administration Act of 1969, subject to the same terms and conditions as are applicable to such powers under such Act. Nothing in

this subsection shall be construed as authorizing the withholding of information from the Congress.".

[(2) Section 2(b) of Foreign Military Sales Act is amended—

[(A) by inserting "and exports" immediately after "sales" both times it appears; and

[(B) by inserting "and whether there shall be delivery or other performance under such sale or export," immediately after "thereof,".]

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[CANCELLATION AND SUSPENSION OF LICENSES AND CONTRACTS

[SEC. 213. Section 42 of the Foreign Military Sales Act is amended by adding at the end thereof the following new subsection:

["(e)(1) Each contract for sale entered into under sections 21 and 22 of this Act shall provide that such contract may be canceled in whole or in part, or its execution suspended, by the United States at any time under unusual or compelling circumstances if the national interest so requires.

["(2)(A) Each export license issued under section 38 of this Act shall provide that such license may be revoked, suspended, or amended by the Secretary of State, without prior notice, whenever the Secretary deems such action to be advisable.

["(B) Nothing in this paragraph may be construed as limiting the regulatory authority of the President under this Act.

["(3) There are authorized to be appropriated from time to time such sums as may be necessary (A) to refund moneys received from purchasers under contracts of sale entered into under sections 21 and 22 of this Act that are canceled or suspended under this subsection to the extent such moneys have previously been disbursed to private contractors and United States Government agencies for work in progress, and (B) to pay such damages and costs that accrue from the corresponding cancellation or suspension of the existing procurement contracts or United States Government agency work orders involved.".

[ADMINISTRATIVE EXPENSES

[SEC. 214. Section 43 of the Foreign Military Sales Act is amended by designating the present section as subsection (a) and by adding at the end thereof the following new subsection:

["(b) Administrative expenses incurred by any department or agency of the United States Government (including any mission or group) in carrying out functions under this Act which are primarily for the benefit of any foreign country shall be fully reimbursed from amounts received for sales under sections 21 and 22.".

[DEFINITIONS

[SEC. 215. Section 47 of the Foreign Military Sales Act is amended—

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

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

[(3) by adding immediately after paragraph (2) the following new paragraphs:

["(3) 'defense article', except as provided in paragraph (7) of this section, includes—

["(A) any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war,

["(B) any property, installation, commodity, material, equipment, supply, or goods used for the purpose of making military sales,

["(C) any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any article listed in this paragraph, and

["(D) any component or part of any article listed in this paragraph,

but does not include merchant vessels or (as defined by the Atomic Energy Act of 1954) source material, byproduct material, special nuclear material, production facilities, utilization facilities, or atomic weapons or articles involving Restricted Data;

["(4) 'defense service', except as provided in paragraph (7) of this section, includes any service, test, inspection, repair, training, publication, technical or other assistance, or defense information (as defined in section 644(e) of the Foreign Assistance Act of 1961), used for the purposes of making military sales;

["(5) 'training' included formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, or contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aid, orientation, training exercise, and military advice to foreign military units and forces;

["(6) 'major defense equipment' means any item of significant combat equipment on the United States Munitions List having a nonrecurring research and development cost of more than $50,000,000 or a total production cost of more than $200,000,000; and

["(7) 'defense articles and defense services' means, with respect to commercial exports subject to the provisions of section 38 of this Act, those items designated by the President pursuant to subsection (a)(1) of such section.".

[ANNUAL FOREIGN SALES REPORT

[SEC. 216. Section 657 of the Foreign Assistance Act of 1961 is amended as follows:

[(1) The section caption is amended by inserting "AND MILITARY EXPORTS" after "FOREIGN ASSISTANCE".

[(2) Paragraph (1) of subsection (a) is amended to read as follows:

["(1) the aggregate dollar value of all foreign assistance (including military education and training), foreign military sales, sales credits, and guaranties provided or made by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance, sales, sales credits, and guaranties,

by category, provided or made by the United States Government to or for each such country or organization during that fiscal year;".

[(3) Paragraph (3) of subsection (a) is amended to read as follows:

["(3) the aggregate dollar value and quantity of defense articles and defense services, and of military education and training, exported to each foreign country and international organization, by category, specifying whether the export was made by grant under chapter 2 or chapter 5 of part II of this Act, by sale under chapter 2 of the Arms Export Control Act, by commercial sale licensed under chapter 3 of that Act, or by other authority; and".

[(4) Paragraph (4) of subsection (a) is repealed.

[(5) Paragraph (5) of subsection (a) is amended—

[(A) by redesignating such paragraph as paragraph (4), and

[(B) by striking out "(4)" and inserting in lieu thereof "(3)".

[TITLE III—GENERAL LIMITATIONS

[HUMAN RIGHTS

[SEC. 301. (a) Section 502B of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 502B. HUMAN RIGHTS.—(a)(1) It is the policy of the United States in accordance with its international obligations as set forth in the Charter of the United Nations and in keeping with the constitutional heritage and traditions of the United States, to promote and encourage increased respect for human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion. To this end, a principal goal of the foreign policy of the United States is to promote the increased observance of internationally recognized human rights by all countries.

["(2) It is further the policy of the United States that, except under circumstances specified in this section, no security assistance may be provided to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights.

["(3) In furtherance of the foregoing policy the President is directed to formulate and conduct international security assistance programs of the United States in a manner which will promote and advance human rights and avoid identification of the United States, through such programs, with governments which deny to their people internationally recognized human rights and fundamental freedoms, in violation of international law or in contravention of the policy of the United States as expressed in this section or otherwise.

["(b) The Secretary of State shall transmit to the Congress, as part of the presentation materials for security assistance programs proposed for each fiscal year, a full and complete report, prepared with the assistance of the Coordinator for Human Rights and Humanitarian Affairs, with respect to practices regarding the observance of and respect for internationally recognized human rights in

each country proposed as a recipient of security assistance. In determining whether a government falls within the provisions of subsection (a)(3) and in the preparation of any report or statement required under this section, consideration shall be given to—

[“(1) the relevant findings of appropriate international organizations, including nongovernmental organizations, such as the International Committee of the Red Cross; and

[“(2) the extent of cooperation by such government in permitting an unimpeded investigation by any such organization of alleged violations of internationally recognized human rights.

[“(c)(1) Upon the request of the Senate or the House of Representatives by resolution of either such House, or upon the request of the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives, the Secretary of State shall, within thirty days after receipt of such request, transmit to both such committees a statement, prepared with the assistance of the Coordinator for Human Rights and Humanitarian Affairs, with respect to the country designated in such request, setting forth—

[“(A) all the available information about observance of and respect for human rights and fundamental freedom in that country, and a detailed description of practices by the recipient government with respect thereto;

[“(B) the steps the United States has taken to—

[“(i) promote respect for and observance of human rights in that country and discourage any practices which are inimical to internationally recognized human rights, and

[“(ii) publicly or privately call attention to, and disassociate the United States and any security assistance provided for such country from, such practices;

[“(C) whether, in the opinion of the Secretary of State, notwithstanding any such practices—

[“(i) extraordinary circumstances exist which necessitate a continuation of security assistance for such country, and, if so, a description of such circumstances and the extent to which such assistance should be continued (subject to such conditions as Congress may impose under this section), and

[“(ii) on all the facts it is in the national interest of the United States to provide such assistance; and

[“(D) such other information as such committee or such House may request.

[“(2)(A) A resolution of request under paragraph (1) of this subsection shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(B) The term ‘certification’, as used in section 601 of such Act, means, for the purpose of this subsection, a resolution of request of the Senate under paragraph (1) of this subsection.

[“(3) In the event a statement with respect to a country is requested pursuant to parargaph (1) of this subsection but is not transmitted in accordance therewith within thirty days after re-

ceipt of such request, no security assistance shall be delivered to such country except as may thereafter be specifically authorized by law from such country unless and until such statement is transmitted.

[“(4)(A) In the event a statement with respect to a country is transmitted under paragraph (1) of this subsection, the Congress may at any time thereafter adopt a joint resolution terminating, restricting, or continuing security assistance for such country. In the event such a joint resolution is adopted, such assistance shall be so terminated, so restricted, or so continued, as the case may be.

[“(B) Any such resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(C) The term ‘certification’, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under paragraph (1) of this subsection.

[“(d) For the purposes of this section—

[“(1) the term ‘gross violations of internationally recognized human rights’ includes torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges and trial, and other flagrant dental of the right to life, liberty, or the security of person; and

[“(2) the term ‘security assistance’ means—

[“(A) assistance under chapter 2 (military assistance) or chapter 4 (security supporting assistance) or chapter 5 (military education and training) of this part VI (assistance to the Middle East) of this Act;

[“(B) sales of defsne articles or services, extensions of credits (including participations in credits, and guaranties of loans under the Arms Export Control Act; or

[“(C) any license in effect with respect to the export of defense articles or defense services to or for the armed forces, police, intelligence, or other internal security forces of a foreign country under section 38 of the Arms Export Control Acts.”.

[(b) Section 624 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(f)(1) There is established in the Department of State a Coordinator for Human Rights and Humanitarian Affairs. The Coordinator for Human Rights and Humanitarian Affairs. The Coordinator shall be appointed by the President with the advice and consent of the Senate. He shall be responsible to the Secretary of State for matters pertaining to human rights and humanitarian affairs (including matters relating to refugees, prisoners of war, and members of the United States Armed Forces missing in action) in the conduct of foreign policy. The Secretary of State shall carry out his responsibility under section 502B of this Act through the Coordinator for Human Rights and Humanitarian Affairs.

[“(2) The Coordinator for Human Rights and Humanitarian Affairs shall maintain continuous observation and review of all matters pertaining to human rights and humanitarian affairs (including matters relating to refugees, prisoners of war, and members of

the United States Armed Forces missing in action) in the conduct of foreign policy including—

[“(A) gathering detailed information regarding humanitarian affairs and the observance of and respect for internationally recognized human rights in each country to which requirements of sections 116 and 502B of this Act are relevant;

[“(B) preparing the statements and reports to Congress required under section 502B of this Act;

[“(C) making recommendations to the Secretary of State and the Administrator of the Agency for International Development regarding compliance with sections 116 and 502B of this Act; and

[“(D) performing other responsibilities which serve to promote increased observance of internationally recognized human rights by all countries.”.

[PROHIBITION AGAINST DISCRIMINATION

[SEC. 302. (a) Section 505 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(g)(1) It is the policy of the United States that no assistance under this chapter should be furnished to any foreign country, the laws, regulations, official policies, or governmental practices of which prevent any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) from participating in the furnishing of defense articles or defense services under this chapter on the basis of race, religion, national origin, or sex.

[“(2)(A) No agency performing functions under this chapter shall, in employing or assigning personnel to participate in the performance of any such function, whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

[“(B) Each contract entered into by any such agency for the performance of any function under this chapter shall contain a provision to the effect that no person, partnership, corporation, or other entity performing functions pursuant to such contract, shall, in employing or assigning personnel to participate in the performance of any such function, whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

[“(3) The President shall promptly transmit reports to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate concerning any transaction in which any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) is prevented by a foreign government on the basis of race, religion, national origin, or sex, from participating in the furnishing of assistance under this chapter, or education and training under chapter 5, to any foreign country. Such reports shall include (A) a description of the facts and circumstances of any such discrimination, (B) the response thereto on the part of the United States or any agency or employee thereof, and (C) the result of such response, if any.

[“(4)(A) Upon the request of the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives, the President shall, within 60 days after receipt of such request, transmit to both such committees a statement, prepared with the assistance of the Coordinator for Human Rights and Humanitarian Affairs, with respect to the country designed in such request, setting forth—

[“(i) all the available information about the exclusionary policies or practices of the government of such country when such policies or practices are based upon race, religion, national origin, or sex and prevent any such person from participating in a transaction involving the furnishing of any assistance under this chapter or any education and training under chapter 5;

[“(ii) the response of the United States thereto and the results of such response;

[“(iii) whether, in the opinion of the President, notwithstanding any such policies or practices—

[“(I) extraordinary circumstances exist which necessitate a continuation of such assistance or education and training transaction, and, if so, a description of such circumstances and the extent to which such assistance or education and training transaction should be continued (subject to such conditions as Congress may impose under this section), and

[“(II) on all the facts it is in the national interest of the United States to continue such assistance or education and training transaction; and

[“(iv) such other information as such committee may request.

[“(B) In the event a statement with respect to an assistance or training transaction is requested pursuant to subparagraph (A) of this paragraph but is not transmitted to accordance therewith within 60 days after receipt of such request, such assistance or training transaction shall be suspended unless and until such statement is transmitted.

[“(C)(i) In the event a statement with respect to an assistance or training transaction is transmitted under subparagraph (A) of this paragraph, the Congress may at any time thereafter adopt a joint resolution terminating or restricting such assistance or training transaction.

[“(ii) Any such resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(iii) The term ‘certification’, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under subparagraph (A) of this paragraph.”.

[(b) Chapter 1 of the Foreign Military Sales Act is amended by adding at the end thereof the following new section:

[“SEC. 5. PROHIBITION AGAINST DISCRIMINATION.—(a) It is the policy of the United States that no sales should be made, and no credits (including participations in credits) or guaranties extended to or for any foreign country, the laws, regulations, official policies, or governmental practices of which prevent any United States per-

son (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) from participating in the furnishing of defense articles or defense services under this Act on the basis of race, religion, national origin, or sex.

[“(b)(1) No agency performing functions under this Act shall, in employing or assigning personnel to participate in the performance of any such function, whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

[“(2) Each contract entered into by any such agency for the performance of any function under this Act shall contain a provision to the effect that no person, partnership, corporation, or other entity performing functions pursuant to such contract, shall, in employing or assigning personnel to participate in the performance of any such function, whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

[“(c) The President shall promptly transmit reports to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate concerning any instance in which any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) is prevented by a foreign government on the basis of race, religion, national origin, or sex, from participating in the performance of any sale or licensed transaction under this Act. Such reports shall include (1) a description of the facts and circumstances of any such discrimination, (2) the response thereto on the part of the United States or any agency or employee thereof, and (3) the result of such response, if any.

[“(d)(1) Upon the request of the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives, the President shall, within 60 days after receipt of such request, transmit to both such committees a statement, prepared with the assistance of the Coordinator for Human Rights and Humanitarian Affairs, with respect to the country designated in such request, setting forth—

[“(A) all the available information about the exclusionary policies or practices of the government of such country when such policies or practices are based upon race, religion, national origin or sex and prevent any such person from participating in the performance of any sale or licensed transaction under this Act;

[“(B) the response of the United States thereto and the results of such response;

[“(C) whether, in the opinion of the President, notwithstanding any such policies or practices—

[“(i) extraordinary circumstances exist which necessitate a continuation of such sale or licensed transaction, and, if so, a description of such circumstances and the extent to which such sale or licensed transaction should be continued (subject to such conditions as Congress may impose under this section), and

[“(ii) on all the facts it is in the national interest of the United States to continue such sale or licensed transaction; and

[“(D) such other information as such committee may request.

[“(2) In the event a statement with respect to a sale or licensed transaction is requested pursuant to paragraph (1) of this subsection but is not transmitted in accordance therewith within 60 days after receipt of such request, such sale or licensed transaction shall be suspended unless and until such statement is transmitted.

[“(3)(A) In the event a statement with respect to a sale or licensed transaction is transmitted under paragraph (1) of this subsection, the Congress may at any time thereafter adopt a joint resolution terminating or restricting such sale or licensed transaction.

[“(B) Any such resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

[“(C) The term ‘certification’, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under paragraph (1) of this subsection.”.

[PROHIBITION OF ASSISTANCE TO COUNTRIES GRANTING SANCTUARY TO INTERNATIONAL TERRORISTS

[SEC. 303. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 620A. PROHIBITION AGAINST FURNISHING ASSISTANCE TO COUNTRIES WHICH GRANT SANCTUARY TO INTERNATIONAL TERRORISTS.—(a) Except where the President finds national security to require otherwise, the President shall terminate all assistance under this Act to any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism and the President may not thereafter furnish assistance to such government until the end of the one year period beginning on the date of such termination, except that if during its period of ineligibility for assistance under this section such government aids or abets, by granting sanctuary from prosecution to, any other individual or group which has committed an act of international terrorism, such government’s period of ineligibility shall be extended for an additional year for each such individual or group.

[“(b) If the President finds that national security justifies a continuation of assistance to any government described in subsection (a), he shall report such finding to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.”.

[INELIGIBILITY

[SEC. 304. (a) Section 505(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

[“(d)(1) Assistance and deliveries of assistance under this chapter to any country shall be terminated as hereinafter provided, if such country uses defense articles or defense services furnished under this Act, the Mutual Security Act of 1954, or any predecessor

Foreign Assistance Act, in substantial violation (either in terms of quantities or in terms of the gravity of the consequences regardless of the quantities involved) or any agreement entered into pursuant to any such Act (A) by using such articles or services for a purpose not authorized under section 502 or, if such agreement provides that such articles or services may only be used for purposes more limited than those authorized under section 502, for a purpose not authorized under such agreement; (B) by transferring such articles or services to, or permitting any use of such articles or services by, anyone not an officer, employee, or agent of the recipient country without the consent of the President; or (C) by failing to maintain the security of such articles or services.

[“(2)(A) Assistance and deliveries of assistance shall be terminated pursuant to paragraph (1) of this subsection if the President so determines and so states in writing to the Congress, or if the Congress so finds by joint resolution.

[“(B) The President shall report to the Congress promptly upon the receipt of information that a violation described in paragraph (1) of this subsection may have occurred.

[“(3) Assistance to a country shall remain terminated in accordance with paragraph (1) of this subsection until such time as—

[“(A) the President determines that the violation has ceased; and

[“(B) the country concerned has given assurances satisfactory to the President that such violation will not recur.

[“(4) The authority contained in section 614(a) of this Act may not be used to waive the provisions of this section with respect to further assistance under this chapter.”.

[(b)(1) Section 3(c) of the Foreign Military Sales Act is amended to read as follows:

[“(c)(1)(A) No credits (including participations in credits) may be issued and no guaranties may be extended for any foreign country under this Act as hereinafter provided, if such country uses defense articles or defense services furnished under this Act, or any predecessor Act, in substantial violation (either in terms of quantities or in terms of the gravity of the consequences regardless of the quantities involved) of any agreement entered into pursuant to any such Act (i) by using such articles or services for a purpose not authorized under section 4 or, if such agreement provides that such articles or services may only be used for purposes more limited than those authorized under section 4 for a purpose not authorized under such agreement; (ii) by transferring such articles or services to, or permitting any use of such articles or services by, anyone not an officer, employee, or agent of the recipient country without the consent of the President; or (iii) by failing to maintain the security of such articles or services.

[“(B) No cash sales or deliveries pursuant to previous sales may be made with respect to any foreign country under this Act as hereinafter provided, if such country uses defense articles or defense services furnished under this Act, or any predecessor Act, in substantial violation (either in terms of quantity or in terms of the gravity of the consequences regardless of the quantities involved) of any agreement entered into pursuant to any such Act by using such articles or services for a purpose not authorized under section

4 or, if such agreement provides that such articles or services may only be used for purposes more limited than those authorized under section 4, for a purpose not authorized under such agreement.

[“(2) The President shall report to the Congress promptly upon the receipt of information that a violation described in paragraph (1) of this subsection may have occurred.

[“(3)(A) A country shall be deemed to be ineligible under subparagraph (A) of paragraph (1) of this subsection, or both subparagraphs (A) and (B) of such paragraph in the case of a violation described in both such paragraphs, if the President so determines and so reports in writing to the Congress, or if the Congress so determines by joint resolution.

[“(B) Notwithstanding a determination by the President of ineligibility under subparagraph (B) of paragraph (1) of this subsection, cash sales and deliveries pursuant to previous sales may be made if the President certifies in writing to the Congress that a termination thereof would have significant adverse impact on United States security, unless the Congress adopts or has adopted a joint resolution pursuant to subparagraph (A) of this paragraph with respect to such ineligibility.

[“(4) A country shall remain ineligible in accordance with paragraph (1) of this subsection until such time as—

[“(A) the President determines that the violation has ceased; and

[“(B) the country concerned has given assurances satisfactory to the President that such violation will not recur.”.

[(2) Section 3(d) of the Foreign Military Sales Act is repealed and subsections (e) and (f) of such section, as added by section 204 of this Act, are redesignated as subsections (d) and (e), respectively.

[NUCLEAR TRANSFERS

[SEC. 305. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 669. NUCLEAR TRANSFERS.—(a) Except as provided in subsection (b), no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of—

[“(1) providing economic assistance;

[“(2) providing military or security supporting assistance or grant military education and training; or

[“(3) extending military credits or making guarantees; to any country which—

[“(A) delivers nuclear reprocessing or enrichment equipment, materials, or technology to any other country; or

[“(B) receives such equipment, materials or technology from any other country; unless before such delivery—

[“(i) the supplying country and receiving country have reached agreement to place all such equipment, materials, and technology, upon delivery, under multilateral auspices and management when available; and

[“(ii) the recipient country has entered into an agreement with the International Atomic Energy

Agency to place all such equipment, materials, technology, and all nuclear fuel and facilities in such country under the safeguards system of such Agency.

[“(b)(1) Notwithstanding the provisions of subsection (a) of this section, the President may, by Executive order effective not less than 30 days following its date of promulgation, furnish assistance which would otherwise be prohibited under paragraph (1), (2), or (3) of such subsection if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that—

[“(A) the termination of such assistance would have a serious adverse effect on vital United States interests; and

[“(B) he has received reliable assurances that the country in question will not acquire or develop nuclear weapons or assist other nations in doing so.

Such certification shall set forth the reasons supporting such determination in each particular case.

[“(2)(A) The Congress may by joint resolution terminate or restrict assistance described in paragraphs (1) through (3) of subsection (a) with respect to a country to which the prohibition in such subsection applies or take any other action with respect to such assistance for such country as it deems appropriate.

[“(B) Any such joint resolution with respect to a country shall, if introduced within 30 days after the transmittal of a certification under paragraph (1) with respect to such country, be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.”.

[TITLE IV—PROVISIONS RELATING TO SPECIFIC REGIONS OR COUNTRIES

[MIDDLE EAST POLICY STATEMENT

[SEC. 401. Section 901 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

[“It is the sense of Congress that the United States will continue to determine Middle East Policy as circumstances may require and that the authority contained in the joint resolution entitled ‘Joint resolution to implement the United States proposal for the early-warning system in Sinai’, approved October 13, 1975 (Public Law 94–110), and the authorizations contained in the amendments made by the International Security Assistance and Arms Export Control Act of 1976 do not, and shall not in any way be construed to, constitute congressional approval, acceptance, or endorsement (1) of any oral or written commitment, understanding, assurance, promise, or agreement, whether expressed or implied, or any other expression, oral or written (other than the ‘United States Proposal for the Early Warning System in Sinai’), made by any official of the United States which Israel, Egypt, or any other nation or organization might construe or interpret as a basis on which it could rely or act, or (2) of any characterization of any such commitment, understanding, assurance, promise, or agreement, or other

expression, as constituting a 'codification' of existing, congressionally approved United States policy.".

[AID FOR CYPRIOT REFUGEES

[SEC. 402. Section 495 of the Foreign Assistance Act of 1961 is amended by striking out "$30,000,000" and inserting in lieu thereof "$40,000,000".

[ASSISTANCE TO TURKEY

[SEC. 403. Section 620(x)(1) of the Foreign Assistance Act of 1961, as amended by section 2(c) of the Act of October 6, 1975 (Public Law 94–104), is amended by striking out *"Provided,"* and all that follows through the end of paragraph (1) and inserting in lieu thereof the following: *"Provided,* That for the fiscal year 1976, the period beginning July 1, 1976, and ending September 30, 1976, and the fiscal year 1977, the President may suspend the provisions of this subsection and of section 3(c) of the Arms Export Control Act with respect to cash sales and extensions of credits and guaranties under such Act for the procurement of such defense articles and defense services as the President determines are necessary to enable Turkey to fulfill her defense responsibilities as a member of the North Atlantic Treaty Organization, except that (A) during the fiscal year 1976 and the period beginning July 1, 1976, and ending September 30, 1976, the total value of defense articles and defense services sold to Turkey under such Act, either for cash or financed by credits and guaranties, shall not exceed $125,000,000, and (B) during the fiscal year 1977, the total value of defense articles and defense services sold to Turkey under such Act, either for cash or financed by credits and guaranties, shall not exceed $125,000,000. Any such suspension shall be effective only so long as Turkey observes the cease-fire on Cyprus, does not increase its military forces or its civilian population on Cyprus, and does not transfer to Cyprus any United States supplied arms, ammunition, or implements of war. The determination required by the proviso in the first sentence of this paragraph shall be made, on a case-by-case basis, with respect to each cash sale, each approval for use of credits, and each approval for use of a guaranty for Turkey. Each such determination shall be reported to the Congress and shall be accompanied by a full and complete statement of the reasons supporting the President's determination and a statement containing the information specified in clauses (A) through (D) of section 2(c)(4) of the Act of October 6, 1975 (Public Law 94–104). In any case involving the sale of significant combat equipment on the United States Munitions List in which the congressional review provisions of section 36(b) of the Arms Export Control Act do not apply, the President may not issue the letter of offer or approve the use of the credits or guaranty, as the case may be, until the end of the thirty-day period beginning on the date on which the report required by the preceding sentence is submitted to the Congress.".

[CONTROL OF MILITARY FORCES IN THE INDIAN OCEAN

[SEC. 407. It is the sense of Congress that the President should undertake to enter into negotiations with the Soviet Union

intended to achieve an agreement limiting the deployment of naval, air, and land forces of the Soviet Union and the United States in the Indian Ocean and littoral countries. Such negotiations should be convened as soon as possible and should consider, among other things, limitations with respect to—

[(1) the establishment or use of facilities for naval, air, or land forces in the Indian Ocean and littoral countries;

[(2) the number of naval vessels which may be deployed in the Indian Ocean, or the number of "shipdays" allowed therein; and

[(3) the type and number of military forces and facilities allowed therein.

[UNITED STATES CITIZENS IMPRISONED IN MEXICO

[SEC. 408. (a) The Congress, while sharing the concern of the President over the urgent need for international corporation to restrict traffic in dangerous drugs, is convinced that such efforts must be consistent with respect for fundamental human rights. The Congress, therefore, calls upon the President to take steps to insure that United States efforts to secure stringent international law enforcement measures are combined with efforts to secure fair and humane treatment for citizens of all countries.

[(b)(1) The Congress requests that the President communicate directly to the President and Government of the Republic of Mexico, a nation with which we have friendly and cooperative relations, the continuing desire of the United States for such relations between our two countries and the concern of the United States over treatment of United States citizens arrested in Mexico.

[(2) The Secretary of State shall report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate within one hundred and twenty days after the date of enactment of this section, and every one hundred and twenty days thereafter, on progress toward full respect for the human and legal rights of all United States citizens detained in Mexico.

[EMERGENCY FOOD NEEDS OF PORTUGAL

[SEC. 409. It is the sense of the Congress that the President should undertake immediately an evaluation of the emergency food needs of Portugal. It is further, the sense of the Congress that the President would take timely action to alleviate such emergency by providing Portugal with food commodities under the provisions of pertinent statutes.

[STRIFE IN LEBANON

[SEC. 410. It is the sense of the Congress that the situation in Lebanon, a nation traditionally friendly to the United States, poses a danger to peace in the Middle East. The Congress deplores the armed civil strife and the continuing erosion of national institutions which threaten to destroy the political and economic fabric of Lebanon with such tragic impact on all its people. The Congress views with grave concern any outside efforts to exploit the current strife with the purpose of transforming Lebanon in to a radical State in confrontation with Israel. The Congress requests that the

President use his good offices to secure and end to the civil strife and national discord in Lebanon and to preserve the traditional friendly attitude of Lebanon toward the United States.

[REPORT ON KOREA

[SEC. 411. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 668. REPORT ON KOREA.—Within ninety days after the enactment of this section, and at least once during each of the next five years, the President shall transmit to the Speaker of the House of Representatives and to the Committees on Foreign Relations and Armed Services of the Senate a report which (1) reviews the progress made under the announced program of the Republic of Korea to modernize its armed forces so as to achieve military self-sufficiency by 1980, (2) reports on the role of the United States in mutual security efforts in the Republic of Korea, and (3) reports on the prospects for or implementation of phased reduction of United States Armed Forces assigned to duty in the Republic of Korea, in coordination with the timetable of the Republic of Korea for military self-sufficiency.".

[KOREA

[SEC. 412. The Congress views with distress the erosion of important civil liberties in the Republic of Korea and requests that the President communicate this concern in forceful terms to the Government of the Republic of Korea within sixty days after enactment.

[REPEAL OF INDOCHINA ASSISTANCE

[SEC. 413. (a) Part V of the Foreign Assistance Act of 1961 and sections 34, 35, 36, 37, 38, 39, and 40 of the Foreign Assistance Act of 1974 are repealed. All determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by this section shall continue in full force and effect until modified, revoked, or superseded by appropriate authority.

[(b) Subject to the availability of appropriations therefor, the President is authorized to adopt as a contract of the United States Government, and assume any liabilities arising thereunder (in whole or in part), any contract which had been funded or approved for funding by the Agency for International Development prior to June 30, 1975, for financing with funds made available under the Foreign Assistance Act of 1961 or the Foreign Assistance Act of 1974, or any equitable claim based upon a letter of intent issued prior to April 30, 1975, in which the Agency had expressed its intention to finance a transaction subject to the availability of funds, between the former Governments of Vietnam or Cambodia (including any of their agencies) or the Government of Laos (or any of its agencies) and any person and to apply with respect to any such contract the authorities of the Foreign Assistance Act of 1961.

[(c) Funds made available for the purposes of part V of the Foreign Assistance Act of 1961 and of section 36 of the Foreign As-

sistance Act of 1974 (including amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200), as having been obligated against appropriations theretofore made) are authorized to be appropriated, and thereafter, to remain available until expended, to meet necessary expenses arising from the actions authorized by subsection (b) of this section and such funds are authorized to remain available until expended to meet necessary expenses arising from the termination of assistance programs authorized by such part and such section 36, which expenses may include but need not be limited to the settlement of claims and associated personnel costs.

[LEBANON HOUSING RECONSTRUCTION

[SEC. 414. Section 223(j) of the Foreign Assistance Act of 1961 is amended by striking out "and" in the last sentence and by inserting immediately before the period at the end of such sentence ", and in Lebanon, not exceeding a face amount of $15,000,000".

[ITALY RELIEF AND REHABILITATION

[SEC. 415. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 495B. ITALY RELIEF AND REHABILITATION.—(a) In addition to amounts otherwise available for such purpose, there is authorized to be appropriated $25,000,000 for the fiscal year 1976 to furnish assistance under this chapter for the relief and rehabilitation of the people who have been victimized by the recent earthquake in Italy. Amounts appropriated under this section are authorized to remain available until expended.

["(b) Obligations incurred prior to the date of enactment of this section against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Italy may be charged to the appropriations authorized under this section.".

[LEBANON RELIEF AND REHABILITATION

[SEC. 416. Chapter 9 of part I of the Foreign Assistance Act of 1961, as amended by section 415 of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 495C. LEBANON RELIEF AND REHABILITATION.—(a) The Congress, recognizing that prompt United States assistance is necessary to alleviate the human suffering arising from civil strife in Lebanon and to restore the confidence of the people of Lebanon, authorizes the President to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other needy people in Lebanon.

["(b) There is authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise available for such purposes, $20,000,000, which amount is authorized to remain available until expended.

["(c) Assistance under this section shall be provided in accordance with the policies and general authority contained in section 491.

[“(d) Obligations incurred prior to the date of enactment of this section against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Lebanon may be charged to the appropriations authorized under this section.

[“(e) Not later than sixty days after the date of enactment of appropriations to carry out this section, and on a quarterly basis thereafter, the President shall transmit reports to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives regarding the programming and obligation of funds under this section.”.

[TITLE V—MISCELLANEOUS AUTHORIZATIONS

[SECURITY SUPPORTING ASSISTANCE

[SEC. 501. (a) Section 532 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 532. AUTHORIZATION.—(a) There is authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1976 $1,766,200,000, of which not less than $65,000,000 shall be available only for Greece, $730,000,000 shall be available only for Israel, and $705,000,000 shall be available only for Egypt, and for the fiscal year 1977 $1,860,000,000, of which not less than $785,000,000 shall be available only for Israel, not less than $750,000,000 shall be available only for Egypt, not less than $27,500,000 shall be available only for Zambia, and not less than $27,500,000 shall be available for Zaire. Amounts appropriated under this section are authorized to remain available until expended.

[“(b)(1) None of the funds made available under this section for Zaire and Zambia may be used for military, guerrilla, or paramilitary activities in either such country or in any other country.

[“(2) Assistance furnished under this chapter to Zaire and Zambia for fiscal year 1977 shall not be counted for purposes of the limitation contained in the last sentence of section 531 on the number of countries which may receive assistance under this chapter in any fiscal year.”.

[MIDDLE EAST SPECIAL REQUIREMENT FUND

[SEC. 502. Section 903 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a), by striking out “for the fiscal year 1975 not to exceed $100,000,000” and inserting in lieu thereof “for the fiscal year 1976 not to exceed $50,000,000 and for the fiscal year 1977 not to exceed $35,000,000”; and

[(2) by striking out subsection (c) and inserting in lieu thereof the following:

[“(c) Funds appropriated under subsection (a) shall be available to assist the Governments of Egypt and Israel in carrying out activities under the Agreement of October 10, 1975, and to pay the costs of implementing the United States proposal for the early warning system in Sinai. Such funds may be obligated without regard to the provisions of subsection (b) of this section to the extent

that the proposed obligation has been justified to the Congress prior to the enactment of this subsection.

[“(d) Of the amount authorized to be appropriated in subsection (a) for the fiscal years 1976 and 1977, not less than $12,000,000 for each such year shall constitute a contribution by the United States toward the settlement of the deficit of the United Nations Relief and Works Agency for Palestine Refugees in the Middle East, if the President determines that a reasonable number of other countries will contribute a fair share toward the settlement of such deficit within a reasonable period of time after the date of enactment of the International Security Assistance and Arms Export Control Act of 1976. In determining such fair share, the President shall take into consideration the economic position of each such country. Such $24,000,000 shall be in addition to any other contribution to such Agency by the United States pursuant to any other provision of law.

[“(e) Funds made available under this section may be obligated without regard to the provisions of subsection (b) of this section for programs contained in the presentation materials submitted to Congress for the fiscal year 1977.”.

[CONTINGENCY FUND

[SEC. 503. Chapter 5 of part I of the Foreign Assistance Act of 1961 is amended—

[(1) in the chapter heading, by striking out “Disaster Relief” and inserting in lieu thereof “Contingency Fund”; and

[(2) in section 451(a)—

[(A) by striking out “for the fiscal year 1975 not to exceed $5,000,000,” and inserting in lieu thereof “for the fiscal year 1976 not to exceed $5,000,000 and for the fiscal year 1977 not to exceed $5,000,000”;

[(B) by striking out “or by section 639”; and

[(C) by adding at the end thereof the following new sentence: “Amounts appropriated under this section are authorized to remain available until expended.”.

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 504. (a) Section 482 of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end of the first sentence “, 40,000,000 for the fiscal year 1976, no part of which may be obligated for or on behalf of any country where illegal traffic in opiates has been a significant problem unless and until the President determines and certifies in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that assistance furnished to such country pursuant to the authority in this chapter is significantly reducing the amount of illegal opiates entering the international market, and not to exceed $34,000,000 for the fiscal year 1977”.

[(b) Section 481 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(c)(1) Notwithstanding any other provision of law, no officer or employee of the United States may engage or participate in any

direct police arrest action in any foreign country with respect to narcotics control efforts.

[“(2) The President shall carry out a study with respect to methods through which United States narcotics control programs in foreign countries might be placed under the auspices of international or regional organizations. The results of such study shall be transmitted to the Speaker of the House of Representatives and the President of the Senate not later than June 30, 1977.”.

[AUTHORIZATION FOR INTERNATIONAL ATOMIC ENERGY AGENCY

[SEC. 505. Section 302 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

[“(i) In addition to amounts otherwise available under this section, there are authorized to be appropriated for fiscal year 1976 $1,000,000 and for fiscal year 1977 $2,000,000 to be available only for the International Atomic Energy Agency to be used for the purpose of strengthening safeguards and inspections relating to nuclear fissile facilities and materials. Amounts appropriated under this subsection are authorized to remain available until expended.”.

[INTERIM QUARTER AUTHORIZATIONS

[SEC. 506. (a) Any authorization of appropriations in this Act, or in any amendment to any other law made by this Act, for the fiscal year 1976, shall be deemed to include an additional authorization of appropriations for the period beginning July 1, 1976, and ending appropriations for the period beginning July 1, 1976, and ending September 30, 1976, in amounts which equal one-fourth of any amount authorized for the fiscal year 1976 and in accordance with the authorities applicable to operations and activities authorized under this Act or such other law, unless appropriations for the same purpose are specifically authorized in a law hereinafter enacted.

[(b) The aggregate total of credits, including participations in credits, extended pursuant to the Arms Export Control Act and of the principal amount of loans guaranteed pursuant to section 24(a) of such Act during the period beginning July 1, 1976, and ending September 30, 1976, may not exceed an amount equal to one-fourth of the amount authorized by section 31(b) of such Act to be extended and guaranteed for the fiscal year 1976.

[TITLE VI—MISCELLANEOUS PROVISIONS]

* * * * * * *

[PROCUREMENTS FROM SMALL BUSINESSES

[SEC. 602. In order to encourage procurements from small business concerns under chapter 4 of the Foreign Assistance Act of 1961, the Administrator of the Agency for International Development shall report to the Congress every six months on the extent to which small businesses have participated in procurements under such chapter and on what efforts the Agency has made to foster such procurements from small business concerns. The Small busi-

ness administration shall lend all available assistance to the Agency for the purposes of carrying out this section.

[PAYMENT OF CONSULTANTS

[SEC. 603. Section 626(a) of the Foreign Assistance Act of 1961 is amended by striking out "$100 per diem" and inserting in lieu thereof "the daily equivalent of the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5, United States Code".

[FEES OF MILITARY SALES AGENTS AND OTHER PAYMENTS

[SEC. 604. (a) Section 36 of the Foreign Military Sales Act, as amended by section 211 of this Act, is further amended as follows:

[(1) In subsection (a)—

[(A) strike out "and" at the end of paragraph (7);

[(B) redesignate paragraph (8) as paragraph (9); and

[(C) insert the following new paragraph immediately after paragraph (7):

["(8) a description of each payment, contribution, gift, commission, or fee reported to the Secretary of State under section 39, including (A) the name of the person who made such payment, contribution, gift, commission, or fee; (B) the name of any sales agent or other person to whom such payment, contribution, gift, commission, or fee was paid; (C) the date and amount of such payment, contribution, gift, commission, or fee; (D) a description of the sale in connection with which such payment, contribution, gift, commission, or fee was paid; and (E) the identification of any business information considered confidential by the person submitting it which is included in the report; and".

["(2) In the first sentence of subsection (b), insert immediately before the period "and a description, containing the information specified in paragraph (8) of subsection (a), of any contribution, gift, commission, or fee paid or offered or agreed to be paid in order to solicit, promote, or otherwise to secure such letter of offer".

[(b) Chapter 3 of the Foreign Military Sales Act, as amended by section 212 of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 39. FEES OF MILITARY SALES AGENTS AND OTHER PAYMENT.—(a) In accordance with such regulations as he may prescribe, the Secretary of State shall require adequate and timely reporting on political contributions, gifts, commissions and fees paid, or offered or agreed to be paid, by any person in connection with—

["(1) sales of defense articles or defense services under section 22 of this Act; or

["(2) commercial sales of defense articles or defense services licensed or approved under section 38 of this Act;

to or for the armed forces of a foreign country or international organization in order to solicit, promote, or otherwise to secure the conclusion of such sales. Such regulations shall specify the amounts and the kinds of payments, offers, and agreements to be reported, and the form and timing of reports, and shall require reports on the names of sales agents and other persons receiving such pay-

ments. The Secretary of State shall by regulation require such recordkeeping as he determines is necessary.

[“(b) The President may, by regulation, prohibit, limit, or prescribe conditions with respect to such contributions, gifts, commissions, and fees as he determines will be furtherance of the purposes of this Act.

[“(c) No such contribution, gift, commission, or fee may be included, in whole or in part, in the amount paid under any procurement contract entered into under section 22 of this Act, unless the amount thereof is reasonable, allocable to such contract, and not made to a person who has solicited promoted, or otherwise secured such sale, or has held himself out as being able to do so, through improper influence. For the purposes of this section, ‘improper influence’ means influence, direct or indirect, which induces or attempts to induce consideration or action by any employee or officer of a purchasing foreign government or international organization with respect to such purchase on any basis other than such consideration of merit as are involved in comparable United States procurements.

[“(d)(1) All information reported to the Secretary of State and all records maintained by any person pursuant to regulations prescribed under this section shall be available, upon request, to any standing committee of the Congress or any subcommittee thereof and to any agency of the United States Government authorized by law to have access to the books and records of the person requried to submit reports or to maintain records under this section.

[“(2) Access by an agency of the United States Government to records maintained under this section shall be on the same terms and conditions which govern the access by such agency to the books and records of the person concerned.”.

[(c) The amendments made by this section shall take effect sixty days after the date of enactment of this Act.

[USE OF PERSONNEL

[SEC. 605. (a) Nothing in this Act is intended to authorize any additional military or civilian personnel for the Department of Defense for the purposes of this Act, the Foreign Assistance Act of 1961, or the Arms Export Control Act. Personnel levels authorized in statutes authorizing appropriations for military and civilian personnel of the Department of Defense shall be controlling over all military and civilian personnel of the Department of Defense assigned to carry out functions under the Arms Export Control Act and the Foreign Assistance Act of 1961.

[(b) Section 42 of the Foreign Military Sales Act, as amended by section 213 of this Act, is further amended by adding at the end thereof the following new subsection:

[“(f) The President shall, to the maximum extent possible and consistent with the purposes of this Act, use civilian contract personnel in any foreign country to perform defense services sold under this Act.”.

[ASSISTANCE FOR PRODUCTIVE ENTERPRISES

[SEC. 606. Section 620(k) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end

of the first sentence ", except that this sentence does not apply with respect to assistance for construction of any productive enterprise in Egypt which is described in the persentation materials to Congress for fiscl year 1977".

[EXTORTION AND ILLEGAL PAYMENTS

[SEC. 607. Within 60 days after receiving information which substantiates that officials of a foreign country receiving international security assistance have (1) received illegal or otherwise improper payments for a United States corporation in return for a contract to purchase defense articles or services from such corporation, or (2) extorted, or attempted to extort, money or other things of value in return for actions by officials of that country that permit a United States citizen or corporation to conduct business in that country, the President shall submit to Congress a report outlining the circumstances of such payment or extortion. The report shall contain a recommendation from the President as to whether the United States should continue a security assistance program for that country.]

EXTENSION OF AIRPORT AT PINECREEK, MINNESTOA

SEC. 608. The consent of Congress is hereby granted for the State of Minnesota or a subdivision or instrumentality thereof to enter into an agreement with the Government of Canada, a Canadian Province, or a subdivision or instrumentality of either, providing for the extension of the Pinecreek Airport at Pinecreek, Minnesota, into the Province of Manitoba, Canada, and the operation of the airport by a joint Canadian-American airport authority. The effectivenss of such agreement shall be conditioned on its approval by the Secretary of State.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

AN ACT To authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "International Development and Food Assistance Act of 1975".

[TITLE I—INTERNATIONAL DISASTER ASSISTANCE

INTERNATIONAL DISASTER ASSISTANCE

[SEC. 101. The Foreign Assistance Act of 1961 is amended—

[(1) by amending the chapter heading for chapter 9 of part I to read "CHAPTER 9—INTERNATIONAL DISASTER ASSISTANCE";

[(2) by repealing section 491;

[(3) by inserting immediately after the chapter heading for such chapter 9 the following new sections:

["SEC. 491. POLICY AND GENERAL AUTHORITY.—(a) The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and manmade disasters is an

important expression of the humanitarian concern and tradition of the people of the United States, affirms the willingness of the United States to provide assistance for the relief and rehabilitation of people and countries affected by such disasters.

[“(b) Subject to the limitation on appropriations in section 492, and notwithstanding any other provision of this or any other Act, the President is authorized to furnish assistance to any foreign country or international organization on such terms and conditions as he may determine, for international disaster relief and rehabilitation, including assistance relating to disaster preparedness, and to the prediction of, and contingency planning for, natural disasters abroad.

[“(c) In carrying out the provisions of this section the President shall insure that the assistance provided by the United States shall, to the greatest extent possible, reach those most in need of relief and rehabilitation as a result of natural and manmade disasters.

[“SEC. 492. AUTHORIZATION.—There is authorized to be appropriated to the President to carry out section 491, $25,000,000 for each of the fiscal years 1976 and 1977. Amounts appropriated under this section are authorized to remain available until expended. The President shall submit quarterly reports to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives on the programing and obligation of funds under this section.

[“SEC. 493. DISASTER ASSISTANCE—COORDINATION.—The President is authorized to appoint a Special Coordinator for International Disaster Assistance whose responsibility shall be to promote maximum effectiveness and coordination in responses to foreign disasters by United States agencies and between the United States and other donors. Included among the Special Coordinator's responsibilities shall be the formulation and updating of contingency plans for providing disaster relief.”;

[(4) by redesignating section 452 as section 494 and inserting it immediately after section 493;

[(5) by redesignating sections 639A and 639B as sections 494A and 494B, respectively, and inserting them immediately after section 494;

[(6) by repealing section 639;

[(7) in section 494B, as redesignated by paragraph (5) of this section—

[(A) by striking out “SAHEL” in the section caption,

[(B) by inserting “(a)” immediately after the section caption,

[(C) by striking out “supports” and inserting in lieu thereof “reaffirms its support of”, and

[(D) by adding the following new subsections at the end thereof:

[“(b) The President is authorized to develop a long-term comprehensive development program for the Sahel and other drought-stricken nations in Africa.

[“(c) In developing this long-term program, the President shall—

[“(1) consider international coordination for the planning and implementation of such program;

[“(2) seek greater participation and support by African countries and organizations in determining development priorities; and

[“(3) begin such planning immediately.

[“(d) There is authorized to be appropriated to the President, to carry out the purposes of this section, in addition to funds otherwise available for such purposes, $5,000,000 for the fiscal year 1976, which amount is authorized to remain available until expended. The President shall submit to the Foreign Relations and Appropriations Committees of the Senate and the International Relations and Appropriations Committees of the House of Representatives not later than April 30, 1976, a comprehensive proposal for carrying out the provisions of this section which shall include budget materials relating to programs for the fiscal year 1977.”; and

[(8) by adding the following new section immediately after new section 494B:

[“SEC. 495. CYPRUS RELIEF AND REHABILITATION.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other needy people in Cyprus. There is authorized to be appropriated for the purposes of this section, in addition to amounts otherwise available for such purposes, $30,000,000. Such amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with the policy and general authority contained in section 491.”.

[TITLE II—FOOD AID TO POOR COUNTRIES

[POLICY

[SEC. 201. Section 2 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following:

[“In furnishing food aid under this Act, the President shall—

[“(1) give priority consideration, in helping to meet urgent food needs abroad, to making available the maximum feasible volume of food commodities (with appropriate regard to domestic price and supply situations) required by those countries most seriously affected by food shortages and by inability to meet immediate food requirements on a normal commercial basis;

[“(2) continue to urge all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to increase their participation in efforts to address the emergency and longer term food needs of the developing world;

[“(3) relate United States assistance to efforts by aid-receiving countries to increase their own agricultural production, with emphasis on development of small, family farm agriculture, and improve their facilities for transportation, storage, and distribution of food commodities;

[“(4) give special consideration to the potential for expanding markets for America’s agricultural abundance abroad in the allocation of commodities or concessional financing; and

[“(5) give appropriate recognition to and support of a strong and viable American farm economy in providing for the food security of consumers in the United States and throughout the world.”.

[WORLD FOOD CONFERENCE TARGET

[SEC. 202. The Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately after section 2 the following new section:

[“SEC. 3. Pursuant to the World Food Conference recommendation that donor countries provide a total of at least ten million tons of food assistance to needy nations annually, the President is urged to maintain a significant United States contribution to this goal and to encourage other countries to maintain and increase their contributions as well.”.

[EXERCISE OF AUTHORITIES

[SEC. 203. Section 103 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by amending subsection (a) to read as follows:

[“(a) take into account efforts of friendly countries to help themselves toward a greater degree of self-reliance, including efforts to increase their own agricultural production, especially through small, family farm agriculture, to improve their facilities for transportation, storage, and distribution of food commodities, and to reduce their rate of population growth;”;

[(2) in subsection (b), by inserting “and in section 106(b)(2)” immediately after “section 104”; and

[(3) in subsection (d), by striking out the second proviso and inserting in lieu thereof “*Provided*, That this exclusion from the definition of ‘friendly country’ may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress within 10 days of the date of such determination,”.

[FOREIGN CURRENCIES FROM OVERSEAS SALES

[SEC. 204. Section 104 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting immediately after “the House Committee on Agriculture” each time it appears “and the House Committee on International Relations”;

[(2) by inserting immediately after “the Senate Committee on Agriculture and Forestry” each time it appears “and the Senate Committee on Foreign Relations”; and

[(3) by repealing subsection (c).

[USE BY FOREIGN COUNTRIES OF PROCEEDS OF SALES OF AGRICULTURAL COMMODITIES

[SEC. 205. Section 106(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting “(1)” immediately after “(b)”;

[(2) by adding at the end thereof: “In negotiating such agreements with recipient countries, the United States shall

emphasize the use of such proceeds for purposes which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries."; and

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

["(2) Greatest emphasis shall be placed on the use of such proceeds to carry out programs of agricultural development, rural development, nutrition, and population planning, and to carry out the program described in section 406(a)(1) of this Act, in those countries which are undertaking self-help measures to increase agricultural production, improve storage, transportation, and distribution of commodities, and reduce population growth in accordance with section 109 of this Act, and which programs are directed at and likely to achieve the policy objectives of sections 103 and 104 of the Foreign Assistance Act of 1961 and are consistent with the policy objectives of this Act, pursuant to agreements between the United States and foreign governments under which uses of such proceeds shall be made for such purposes. Such uses shall be deemed payments for the purpose of section 103(b) of this Act, except that for any fiscal year the total value of such payments may not exceed 15 per centum of the total value of all agreements entered into under title I of this Act for such fiscal year. Such payments shall be described in the reports required by section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.

["(3) In entering into agreements for the sale of agricultural commodities for dollars on credit terms under this title, priority shall be given to countries which agree to use the proceeds from the sale of the commodities in accordance with the country's agricultural development plan which—

["(A) is designed to increase the access of the poor in the recipient country to an adequate, nutritious, and stable food supply;

["(B) provides for such objectives as—

["(i) making farm production equipment and facilities available to farmers,

["(ii) credit on reasonable terms and conditions for small farmers, and

["(iii) farm extension and technical information services designed to improve the marketing, storage, transportation, and distribution system for agricultural commodities and to develop the physical and institutional infrastructure supporting the small farmer;

["(C) provides for participation by the poor, insofar as possible, in the foregoing at the regional and local levels; and

["(D) is designed to reach the largest practicable number of farmers in the recipient country.".

[SALES AGREEMENTS WITH DEVELOPING COUNTRIES

[SEC. 206. Section 109(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof: "In taking these self-help measures into consideration the President shall take into particular account the extent to which they are being carried out in ways designed to contribute directly to development progress in poor rural areas and to enable the poor

to participate actively in increasing agricultural production through small farm agriculture.".

[ASSISTANCE TO MOST SERIOUSLY AFFECTED COUNTRIES

[SEC. 207. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

["SEC. 111. Not more than 25 per centum of the food aid commodities provided under this title in each fiscal year shall be allocated and agreed to be delivered to countries other than those with an annual per capita gross national product of $300 or less and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that the use of such food assistance is required for humanitarian food purposes and neither House of Congress disapproves such use, by resolution, within thirty calendar days after such certification. In determining per capita gross national product for the purposes of this section, the President is authorized and directed to make use of data developed by the World Bank for its most recent annual report and relied upon by the Secretary of the Treasury. A reduction below 75 per centum in the proportion of food aid allocated and agreed to be delivered to countries with a per capita gross national product of $300 or less and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad which results from significantly changed circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section. Any reallocation of food aid shall be in accordance with this section so far as practicable. The President shall report promptly any such reduction, and the reasons therefor, to the Congress.".

[CONTINUITY OF DISTRIBUTION UNDER TITLE II

[SEC. 208. Section 201 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting "(a)" immediately after "SEC. 201."; and

[(2) by adding at the end thereof the following new subsection:

["(b) The minimum quantity of agricultural commodities distributed under this title shall be 1,300,000 tons of which the minimum distributed through nonprofit voluntary agencies and the World Food Program shall be one million tons in each fiscal year, unless the President determines and reports to the Congress, together with his reasons, that such quantity cannot be used effectively to carry out the purposes of this title: *Provided,* That such minimum quantity shall not exceed the total quantity of commodities determined to be available for disposition under this Act pursuant to section 401, less the quantity of commodities required to meet famine or other urgent or extraordinary relief requirements.".

[LIMITATION ON USE OF FOREIGN CURRENCIES

[SEC. 209. Title II of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

["SEC. 206. Except to meet famine or other urgent or extraordinary relief requirements, no assistance under this title shall be provided under an agreement permitting generation of foreign currency proceeds unless (1) the country receiving the assistance is undertaking self-help measures in accordance with section 109 of this Act, (2) the specific uses to which the foreign currencies are to be put are set forth in a written agreement between the United States and the recipient country, and (3) such agreement provides that the currencies will be used for purposes specified in section 103 of the Foreign Assistance Act of 1961. The President shall include information on currencies used in accordance with this section in the reports required under section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.".

[ADVISORY COMMITTEE

[SEC. 210. Section 407 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately before the period at the end of the first sentence ", or their designees (who shall be members of such committees or, in the case of members from the executive branch, who shall have been confirmed by the Senate)".

[REPORTS TO THE CONGRESS

[SEC. 211. Section 408 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by inserting "(a)" immediately after "SEC. 408.";

[(2) by striking out "calendar" in the first sentence and inserting in lieu thereof "fiscal"; and

[(3) by adding the following new subsections:

["(b) In his presentation to the Congress of planned programming of food assistance for each fiscal year, the President shall include a global assessment of food production and needs, self-help steps which are being taken by food-short countries under section 109(a) of this Act, steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance, and the relationship between food assistance provided to such country by the United States and other donors.

["(c) Not later than November 1 of each calendar year the President shall submit to the House Committee on Agriculture, the House Committee on International Relations, the Senate Committee on Agriculture and Forestry, and the Senate Committee on Agriculture and Forestry, and the Senate Committee on Agriculture and Forestry, and the Senate Committee on Foreign Relations a revised global assessment of food production and needs, and revised planned programming of food assistance for the current fiscal year, to reflect, to the maximum extend feasible, the actual availability of commodities for food assistance.".

[INTERNATIONAL FOOD RESERVE SYSTEM

[SEC. 212. The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

["SEC. 412. The President is authorized and encouraged to seek international agreement, subject to congressional approval, for a system of food reserves to meet food shortage emergencies and to provide insurance against unexpected shortfalls in food production, with costs of such a system to be equitably shared among nations and with farmers and consumers to be given firm safeguards against market price disruption from such a system.".

[AMENDMENT TO FARMER-TO-FARMER PROGRAM

[SEC. 214. Section 406 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

[(1) by striking out "the Secretary of Agriculture" in subsection (a) and inserting in lieu thereof "the President";

[(2) by striking in paragraph (1) of subsection (a) "through existing agencies of the Department of Agriculture";

[(3) by amending paragraph (5) of subsection (a) to read as follows:

["(5) to coordinate the program authorized in this section with other foreign assistance activities of the United States;".

[TITLE III—DEVELOPMENT ASSISTANCE

[POLICY

[SEC. 301. Section 102 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

["(c) Assistance under this chapter should be used not simply for the purpose of transferring financial resources to developing countries, but to help countries solve development problems in accordance with a strategy that aims to increase substantially the participation of the poor. Accordingly, greatest emphasis shall be placed on countries and activities which effectively involve the poor in development, by expanding their access to the economy through services and institutions at the local level, increasing labor-intensive production, spreading productive investment and services out from major cities to small towns and outlying rural areas, and otherwise providing opportunities for the poor to better their lives through their own effort.

"[(d) For the purpose of assuring that development assistance furnished under this chapter is increasingly concentrated in countries which will make effective use of such assistance to help the poor toward a better life (especially such countries which are suffering from the worst and most widespread poverty and are in greatest need of outside assistance), the President shall establish appropriate criteria to assess the commitment and progress of countries in meeting the objectives set forth in subsection (c) of this section and in other sections of this chapter. In establishing such criteria, the President shall specifically take into account their value in assessing the efforts of countries to—

[“(1) increase agricultural productivity per unit of land through small-farm labor-intensive agriculture;

[“(2) reduce infant mortality;

[“(3) control population growth;

[“(4) promote greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers; and

[“(5) reduce rates of unemployment and underemployment.

The President shall endeavor to bring about the adoption of similar criteria by international development organizations in which the United States participates. Presentation materials submitted to the Congress with respect to assistance under this chapter, beginning with fiscal year 1977, shall contain detailed information concerning the steps being taken to implement this subsection.”.

[FOOD AND NUTRITION

[SEC. 302. Section 103 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a), by inserting $618,800,000 for the fiscal year 1976 and $745,000,000 for the fiscal year 1977,” immediately after “1975,”; and

[(2) by adding at the end thereof the following new subsections:

[“(c) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansion of local or small-scale rural infrastructure and utilities such as farm-to-market roads, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, and improved seed, in ways which assure access to them by small farmers.

[“(d) Foreign currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance Act of 1954 which are owned by foreign governments shall be used whenever practicable to carry out the provisions of this section.

[“(e) In order to carry out the purposes of this section, the President is authorized to participate in and provide, on such terms and conditions as he may determine, up to $200,000,000 to the International Fund for Agricultural Development. There is authorized to be appropriated to the President without fiscal year limitation $200,000,000 for such contribution.

[“(f) No funds may be obligated to carry out subsection (e) unless—

[“(1) satisfactory agreement is reached on the Articles of Agreement for the International Fund for Agricultural Development;

[“(2) such Articles of Agreement are reviewed and approved by the Senate Committee on Foreign Relations and the House Committee on International Relations;

[“(3) all donor commitments to the International Fund for Agricultural Development total at least $1,000,0000,000 equivalent in convertible currencies, except that the United States contribution shall be proportionally reduced if this combined goal is not met; and

[“(4) there is equitable burden sharing among the different categories of contributors.

[“(g) The President shall submit to the Congress full and complete data concerning United States participation in, and operation of, the International Fund for Agricultural Development in the annual presentation materials on proposed economic assistance programs.”.

[AGRICULTURAL RESEARCH

[SEC. 303. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding after section 103 the following new section:

[“SEC. 103A. AGRICULTURAL RESEARCH.—Agricultural research carrried out under this Act shall (1) take account of the special needs of small farmers in the determination of research priorities, (2) include research on the interrelationship among technology, institutions, and economic, social, and cultural factors affecting small-farm agriculture, and (3) make extensive use of field testing to adapt basic research to local conditions. Special emphasis shall be placed on disseminating research results to the farms on which they can be put to use, and especially on institutional and other arrangements needed to assure that small farmers have effective access to both new and existing improved technology.”.

[POPULATION PLANNING AND HEALTH

[SEC. 304. Section 104 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting “(a)” immediately before “In”;

[(2) by inserting “$232,100,000 for the fiscal year 1976 and $275,600,000 for the fiscal year 1977,” immediately after “1975,”;

[(3) by adding at the end thereof the following new sentence; “Not less than 67 percent of the funds made available under this section for any fiscal year shall be used for population planning, either in separate programs or as an element of health programs.”; and

[(4) by adding at the end thereof the following new subsection:

[“(b) Assistance provided under this section shall be used primarily for extension of low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and to the poorest economic sectors, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach; health programs which emphasize disease prevention, environmental sanitation, and health education; and population planning programs

which include education in responsible parenthood and motivational programs, as well as delivery of family planning services and which are coodinated with programs aimed at reducing the infant mortality rate, providing better nutrition to pregnant women and infants, and raising the standard of living of the poor.".

[EDUCATION AND HUMAN RESOURCES DEVELOPMENT

[SEC. 305. (a) Section 105 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(a)" immediately before "In";

[(2) by inserting "$89,200,000 for the fiscal year 1976 and $101,800,000 for the fiscal year 1977," immediately after "1975,"; and

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

["(b) Assistance provided under this section shall be used primarily to expand and strengthen nonformal education methods, especially those designed to improve productive skills or rural families and the urban poor and to provide them with useful information; to increase the relevance of formal education systems to the needs of the poor, especially at the primary level, through reform of curricula, teaching materials and teaching methods, and improved teacher training; and to strengthen the management capabilities of institutions which enable the poor to participate in development.

["(c) Of the amount authorized to be appropriated by subsection (a), not less than $1,000,000 shall be available to support the Southern African student program and the Southern African training program, for the purpose of providing educational assistance to Southern Africans.".

[TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS; INTERMEDIATE TECHNOLOGY

[SEC. 306. The Foreign Assistance Act of 1961 is amended—

[(1) by repealing sections 106, 107, and 241; and

[(2) by inserting immediately after section 105 the following new sections:

["SEC. 106. TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the following activities, to the extent that such activities are not authorized by sections 103, 104, and 105 of this Act:

["(1) programs of technical cooperation and development, particularly the development efforts of United States private and voluntary agencies and regional and international development organizations;

["(2) programs to help developing countries alleviate their energy problems by increasing their production and conservation of energy, through such means as research and development of suitable energy sources and conservation methods, collection and analysis of information concerning countries' potential supplies of and needs for energy, and pilot projects to test new methods of production or conservation of energy;

[“(3) programs of research into, and evaluation of, the process of economic development in less developed countries and areas, into the factors affecting the relative success and costs of development activities, and into the means, techniques, and such other aspects of development assistance as the President may determine in order to render such assistance of increasing value and benefit;

[“(4) programs of reconstruction following natural or man-made disasters;

[“(5) programs designed to help solve special development problems in the poorest countries and to make possible proper utilization of infrastructure and related projects funded with earlier United States assistance; and

[“(6) programs of urban development, with particular emphasis on small, labor intensive enterprises, marketing systems for small producers, and financial and other institutions which enable the urban poor to participate in the economic and social development of their country.

[“(b) There is authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $99,550,000 for the fiscal year 1976 and $104,500,000 for the fiscal year 1977, which amounts are authorized to remain available until expended. Of the amounts made available under this section, not less than $30,000,000 shall be available during the period beginning July 1, 1975, and ending September 30, 1977, only for reimbursement to private voluntary agencies of the United States for costs incurred with respect to the shipment of food and nonfood commodities provided through private donations.

[“SEC. 107. INTERMEDIATE TECHNOLOGY.—Of the funds made available to carry out this chapter for the fiscal years 1976, 1977, and 1978, a total of $20,000,000 may be used for activities in the field of intermediate technology, through grants in support of an expanded and coordinated private effort to promote the development and dissemination of technologies appropriate for developing countries. The Agency for International Development shall prepare a detailed proposal to carry out this section and shall keep the Senate Foreign Relations Committee and the House International Relations committee fully and currently informed concerning the development of the proposal. The proposal shall be transmitted to these committees no later than March 31, 1976, and shall not be implemented until thirty days after its transmittal or until passage by each committee of a resolution in effect approving its implementation.”.

[COST-SHARING

[SEC. 307. Section 110(a) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end thereof the following: “and except that the President may waive this cost-sharing requirement in the case of a project or activity in a country which the agency primarily responsible for administering part I of this Act determines is relatively least developed based on the United Nations Conference on Trade and Development list of ‘relatively least developed countries’”.

[DEVELOPMENT AND USE OF COOPERATIVES

[SEC. 308. Section 111 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 111. DEVELOPMENT AND USE OF COOPERATIVES.—In order to strengthen the participation of the rural and urban poor in their country's development, high priority shall be given to increasing the use of funds made available under this Act for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life. Not less than $20,000,000 of such fund shall be used during the fiscal years 1976 and 1977, including the period from July 1, 1976, through September 30, 1976, only for technical assistance to carry out the purposes of this section.".

[INTEGRATING WOMEN INTO NATIONAL ECONOMIES

[SEC. 309. Section 113 of the Foreign Assistance Act of 1961 is amended by striking out "Sections 103 through 107" and inserting in lieu thereof "Part I".

[HUMAN RIGHTS AND DEVELOPMENT ASSISTANCE

[SEC. 310. Part I of the Foreign Assistance Act of 1961 is amended by inserting immediately after section 115 the following new section:

["SEC. 116. HUMAN RIGHTS.—(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, unless such assistance will directly benefit the needy people in such country.

["(b) In determining whether this standard is being met with regard to funds allocated under this part, the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives may require the Administrator primarily responsible for administering part I of this Act to submit in writing information demonstrating that such assistance will directly benefit the needy people in such country, together with a detailed explanation of the assistance to be provided (including the dollar amounts of such assistance) and an explanation of how such assistance will directly benefit the needy people in such country. If either committee or either House of Congress disagrees with the Administrator's justification it may initiate action to terminate assistance to any country by a concurrent resolution under section 617 of this Act.

["(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups

or persons acting under the authority of the United Nations or of the Organization of American States.

[“(d) The President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, in the annual presentation materials on proposed economic development assistance programs, a full and complete report regarding the steps he has taken to carry out the provisions of this section.”.

[DEVELOPMENT ASSISTANCE

[SEC. 311. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

[(1) by amending section 209(c) to read as follows:

[“(c) It is the sense of the Congress that the President should increase, to the extent practicable, the funds provided by the United States to multilateral lending institutions and multilateral organizations in which the United States participates for use by such institutions and organizations in making loans to foreign countries.”;

[(2) by amending section 214—

[(A) in subsection (c), by inserting “and for each of the fiscal years 1976 and 1977, $25,000,000,” immediately after “$19,000,000,”; and

[(B) in subsection (d), by inserting “and for each of the fiscal years 1976 and 1977, $7,000,000,” immediately after “$6,500,000”;

[(3) in section 221, by striking out “$355,000,000” and inserting in lieu thereof “$430,000,000”;

[(4) in section 222(c), by striking out “$550,000,000” and inserting in lieu thereof “$600,000,000”; and

[(5) in section 223—

[(A) by striking out “June 30, 1976” in subsection (i) and inserting in lieu thereof “September 30, 1978”; and

[(B) by adding at the end thereof the following new subsection:

[“(j) Guaranties shall be issued under sections 221 and 222 only for housing projects which (1) except for regional projects, are in countries which are receiving, or which in the previous two fiscal years have received, development assistance under chapter 1 of part I of this Act, (2) are coordinated with and complementary to such assistance, and (3) are specifically designed to demonstrate the feasibility and suitability of particular kinds of housing or of financial or other institutional arrangements. Of the aggregate face value of housing guaranties hereafter issued under this title, not less than 90 per centum shall be issued for housing suitable for families with income below the median income (below the median urban income for housing in urban areas) in the country in which the housing is located. The face value of guaranties issued with respect to housing in any country shall not exceed $25,000,000 in any fiscal year, and the average face value of guaranties issued in any fiscal year shall not exceed $15,000,000. Notwithstanding the provisions of the first sentence of this subsection, the President is authorized to issue housing guaranties until September 30, 1977, as

follows: In Israel, not exceeding a face amount of $50,000,000, and in Portugal, not exceeding a face amount of $20,000,000.".

[FAMINE PREVENTION

[SEC. 312. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new title:

["TITLE XII—FAMINE PREVENTION AND FREEDOM FROM HUNGER

["SEC. 296. GENERAL PROVISIONS.—(a) The Congress declares that, in order to prevent famine and establish freedom from hunger, the United States should strengthen the capacities of the United States land-grant and other eligible universities in program-related agricultural institutional development and research, consistent with section 103 and 103A, should improve their participation in the United States Government's international efforts to apply more effective agricultural sciences to the goal of increasing world food production, and in general should provide increased and longer term support to the application of science to solving food and nutrition problems of the developing countries.

["The Congress so declares because it finds—

["(1) that the establishment, endowment, and continuing support of land-grant universities in the United States by Federal, State, and county governments has led to agricultural progress in this country;

["(2) that land-grant and other universities in the United States have demonstrated over many years their ability to cooperate with foreign agricultural institutions in expanding indigenous food production for both domestic and international markets;

["(3) that, in a world of growing population with rising expectations, increased food production and improved distribution, storage, and marketing in the developing countries is necessary not only to prevent hunger but to build the economic base for growth, and moreover, that the greatest potential for increasing world food supplies is in the developing countries where the gap between food need and food supply is the greatest and current yields are lowest;

["(4) that increasing and making more secure the supply of food is of greatest benefit to the poorest majority in the developing world;

["(5) that research, teaching, and extension activities, and appropriate institutional development therefor are prime factors in increasing agricultural production abroad (as well as in the United States) and in improving food distribution, storage, and marketing;

["(6) moreover, that agricultural research abroad has in the past and will continue in the future to provide benefits for agriculture in the United States and that increasing the availability of food of higher nutritional quality is of benefit to all; and

[“(7) that universities need a dependable source of Federal funding, as well as other financing, in order to expand, or in some cases to continue, their efforts to assist in increasing agricultural production in developing countries.

[“(b) Accordingly, the Congress declares that, in order to prevent famine and establish freedom from hunger, various components must be brought together in order to increase world food production, including—

[“(1) strengthening the capabilities of universities to assist in increasing agricultural production in developing countries;

[“(2) institution-building programs for development of national and regional agricultural research and extension capacities in developing countries which need assistance;

[“(3) international agricultural research centers;

[“(4) contract research; and

[“(5) research program grants.

[“(c) The United States should—

[“(1) effectively involve the United States land-grant and other eligible universities more extensively in each component;

[“(2) provide mechanisms for the universities to participate and advise in the planning, development, implementation, and administration of each component; and

[“(3) assist such universities in cooperative joint efforts with—

[“(A) agricultural institutions in developing nations, and

[“(B) regional and international agricultural research centers,

directed to strengthening their joint and respective capabilities and to engage them more effectively in research, teaching, and extension activities for solving problems in food production, distribution, storage, marketing, and consumption in agriculturally underdeveloped nations.

[“(d) As used in this title, the term ‘universities’ means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia, now receiving, or which may hereafter receive, benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as ‘land-grant’ universities; institutions now designated or which may hereafter be designated as sea-grant colleges under the Act of October 15, 1966 (known as the National Sea Grant College and Program Act), which are commonly known as sea-grant colleges; and other United States colleges and universities which—

[“(1) have demonstrable capacity in teaching, research, and extension activities in the agricultural sciences; and

[“(2) can contribute effectively to the attainment of the objectives of this title.

[“(e) As used in this title, the term ‘Administrator’ means the Administrator of the Agency for International Development.

[“(f) As used in this title, the term ‘agriculture’ shall be considered to include aquaculture and fisheries.

[“(g) As used in this title, the term ‘farmers’ shall be considered to include fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.

[“SEC. 297. GENERAL AUTHORITY.—(a) To carry out the purposes of this title, the President is authorized to provide assistance on such terms and conditions as he shall determine—

[“(1) to strengthen the capabilities of universities in teaching, research, and extension work to enable them to implement current programs authorized by paragraphs (2), (3), (4), and (5) of this subsection, and those proposed in the report required by section 300 of this title;

[“(2) to build and strengthen the institutional capacity and human resource skills of agriculturally developing countries so that these countries may participate more fully in the international agricultural problem-solving effort and to introduce and adapt new solutions to local circumstances;

[“(3) to provide program support for long-term collaborative university research on food production, distribution, storage, marketing, and consumption;

[“(4) to involve universities more fully in the international network of agricultural science, including the international research centers, the activities of international organizations such as the United Nations Development Program and the Food and Agriculture Organization, and the institutions of agriculturally developing nations; and

[“(5) to provide program support for international agricultural research centers, to provide support for research projects identified for specific problem-solving needs, and to develop and strengthen national research systems in the developing countries.

[“(b) Programs under this title shall be carried out so as to—

[“(1) utilize and strengthen the capabilities of universities in—

[“(A) developing capacity in the cooperating nation for classroom teaching in agriculture, plant and animal sciences, human nutrition, and vocational and domestic arts and other relevant fields appropriate to local needs;

[“(B) agricultural research to be conducted in the cooperating nations, at international agricultural research centers, or in the United States;

[“(C) the planning, initiation, and development of extension services through which information concerning agriculture and related subjects will be made available directly to farmers and farm families in the agriculturally developing nations by means of education and demonstration; or

[“(D) the exchange of educators, scientists, and students for the purpose of assisting in successful development in the cooperating nations;

[“(2) take into account the value to United States agriculture of such programs, integrating to the extent practicable the programs and financing authorized under this title with those supported by other Federal or State resources so as to

maximize the contribution to the development of agriculture in the United States and in agriculturally developing nations; and

[“(3) whenever practicable, build on existing programs and institutions including those of the universities and the United States Department of Agriculture and the United States Department of Commerce.

[“(c) To the maximum extent practicable, activities under this section shall (1) be designed to achieve the most effective interrelationship among the teaching of agricultural sciences, research, and extension work, (2) focus primarily on the needs of agricultural producers, (3) be adapted to local circumstances, and (4) be carried out within the developing countries.

[“(d) The President shall exercise his authority under this section through the Administrator.

[“SEC. 298. BOARD FOR INTERNATIONAL FOOD AND AGRICULTURAL DEVELOPMENT.—(a) To assist in the administration of the programs authorized by this title, the President shall establish a permanent Board for International Food and Agricultural Development (hereafter in this title referred to as the ‘Board’) consisting of seven members, not less than four to be selected from the universities. Terms of members shall be set by the President at the time of appointment. Members of the Board shall be entitled to such reimbursement for expenses incurred in the performance of their duties (including per diem in lieu of subsistence while away from their homes or regular place of business) as the President deems appropriate.

[“(b) The Board’s general areas of responsibility shall include, but not be limited to—

[“(1) participating in the planning development, and implementation of,

[“(2) initiating recommendations for, and

[“(3) monitoring of,

the activities described in section 297 of this title.

[“(c) The Board’s duties shall include, but not necessarily be limited to—

[“(1) participating in the formulation of basic policy, procedures, and criteria for project proposal review, selection, and monitoring;

[“(2) developing and keeping current a roster of universities—

[“(A) interested in exploring their potential for collaborative relationships with agricultural institutions, and with scientists working on significant programs designed to increase food production in developing countries,

[“(B) having capacity in the agricultural sciences,

[“(C) able to maintain an appropriate balance of teaching, research, and extension functions,

[“(D) having capacity, experience, and commitment with respect to international agricultural efforts, and

[“(E) able to contribute to solving the problems addressed by this title;

[“(3) recommending which developing nations could benefit from programs carried out under this title, and identifying those nations which have an interest in establishing or devel-

oping agricultural institutions which engage in teaching, research, or extension activities;

[“(4) reviewing and evaluating memorandums of understanding or other documents that detail the terms and conditions between the Administrator and universities participating in programs under this title;

[“(5) reviewing and evaluating agreements and activities authorized by this title and undertaken by universities to assure compliance with the purpose of this title;

[“(6) recommending to the Administrator the apportionment of funds under section 297 of this title; and

[“(7) assessing the impact of programs carried out under this title in solving agricultural problems in the developing nations.

[“(d) The President may authorize the Board to create such subordinate units as may be necessary for the performance of its duties, including but not limited to the following:

[“(1) a Joint Research Committee to participate in the administration and development of the collaborative activities described in section 297 (a)(3) of this title; and

[“(2) a Joint Committee on Country Programs which shall assist in the implementation of the bilateral activities described in sections 297(a)(2), 297(a)(4), and 297(a)(5).

[“(e) In addition to any other functions assigned to and agreed to by the Board, the Board shall be consulted in the preparation of the annual report required by section 300 of this title and on other agricultural development activities related to programs under this title.

[“SEC. 299. AUTHORIZATION.—(a) The President is authorized to use any of the funds hereafter made available under section 103 of this Act to carry out the purposes of this title. Funds made available for such purposes may be used without regard to the provisions of sections 110(b), 211(a), and 211(d) of this Act.

[“(b) Foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States shall be used to the maximum extent possible in lieu of dollars in carrying out the provisions of this title.

[“(c) Assistance authorized under this title shall be in addition to any allotments or grants that may be made under other authorizations.

[“(d) Universities may accept and expend funds from other sources, public and private, in order to carry out the purposes of this title. All such funds, both prospective and inhand, shall be periodically disclosed to the Administrator as he shall by regulation require, but no less often than in an annual report.

[“SEC. 300. ANNUAL REPORT.—The President shall transmit to the Congress, not later than April 1 of each year, a report detailing the activities carried out pursuant to this title during the preceding fiscal year and containing a projection of programs and activities to be conducted during the subsequent five fiscal years. Each report shall contain a summary of the activities of the Board established pursuant to section 298 of this title and may include the separate views of the Board with respect to any aspect of the programs conducted or proposed to be conducted under this title.”.

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 313. (a) Section 302 of the Foreign Assistance Act of 1961 is amended—

[(1) in subsection (a), by (A) inserting immediately before the period ", and for the fiscal year 1976, $194,500,000 and for the fiscal year 1977, $219,900,000. Of such amounts, not to exceed $250,000 during the fiscal year 1976 shall be available for contribution to the Namibia Institute", (B) inserting "(1)" immediately after "(a)" and (C) adding at the end of the subsection the following new paragraph:

["(2) The Congress reaffirms its support for the work of the Inter-American Commission on Human Rights. To permit such Commission to better fulfill its function of insuring observance and respect for human rights within this hemisphere, not less than $357,000 of the amount appropriated for fiscal year 1976 and $358,000 of the amount appropriated for fiscal year 1977, for contributions to the Organization of American States, shall be used only for budgetary support for the Inter-American Commission on Human Rights.";

[(2) in subsection (b)(1), by striking out "$51,220,000" and inserting in lieu thereof "$61,220,000";

[(3) in subsection (b)(2), by inserting "and for use beginning in the fiscal year 1976, $27,000,000," immediately after "fiscal year 1975, $14,500,000,"; and

[(4) in subsection (d) by striking out "1974 and 1975, $18,000,000" and inserting in lieu thereof "1976 and 1977, $20,000,000".

["(b) Section 54 of the Foreign Assistance Act of 1974 is amended by striking out "part III" and inserting in lieu thereof "part I".

["(c) Section 301 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(f) The President is hereby authorized to permit United States participation in the International Fertilizer Development Center and is authorized to use any of the funds made available under this part for the purpose of furnishing assistance to the Center on such terms and conditions as he may determine.".

[ASSISTANCE TO FORMER PORTUGUESE COLONIES IN AFRICA

[SEC. 314. Section 496 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting "(a)" immediately after the section caption;

[(2) by striking out "$5,000,000" and inserting in lieu thereof "$7,750,000";

[(3) by striking out "$20,000,000" and inserting in lieu thereof "$17,250,000"; and

[(4) by adding at the end thereof the following new subsections:

["(b) Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred

by the Government of the Cape Verde Islands for the repayment of a $3,000,000 loan on June 30, 1975.

[“(c) The President is authorized to use up to $30,000,000 of the funds made available under this part for the fiscal year 1976, in addition to funds otherwise available for such purposes, to provide development assistance in accordance with chapter 1 or relief and rehabilitation assistance in accordance with chapter 9 (including assistance through international or private voluntary organizations) to countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.”.

[FURNISHING OF SERVICES AND COMMODITIES

[SEC. 315. Section 607(a) of the Foreign Assistance Act is amended by deleting the second full sentence, and inserting in lieu thereof the following: “Such advances or reimbursements may be credited to the currently applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used, under the following circumstances:

[“(1) Advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered.

[“(2) Advances or reimbursements received pursuant to agreements executed under this section in which reimbursement will not be completed within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered: *Provided,* That such agreements require the payment of interest at the current rate established pursuant to section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (59 Stat. 526), and repayment of such principal and interest does not exceed a period of three years from the date of signing of the agreement to provide the service: *Provided further,* That funds available for this paragraph in any fiscal year shall not exceed $1,000,000 of the total funds authorized for use in such fiscal year by chapter 1 of part I of this Act, and shall be available only to the extent provided in appropriation Acts. Interest shall accrue as of the date of disbursement to the agency or organization providing such services.”.

[SUPPORT OF REIMBURSABLE DEVELOPMENT PROGRAMS

[SEC. 316. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out “in each of the fiscal years 1975 and 1976” and inserting in lieu thereof “in the fiscal year 1975, $2,000,000 in the fiscal year 1976, and $2,000,000 in the fiscal year 1977,”.

[TRANSITION PROVISIONS FOR INTERIM QUARTER

[SEC. 317. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 665. TRANSITIONS PROVISIONS FOR INTERIM QUARTER.—There are authorized to be appropriated for the period July 1,

1976, through September 30, 1976, such amounts as may be necessary to conduct programs and activities for which funding was authorized for fiscal year 1976 by the International Development and Food Assistance Act of 1975, in accordance with the provisions applicable to such programs and activities for such fiscal year, except that the total amount appropriated for such period shall not exceed one-fourth of the total amount authorized to be appropriated for the fiscal year 1976 for such programs and activities.".

[DISCRIMINATION AGAINST UNITED STATES PERSONNEL

[SEC. 318. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 666. DISCRIMINATION AGAINST UNITED STATES PERSONNEL.—(a) The President shall not take into account, in assigning officers and employees of the United States to carry out any economic development assistance programs funded under this Act in any foreign country, the race, religion, national origin, or sex of any such officer or employee. Such assignments shall be made solely on the basis of ability and relevant experience.

["(b) Effective six months after the date of enactment of the International Development and Food Assistance Act of 1975, or on such earlier date as the President may determine, none of the funds made available under this Act may be used to provide economic development assistance to any country which objects to the presence of any officer or employee of the United States who is present in such country for the purpose of carrying out any program of economic development assistance authorized by the provisions of this Act on the basis of the race, religion, national origin, or six of such officer or employee.

["(c) The Secretary of State shall promulgate such rules and regulations as he may deem necessary to carry out the provisions of this section.".

[OPERATING EXPENSES

[SEC. 319. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 667. OPERATING EXPENSES.—Nothing in this Act is intended to preclude the Committees on Appropriations, in appropriation legislation, from setting a ceiling on operating expenses of the agency primarily responsible for administering part I and limiting the availability of other sums therefor.".

[LIMITATION ON ASSISTANCE TO CHILE

[SEC. 320. Notwithstanding any other provision of law, the total amount of economic assistance (including but not limited to housing guaranties and sales under title I of the Agricultural Trade Development and Assistance Act of 1954) that may be made available to Chile may not exceed $90,000,000 during the fiscal year 1976.

[SETTLEMENT OF DEBT OWED THE UNITED STATES

[SEC. 321. No debt owed to the United States by any foreign country with respect to the payment of any loan made under any

program funded under this Act may be settled in an amount less than the full amount of such debt unless the Congress by concurrent resolution approves of such settlement.

[PARTICIPATION BY OTHER COUNTRIES IN PROVIDING ASSISTANCE TO ISRAEL OR EGYPT

[SEC. 322. It is the sense of the Senate that the President should attempt to negotiate an equitable share of participation by the countries of Western Europe, Japan, and the United Nations in providing assistance to Israel or Egypt.]

ACT OF OCTOBER 6, 1975

AN ACT To authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That section 8(a) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended—

[(1) by striking out "$49,990,000 for fiscal year 1975, of which not less than $75,000 shall be available solely to initiate broadcasts in the Estonian language and not less than $75,000 shall be available solely to initiate broadcasts in the Latvian language" in the first sentence and inserting in lieu thereof "$65,640,000 for fiscal year 1976"; and

[(2) by striking out "fiscal year 1975" in the second sentence and inserting in lieu thereof "fiscal year 1976".

[SEC. 2. (a)(1) The Congress reaffirms the policy of the United States to seek to improve and harmonize relations among the allies of the United States and between the United States and its allies, in the interest of mutual defense and national security. In particular, the Congress recognizes the special contribution to the North Atlantic Alliance of Greece and Turkey by virtue of their geographic position on the southeastern flank of Europe and is prepared to assist in the modernization and strengthening of their respective armed forces.

[(2) The Congress further reaffirms the policy of the United States to alleviate the suffering of refugees and other victims of armed conflict and to foster and promote international efforts to ameliorate the conditions which prevent such persons from resuming normal and productive lives. The Congress, therefore, calls upon the President to encourage and to cooperate in the implementation of multilateral programs, under the auspices of the Secretary General of the United Nations, the United Nations High Commissioner for Refugees, or other appropriate international agencies, for the relief of and assistance to refugees and other persons disadvantaged by the hostilities on Cyprus pending a final settlement of the Cyprus refugee situation in the spirit of Security Council Resolution 361.

[(b)(1) In order that the purposes of this Act may be carried out without awaiting the enactment of foreign assistance legislation for fiscal year 1976 programs—

[(A) the President is authorized, notwithstanding section 620 of the Foreign Assistance Act of 1961, to furnish to the Government of Turkey those defense articles and defense services with respect to which contracts of sale were signed under section 21 or section 22 of the Foreign Military Sales Act on or before February 5, 1975, and to issue licenses for the transportation to the Government of Turkey of arms, ammunition, and implements of war (including technical data relating thereto): *Provided,* That such authorization shall be effective only while Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied implements of war: *Provided further,* That the authorities contained in this section shall not become effective unless and until the President determines and certifies to the Congress that the furnishing of defense articles and defense services, and the issuance of licenses for the transportation of implements of war, arms and ammunition under this section are important to the national security interests of the United States; and

[(B) the President is requested to initiate discussions with the Government of Greece to determine the most urgent needs of Greece for economic and military assistance.

[(C) the President is requested to initiate discussions with the Government of Turkey concerning effective means of preventing the diversion of opium poppy into illicit channels.

[(2) The President is directed to submit to the Speaker of the House of Representatives and to the Foreign Relations and Appropriations Committees of the Senate within sixty days after the enactment of this Act a report on discussions conducted under subsections (b)(1) (B) and (C), together with his recommendations for economic and military assistance to Greece for the fiscal year 1976.

[(c)(1) Section 620(x) of the Foreign Assistance Act of 1961 is amended by striking out all after the word *"Provided,"* and inserting in lieu thereof the following: "That the President is authorized to suspend the provisions of this section and of section 3(c) of the Foreign Military Sales Act only with respect to sales, credits, and guaranties under the Foreign Military Sales Act, as amended, for the procurement of such defense articles and defense services as the President determines and certifies to the Congress are necessary in order to enable Turkey to fulfill her defense responsibilities as a member of the North Atlantic Treaty Organization. Any such suspension shall be effective only while Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied arms, ammunition, and implements of war.".

[(2) Section 620(x) of the Foreign Assistance Act of 1961 is further amended by designating the present subsection as paragraph (1) and by adding at the end thereof the following new paragraph:

["(2) The President shall submit to the Congress within sixty days after the enactment of this paragraph, and at the end of each succeeding sixty-day period, a report on progress made during such period toward the conclusion of a negotiated solution of the Cyprus conflict.".

[(3) Nothing in this section shall be construed as authorizing (A) military assistance to Turkey under chapter 2 of part II of the Foreign Assistance Act of 1961, or (B) sales, credits, or guaranties to or on behalf of Turkey under the Foreign Military Sales Act for the procurement of defense articles or defense services not determined by the President to be needed for the fulfillment of Turkey's North Atlantic Treaty Organization responsibilities.

[(4) Pursuant to the provisions of this section, in the case of any letter of offer to sell any defense article or defense service pursuant to the Foreign Military Sales Act for $25,000,000 or more, the President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a statement containing (A) a brief description of the defense article or defense service to be offered, (B) the dollar amount of the proposed sale, (C) the United States Armed force which is making the sale, and (D) the date on which any letter of offer to sell is to be issued. The letter of offer shall not be issued if the Congress, within twenty calendar days after receiving any such statement, adopts a concurrent resolution stating in effect that it objects to such proposed sale.

[(5) This subsection shall become effective only upon enactment of foreign assistance legislation authorizing sales, credits, and guaranties under the Foreign Military Sales Act for fiscal year 1976.]

FOREIGN ASSISTANCE ACT OF 1974

AN ACT To amend the Foreign Assistance Act of 1961, and for other purposes.

Be it enacted by Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Foreign Assistance Act of 1974."

[FOOD AND NUTRITION

[SEC. 2. Section 103 of the Foreign Assistance Act of 1961 is amended—

[(1) by inserting the subsection designation "(a)" immediately before "In";

[(2) by striking out "$291,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "$291,000,000 for the fiscal year 1974, and $500,000,000 for the fiscal year 1975"; and

[(3) by adding at the end thereof the following:

["(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowly developing countries. The greatest potential for significantly expanding world food product at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should

be given to increasing agricultural production in the countries with per capita incomes under $300 a year and which are the most severely affected by sharp increases in worldwide commodity prices."

[POPULATION PLANNING

[SEC. 4. The Foreign Assistant Act of 1961 is amended as follows:

[(1) In section 104, strike out "$145,000,000 for each of the fiscal years 1974 and 1975" and insert in lieu thereof "$145,000,000 for the fiscal year 1974, and $165,000,000 for the fiscal year 1975".

[(2) In section 292, strike out "$130,000,000" and insert in lieu thereof "$150,000,000".

[EDUCATION AND HUMAN RESOURCES DEVELOPMENT

[SEC. 5. Section 105 of the Foreign Assistance Act of 1961 is amended by striking out "$90,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "$90,000,000 for the fiscal year 1974, and $92,000,000 for the fiscal year 1975".

[DISPOSITION OF LOAN RECEIPTS

[SEC. 6. Section 203 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

["On and after July 1, 1975, none of the dollar receipts paid during any fiscal year from loans made pursuant to this part or from loans made under predecessor foreign assistance legislation are authorized to be made available during any fiscal year for use for purposes of making loans under chapter 1 of this part. All such receipts shall be deposited in the Treasury as miscellaneous receipts."

[HOUSING GUARANTIES

[SEC. 7. The Foreign Assistance Act of 1961 is amended as follows:

[(1) In section 221, strike out "$305,000,000" and insert in lieu thereof "$355,000,000".

[(2) In section 223(i), strike out "June 30, 1975" and insert in lieu thereof "June 30, 1976".

[AGRICULTURAL CREDIT PROGRAMS

[SEC. 8. (a) Title III of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out the title heading and inserting in lieu thereof the following:

["TITLE III—HOUSING AND OTHER CREDIT GUARANTY PROGRAMS";

[(2) by inserting immediately after section 222 the following new section:

["SEC. 222A. AGRICULTURAL AND PRODUCTIVE CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROGRAMS.—(a) It is the sense of the Congress that in order to stimulate the participation of the private sector in the economic development of less-developed

countries in Latin America, the authority conferred by this section should be used to establish pilot programs in not more than five Latin American countries to encourage private banks, credit institutions, similar private lending organizations, cooperatives, and private nonprofit development organizations to make loans on reasonable terms to organized groups and individuals residing in a community for the purpose of enabling such groups and individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. Agricultural credit and assistance for self-help community development projects should include, but not be limited to, material and such projects as wells, pumps, farm machinery, improved seed, fertilizer, pesticides, vocational training, food industry development, nutrition projects, improved breeding stock for farm animals, sanitation facilities, and looms and other handicraft aids.

[“(b) To carry out the purposes of subsection (a), the agency primarily responsible for administering part I is authorized to issue guaranties, on such terms and conditions as it shall determine, to private lending institutions, cooperatives, and private nonprofit development organizations in not more than five Latin American countries assuring against loss of not to exceed 50 per centum of the portfolio of such loans made by any lender to organized groups or individuals residing in a community to enable such groups or individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. In no event shall the liability of the United States exceed 75 per centum of any one loan.

[“(c) The total face amount of guaranties issued under this section outstanding at any one time shall not exceed $15,000,000. Not more than 10 per centum of such sum shall be provided for any one institution, cooperative, or organization.

[“(d) The Inter-American Foundation shall be consulted in developing criteria for making loans eligible for guaranty coverage in Latin America under this section.

[“(e) Not to exceed $3,000,000 of the guaranty reserve established under section 223(b) shall be available to make such payments as may be necessary to discharge liabilities under guaranties issued under this section or any guaranties previously issued under section 240 of this Act.

[“(f) Funds held by the Overseas Private Investment Corporation pursuant to section 236 may be available for meeting necessary administrative and operating expenses for carrying out the provisions of this section through June 30, 1976.

[“(g) The Overseas Private Investment Corporation shall, upon enactment of this subsection, transfer to the agency primarily responsible for administering part I all obligations, assets, and related rights and responsibilities arising out of, or related to the predecessor program provided for in section 240 of this Act.

[“(h) The authority of this section shall continue until December 31, 1977.

[“(i) Notwithstanding the limitation in subsection (c) of this section, foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs

of the United States may be utilized to carry out the purposes of this section, including the discharge of liabilities under this subsection. The authority conferred by this subsection shall be in addition to authority conferred by any other provision of law to implement guaranty programs utilizing excess local currency.

[“(j) The President shall, on or before January 15, 1976, make a detailed report to the Congress on the results of the program established under this section, together with such recommendations as he may deem appropriate.”:

[(3) by striking out “section 221 or section 222” in section 223(a) and inserting “section 221, 222, or 222A” in lieu thereof;

[(4) by striking out “this title” in section 223(b) and inserting “section 221 and section 222” in lieu thereof; and

[(5) by striking out “section 221 or section 222” in section 223(d) and inserting “section 221, 222, 222A, or previously under section 240 of this Act” in lieu thereof.

[(b) Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by striking out section 240.

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 9. (a) Section 302 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “for the fiscal year 1975, $150,000,000” in subsection (a) and inserting in lieu thereof “for the fiscal year 1975, $165,000,000”; and

[(2) by adding at the end thereof the following new subsections:

[“(g) Of the funds made available to carry out this chapter for fiscal year 1975, in addition to any other such funds to be made available for contributions to the International Atomic Energy Agency, not less than $500,000 shall be made available to such Agency as technical assistance in kind. However, a reasonable amount of funds authorized under this section shall be made available in fiscal year 1975 to strengthen international procedures which are designed to prevent the unauthorized dissemination or use of nuclear materials. The President shall report to the Congress not later than July 1, 1975, concerning actions taken by the United States to strengthen the procedures described under the preceding sentence.

[“(h) Congress directs that no funds should be obligated or expended, directly or indirectly, to support the United Nations Educational, Scientific, and Cultural Organization until the President certifies to the Congress that such Organization (1) has adopted policies which are fully consistent with its educational, scientific, and cultural objectives, and (2) has taken concrete steps to correct its recent actions of a primarily political character.”

[MILITARY ASSISTANCE AUTHORIZATIONS

[SEC. 10. Section 504(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out “$512,500,000 for the fiscal year 1974” and inserting in lieu thereof “$600,000,000 for the fiscal year 1975”; and

[(2) by striking out "(other than training in the United States)" and inserting in lieu thereof "(other than (1) training in the United States, or (2) for Western Hemisphere countries, training in the United States or in the Canal Zone)".

[SPECIAL AUTHORITY

[SEC. 11. Section 506(a) of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out "the fiscal year 1974" in each place it appears and inserting in lieu thereof "the fiscal year 1975" in each such place; and

[(2) by striking out "$250,000,000" and inserting in lieu thereof "$150,000,000".

[MILITARY ASSISTANCE AUTHORIZATIONS FOR SOUTH VIETNAM

[SEC. 12. Section 513 of the Foreign Assistance Act of 1961 is amended as follows:

[(1) Strike out "Thailand and Laos" in the caption and insert in lieu thereof "Thailand and Laos, and South Vietnam".

[(2) At the end thereof add the following new subsection:

["(c) After June 30, 1976, no military assistance shall be furnished by the United States to South Vietnam directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act."

[EXCESS DEFENSE ARTICLES

[SEC. 13. (a) Section 8 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (22 U.S.C. 2321b), is amended—

[(1) by striking out "$150,000,000" in subsection (b) and inserting "$100,000,000" in lieu thereof; and

[(2) by inserting immediately before the period in subsection (c) the following: ", except that for any excess defense article such term shall not include a value for any such article which is less than 33⅓ percent of the amount the United States paid for such article when the United States acquired it".

[EXCESS DEFENSE ARTICLE VALUE IN ANNUAL REPORT

[SEC. 14. Section 634(d) of the Foreign Assistance Act of 1961 is amended by striking out "including economic assistance and military grants and sales" and inserting in lieu thereof the following: "including economic assistance, military grants (and including for any such grant of any excess defense articles, the value of such article expressed in terms of its acquisition cost to the United States), and military sales".

[STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

[SEC. 15. Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 514. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.—(a) Notwithstanding any other provision of law, no

funds, other than funds made available under this chapter or section 401(a) of Public Law 89–367 (80 Stat. 37), or any subsequent corresponding legislation, may be obligated for the purpose of stockpiling any defense article or war reserve material, including the acquisition, storage, or maintenance of any war reserve equipment, secondary items, or munitions, if such article or material is set aside, reserved, or in any way earmarked or intended for future use by any foreign country under this Act or such section.

[“(b) The cost of any such article or material set aside, reserved, or in any way earmarked or intended by the Department of Defense for future use by, for, or on behalf of the country referred to in section 401(a)(1) of Public Law 89–367 (80 Stat. 37) shall be charged against the limitation specified in such section or any subsequent corresponding legislation, for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked or intended; and the cost of any such article or material set aside, reserved or in any way earmarked or intended for future use by, for, or on behalf of any other foreign country shall be charged against funds authorized under this chapter for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked. No such article or material may be made available to or for use by any foreign country unless such article or material has been charged against the limitation specified in such section, or any subsequent corresponding legislation, or against funds authorized under this chapter, as appropriate.”

[MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

[SEC. 16. Chapter 2 of part II of the Foreign Assistance Act of 1961 is further amended by adding at the end thereof the following new section:

[“SEC. 515. MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS.—Effective July 1, 1976, an amount equal to each sum expended under any provision of law, other than section 504 of this Act, with respect to any military assistance advisory group, military mission, or other organization of the United States performing activities similar to such group or mission, shall be deducted from the funds made available under such section 504, and (1) if reimbursement of such amount is requested by the agency of the United States Government making the expenditure, reimbursed to that agency, or (2) if no such reimbursement is requested, deposited in the Treasury as miscellaneous receipts.”

[REVIEW OF MILITARY ASSISTANCE PROGRAM

[SEC. 17. (a) It is the sense of Congress that the policies and purposes of the military assistance program conducted under chapter 2 of part II of the Foreign Assistance Act of 1961 should be reexamined in light of changes in world conditions and the economic position of the United States in relation to countries receiving such assistance; and that the program, except for military education and training activities, should be reduced and terminated as rapidly as feasible consistent with the security and foreign policy requirements of the United States.

[(b) In order to give effect to the sense of Congress expressed in subsection (a), the President is directed to submit to the first

session of the 94th Congress a detailed plan for the reduction and eventual elimination of the present military assistance program.

[SECURITY SUPPORTING ASSISTANCE

[SEC. 18. Section 532 of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1974 not to exceed $125,000,000, of which not less than $50,000,000 shall be available solely for Israel" and inserting in lieu thereof "for the fiscal year 1975 not to exceed $660,000,000".

[TRANSFER BETWEEN ACCOUNTS

[SEC. 19. (a) Section 610 of the Foreign Assistance Act of 1961 is amended as follows:

[(1) In subsection (a), immediately after "any other provision of this Act", insert "(except funds made available under chapter 2 of part II of this Act)".

[(2) Add at the end thereof the following new subsection:

["(c) Any funds which the President has notified Congress pursuant to section 653 that he intends to provide in military assistance to any country may be transferred to, and consolidated with, any other funds he has notified Congress pursuant to such section that he intends to provide to that country for development assistance purposes."

[(b) Section 614 of such Act is amended by adding at the end of subsection (a) the following: "The authority of this section shall not be used to waive the limitations on transfers contained in section 610(a) of this Act.".

[LIMITATION ON USE OF FUNDS

[SEC. 20. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 115. PROHIBITING USE OF FUNDS FOR CERTAIN COUNTRIES.—(a) None of the funds made available to carry out this chapter may be used in any fiscal year for any country to which assistance is furnished in such fiscal year under chapter 4 of part II (security supporting assistance), part V (assistance for relief and reconstruction of South Vietnam, Cambodia, and Laos), part VI (assistance for Middle East peace) of this Act, or section 36 of the Foreign Assistance Act of 1974.

["(b) The prohibition contained in subsection (a) may not be waived under section 614(a) of this Act or under any other provision of law.

["(c) This section shall not apply to funds made available under section 104 for purposes of title X of chapter 2 of this part (programs relating to population growth), funds made available for humanitarian assistance through international organizations, and funds obligated for regional programs."

[CHANGE IN ALLOCATION OF FOREIGN ASSISTANCE

[SEC. 21. Section 653 of the Foreign Assistance Act of 1961 is amended—

[(1) by striking out all after the period at the end of the first sentence of subsection (a); and

[(2) by redesignating subsection (b) as subsection (c) and by inserting immediately after subsection (a) the following new subsection:

["(b) Notwithstanding any other provision of law, no military grant assistance security supporting assistance, assistance under chapter 1 of part I of this Act, or assistance under part V of this Act, may be furnished to any country or international organization in any fiscal year, if such assistance exceeds by 10 percent or more the amount of such military grant assistance, security supporting assistance, assistance under chapter 1 of part I of this Act, or assistance under part V of this Act, as the case may be, set forth in the report required by subsection (a) of this section, unless—

["(1) the President reports to the Congress, at least 10 days prior to the date on which such excess funds are provided, the country or organization to be provided the excess funds, the amount and category of the excess funds, and the justification for providing the excess funds; and

["(2) in the case of military grant assistance or security supporting assistance, the President includes in the report under paragraph (1) his determination that it is in the security interest of the United States to provide the excess funds.

This subsection shall not apply if the excess funds provided in any fiscal year to any country or international organization for any category of assistance are less than $1,000,000."

[SUSPENSION OF MILITARY ASSISTANCE TO TURKEY

[SEC. 22. Section 620 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(x) All military assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Turkey, shall be suspended on the date of enactment of this subsection unless and until the President determines and certifies to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has been made regarding military forces in Cyprus: *Provided,* That the President is authorized to suspend the provisions of this section and such Acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until February 5, 1975, and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied implements of war."

[PROHIBITIONS ON AID TO NATIONS TRADING WITH NORTH VIETNAM

[SEC. 23. Section 620 of the Foreign Assistance Act of 1961 is amended by inserting before the period in subsection (n) of the following: ", unless the President determines that such loans, credits,

guaranties, grants, other assistance, or sales are in the national interest of the United States".

[ASSISTANCE TO GREECE

[SEC. 24. Section 620(v) of the Foreign Assistance Act of 1961 is repealed.

[FAMINE OR DISASTER RELIEF

[SEC. 28. (a) Section 639 of the Foreign Assistance Act of 1961, dealing with famine or disaster relief, is amended to read as follows:

["SEC. 639. Famine or Disaster Relief.—Notwithstanding any other provision of this or any other Act, the President may provide famine or disaster relief assistance to any foreign country on such terms and conditions as he may determine. For fiscal year 1975 there is authorized to be appropriated not to exceed $40,000,000, to provide such assistance. The President shall submit quarterly reports during such fiscal year to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives on the programing and obligation of funds under this section."

[(b) Of the funds appropriated to carry out section 639 of the Foreign Assistance Act of 1961, during fiscal year 1975 not less than $25,000,000 shall be made available to Cyprus for the purposes of such section 639.

[(c) Section 451 of the Foreign Assistance Act of 1961, dealing with the contingency fund, is amended to read as follows:

["SEC. 451. Contingency Fund.—(a) There is authorized to be appropriated to the President for the fiscal year 1975 not to exceed $5,000,000, to provide assistance authorized by this part or by section 639 for any emergency purpose only in accordance with the provisions applicable to the furnishing of such assistance.

["(b) The President shall submit quarterly reports to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives on the programing and obligation of funds under this section.

["(c) No part of this fund shall be used to pay for any gifts to any officials of any foreign government made heretofore or hereafter.".

[ACCESS TO CERTAIN MILITARY BASES ABROAD

[SEC. 29. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 659. Access to Certain Military Bases Abroad.—None of funds authorized to be appropriated for foreign assistance (including foreign military sales, credit sales, and guaranties) under this Act may be used to provide any kind of assistance to any foreign country in which a military base is located if—

["(1) such base was constructed or is being maintained or operated with funds furnished by the United States; and

["(2) personnel of the United States carry out military operations from such base;

unless and until the President has determined that the government of such country has, consistent with security authorized access, on a regular basis, to bona fide news media correspondents of the United States to such military base."

[(b) Section 29 of the Foreign Assistance Act of 1973 is repealed.

[PROHIBITING POLICE TRAINING

[SEC. 30. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended by section 23(a) of this Act, is further amended by adding at the end thereof the following new section:

["SEC. 660. Prohibiting Police Training.—(a) On and after July 1, 1975, none of the funds made available to carry out this Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces for any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government within the United States or abroad.

["(b) Subsection (a) of this section shall not apply—

["(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States, or with respect to assistance authorized under section 482 of this Act; or

["(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.

Notwithstanding clause (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment."

[(b) Section 112 of the Foreign Assistance Act of 1961 is repealed.

[REIMBURSABLE DEVELOPMENT PROGRAMS

[SEC. 31. The Foreign Assistance Act of 1961 is amended by adding at the end of part III the following new section:

["SEC. 661. Reimbursable Development Programs.—The President is authorized to use up to $1,000,000 of the funds made available for the purposes of this Act in each of the fiscal years 1975 and 1976 to work with friendly countries, especially those in which United States development programs have been concluded or those not receiving assistance under part I of this Act, in (1) facilitating open and fair access to natural resources of interest to the United States and (2) stimulation of reimbursable aid programs consistent with part I of this Act. Any funds used for purposes of this section may be used notwithstanding any other provision of this Act."

[INTELLIGENCE ACTIVITIES AND EXCHANGES OF MATERIALS

[SEC. 32. The Foreign Assistance Act of 1961 is amended by adding at the end of part III the following new sections:

["SEC. 662. Limitation on Intelligence Activities.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives.

["(b) The provisions of subsection (a) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the War Powers Resolution.

["SEC. 663. Exchanges of Certain Materials.—(a) Notwithstanding any other provision of law, whenever the President determines it is in the United States national interest, he shall furnish assistance under this Act or shall furnish defense articles or services under the Foreign Military Sales Act pursuant to an agreement with the recipient of such assistance, articles, or services which provides that such recipient may only obtain such assistance, articles, or services in exchange for any necessary or strategic raw material controlled by such recipient. For the purpose of this section, the term 'necessary or strategic raw material' includes petroleum, other fossil fuels, metals, minerals, or any other natural substance which the President determines is in short supply in the United States.

["(b) The President shall allocate any necessary or strategic raw material transferred to the United States under this section to any appropriate agency of the United States Government for stockpiling, sale, transfer, disposal, or any other purpose authorized by law.

["(c) Funds received from any disposal of materials under subsection (b) shall be deposited as miscellaneous receipts in the United States Treasury.".

[WAIVER OF PROHIBITION AGAINST ASSISTANCE TO COUNTRIES ENGAGING IN CERTAIN TRADE OR SHIPPING

[SEC. 33. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 664. Waiver of Prohibition Against Assistance to Countries Engaging in Certain Trade.—Any provision of this Act which prohibits assistance to a country because that country is engaging in trade with a designated country, or because that country permits ships or aircraft under its registry to transport any equipment, materials, or commodities to or from such designated country, may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress.".

[POLICY WITH RESPECT TO INDOCHINA

[SEC. 34. (a) The Congress finds that the cease-fire provided for in the Paris Agreement on Ending the War and Restoring Peace in Vietnam has not been observed by any of the Vietnamese parties to the conflict. Military operations of an offensive and defensive nature continue throughout South Vietnam. In Cambodia, the civil war between insurgent forces and the Lon Nol government has intensified, resulting in widespread human suffering and the virtual destruction of the Cambodian economy.

[(b) The Congress further finds that continuation of the military struggles in South Vietnam and Cambodia are not in the interest of the parties directly engaged in the conflicts, the people of Indochina or world peace. In order to lessen the human suffering in Indochina and to bring about a genuine peace there, the Congress urges and requests the President and the Secretary of State to undertake the following measures:

[(1) to initiate negotiations with representatives of the Soviet Union and the People's Republic of China to arrange a mutually agreed-upon and rapid de-escalation of military assistance on the part of the three principal suppliers of arms and material to all Vietnamese and Cambodian parties engaged in conflict;

[(2) to urge by all available means that the Government of the Khmer Republic enter in negotiations with representatives of the Khmer Government of National Union for the purpose of arranging an immediate cease-fire and political settlement of the conflict; and to use all available means to establish contact with the Khmer Government of National Union, and to urge them to participate in such negotiations. The United States should urge all Cambodian parties to use the good offices of the United Nations or a respected third country for the purpose of bringing an end to hostilities and reaching a political settlement;

[(3) to utilize any public or private forum to negotiate directly with representatives of the Democratic Republic of Vietnam, the Provisional Revolutionary Government, and the Republic of Vietnam to seek a new cease-fire in Vietnam and full compliance with the provisions of the Paris Agreement on Ending the War and Restoring Peace in Vietnam, including a full accounting for Americans missing in Indochina;

[(4) to reconvene the Paris Conference to seek full implementation of the provisions of the Agreement of January 27, 1973, on the part of all Vietnamese parties to the conflict; and

[(5) to maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the Nation at regular intervals on the progress toward obtaining a total cessation of hostilities in Indochina and a mutual reduction of military assistance to that area.

[PRINCIPLES GOVERNING ECONOMIC AID TO INDOCHINA

[SEC. 35. (a) Congress calls upon the President and Secretary of State to take the following actions designed to maximize the benefit of United States economic assistance:

[(1) to organize a consortium to include multilateral financial institutions to help plan for Indochina reconstruction and development; to coordinate multilateral and bilateral contributions to the area's economic recovery; and to provide continuing advice to the recipient nations on the use of their own and outside resources;

[(2) to develop, in coordination with the recipient governments, other donors, and the multilateral financial institutions, a comprehensive plan for Indochina reconstruction and economic development;

[(3) to develop country-by-country reconstruction and development plans, including detailed plans for the development of individual economic sectors, that can be used to identify and coordinate specific economic development projects and programs and to direct United States resources into areas of maximum benefits;

[(4) to shift the emphasis of United States aid programs from consumption-oriented expenditures to economic development;

[(5) to identify possible structural economic reforms in areas such as taxation, exchange rates, savings mechanisms, internal pricing, income distribution, land tenure, budgetary allocations and corruption, which should be undertaken if Indochinese economic development is to progress;

[(6) to include in Indochina economic planning and programing specific performance criteria and standards which will enable the Congress and the executive branch to judge the adequacy of the recipient's efforts and to determine whether, and what amounts of, continued United States funding is justified; and

[(7) to provide humanitarian assistance to Indochina wherever practicable under the auspices of and by the United Nations and its specialized agencies, other international organizations or arrangements, multilateral institutions, and private voluntary agencies with a minimum presence and activity of United States Government personnel.

[(b) This section shall not be construed to imply continuation of a United States financial commitment beyond the authorization provided for in this Act or amendments made by this Act.

[INDOCHINA POSTWAR RECONSTRUCTION

[SEC. 36. (a) There are authorized to be appropriate to the President to furnish assistance for the relief and reconstruction of South Vietnam, Cambodia, and Laos, in addition to funds otherwise available for such purposes, for the fiscal year 1975 not to exceed $617,000,000. Of the amount appropriated for fiscal year 1975—

[(1) $449,900,000 shall be available only for the relief and reconstruction of South Vietnam in accordance with section 38 of this Act;

[(2) $100,000,000 shall be available only for the relief and reconstruction of Cambodia in accordance with section 39 of this Act;

[(3) $40,000,000 shall be available only for the relief and reconstruction of Laos in accordance with section 40 of this Act;

[(4) $4,100,000 shall be available only for the regional development program:

[(5) $16,000,000 shall be available only for support costs for the agency primarily responsible for carrying out this part; and

[(6) $7,000,000 shall be available only for humanitarian assistance through international organizations.

Such amounts are authorized to remain available until expended.

[(b) The authority of section 610(a) of the Foreign Assistance Act of 1961 may not be used in fiscal year 1975 to transfer funds made available for any provision of such Act of 1961 into funds made available for part V of such Act for South Vietnam, Cambodia, or Laos under this section.

[(c) No assistance may be provided to South Vietnam, Cambodia, or Laos in fiscal year 1975 under part I (including chapter 4 of part II) of the Foreign Assistance Act of 1961. This prohibition may not be waived under section 614(a) of such Act of 1961 or any other provision of law.

[(d) Notwithstanding subsection (b) of this section, funds made available under any provision of this or any other law for the purpose of providing military assistance for South Vietnam, Laos, or Cambodia during fiscal year 1975 may be transferred to, and consolidated with, any funds made available to that country for war relief, reconstruction, or general economic development, if such transfer does not result in a greater amount than is allocated for such country under paragraph (1), (2), or (3) of subsection (a).

[(e) To the extent not inconsistent with the provisions of this Act, all prohibitions, restrictions, limitations, and authorities contained in the Foreign Assistance Act of 1961 which are applicable to part V of such Act of 1961 shall apply with respect to the assistance authorized by this section.

[ASSISTANCE TO SOUTH VIETNAMESE CHILDREN

[SEC. 37. (a) It is the sense of the Congress that inadequate provision has been made (1) for the establishment, expansion and improvement of day care centers, orphanages, hostels, school feeding programs, health and welfare programs, and training related to these programs which are designed for the benefit of South Vietnamese children, disadvantaged by hostilities in Vietnam or conditions related to those hostilities, and (2) for the adoption by United States citizens of South Vietnamese children who are orphaned or abandoned, or whose parents or sole surviving parent, as the case may be, has irrevocably relinquished all parental rights, particularly children fathered by United States citizens.

[(b) The President is, therefore, authorized to provide assistance, on terms and conditions he considers appropriate, for the purposes described in clauses (1) and (2) of subsection (a) of this section. Of the funds appropriated pursuant to section 36(a) of this Act, $10,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section. Not more than 10 per centum of the funds made available to carry out this section

may be expended for the purposes referred to in clause (2) of subsection (a). Assistance provided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies.

[LIMITATIONS WITH RESPECT TO SOUTH VIETNAM

[SEC. 38. (a) The $449,900,000 made available in accordance with section 36(a)(1) of this Act shall be allocated as follows:

[(1) $90,000,000 for humanitarian assistance, of which there shall be available—

[(A) $70,000,000 for refugee relief;

[(B) $10,000,000 for child care; and

[(C) $10,000,000 for health care;

[(2) $154,500,000 for agricultural assistance, of which there shall be available—

[(A) $85,000,000 for fertilizer;

[(B) $12,000,000 for POL (for agriculture);

[(C) $6,000,000 for insecticides and pesticides;

[(D) $10,000,000 for agricultural machinery and equipment (including spare parts);

[(E) $3,500,000 for agricultural advisory services;

[(F) $20,000,000 for rural credit;

[(G) $10,000,000 for canal dredging;

[(H) $4,000,000 for low-lift pumps; and

[(I) $4,000,000 for fish farm development:

[(3) $139,800,000 for industrial development assistance of which there shall be available—

[(A) $124,000,000 for commodities;

[(B) $10,000,000 for industrial credit; and

[(C) $5,800,000 for industrial advisory services (including feasibility studies);

[(4) $65,600,000 for miscellaneous assistance, of which there shall be available—

[(A) $47,900,000 for the service sector (including POL, machinery equipment, and spare parts); and

[(B) $17,700,000 for technical services and operating expenses.

[(b)(1) No funds made available in accordance with section 36(a)(1) may be transferred to, or consolidated with, the funds made available for military assistance, nor may more than 20 per centum of the funds made available under paragraph (1), (2), (3), or (4) of subsection (a) of this section be transferred to, or consolidated with, the funds made available under any other such paragraph.

[(2) Whenever the President determines it to be necessary in carrying out this section, any funds made available under any subparagraph of paragraph (1), (2), (3), or (4) of subsection (a) of this section may be transferred to, and consolidated with, the funds made available under any other subparagraph of that same paragraph.

[(3) The President shall fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of each transfer he intends to make under paragraph (1) or (2) of this subsection prior to making such transfer.

[(c) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of South Vietnam in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

[(d) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of South Vietnam for any fiscal year the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

[(e) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of South Vietnam during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

[(f)(1) Effective six months after the date of enactment of this section, the total number of civilian officers and employees, including contract employees, of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States present in South Vietnam shall not at any one time exceed four thousand, not more than two thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense. Effective one year after the date of enactment of this section, such total number shall not exceed at any one time three thousand, not more than one thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense.

[(2) Effective six months after the date of enactment of this section, the United States shall not, at any one time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eight hundred individuals in South Vietnam who are citizens of countries other than South Vietnam or the United States. Effective one year after the date of enactment of this section, the total number of individuals whose compensation or allowance is so paid shall not exceed at any one time five hundred.

[(3) For purposes of this subsection, "executive agency of the United States Government" means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

[(4) This subsection shall not be construed to apply with respect to any individual in South Vietnam who (A) is an employee or volunteer worker of a voluntary private nonprofit relief organization or is an employee or volunteer worker of the International

Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in South Vietnam.

[(g) This section shall not be construed as a commitment by the United States to South Vietnam for its defense.

[LIMITATIONS WITH RESPECT TO CAMBODIA

[SEC. 39. (a) Section 655 of the Foreign Assistance Act of 1961 is amended as follows:

[(1) by striking out "$341,000,000" in subsection (a) and inserting "$377,000,000" in lieu thereof.

[(2) by striking out "1972" in subsection (a) and inserting "1975. Of that sum, there shall be available no more than $200,000,000 for military assistance. In addition to such $377,000,000, defense articles and services may be ordered under section 506 of this Act for Cambodia in an amount not to exceed $75,000,000 in fiscal year 1975." in lieu thereof.

[(3) by striking out "$341,000,000" in subsection (b) and inserting "$377,000,000" in lieu thereof.

[(4) by striking out "1972" in subsection (b) and inserting "1975" in lieu thereof.

[(b) Section 656 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following sentence: "This section shall not be construed to apply with respect to any individual in Cambodia who (A) is an employee or volunteer worker of a voluntary private, nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in Cambodia."

[(c) The $100,000,000 made available in accordance with section 36(a)(2) of this Act shall be allocated as follows:

[(1) $20,000,000 for humanitarian assistance;

[(2) $63,000,000 for commodity import assistance;

[(3) $15,000,000 for multilateral stabilization assistance; and

[(4) $2,000,000 for technical support and participant training.

[(d) No funds made available in accordance with section 36(a)(2) may be transferred to, or consolidated with, the funds allocated for military assistance to Cambodia under section 655(a) of the Foreign Assistance Act of 1961, nor may more than 20 per centum of the funds made available under any paragraph of subsection (c) of this section be transferred to, or consolidated with, the funds made available under any other such paragraph.

[(e) No funds may be obligated for any of the purposes described in section 655(a) of the Foreign Assistance Act of 1961 in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

[(f) This section shall not be construed as a commitment by the United States to Cambodia for its defense.

[LIMITATIONS WITH RESPECT TO LAOS

[SEC. 40. (a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $70,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Laos. Of that amount, there shall be available—

[(1) $30,000,000 for military assistance; and

[(2) $40,000,000 only for economic assistance, of which there shall be available—

[(A) $11,000,000 for humanitarian assistance;

[(B) $6,500,000 for reconstruction and development assistance;

[(C) $16,100,000 for stabilization assistance; and

[(D) $6,400,000 for technical support.

[(b) No funds made available under paragraph (2) of subsection (a) of this section may be transferred to, or consolidated with, the funds made available under paragraph (1) of such subsection, nor may more than 20 per centum of the funds made available under any subparagraph of paragraph (2) be transferred to, or consolidated with, the funds made available under any other such subparagraph.

[(c) In computing the limitations on obligation authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided, to, for, or on behalf of Laos in such fiscal year by gift, donation, loan, lease or otherwise. For the purpose of this subsection, "value" means the fair market value of any goods, supplies, material, or equipment provided to, for, or on behalf of Laos but in no case less than 33⅓ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

[(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Laos in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

[(e) After the date of enactment of this section whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of Laos, for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose of which such funds are to be used in such fiscal year.

[(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf

of Laos during the preceding quarter by the United States Government and shall include in such report a general breakdown of the total amount obligated, describing the different purposes of which such funds were obligated and the total amount obligated for such purpose.

[(g) This section shall not be construed as a commitment by the United States to Laos for its defense.

[POPULATION, NARCOTICS, INTERNATIONAL HUMANITARIAN AND REGIONAL PROGRAMS

[SEC. 41. Part V of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 806. POPULATION, NARCOTICS, INTERNATIONAL HUMANITARIAN AND REGIONAL PROGRAMS.—The provisions of sections 36(c), 38, 39, and 40 of the Foreign Assistance Act of 1974 shall not apply to: (1) funds obligated for purposes of title X of chapter 2 of part I (programs relating to population growth); (2) funds made available under section 482 (programs relating to narcotics control); (3) funds made available for humanitarian assistance through international organizations; or (4) funds obligated for regional programs."

[ASSISTANCE TO THE MIDDLE EAST

[SEC. 42. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

["PART VI

["SEC. 901. STATEMENT OF POLICY.—The Congress recognizes that a peaceful and lasting resolution of the divisive issues that have contributed to tension and conflict between nations in the Middle East is essential to the security of the United States and the cause of world peace. The Congress declares and finds that the United States can and should play a constructive role in securing a just and durable peace in the Middle East by facilitating increased understanding between the Arab nations and Israel, and by assisting the nations in the area in their efforts to achieve economic progress and political stability, which are the essential foundations for a just and durable peace. It is the sense of Congress that United States assistance programs in the Middle East should be designated to promote mutual respect and security among the nations in the area and to foster a climate conducive to increased economic development, thereby contributing to a community of free, secure, and prospering nations in the Middle East.

["It is further the sense of Congress that none of the funds authorized by this Act should be provided to any nation which denies its citizens the right or opportunity to emigrate.

["SEC. 902. ALLOCATIONS.—(a) Of the funds appropriated to carry out chapter 2 of part II of this Act during the fiscal year 1975, not to exceed $100,000,000 may be made available for military assistance in the Middle East.

["(b) Of the funds appropriated to carry out chapter 4 of part II of this Act during the fiscal year 1975, not to exceed

$652,000,000 may be made available for security supporting assistance in the Middle East.

[“(c) Of the aggregate ceiling on credits and guaranties established by section 31(b) of the Foreign Military Sales Act during the fiscal year 1975, not to exceed $330,000,000 shall be available for countries in the Middle East.

[“SEC. 903. (a) SPECIAL REQUIREMENTS FUND.—There are authorized to be appropriated to the President for the fiscal year 1975 not to exceed $100,000,000 to furnish assistance under part I of this Act to meet special requirements arising from time to time in carrying out the purposes of this part, in addition to funds otherwise available for such purposes. The funds authorized to be appropriated by this section shall be available for use by the President for assistance authorized by such part in accordance with the provisions applicable to the furnishing of such assistance. Such funds are authorized to remain available until expended.

[“(b) The President may only obligate or expend, for each foreign country or international organizations, funds authorized under this section—

[“(1) after he reports to the Speaker of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate concerning (A) the name of such foreign country or international organizations, (B) the amount of such funds to be made available to such country or organization, and (C) the purpose for which such funds are to be made available to such country or organization; and

[“(2) unless the Congress, within thirty calendar days after receiving any report under paragraph (1), adopts a concurrent resolution stating in substance that it does not favor the provisions of the report provided by clauses (A), (B), and (C) of paragraph (1).

[“(c) Of the amount authorized under subsection (a), not less than $6,000,000 shall constitute a contribution by the United States toward the settlement of the deficit of the United Nations Relief and Works Agency for Palestine Refugees in the Middle East, if the President determines that a reasonable number of other countries will contribute a fair share toward the settlement of such deficit within a reasonable period of time after the date of enactment of the Foreign Assistance Act of 1974. In determining such fair share, the President shall take into consideration the economic position of each such country. Such $6,000,000 shall be in addition to any other contribution to such Agency by the United States pursuant to any other provision of law.”

[ASSISTANCE TO UNITED ARAB REPUBLIC

[SEC. 44. Section 620(p) of the Foreign Assistance Act of 1961 is repealed.

[FOREIGN MILITARY SALES ACT AMENDMENTS

[SEC. 45(a). The Foreign Military Sales Act is amended as follows:

[(1) Section 3(d) is amended to read as follows:

[“(d) A country shall remain ineligible in accordance with subsection (c) of this section until such time as the President determines that such violation has ceased, that the country concerned has given assurances satisfactory to the President that such violation will not recur, and that, if such violation involved the transfer of sophisticated weapons without the consent of the President, such weapons have been returned to the country concerned.”

[(2) Section 23 is amended to read as follows:

[“SEC. 23. CREDIT SALES.—The President is authorized to finance procurements of defense articles and defense services by friendly foreign countries and international organizations on terms requiring the payment to the United States Government in United States dollars of—

[“(1) the value of such articles or services within a period not to exceed ten years after the delivery of such articles or the rendering of such services; and

[“(2) interest on the unpaid balance of that obligation for payment of the value of such articles or services, at a rate equivalent to the current average interest rate, as of the last day of the month preceding the financing of such procurement, that the United States Government pays on outstanding marketable obligations of comparable maturity, unless the President certifies to Congress that the national interest requires a lesser rate of interest and states in the certification the lesser rate so required and the justification therefor.”

[(3) In subsections (a) and (b) of section 24, the parenthetical phrase in each is amended to read as follows: “(excluding United States Government agencies other than the Federal Financing Bank)”.

[(4) Section 24(c) is amended by striking out “25” both times it appears and inserting “10” both such times in lieu thereof.

[(5) Section 35(b) is repealed, and section 36 is amended by inserting before subsection (c) the following new subsections:

[“(a) The President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate quarterly reports containing—

[“(1) a listing of all letters of offer to sell any defense articles or services under this Act, if such offer has not been accepted or canceled;

[“(2) a cumulative listing of all such letters of offer to sell that have been accepted during the fiscal year in which such report is submitted;

[“(3) the cumulative dollar amounts, by foreign country and international organization, of credit sales under section 23 and guaranty agreements under section 24 made before the submission of such quarterly report and during the fiscal year in which such report is submitted; and

[“(4) projections of the cumulative dollar amounts, by foreign country and international organization, of credit sales under section 23 and guaranty agreements under section 24 to be made in the quarter of the fiscal year immediately following the quarter for which such report is submitted.

[“(b) In the case of any letter of offer to sell any defense articles or services under this Act for $25,000,000 or more, before issu-

ing such letter of offer the President shall submit to the Speaker of the House of Representatives and to the Chairman of the Committee on Foreign Relations of the Senate a statement with respect to such offer to sell containing the information specified in subparagraphs (A) through (E) in subsection (a). The letter of offer shall not be issued if the Congress, within twenty calendar days after receiving any such statement, adopts a concurrent resolution stating in effect that it objects to such proposed sale, unless the President in his statement certifies that an emergency exists which requires such sale in the national security interests of the United States."

[(6) Section 31(a) is amended by striking out "$325,000,000 for the fiscal year 1974" and inserting in lieu thereof "$405,000,000 for the fiscal year 1975".

[(7) In section 31(b)—

[(A) strike out "$730,000,000 for the fiscal year 1974" and insert in lieu thereof "$872,500,000 for the fiscal year 1975"; and

[(B) add at the end thereof the following new sentence: "Of the funds made available under subsection (a) of this section, $100,000,000 shall first be obligated with respect to financing the procurement of defense articles and defense services by Israel under section 23 of this Act, except that Israel shall be released from contractual liability to repay the United States Government for the defense articles and defense services so financed."

[(8) In section 33—

[(A) subsection (a) is repealed;

[(B) subsection (b) is redesignated as subsection (a); and

[(C) a new subsection (b) is added as follows:

"[(b) The President may waive the limitations of this section when he determines it to be important to the security of the United States and promptly so reports to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate."

[(b) The amendment made by paragraph (4) of subsection (a) shall take effect on July 1, 1974. Obligations initially charged against appropriations made available for purposes authorized by section 31(a) of the Foreign Military Sales Act after June 30, 1974, and prior to the enactment of this section in an amount equal to 25 per centum of the principal amount of contractual liability related to guaranties issued pursuant to section 24(a) of that Act shall be adjusted to reflect such amendment with proper credit to the appropriations made available in the fiscal year 1975 to carry out that Act.

[SECURITY ASSISTANCE AND HUMAN RIGHTS

[SEC. 46. Chapter 1 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 502B. HUMAN RIGHTS.—(a) It is the sense of Congress that, except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or

cruel, inhumane or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty, and the security of the person.

[“(b) Whenever proposing or furnishing security assistance to any government falling within the provisions of paragraph (a), the President shall advise the Congress of the extraordinary circumstances necessitating the assistance.

[“(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation by such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross and any body acting under the authority of the United Nations or of the Organization of American States.

[“(d) For purposes of this section, ‘security assistance’ means assistance under chapter 2 (military assistance) or chapter 4 (security supporting assistance) of this part, assistance under part V (Indochina Postwar Reconstruction) or part VI (Middle East Peace) of this Act, sales under the Foreign Military Sales Act, or assistance for public safety under this or any other Act.”

[GORGAS MEMORIAL INSTITUTE

[SEC. 47. The first section of the Act entitled “An Act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial”, approved May 7, 1928, is amended by striking out “$500,000” and inserting “$2,000,000” in lieu thereof.

[INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION IN VIETNAM

[SEC. 48. (a) There are authorized to be appropriated to the Department of State for fiscal year 1975 not to exceed $16,526,000 for payments by the United States to help meet expenses of the International Commission of Control and Supervision in Vietnam. Funds appropriated under this subsection are authorized to be made available for reimbursement to the Agency for International Development of amounts expended by the Agency during fiscal year 1975 as interim United States payments to help meet expenses of the International Commission of Control and Supervision.

[(b) There are authorized to be appropriated to the Department of State not to exceed $11,200,000 for reimbursement to the Agency for International Development of amounts expended by the Agency for International Development to help meet expenses of the International Commission on Control and Supervision in fiscal year 1974.

[(c) Reimbursements received by the Agency for International Development under this section may be credited to applicable appropriations of the Agency and shall be available for the purposes for which such appropriations are authorized to be used during fiscal year 1975.

[POLICY ON THE INDEPENDENCE OF ANGOLA, MOZAMBIQUE, AND GUINEA-BISSAU

[SEC. 50. (a)(1) Congress finds that the Government of Portugal's recognition of the right to independence of the African territories of Angola, Mozambique, and Guinea-Bissau marks a significant advance toward the goal of self-determination for all the peoples of Africa, without which peace on the continent is not secure.

[(2) Congress finds that progress toward independence for the Portuguese African territories will have a significant impact on the international organizations and the community of nations.

[(3) Congress commends the Portuguese Government's initiatives on these fronts as evidence of a reaffirmation of that Government's support for her obligations under both the United Nations Charter and the North Atlantic Treaty Organizations.

[(b) Therefore, Congress calls upon the President and the Secretary of State to take the following actions designed to make clear the United States support for a peaceful and orderly transition to independence in the Portuguese African territories:

[(1) An official statement should be issued of United States support for the independence of Angola, Mozambique, and Guinea-Bissau, and of our desire to have good relations with the future governments of the countries.

[(2) It should be made clear to the Government of Portugal that we view the efforts toward a peaceful and just settlement of the conflict in the African territories as consistent with Portugal's obligations under the North Atlantic Treaty organization partnership.

[(3) The United states should encourage United Nations support for a peaceful transition to independence, negotiated settlement of all differences, and the protection of human rights of all citizens of the three territories.

[(4) The United States should open a dialog with potential leaders of Angola, Mozambique, and Guinea-Bissau and assure them of our commitment to their genuine political and economic independence.

[(5) The economic development needs of the three territories will be immense when independence is achieved. Therefore, it is urged that the United States Agency for International Development devote attention to assessing the economic situation in Angola, Mozambique, and Guinea-Bissu and be ready to cooperate with the future governments in providing the kind of assistance that will help make their independence viable. In addition, the United States Government should take the initiative among other donors, both bilateral and multilateral, in seeking significant contribution of development assistance for the three territories.

[(6) In light of the need of Angola, Mozambique, and Guinea-Bissau for skilled and educated manpower, a priority consideration should be given to expanding current United States programs of educational assistance to the territories as a timely and substantive contribution to their independence.

[CONVENTIONAL ARMS TRADE

[SEC. 51. (a) It is the sense of the Congress that the recent growth in international transfers of conventional arms to developing nations—

[(1) is a cause for gave concern for the United States and other nations, in that in particular areas of the world it increases the danger of potential violence among nations, and diverts scare world resource from more peaceful uses; and

[(2) could be controlled progressively through negotiations and agreements among supplier and recipient nations.

[(b) Therefore, the President is urged to propose to the Geneva Conference of the Committee on Disarmament that it consider as a high priority agenda item discussions among participating nations of that Conference for the purposes of—

[(1) agreeing to workable limitations on conventional arms transfers; and

[(2) establishing a mechanism through which such limitations could be effectively monitored.

[INVOLVEMENT OF PUERTO RICO IN THE CARIBBEAN DEVELOPMENT BANK

[SEC. 52. (a) The President may transmit to the Caribbean Development Bank an instrument stating that the Commonwealth of Puerto Rico has the authority to conclude an agreement of accession with such Bank and to assume rights and obligations pursuant to such agreement. However, such agreement may only be concluded after it has been approved by the United States Secretary of State.

[(b) The instrument transmitted by the President to the Caribbean Development Bank under subsection (a) shall state that the United States shall not assume any financial or other responsibility for the performance of any obligation incurred by the Commonwealth of Puerto Rico pursuant to such agreement of accession or pursuant to any other aspect of its membership or participation in such Bank.

[(c) Such agreement of accession shall provide that the Commonwealth of Puerto Rico may not receive from the Caribbean Development Bank any funds provided to the Bank by the United States.

[ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE

[SEC. 53. Part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

[“Chapter X—Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence

[“SEC. 496. Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence.—There are authorized to be appropriated to the President for the fiscal year 1975, in addition to funds otherwise available for such purposes, not to exceed—

[“(1) $5,000,000 to make grants; and

[“(2) $20,000,000 to make loans;

to remain available until expended, for use by the President in providing economic assistance, on such terms and conditions as he may determine, for Portugal and the countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal."

[INTEGRATION OF WOMEN

[SEC. 54. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 305. Integration of Women.—The President is requested to instruct each representative of the United States to each international organization of which the United States is a member (including but not limited to the International Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development Bank, the International Monetary Fund, the United Nations, and the Organization for Economic Cooperation and Development) to carry out their duties with respect to such organizations in such a manner as to encourage and promote the integration of women into the national economies of member and recipient countries and into professional and policy-making positions within such organizations, thereby improving the status of women."

[POLICY WITH RESPECT TO COUNTRIES MOST SERIOUSLY AFFECTED BY FOOD SHORTAGES

[SEC. 55. (a) The United Nations has designated thirty-two countries as "Most Seriously Affected" by the current economic crisis. These are countries without the internal food production capability or the foreign exchange availability to secure food to meet their immediate food requirements. The Congress calls upon the President and Secretary of State to take the following actions designed to mobilize appropriate resources to meet the food emergency:

[(1) Review and make appropriate adjustments in the level of programming of our food and fertilizer assistance programs with the aim of increasing to the maximum extent feasible the volume of food and fertilizer available to those countries most seriously affected by current food shortages.

[(2) Call upon all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to immediately increase their participation in efforts to address the emergency food needs of the developing world.

[(3) Make available to these most seriously affected countries the maximum feasible volume of food commodities, with appropriate regard to the current domestic price and supply situations.

[(4) Maintain regular and full consultation with the appropriate committee of the Congress and report to the Congress and the Nation on steps which are being taken to help meet this food emergency. In accordance with this provision, the President shall report to the Congress on a global assessment of food needs for fiscal year 1975, specifying expected food grain deficits and currently planned programming of food assistance, and steps which are being taken to encourage other

countries to increase their participation in food assistance or the financing of food assistance. Such report should reach the Congress promptly and should be supplemented quarterly for the remainder of fiscal year 1975.

[(5) The Congress directs that during the fiscal year ending June 30, 1975, not more than 30 percent of concessional food aid should be allocated to countries other than those which are most seriously affected by current food shortages unless the President demonstrates to the appropriate Committees of the Congress that the use of such food assistance is solely for humanitarian food purposes.

[(6) The congress calls upon the President to proceed with the implementation of resolutions and recommendations adopted by the World Food Conference. The Congress believes that it is incumbent upon the United States to take a leading role in assisting in the development of a viable and coherent world food policy which would begin the task of alleviating widespread hunger and suffering prevalent in famine-stricken nations. The President shall report to the Congress within 120 days of enactment of this Act on the implementation of the resolutions and the extent to which the United States is participating in the implementation of resolutions adopted at the World Food Conference.

[REPAYMENT OF LOANS IN DEFAULT

[SEC. 56. It is the sense of the Congress that any country receiving assistance under the Foreign Assistance Act of 1961 which is in default, at least 90 days prior to the date of enactment of this Act, of any payment of principal or interest due on any loan or credit received from the United States shall promptly pay all such principal and interest. It is further the sense of the congress that the President shall promptly enter into negotiations with each such country to help effectuate the payment of such principal and interest, or to effectuate the transfer by such country to the United States of goods, services, concessions, or actions beneficial to the United States, in lieu of the payment of such principal and interest.]

EMERGENCY SECURITY ASSISTANCE ACT OF 1973

AN ACT To provide emergency assistance authorizations for Israel and Cambodia

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Emergency Security Assistance Act of 1973".

[SEC. 2. In addition to such amounts as may be otherwise authorized to be appropriated to the President for security assistance for the fiscal year 1974, there are hereby authorized to be appropriated to the President not to exceed $2,200,000,000 for emergency military assistance or foreign military sales credits, or for both as the President may determine, for Israel, of which sum amounts in excess of $1,500,000,000 may be used pursuant to this section or section 4 of this Act only if the President (1) determines it to be important to our national interest that Israel receive assist-

ance hereunder exceeding $1,500,000,000, and (2) reports to Congress each such determination (if more than one) at least twenty days prior to date on which funds are obligated or expended under this Act in excess of such $1,500,000,000 limitation. The twenty-day requirement contained in the preceding sentence shall not apply if hostilities are renewed in the Middle East. The President shall include in his report the amount of funds to be used pursuant to the determination, the terms of the additional assistance under section 2 or section 4, and the justification for the determination. All information contained in the justification shall be public information except to the extent that the President concludes that publication would be incompatible with the security interests of the United States.

[SEC. 3. Military assistance furnished out of funds appropriated under section 2 of this Act shall be furnished in accordance with all of the provisions applicable to military assistance under the Foreign Assistance Act of 1961 (75 Stat. 424; Public Law 87–195), as amended. Foreign military sales credits extended to Israel out of such funds shall be provided on such terms and conditions as the President may determine and without regard to the provisions of the Foreign Military Sales Act (82 Stat. 1320; Public Law 90–629), as amended.

[SEC. 4. At any time prior to June 30, 1974, the President is hereby authorized, within the limits of funds appropriated under section 2 of this Act for Israel, to release Israel from its contractual liability to pay for defense articles and defense services purchased or financed under the said Foreign Military Sales Act or under this Act during the period beginning October 6, 1973, and ending June 30, 1974, and such funds shall be used to reimburse current applicable appropriations, funds, and accounts of the Department of Defense for the value of such defense articles and defense services.

[SEC. 6. Of the funds appropriated pursuant to section 2, the President may use such sums as may be necessary from time to time for payment by the United States of its share of the expenses of the United Nations Emergency Force in the Middle East, as apportioned by the United Nations in accordance with article 17 of the United Nations Charter.]

FOREIGN ASSISTANCE ACT OF 1973

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Foreign Assistance Act of 1973".

[POLICY; DEVELOPMENT ASSISTANCE AUTHORIZATIONS

[SEC. 2. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended as follows:

[(1) In the chapter heading, immediately after "CHAPTER 1—POLICY", insert "; DEVELOPMENT ASSISTANCE AUTHORIZATIONS".

[(2) In section 102—

[(A) insert "(a)" immediately after "STATEMENT OF POLICY.—"; and

[(B) add at the end thereof the following:

[“(b) The Congress further finds and declares that, with the help of United States economic assistance, progress has been made in creating a base for the economic progress of the less developed countries. At the same time, the conditions which shaped the United States foreign assistance program in the past have changed. While the United States must continue to seek increased cooperation and mutually beneficial relations with other nations, our relations with the less developed countries must be revised to reflect the new realities. In restructuring our relationships with these countries, the President should place appropriate emphasis on the following criteria:

[“(1) Bilateral development aid should concentrate increasingly on sharing American technical expertise, farm commodities, and industrial goods to meet critical development problems, and less on large-scale capital transfers, which when made should be in association with contributions from other industrialized countries working together in a multilateral framework.

[“(2) Future United States bilateral support for development should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries: food production; rural development and nutrition; population planning and health; and education, public administration, and human resource development.

[“(3) United States cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the development areas, such as educational institutions, cooperatives, credit unions, and voluntary agencies.

[“(4) Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

[“(5) United States bilateral development assistance should give the highest priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.

[“(6) The economic and social development programs to which the United States lends support should reflect, to the maximum extent practicable, the role of United States private investment in such economic and social development programs.

[“(7) Under the policy guidance of the Secretary of State, the agency primarily responsible for administering this part should have the responsibility for coordinating all United States development-related activities.”

[“(3) At the end thereof, add the following new sections:

[“SEC. 103. FOOD AND NUTRITION.—In order to alleviate starvation, hunger, and malnutrition, and to provide basic services to poor people, enhancing their capacity for self-help, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $291,000,000 for each of the fiscal years

1974 and 1975, which amounts are authorized to remain available until expended.

[“SEC. 104. POPULATION PLANNING AND HEALTH.—In order to increase the opportunities and motivation for family planning, to reduce the rate of population growth, to prevent and combat disease, and to help provide health services for the great majority, the President is authorized to furnish assistance on such terms and conditions as he may determine, for population planning and health. There are authorized to be appropriated to the President for the purposes of this section, in addition to the funds otherwise available for such purposes, $145,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

[“SEC. 105. EDUCATION AND HUMAN RESOURCES DEVELOPMENT.—In order to reduce illiteracy, to extend basic education and to increase manpower training in skills related to development, the President is authorized to furnish assistance on such terms and conditions as he may determine, for education, public administration, and human resource development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $90,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

[“SEC. 106. SELECTED DEVELOPMENT PROBLEMS.—The President is authorized to furnish assistance on such terms and conditions as he may determine, to help solve economic and social development problems in fields such as transportation, power, industry, urban development, and export development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $53,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

[“SEC. 107. SELECTED COUNTRIES AND ORGANIZATIONS.—The President is authorized to furnish assistance on such terms and conditions as he may determine, in support of the general economy of recipient countries or for development programs conducted by private or international organizations. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $39,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

[“SEC. 108. APPLICATION OF EXISTING PROVISIONS.—Assistance under this chapter shall be furnished in accordance with the provisions of titles I, II, or X of chapter 2 of this part, and nothing in this chapter shall be construed to make inapplicable the restrictions, criteria, authorities, or other provisions of this or any other Act in accordance with which assistance furnished under this chapter would otherwise have been provided.

[“SEC. 109. TRANSFER OF FUNDS.—Notwithstanding section 108 of this Act, whenever the President determines it to be necessary for the purposes of this chapter, not to exceed 15 per centum of the funds made available for any provision of this chapter may be transferred to, and consolidated with, the funds made available for any other provision of this chapter, and may be used for any

of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 25 per centum of the amount of funds made available for such provision. The authority of sections 610(a) and 614(a) of this Act may not be used to transfer funds made available under this chapter for use for purposes of any other provision of this Act.

[''SEC. 110. COST-SHARING AND FUNDING LIMITS.—(a) No assistance shall be furnished by the United States Government to a country under sections 103 through 107 of this Act until the country provides assurances to the President, and the President is satisfied, that such country will provide at least 25 per centum of the costs of the entire program, project, or activity with respect to which such assistance is to be furnished except that such costs borne by such country may be provided on an 'in-kind' basis.

[''(b) No grant assistance shall be disbursed by the United States Government under section 103 through 107 of this Act for a project, for a period exceeding thirty-six consecutive months, without further justification satisfactory to the Congress and efforts being made to obtain sources of financing within that country and from other foreign countries and multilateral organizations.

[''SEC. 111. DEVELOPMENT AND USE OF COOPERATIVES.—In order to strengthen the participation of the urban and rural poor in their country's development, not less than $20,000,000 of the funds made available for the purposes of this chapter shall be available during the fiscal years 1974 and 1975 only for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life.

[''SEC. 112. PROHIBITING POLICE TRAINING.—(a) No part of any appropriation made available to carry out this Act shall be used to conduct any police training or related program in a foreign country.

[''(b) Subsection (a) of this section shall not apply—

[''(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, or with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States; or

[''(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.

Notwithstanding paragraph (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment.

[''SEC. 113. INTEGRATING WOMEN INTO NATIONAL ECONOMIES.—Sections 103 through 107 of this Act shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort.

[''SEC. 114. LIMITING USE OF FUND FOR ABORTIONS.—None of the funds made available to carry out this part shall used to pay

for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions."

[DEVELOPMENT LOAN FUND

[SEC. 3. (a) Section 203 of the Foreign Assistance Act of 1961 is amended to read as follows:

["SEC. 203. FISCAL PROVISIONS.—Not more than 50 per centum of dollar receipts scheduled to be paid during each of the fiscal years 1974 and 1975 from loans made pursuant to this part and from loans made under predecessor foreign assistance legislation are authorized to be made available for each such fiscal year for use for purposes of making loans under chapter 1 of this part. Such receipts shall remain available until expended."

[(b) Effective July 1, 1975, such section 203 is repealed.

[TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

[SEC. 4. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

[(1) In section 211(a), in the last sentence immediately after the word "assistance", insert the word "directly".

[(2) In section 214, strike out subsections (c) and (d) and insert in lieu thereof the following:

["(c) To carry out the purposes of this section, there are authorized to be appropriated to the President for each of the fiscal years 1974 and 1975 $19,000,000, which amounts are authorized to remain available until expended.

["(d) There are authorized to be appropriated to the President to carry out the purposes of this section, in addition to funds otherwise available for such purposes, for each of the fiscal years 1974 and 1975 $6,500,000 in foreign currencies which the Secretary of the Treasury determines to be excess to the normal requirements of the United States.

["(e) Not later than June 30, 1974, the Secretary of State shall submit to the Congress such recommendations (including recommendations concerning which agency of the United States Government should administer such assistance) as he considers desirable for assistance to schools, libraries, and hospital centers for medical education and research, outside the United States, founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States."

[HOUSING GUARANTIES

[SEC. 5. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

[(1) In section 221, strike out "$205,000,000" and insert in lieu thereof "$305,000,000".

[(2) In section 223(i), strike out "June 30, 1974" and insert in lieu thereof "June 30, 1975".

[OVERSEAS PRIVATE INVESTMENT CORPORATION

[SEC. 6. Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

[(1) In section 235(a)(4), strike out "June 30, 1974" and insert in lieu thereof "December 31, 1974".

[(2) In section 240(h), strike out "June 30, 1973" and insert in lieu thereof "December 31, 1974".

[ALLIANCE FOR PROGRESS

[SEC. 7. Section 252(b) of the Foreign Assistance Act of 1961 is amended to read as follows:

["(b) There are authorized to be appropriated to the President for the fiscal year 1974, $934,000, and for the fiscal year 1975, $934,000, for grants to the National Association of the Partners of the Alliance, Inc., in accordance with the purposes of this title."

[PROGRAMS RELATING TO POPULATION GROWTH

[SEC. 8. Section 292 of the Foreign Assistance Act of 1961 is amended by striking out "for each of the fiscal years 1972 and 1973, $125,000,000" and inserting in lieu thereof "for the fiscal year 1974, $125,000,000, and for the fiscal year 1975, $130,000,000".

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 9. Chapter 3 of part I of the Foreign Assistance Act of 1961 is amended as follows:

[(1) At the end of section 301 add the following new subsection:

["(e)(1) In the case of the United Nations and its affiliated organizations, including the International Atomic Energy Agency, the President shall, acting through the United States representative to such organizations, propose and actively seek the establishment by the governing authorities of such organizations a single professionally qualified group of appropriate size for the purpose of providing an independent and continuous program of selective examination, review, and evaluation of the programs and activities of such organizations. Such proposal shall provide that such group shall be established in accordance with such terms of reference as such governing authority may prescribe and that the reports of such group on each examination, review, and evaluation shall be submitted directly to such governing authority for transmittal to the representative of each individual member nation. Such proposal shall further include a statement of auditing and reporting standards, as prepared by the Comptroller General of the United States, for the consideration of the governing authority of the international organization concerned to assist in formulating terms of reference for such review and evaluation group.

["(2) In the case of the International Bank for Reconstruction and Development and the Asian Development Bank, the President shall, acting through the United States representative to such organizations, propose and actively seek the establishment by the governing authorities of such organizations professionally qualified groups of appropriate size for the purpose of providing an independent and continuous program of selective examination, review, and evaluation of the programs and activities of such organizations. Such proposal shall provide that such groups shall be estab-

lished in accordance with such terms of reference as such governing authorities may prescribe, and that the reports of such groups on each examination, review, and evaluation shall be submitted directly to such governing authority for transmittal to the representative of each individual member nation. Such proposal shall further include a statement of auditing and reporting standards, as prepared by the Comptroller General of the United States, for the consideration of the governing authority of the international organization concerned to assist in formulating terms of reference for such review and evaluation groups.

[“(3) Reports received by the United States representatives to these international organizations under this subsection and related information on actions taken as a result of recommendations made therein shall be submitted promptly to the President for transmittal to the Congress and to the Comptroller General. The Comptroller General shall periodically review such reports and related information and shall report simultaneously to the Congress and to the President any suggestions the Comptroller General may deem appropriate concerning auditing and reporting standards followed by such groups, the recommendations made and actions taken as a result of such recommendations.”

[(2) In section 302(a), strike out “for the fiscal year 1972, $138,000,000 and for the fiscal year 1973, $138,000,000” and insert in lieu thereof “for the fiscal year 1974, $127,822,000 and for the fiscal year 1975, $150,000,000”.

[(3) In section 302(b)(2), strike out “for use in the fiscal year 1972, $15,000,000, and for use in the fiscal year 1973, $15,000,000” and insert in lieu thereof “for use in the fiscal year 1974, $14,500,000, and for use in the fiscal year 1975, $14,500,000,”.

[(4) Section 302(d) is amended to read as follows:

[“(d) Of the funds made available to carry out this chapter for each of the fiscal years 1974 and 1975, $18,000,000 shall be available in each such fiscal year only for contributions to the United Nations Children’s Fund.”

[(5) In section 302(e), strike out “$1,000,000 for the fiscal year 1972 and $1,000,000 for the fiscal year 1973” and insert in lieu thereof “$2,000,000 for the fiscal year 1974 and $2,000,000 for the fiscal year 1975”.

[CONTINGENCY FUND

[SEC. 10. Section 451(a) of the Foreign Assistance Act of 1961 is amended to read as follows: “(a) There is authorized to be appropriated to the President for each of the fiscal years 1974 and 1975 not to exceed $30,000,000, to provide assistance authorized by this part primarily for disaster relief purposes, in accordance with the provisions applicable to the furnishing of such assistance.”

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 11. (a) Section 481 of the Foreign Assistance Act of 1961 is amended by inserting “(a)” immediately after “INTERNATIONAL NARCOTICS CONTROL.—” and by adding at the end thereof the following new subsection:

[“(b)(1) Not later than forty-five days after the date on which each calendar quarter of each year ends, the President shall trans-

mit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the programing and obligation, on a calendar quarter basis, of funds under this chapter prior to such date.

[“(2) Not later than forty-five days after the date on which the second calendar quarter of each year ends and not later than forty-five days after the date on which the fourth calendar quarter of each year ends, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed semiannual report on the activities and operations carried out under this chapter prior to such date. Such semiannual report shall include, but shall not be limited to—

[“(A) the status of each agreement concluded prior to such date with other countries to carry out the purposes of this chapter; and

[“(B) the aggregate of obligations and expenditures made, and the types and quantity of equipment provided, on a calendar quarter basis, prior to such date—

[“(i) to carry out the purposes of this chapter with respect to each country and each international organization receiving assistance under this chapter, including the cost of United States personnel engaged in carrying out such purposes in each such country and with each such international organization;

[“(ii) to carry out each program conducted under this chapter in each country and by each international organization, including the cost of United States personnel engaged in carrying out each such program; and

[“(iii) for administrative support services within the United States to carry out the purposes of this chapter, including the cost of United States personnel engaged in carrying out such purposes in the United States.”

[(b) Section 482 of the Foreign Assistance Act of 1961 is amended by striking out “$42,500,000” and all that follows down through the period at the end of such section and inserting in lieu thereof “$42,500,000 for each of the fiscal years 1974 and 1975. Amounts appropriated under this section are authorized to remain available until expended.”

[MILITARY ASSISTANCE

[SEC. 12. (a) Chapter 1 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

[“SEC. 502A. EXCESS DEFENSE ARTICLES.—Excess defense articles shall be provided whenever possible rather than providing such articles by the procurement of new items.”

[(b) Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended as follows:

[(1) Section 503 is amended to read as follows:

[“SEC. 503. GENERAL AUTHORITY.—(a) The President is authorized to furnish military assistance, on such terms and conditions as he may determine, to any friendly country or international organization, the assisting of which the President finds will strengthen

the security of the United States and promote world peace and which is otherwise eligible to receive such assistance, by—

[“(1) acquiring from any source and providing (by loan or grant) any defense article or defense service; or

[“(2) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to perform duties of a noncombatant nature.

[“(b) In addition to such other terms and conditions as the President may determine pursuant to subsection (a), defense articles may be loaned thereunder only if—

[“(1) there is a bona fide reason, other than the shortage of funds, for providing such articles on a loan basis rather than on a grant basis;

[“(2) there is a reasonable expectation that such articles will be returned to the agency making the loan at the end of the loan period, unless the loan is then renewed;

[“(3) the loan period is of fixed duration not exceeding five years, during which such article may be recalled for any reason by the United States;

[“(4) the agency making the loan is reimbursed for the loan based on the amount charged to the appropriation for military assistance under subsection (c); and

[“(5) arrangements are made with the agency making the loan to be reimbursed in the event such article is lost or destroyed while on loan, such reimbursement being made first out of any funds available to carry out this chapter and based on the depreciated value of the article at the time of loss or destruction.

[“(c)(1) In the case of any loan of a defense article or defense service made under this section, there shall be a charge to the appropriation for military assistance for any fiscal year while the article or service is on loan in an amount based on—

[“(A) the out-of-pocket expenses authorized to be incurred in connection with such loan during such fiscal year; and

[“(B) the depreciation which occurs during such year while such article is on loan.

[“(2) The provisions of this subsection shall not apply—

[“(A) to any particular defense article or defense service which the United States Government agreed, prior to the date of enactment of this subsection, to lend; and

[“(B) to any defense article or defense service, or portion thereof, acquired with funds appropriated for military assistance under this Act.”

[(2) In section 504(a)—

[(A) strike out “$500,000,000 for the fiscal year 1972” and insert in lieu thereof “$512,500,000 for the fiscal year 1974”; and

[(B) strike out “forty countries” and insert in lieu thereof “thirty-one countries”.

[(3) Section 505 is amended by adding the following new subsections at the end thereof:

[“(e) In considering a request for approval of any transfer of any weapon, weapons system, munitions, aircraft, military boat, military vessel, or other implement of war to another country, the

President shall not give his consent under subsection (a)(1) or (a)(4) to the transfer unless the United States itself would transfer the defense article under consideration to that country, and prior to the date he intends to give his consent to the transfer, the President notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended consent, the justification for giving such consent, the defense article for which he intends to give his consent to be so transferred, and the foreign country to which that defense article is to be transferred. In addition, the President shall not give his consent under subsection (a)(1) or (a)(4) to the transfer of any significant defense articles on the United States Munitions List unless the foreign country requesting consent to transfer agrees to demilitarize such defense articles prior to transfer, or the proposed recipient foreign country provides a commitment in writing to the United States Government that it will not transfer such defense articles, if not demilitarized, to any other foreign country or person without first obtaining the consent of the President.

[“(f) Effective July 1, 1974, no defense article shall be furnished to any country on a grant basis unless such country shall have agreed that the net proceeds of sale received by such country in disposing of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other implement of war received under this chapter will be paid to the United States Government and shall be available to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961.”

[(4) In section 506(a)—

[(A) strike out “the fiscal year 1972” in each place it appears and insert in lieu thereof “the fiscal year 1974”;

[(B) strike out “vital to the security” and insert in lieu thereof “in the security interests”; and

[(C) strike out “$300,000,000” and insert in lieu thereof “$250,000,000”.

[(5) Sections 507, 508, 509, 512, and 514 are repealed.

[(6) Section 513 is amended—

[(A) by striking out “THAILAND.—” in the section heading and inserting in lieu thereof “THAILAND AND LAOS.—(a)”; and

[(B) by adding at the end thereof the following new subsection:

[“(b) After June 30, 1974, no military assistance shall be furnished by the United States to Laos directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act.”

[(c) Section 655(c) shall not apply to assistance authorized to be furnished under any provision of law for fiscal year 1974.

[SECURITY SUPPORTING ASSISTANCE

[SEC. 13. Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended—

[(1) in section 532 by striking out "for the fiscal year 1972 not to exceed $618,000,000, of which not less than $50,000,000 shall be available solely for Israel" and inserting in lieu thereof "for the fiscal year 1974 not to exceed $125,000,000, of which not less than $50,000,000 shall be available solely for Israel"; and

[(2) by striking out section 533.

[TERMINATION OF ASSISTANCE

[SEC. 14. Section 617 of the Foreign Assistance Act of 1961 is amended by striking out "twelve" and inserting in lieu thereof "eight".

[PROHIBITIONS

[SEC. 15. The first full paragraph of section 620(e)(1) of the Foreign Assistance Act of 1961 is amended by striking out "no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection." and inserting in lieu thereof "the provisions of this subsection shall not be waived with respect to any country unless the President determines and certifies that such a waiver is important to the national interests of the United States. Such certification shall be reported immediately to Congress."

[EMPLOYMENT OF PERSONNEL

[SEC. 16. Section 625 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

["(k)(1) In accordance with such regulations as the President may prescribe, the following categories of personnel who serve in the agency primarily responsible for administering part I of this Act shall become participants in the Foreign Service Retirement and Disability System:

["(A) persons serving under unlimited appointments in employment subject to subsection (d)(2) of this section as Foreign Service Reserve officers and as Foreign Service staff officers and employees; and

["(B) a person serving in a position to which he was appointed by the President, whether with or without the advice and consent of the Senate, if (i) such person shall have served previously under an unlimited appointment pursuant to such subsection (d)(2) or a comparable provision of predecessor legislation to this Act, and (ii) following service specified in clause (i) of this subparagraph, such person shall have served continuously with such agency or its predecessor agencies only in positions established under the authority of sections 624(a) and 631(b) or comparable provisions of predecessor legislation to this Act.

["(2) Upon becoming a participant in the Foreign Service Retirement and Disability System, any such officer or employee shall make a special contribution to the Foreign Service Retirement and Disability Fund in accordance with the provisions of section 852 of the Foreign Service Act of 1946, as amended. Thereafter, compul-

sory contributions will be made with respect to each such participating officer or employee in accordance with the provisions of section 811 of the Foreign Service Act of 1946, as amended.

[“(3) The provisions of section 636 and title VIII of the Foreign Service Act of 1946, as amended, shall apply to participation in the Foreign Service Retirement and Disability System by any such officer or employee.

[“(4) If an officer who becomes a participant in the Foreign Service Retirement and Disability System under paragraph (1) of this subsection is appointed by the President, by and with the advice and consent of the Senate, or by the President alone, to a position in any agency of the United States Government, any United States delegation or mission to any international organization, in any international commission, or in any international body, such officer shall not, by virtue of the acceptance of such an appointment, lose his status as a participant in the system.

[“(5) Any such officer or employee who becomes a participant in the Foreign Service Retirement and Disability System under paragraph (1) of this subsection shall be mandatorily retired (A) at the end of the month in which he reaches age seventy, or (B) earlier, if, during the third year after the effective date of this subsection, he attains age sixty-four or if he is over age sixty-four; during the fourth year at age sixty-three; during the fifth year at age sixty-two; during the sixth year at age sixty-one; and thereafter at the end of the month in which he reaches age sixty. However, no participant shall be mandatorily retired under this paragraph while serving in a position to which appointed by the President, by and with the advice and consent of the Senate. Any participant who completes a period of authorized service after reaching the mandatory retirement age specified in this paragraph shall be retired at the end of the month in which such service is completed.

[“(6) Whenever the President deems it to be in the public interest, he may extend any participant’s service for a period not to exceed five years after the mandatory retirement date of such officer or employee.

[“(7) This subsection shall become effective on the first day of the first month which begins more than one year after the date of its enactment, except that any officer or employee who, before such effective date, meets the requirements for participation in the Foreign Service Retirement and Disability System under paragraph (1) of this subsection may elect to become a participant before the effective date of this subsection. Such officer or employee shall become a participant on the first day of the second month following the date of his application for earlier participation. Any officer or employee who becomes a participant in the system under the provisions of paragraph (1) of this subsection, who is age fifty-seven or over on the effective date of this subsection, may retire voluntarily at any time before mandatory retirement under paragraph (5) of this subsection and receive retirement benefits under section 821 of the Foreign Service Act of 1946, as amended.

[“(8) Any officer or employee who is separated for cause while a participant in the Foreign Service Retirement and Disability System pursuant to this subsection, shall be entitled to benefits in accordance with section 637 (b) and (d) of the Foreign Service Act of

1946, as amended. The provisions of subsection (e) of this section shall apply to participants in lieu of the provisions of sections 633 and 634 of the Foreign Service Act of 1946, as amended."

[REPORTS AND INFORMATION

[SEC. 17. Section 634 of the Foreign Assistance Act of 1961 is amended by striking out subsection (f) and inserting in lieu thereof the following new subsections:

["(f) The President shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate a comprehensive report showing, as of June 30 and December 31 of each year, the status of each loan and each contract of guarantee or insurance theretofore made under this Act, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each sale of defense articles or defense services on credit terms, and each contract of guarantee in connection with any such sale, theretofore made under the Foreign Military Sales Act, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each sale of agriculture commodities on credit terms theretofore made under the Agricultural Trade Development and Assistance Act of 1954, with respect to which there remains outstanding any unpaid obligation; and the status of each transaction in which a loan, contract of guarantee or insurance, or extension of credit (or participation therein) was theretofore made under the Export-Import Bank Act of 1945, with respect to which there remains outstanding any unpaid obligation or potential liability. Such report shall include individually only any loan, contract, sale, extension of credit, or other transaction listed in this subsection in excess of $1,000,000.

["(g) The President shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate, not later than January 31 of each year, a comprehensive report, based upon the latest data available, showing—

["(1) a summary of the worldwide dimensions of debt-servicing problems among such countries, together with a detailed statement of the debt-servicing problems of each such country;

["(2) a summary of all forms of debt relief granted by the United States with respect to such countries, together with a detailed statement of the specific debt relief granted with respect to each such country and the purpose for which it was granted;

["(3) a summary of the worldwide effect of the debt relief granted by the United States on the availability of funds, authority, or other resources of the United States to make any such loan, sale, contract of guarantee or insurance, or extension of credit, together with a detailed statement of the effect of such debt relief with respect to each such country; and

["(4) a summary of the net aid flow from the United States to such countries, taking into consideration the debt relief granted by the United States, together with a detailed analysis of such net aid flow with respect to each such country.".

[ADMINISTRATIVE EXPENSES

[SEC. 18. Section 637(a) of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1972, $50,000,000, and for the fiscal year 1973, $50,000,000" and inserting in lieu thereof "for each of the fiscal years 1974 and 1975, $45,000,000".

[TECHNICAL AMENDMENT

[SEC. 19. Section 638 of the Foreign Assistance Act of 1961 is amended by striking out "PEACE CORPS ASSISTANCE" and inserting in lieu thereof "EXCLUSIONS".

[AFRICAN SAHEL FAMINE AND DISASTER RELIEF AND DEVELOPMENT PROGRAM

[SEC. 20. Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended by inserting after section 639 the following new sections:

["SEC. 639A. FAMINE AND DISASTER RELIEF OF THE AFRICAN SAHEL.—(a) The Congress affirms the response of the United States Government in providing famine and disaster relief and related assistance in connection with the drought in the Sahelian nations of Africa. The President shall report to Congress as soon as possible on solutions to this problem of famine and further propose how any of these solutions may be carried out by multilateral organizations.

["(b) Notwithstanding any prohibitions or restrictions contained in this or any other Act, there is authorized to be appropriated to the President, in addition to funds otherwise available for such purposes, $25,000,000 to remain available until expended, for use by the President, under such terms and conditions as he may determine, for emergency and recovery needs, including drought, famine, and disaster relief, and rehabilitation and related assistance, for the drought-stricken Sahelian nations of Africa.

["SEC. 639B. AFRICAN SAHEL DEVELOPMENT PROGRAM.—The Congress supports the initiative of the United States Government in undertaking consultations and planning with the countries concerned, with other nations providing assistance, with the United Nations, and with other concerned international and regional organizations, toward the development and support of a comprehensive long-term African Sahel development program.".

[COORDINATION; SHIPPING DIFFERENTIAL

[SEC. 21. Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sections:

["SEC. 640B. COORDINATION.—(a) The President shall establish a system for coordination of United States policies and programs which affect United States interests in the development of low-income countries. To that end, the President shall establish a Development Coordination Committee which shall advise him with respect to coordination of United States policies and programs affecting the development of the developing countries, including programs of bilateral and multilateral development assistance. The Committee shall include the head of the agency primarily respon-

sible for administering part I, Chairman, and representatives of the Departments of State, Treasury, Commerce, Agriculture, and Labor, the Executive Office of the President, and other executive departments and agencies, as the President shall designate.

[“(b) The President shall prescribe appropriate procedures to assure coordination among—

[“(1) the various departments and agencies of the United States Government having representatives in diplomatic missions abroad; and

[“(2) representatives of the United States Government in each country, under the direction of the Chief of the United States Diplomatic Mission.

The President shall keep the Congress advised of his actions under this subsection.

[“(c) Programs authorized by this Act shall be undertaken with the foreign policy guidance of the Secretary of State.

[“(d) The President shall report to the Congress during the first quarter of each calendar year on United States actions affecting the development of the low-income countries and on the impact of those undertakings upon the national income, employment, wages and working conditions in the United States.

[“SEC. 640C. SHIPPING DIFFERENTIAL.—For the purpose of facilitating implementation of section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)), funds made available for the purposes of chapter 1 of part I or for purposes of part V may be used to make grants to recipients to pay all or any portion of such differential as is determined by the Secretary of Commerce to exist between United States and foreign-flag vessel charter or freight rates. Grants made under this section shall be paid with United States-owned foreign currencies wherever feasible.”

[DEFINITIONS

[SEC. 22. Section 644 of the Foreign Assistance Act of 1961 is amended as follows:

[(1) Subsection (g) is amended to read as follows:

[“(g) ‘Excess defense articles’ means the quantity of defense articles owned by the United States Government, and not procured in anticipation of military assistance or sales requirements, or pursuant to a military assistance or sales order, which is in excess of the Approved Force Acquisition Objective and Approved Force Retention Stock of all Department of Defense Components at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations under this Act.”

[(2) Subsection (i) is repealed.

[(3) Subsection (m) is amended to read as follows:

[“(m) ‘Value’ means—

[“(1) with respect to an excess defense article, the actual value of the article plus the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying the article, except that for purposes of section 632(d) such actual value shall not be taken into account;

[“(2) with respect to a nonexcess defense article delivered from inventory to foreign countries or international organiza-

tions under this Act, the acquisition cost to the United States Government, adjusted as appropriate for condition and market value;

[“(3) with respect to a nonexcess defense article delivered from new procurement to foreign countries or international organizations under this Act, the contract or production costs of such article; and

[“(4) with respect to a defense service, the cost to the United States Government of such service.”

[ANNUAL FOREIGN ASSISTANCE REPORT

[SEC. 23. Section 657 of the Foreign Assistance Act of 1961 is amended to read as follows:

[“SEC. 657. ANNUAL FOREIGN ASSISTANCE REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding the volume and cost of assistance extended by the United States Government to foreign countries and international organizations, and in order that the Congress and the American people may be better informed regarding the sale of arms to foreign countries and international organizations by private industry of the United States, not later than December 31 of each year the President shall transmit to the Congress an annual report, for the fiscal year ending prior to the fiscal year in which the report is transmitted, showing—

[“(1) the aggregate dollar value of all foreign assistance provided by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance by category provided by the United States Government to each such country and organization, during that fiscal year;

[“(2) the total amounts of foreign currency paid by each foreign country or international organization to the United States Government in such fiscal year, what each payment was made for, whether any portion of such payment was returned by the United States Government to the country or organization from which the payment was obtained or whether any such portion was transferred by the United States Government to another foreign country or international organization, and, if so returned or transferred, the kind of assistance obtained by that country or organization with those foreign currencies and the dollar value of such kind of assistance.

[“(3) the aggregate dollar value of all weapons, weapons systems, munitions, aircraft, military boats, military vessels, and other implements of war, and the aggregate dollar value of each category of such implements of war, exported under any export license, to all foreign countries and international organizations, and to each such country and organization, during that fiscal year;

[“(4) all exports of significant defense articles on the United States Munitions List to any foreign government, international organization, or other foreign recipient or purchaser, by the United States under this Act or any other authority, or by any individual, corporation, partnership, or other association doing business in the United States, including but not lim-

ited to, full information as to the particular defense articles so exported, the particular recipient or purchaser, the terms of the export, including its selling price, if any, and such other information as may be appropriate to enable the Congress to evaluate the distribution of United States defense articles abroad; and

[“(5) such other matters relating to foreign assistance provided by the United States Government as the President considers appropriate, including explanations of the information required under clauses (1) through (4) of this subsection.

[“(b) All information contained in any report transmitted under this section shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplemental report shall be transmitted to the Congress at the same time that the report is transmitted.

[“(c) If the Congress is not in session at the time a report or supplemental report is transmitted to the Congress, the Secretary of the Senate and the Clerk of the House of Representatives shall accept the report or supplemental report on behalf of their respective Houses of Congress and present the report or supplemental report to the two Houses immediately upon their convening.

[“(d) For the purposes of this section—

[“(1) ‘foreign assistance’ means any tangible or intangible item provided by the United States Government under this or any other law to a foreign country or international organization, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country; and

[“(2) ‘provided by the United States Government’ includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit, or guaranty.”

[INDOCHINA POSTWAR RECONSTRUCTION

[SEC. 24. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

[“PART V

[“SEC. 801. GENERAL AUTHORITY.—The President is authorized to furnish, on such terms and conditions as he may determine, assistance for relief and reconstruction of South Vietnam, Cambodia, and Laos, including especially humanitarian assistance to refugees, civilian war casualties, and other persons disadvantaged by hostilities or conditions related to those hostilities in South Vietnam, Cambodia, and Laos. No assistance shall be furnished under this section to South Vietnam unless the President receives assurances satisfactory to him that no assistance furnished under this part, and no local currencies generated as a result of assistance fur-

nished under this part, will be used for support of police, or prison construction and administration, within South Vietnam.

[“SEC. 802. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to funds otherwise available for such purposes, for the fiscal year 1974 not to exceed $504,000,000, which amount is authorized to remain available until expended.

[“SEC. 803. ASSISTANCE TO SOUTH VIETNAMESE CHILDREN.—(a) It is the sense of the Congress that inadequate provision has been made (1) for the establishment, expansion, and improvement of day care centers, orphanages, hostels, school feeding programs, health and welfare programs, and training related to these programs which are designed for the benefit of South Vietnamese children, disadvantaged by hostilities in Vietnam or conditions related to those hostilities, and (2) for the adoption by United States citizens of South Vietnamese children who are orphaned or abandoned, or whose parents or sole surviving parent, as the case may be, has irrevocably relinquished all parental rights, particularly children fathered by United States citizens.

[“(b) The President is, therefore, authorized to provide assistance, on terms and conditions he considers appropriate, for the purposes described in clauses (1) and (2) of subsection (a) of this section. Of the funds appropriated pursuant to section 802 for fiscal year 1974, $5,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section. Not more than 10 per centum of the funds made available to carry out this section may be expended for the purposes referred to in clause (2) of subsection (a). Assistance provided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies.

[“SEC. 804. CENTER FOR PLASTIC AND RECONSTRUCTIVE SURGERY IN SAIGON.—Of the funds appropriated pursuant to section 802 for the fiscal year 1974, not less than $712,000 shall be available solely for furnishing assistance to the Center for Plastic and Reconstructive Surgery in Saigon.

[“SEC. 805. AUTHORITY.—All references to part I, whether heretofore or hereafter enacted, shall be deemed to be references also to this part unless otherwise specially provided. The authorities available to administer part I of this Act shall be available to administer programs authorized in this part.”

[FOREIGN MILITARY SALES ACT AMENDMENTS

[SEC. 25. The Foreign Military Sales Act is amended as follows:

[(1) Section 1 is amended by adding at the end thereof the following new paragraph:

[“In order to reduce the role of the United States Government in the furnishing of defense articles and defense services to foreign countries and international organizations, and return such transactions to commercial channels, the United States Government shall reduce its sales, credit sales, and guaranties of such articles and defense services as soon as, and to the maximum extent, practicable.”

[(2) Section 3 is amended—

[(A) by striking out "and" at the end of paragraph (2) of subsection (a) and inserting before "unless" the following: "and not to use or permit the use of such article for purposes other than those for which furnished";

[(B) by redesignating paragraph (3) of subsection (a) as paragraph (4) and inserting after paragraph (2) the following new paragraph:

["(3) the country or international organization shall have agreed that it will maintain the security of such article and will provide substantially the same degree of security protection afforded to such article by the United States Government; and";

[(C) by inserting the following immediately before the last sentence of subsection (a):

"In considering a request for approval of any transfer of any weapon, weapons system, munitions, aircraft, military boat, military vessel, or other implement of war to another country, the President shall not give his consent under paragraph (2) to the transfer unless the United States itself would transfer the defense article under consideration to that country, and prior to the date he intends to give his consent to the transfer, the President notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended consent, the justification for giving such consent, the defense article for which he intends to give his consent to be so transferred, and the foreign country to which that defense article is to be transferred. In addition, the President shall not give his consent under paragraph (2) to the transfer of any significant defense articles on the United States Munitions List unless the foreign country requesting consent to transfer agrees to demilitarize such defense articles prior to transfer, or the proposed recipient foreign country provides a commitment in writing to the United States Government that it will not transfer such defense articles, if not demilitarized, to any other foreign country or person without first obtaining the consent of the President."; and

[(D) by adding at the end thereof the following new subsections:

["(c) Except as otherwise provided in subsection (d), any foreign country which hereafter uses defense articles or defense services furnished such country under this Act, in substantial violation of any provision of this Act or any agreement entered into under this Act, shall be immediately ineligible for further cash sales, credits, or guarantees.

["(d) No sophisticated weapons, including sophisticated jet aircraft, or spare parts and associated ground equipment for such aircraft, shall be furnished under this or any other Act to any foreign country on or after the date that the President determines that such country has violated any agreement it has made in accordance with paragraph (2) of subsection (a) of this section or section 505(a) of the Foreign Assistance Act of 1961 or any other provision of law requiring similar agreements. Such country shall remain ineligible in accordance with this subsection until such time as the President determines that such violation has ceased, that the country con-

cerned has given assurances satisfactory to the President that such violation will not reoccur, and that, if such violation involved the transfer of sophisticated weapons without the consent of the President, such weapons have been returned to the country concerned."

[(3) Section 22 is amended to read as follows:

["SEC. 22. PROCUREMENT FOR CASH SALES.—(a) Except as otherwise provided in this section, the President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of defense articles or defense services for sale for United States dollars to any foreign country or international organization if such country or international organization provides the United States Government with a dependable undertaking (1) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (2) to make funds available in such amounts and at such times as may be required to meet the payments required by the contract, and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.

["(b) The President may, when he determines it to be in the national interest, accept a dependable undertaking of a foreign country or international organization with respect to any such sale, to make full payment within 120 days after delivery of the defense articles or the rendering of the defense services. Appropriations available to the Department of Defense may be used to meet the payments required by the contracts for the procurement of defense articles and defense services and shall be reimbursed by the amounts subsequently receive from the country or international organization to whom articles or services are sold."

[(4) In section 24(c)—

[(A) strike out "pursuant to section 31" and insert in lieu thereof "to carry out this Act"; and

[(B) insert "principal amount of" immediately before the words "contractual liability" wherever they appear.

[(5) In section 31(a), strike out "$400,000,000 for the fiscal year 1972" and insert in lieu thereof "325,000,000 for fiscal year 1974".

[(6) In section 31(b), strike out "(excluding credits covered by guaranties issued pursuant to section 24(b), and the face amount of guaranties issued pursuant to sections 24 (a) and (b) shall not exceed $55,000,000 for the fiscal year 1972, of which amount not less than $300,000,000 shall be available to Israel only" and insert in lieu thereof "and of the principal amount of loans guaranteed pursuant to section 24(a) shall not exceed $730,000,000 for the fiscal year 1974, of which amount not less than $300,000,000 shall be available to Israel only".

[(7) In section 33(a)—

[(A) strike out "of cash sales pursuant to sections 21 and 22,";

[(B) strike out "(excluding credits covered by guaranties issued pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sections 24 (a) and (b)" and insert in lieu thereof "of the principal amount of loans guaranteed pursuant to section 24(a)"; and

[(C) strike out "$100,000,000" and insert in lieu thereof "$150,000,000".

[(8) In section 33(b)—

[(A) strike out "of cash sales pursuant to sections 21 and 22,"; and

[(B) strike out "(excluding credits covered by guaranties issued pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sections 24 (a) and (b)" and insert in lieu thereof "of the principal amount of loans guaranteed pursuant to section 24(a)".

[(9) Section 33(c) is repealed.

[(10) In section 36, strike out subsections (a) and (b).

[(11) In section 37(b), insert after "indebtedness" the following: "under section 24(b) (excluding such portion of the sales proceeds as may be required at the time of disposition to be obligated as a reserve for payment of claims under guaranties issued pursuant to section 24(b), which sums are made available for such obligations)".

[(12) Add at the end thereof the following new section:

["SEC. 47. DEFINITIONS.—For purposes of this Act, the term—

["(1) 'excess defense article' has the meaning provided by section 644(g) of the Foreign Assistance Act of 1961; and

["(2) 'value' means, in the case of an excess defense article, not less than the greater of—

["(A) the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying such article, plus the scrap value; or

["(B) the market value, if ascertainable."

[AMENDMENTS TO FOREIGN MILITARY SALES ACT AMENDMENTS OF 1971

[SEC. 26. The Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (84 Stat. 2053), is amended as follows:

[(1) Section 8(a) is amended by inserting immediately before clause (1) the following: "(less amounts to be transferred under section 632(d) of the Foreign Assistance Act of 1961)".

[(2) Section 8(b) is amended—

[(A) by striking out "The provisions" and inserting in lieu thereof "In the case of excess defense articles which are generated abroad, the provisions"; and

[(B) by striking out "$185,000,000" and inserting in lieu thereof "$150,000,000".

[(3) Section 8(c) is amended to read as follows:

[(c) For purposes of this section, the term 'value' has the same meaning as given it in section 644(m) of the Foreign Assistance Act of 1961."

[(4) Section 9 is repealed.

[PUBLIC DISCLOSURE OF CERTAIN MUNITIONS CONTROL LICENSES

[SEC. 27. Section 414 of the Mutual Security Act of 1954 is amended by adding at the end thereof the following new subsection:

[“(e) Licenses issued for the export of articles on the United States Munitions List in excess of $100,000 shall be reported promptly to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, which report shall contain—

[“(1) the items to be exported under the license;

[“(2) the quantity of each such item to be furnished;

[“(3) the name and address of the consignee and of the ultimate user of each such item; and

[“(4) an injunction whenever appropriate, concerning the necessity to protect the confidentiality of the information provided.”

[ASIAN DEVELOPMENT BANK

[SEC. 28. Section 17 of the Asian Development Bank Act is amended by striking out “$60,000,000 for fiscal year 1972 and $40,000,000 for fiscal year 1973” and inserting in lieu thereof “$100,000,000”.

[TERMINATION OF INDOCHINA WAR

[SEC. 30. No funds authorized or appropriated under this or any other law may be expended to finance military or paramilitary operations by the United States in or over Vietnam, Laos, or Cambodia.

[LIMITATION ON USE OF FUNDS

[SEC. 31. No funds authorized or appropriated under any provision of law shall be made available for the purpose of financing directly or indirectly any military or paramilitary combat operations by foreign forces in Laos, Cambodia, North Vietnam, South Vietnam, or Thailand unless (1) such operations are conducted by the forces of that government receiving such funds within the borders of that country, or (2) specifically authorized by law enacted after the date of enactment of this Act.

[POLITICAL PRISONERS

[SEC. 32. It is the sense of Congress that the President should deny any economic or military assistance to the government of any foreign country which practices the internment or imprisonment of that country’s citizens for political purposes.

[ALBERT SCHWEITZER HOSPITAL

[SEC. 33. There is authorized to be appropriated to the President for fiscal year 1974 $1,000,000 to make grants, on such terms and conditions as he may specify, to the Albert Schweitzer Hospital in Gabon.

[PRISONERS OF WAR AND INDIVIDUALS MISSING IN ACTION

[SEC. 34. (a) The Congress declares that—

[(1) the families of those one thousand three hundred individuals missing in action during the Indochina conflict have suffered extraordinary torment in ascertaining the full and

complete information about their loved ones who are formally classified as missing in action;

[(2) United States involvement in the Indochina conflict has come to a negotiated end with the signing of the Vietnam Agreement in Paris on January 27, 1973, and section 307 of the Second Supplemental Appropriations Act, 1973, requires that "None of the funds herein appropriated under this Act may be expended to support directly or indirectly combat activities in or over Cambodia, Laos, North Vietnam and South Vietnam or off the shores of Cambodia, Laos, North Vietnam and South Vietnam by United States forces, and after August 15, 1973, no other funds heretofore appropriated under any other Act may be expended for such purpose.";

[(3) the question of the return of prisoners of war and accounting for individuals missing in action and dead in Laos is covered by article 18 of the Protocol signed by representatives of the Lao Patriotic Front (Pathet Lao) and the Royal Laotian Government in Vientiane on September 14, 1973 (which implements article 5 of the Agreement signed by the Pathet Lao and that government in Vientiane on February 21, 1973, requiring the release of all prisoners "regardless of nationality" captured and held in Laos), and paragraph C of such article 18 provides that, within "15 to 30 days" from the date of the signing of the Protocol, each side is to report the number of those prisoners and individuals still held, with an indication of their nationality and status, together with a list of names and any who died in captivity; and

[(4) few of the United States men lost in Laos during the military engagements in Indochina have been returned, and with knowledge about many of these men not yet being fully disclosed, and the North Vietnam cease-fire provisions calling for inspection of crash and grave sites and for other forms of cooperation have not been fully complied with.

[(b) It is, therefore, the sense of the Congress that—

[(1) the provisions for the release of prisoners and an accounting of individuals missing and dead, as provided for in article 18 of the Protocol signed on September 14, 1973, by the Pathet Lao and the Royal Laotian Government, by adhered to in spirit and in deed; and

[(2) the faithful compliance with the spirit of the Laotian Agreement and Protocol on the question of individuals missing in action will encourage all parties in Indochina to cooperate in providing complete information on all nationals of any nation who may be captured or missing at any place in Indochina.

[RIGHTS IN CHILE

[SEC. 35. It is the sense of the Congress that (1) the President should request the Government of Chile to protect the human rights of all individuals, Chilean and foreign, as provided in the Universal Declaration of Human Rights, the Convention and Protocol Relating the Status of Refugees, and other relevant international legal instruments guaranteeing the granting of asylum, safe conduct, and the humane treatment or release of prisoners; (2)

the President should support international humanitarian initiatives by the United Nations High Commissioner for Refugees and the International Committee of the Red Cross to insure the protection and safe conduct and resettlement of political refugees, the humane treatment of political prisoners, and the full inspection of detention facilities under international auspices; (3) the President should support and facilitate efforts by voluntary agencies to meet emergency relief needs; and (4) the President should request of the Inter-American Commission on Human Rights to undertake an immediate inquiry into recent events occurring in Chile.

[REVISION OF SOCIAL PROGRESS TRUST FUND AGREEMENT

[SEC. 36. (a) The President or his delegate shall seek, as soon as possible, a revision of the Social Progress Trust Fund Agreement (dated June 19, 1961) between the United States and the Inter-American Development Bank. Such revision should provide for the—

[(1) periodic transfer of unencumbered capital resources of such trust fund, and of any future repayments or other accruals otherwise payable to such trust fund, to the Inter-American Foundation, to be administered by the Foundation for purposes of part IV of the Foreign Assistance Act of 1969 (22 U.S.C. 290f and following);

[(2) utilization of such unencumbered capital resources, future repayments, and other accruals by the Inter-American Development Bank for purposes of sections 1 and 2 of the Latin American Development Act (22 U.S.C. 1942 and 1943) in such a way that the resources received in the currencies of the more developed member countries are utilized to the extent possible for the benefit of the lesser developed member countries; or

[(3) both the transfer described in paragraph (1) and the utilization described in paragraph (2).

[(b) Any transfer or utilization under this section shall be in such proportions as may be agreed to between the United States and the Inter-American Development Bank.

[(c) Any transfer under subsection (a)(1) shall be in the amounts, and in available currencies, determined in consultation with the Inter-American Foundation, to be required for its program purposes.

[(d) The revision of the Social Progress Trust Fund Agreement pursuant to this section shall provide that the President or his delegate shall specify, from time to time, after consultation with the Inter-American Development Bank, the particular currencies to be used in making the transfer or utilization described in the section.

[WORLD FOOD SHORTAGES

[SEC. 39. (a) It is the sense of the Congress that the United States should participate fully in efforts to alleviate current and future food shortages which threaten the world. To this end, the President shall—

[(1) encourage, support, and expedite studies relating to the long-range implications of the world food situation (including studies of national and world production, distribution, and utilization of agricultural commodities and other foodstuffs)

and support the organizing of a world food conference under United Nations auspices in 1974;

[(2) request the member nations of the General Agreement on Tariffs and Trade to explore the means of assuring equitable access by all national markets and mineral and agricultural resources;

[(3) consult and cooperate with appropriate international agencies, such as the Food and Agricultural Organization of the United Nations, in determining the need for, the feasibility of, and cost of an equitably-shared basis of, establishing an international system of strategic food reserves; and

[(4) report his findings and recommendations to the Congress on the implementation of this section no later than December 31, 1974.

[(b) It is further the sense of the Congress that—

[(1) in making assessments which would affect or relate to the level of domestic production, the Executive Branch should include in the estimates of overall utilization the expected demands for humanitarian food assistance through such programs as are carried out under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480); and

[(2) legislation providing increased flexibility for responding to emergency and humanitarian requirements for food assistance should be considered as promptly as possible to the end that the last sentence of section 401 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), may be amended by striking the period and inserting in lieu thereof a comma and the following: "unless the Secretary determines that some part of the exportable supply should be used to carry out the national interest and humanitarian objectives of this Act."

[USE OF LOCAL CURRENCIES

[SEC. 40. Effective July 1, 1974, no amount of any foreign currency (including principal and interest from loan repayments) which accrues in connection with any sale for foreign currency under any provision of law may be used under any agreement entered into after the date of the enactment of this Act, or any revision or extension entered into after such date of any prior of subsequent agreement, to provide any assistance to any foreign country to procure equipment, materials, facilities, or services for the common defense, including internal security unless such agreement is specifically authorized by legislation enacted after such date.]

FOREIGN ASSISTANCE ACT OF 1971

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Foreign Assistance Act of 1971".

[FOOD-FOR-PEACE PROGRAM

[SEC. 2. It is the sense of the Congress that funds to administer the food-for-peace program should not be reduced as the result

of any reduction in the authorizations provided to carry out the Foreign Assistance Act of 1961.

[PART I—ECONOMIC ASSISTANCE

[DEVELOPMENT LOAN FUND

[SEC. 101. Title I of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to the Development Loan Fund, is amended as follows:

[(a) In section 202(a), relating to authorization—

[(1) strike out "and $350,000,000 for the fiscal year 1971" and insert in lieu thereof "$350,000,000 for the fiscal year 1971, $250,000,000 for the fiscal year 1972, and $250,000,000 for the fiscal year 1973"; and

[(2) strike out "and June 30, 1971" and insert in lieu thereof "June 30, 1971, June 30, 1972, and June 30, 1973".

[(b) In section 203, relating to fiscal provisions, strike out "and for the fiscal year 1971" and insert in lieu thereof ", for the fiscal year 1971, for the fiscal year 1972, and for the fiscal year 1973".

[(c) In section 209, relating to multilateral and regional programs—

[(1) strike out subsection (a) and insert in lieu thereof the following: "(a) The Congress recognizes that the planning and administration of development assistance by, or under the sponsorship of the United Nations, multilateral lending institutions, and other multilateral organizations may contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance.";

[(2) insert at the end thereof the following new subsections:

["(c) Notwithstanding any other provision of law, the President should reduce the amounts and numbers of loans made by the United States directly to individual foreign countries with the objective of reducing the total amount of bilateral loans made under this Act so that, by not later than June 30, 1975, such total amount shall not exceed $100,000,000.

["(d) In furtherance of the provisions of subsection (a) of this section, any funds appropriated under this part I may be transferred by the President to the International Development Association, the International Bank for Reconstruction and Development, the International Finance Corporation, the Asian Development Bank or other multilateral lending institutions and multilateral organizations in which the United States participates for the purpose of providing funds to enable any such institution or organization to make loans to foreign countries."; and

[(3) strike out of subsection (b) "REGIONAL PROGRAMS.—".

[(d) Section 205, relating to transfers to international financial institutions, is repealed.

[TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

[SEC. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to technical cooperation and development grants, is amended as follows:

[(a) In section 212, relating to authorization, strike out "$183,500,000 for the fiscal year 1970, and $183,500,000 for the fiscal year 1971" and insert in lieu thereof "$175,000,000 for the fiscal year 1972, and $175,000,000 for the fiscal year 1973".

[(b) In section 214(c), relating to authorization for American schools and hospitals abroad, strike out "for the fiscal year 1970, $25,000,000, and for the fiscal year 1971, $12,900,000" and insert in lieu thereby "for the fiscal year 1972, $30,000,000 and for the fiscal year 1973, $30,000,000".

[(c) At the end of such title II, add the following new section:

["SEC. 202A. SUEZ CANAL.—The President is authorized to furnish financial assistance, on such terms and conditions as he may determine, for assisting in the reopening of the Suez Canal after agreement has been reached by the parties involved, which agreement provides for the use of the Canal by the ships of all nations, including Israel, on a nondiscriminatory basis. For the purpose of carrying out this section, there are authorized to be appropriated not to exceed $10,000,000 in Egyptian pounds now owned by the United States and determined by the President to be excess to the normal requirements of departments and agencies of the United States. Amounts appropriated under this section are authorized to remain available until expended.".

[HOUSING GUARANTIES

[SEC. 103. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to housing guaranties, is amended as follows:

[(a) In section 221, strike out "$130,000,000" and insert in lieu thereof $205,000,000".

[(b) In section 223(i), strike out "June 30, 1972" and insert in lieu thereof "June 30, 1974".

[OVERSEAS PRIVATE INVESTMENT CORPORATION

[SEC. 104. Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to the Overseas Private Investment Corporation, is amended as follows:

[(a) In the first proviso of section 238(c), relating to definitions, strike out "required by law to be".

[(b) At the end of section 239, relating to general provisions and powers, add the following new subsection:

["(g) Except for the provisions of this title, no other provision of this or any other law shall be construed to prohibit the operation in Yugoslavia or Romania of the programs authorized by this title, if the President determines that the operation of such program in such country is important to the national interest.".

[(c) Section 240(h), relating to agricultural credit and self-help community development projects, is amended by striking out "June 30, 1972" and inserting in lieu thereof "June 30, 1973".

[ALLIANCE FOR PROGRESS

[SEC. 105. Section 252(a) of title VI of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to authorization for the Alliance for Progress, is amended—

[(1) by striking out "for the fiscal year 1970, $428,250,000, and for the fiscal year 1971, $428,250,000" and inserting in lieu thereof "for the fiscal year 1972, $295,000,000, and for the fiscal year 1973, $295,000,000"; and

[(2) by striking out "$90,750,000" and inserting in lieu thereof "$88,500,000".

[PROGRAMS RELATING TO POPULATION GROWTH

[SEC. 106. Section 292 of title X of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to authorization, is amended to read as follows:

["SEC. 292. AUTHORIZATION.—Of the funds provided to carry out the provisions of this part I for each of the fiscal years 1972 and 1973, $125,000,000 shall be available in each such fiscal year only to carry out the purposes of this title, and, notwithstanding any other provisions of this Act, funds used for such purposes may be used on a loan or grant basis.".

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 107. Section 302 of chapter 3 of part I of the Foreign Assistance Act of 1961, relating to authorization, is amended as follows:

[(a) In subsection (a), strike out "for the fiscal year 1970, $122,620,000, and for the fiscal year 1971, $122,620,000" and insert in lieu thereof "for the fiscal year 1972, $138,000,000, and for the fiscal year 1973, $138,000,000".

[(b) In subsection (b)(2)—

[(1) strike out "for use in the fiscal year 1970, $7,530,000, and for use in the fiscal year 1971, $7,530,000" and insert in lieu thereof "for use in the fiscal year 1972, $15,000,000, and for use in the fiscal year 1973, $15,000,000"; and

[(2) add at the end thereof the following new sentence: "The President shall not exercise any special authority granted to him under section 610(a) or 614(a) of this Act to transfer any amount appropriated under this paragraph to, and to consolidate such amount with, any funds made available under any other provision of this Act.".

[(c) In subsection (e), strike out "$1,000,000 for the fiscal year 1970 and $1,000,000 for the fiscal year 1971" and insert in lieu thereof "$1,000,000 for the fiscal year 1972 and $1,000,000 for the fiscal year 1973".

[(d) At the end of such section 302, add the following new subsection:

["(f) There are authorized to be appropriated to the President, in addition to other amounts available for such purposes, $1,000,000 for the fiscal year 1972 and $1,000,000 for the fiscal year 1973, in Egyptian pounds owned by the United States and determined by the President to be excess to the requirements of departments and agencies of the United States, for the purposes of

providing technical and vocational training and other assistance to Arab refugees. Amounts appropriated under this subsection are authorized to remain available until expended.".

[CONTINGENCY FUND

[SEC. 108. Section 451(a) of chapter 5 of part I of the Foreign Assistance Act of 1961, relating to the contingency fund, is amended by striking out "for the fiscal year 1970 not to exceed $15,000,000, and for the fiscal year 1971 not to exceed $30,000,000" and inserting in lieu thereof "for the fiscal year 1972 not to exceed $30,000,000, and for the fiscal year 1973 not to exceed $30,000,000".

[INTERNATIONAL NARCOTICS CONTROL AND REFUGEE RELIEF ASSISTANCE

[SEC. 109. Part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapters:

["CHAPTER 8—INTERNATIONAL NARCOTICS CONTROL

["SEC. 481. INTERNATIONAL NARCOTICS CONTROL.—It is the sense of the Congress that effective international cooperation is necessary to put an end to the illicit production, trafficking in, and abuse of dangerous drugs. In order to promote such cooperation, the President is authorized to conclude agreements with other countries to facilitate control of the production, processing, transportation, and distribution of narcotics analgesics, including opium and its derivatives, other narcotic drugs and psychotropics and other controlled substances as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970 (Public Law 91–513). Notwithstanding any other provision of law, the President is authorized to furnish assistance to any country or international organization, on such terms and conditions as he may determine, for the control of the production of, possessing of, and traffic in, narcotic and psychotropic drugs. In furnishing such assistance the President may use any of the funds made available to carry out the provisions of this Act. The President shall suspend economic and military assistance furnished under this or any other Act, and shall suspend sales under the Foreign Military Sales Act and under title I of the Agricultural Trade Development and Assistance Act of 1954, with respect to any country when the President determines that the government of such country has failed to take adequate step to prevent narcotic drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents, or from entering the United States unlawfully. Such suspension shall continue until the President determines that the government of such country has taken adequate steps to carry out the purposes of this chapter.

[“CHAPTER 9—REFUGEE RELIEF ASSISTANCE

[“SEC. 491. REFUGEE RELIEF ASSISTANCE.—There is authorized to be appropriated to the President for the fiscal year 1972, in addition to funds otherwise available for such purpose, not to exceed $250,000,000, to remain available until expended, for use by the President in providing assistance for the relief and rehabilitation of refugees from East Pakistan and for humanitarian relief in East Pakistan. Such assistance shall be distributed, to the maximum extent practicable, under the auspices of and by international institutions and relief agencies or United States voluntary agencies.”.

[PART II—MILITARY ASSISTANCE

[SEC. 201. Part II of the Foreign Assistance Act of 1961, relating to military assistance, is amended as follows:

[(a) In section 504(a), relating to authorization, strike out “$350,000,000 for the fiscal year 1970, and $350,000,000 for the fiscal year 1971” and insert in lieu thereof “$500,000,000 for the fiscal year 1972”.

[(b) In section 505(b)(2), relating to conditions of eligibility, strike out “and” and insert in lieu thereof “or”.

[(c) Section 505(e), relating to conditions of eligibility, is repealed.

[(d) In section 506(a), relating to special authority—

[(1) strike out “1970 and the fiscal year 1971” and insert in lieu thereof “1972”; and

[(2) strike out “each of the fiscal years 1970 and 1971” and insert in lieu thereof “the fiscal year 1972”.

[(e) Section 507(a), relating to restrictions on military aid to Latin America, is amended to read as follows: “(a) Except as otherwise provided in this section, the value of defense articles furnished by the United States Government under this Act to Latin American countries shall not exceed $10,000,000. Not to exceed $25,000,000 in value of defense articles may be furnished under this part on a cost-sharing basis to an inter-American military force under the control of the Organization of American States.”.

[(f) At the end of chapter 2 of such part II, add the following new sections:

[“SEC. 511. CONSIDERATIONS IN FURNISHING MILITARY ASSISTANCE.—Decisions to furnish military assistance made under this part shall take into account whether such assistance will—

[“(1) contribute to an arms race;

[“(2) increase the possibility of outbreak or escalation of conflict; or

[“(3) prejudice the development of bilateral or multilateral arms control arrangements.

[“SEC. 512. MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS.—(a) It is the sense of Congress that the need for large United States military assistance advisory groups and military aid missions in foreign countries has diminished substantially during the last few years. In the words of the Peterson Task Force Report on International Development. ‘The United States now can reduce its supervision and advice to a minimum, thus encouraging progress toward self-reliance. United States military missions and advisory

groups should be consolidated with other elements in our overseas missions as soon as possible.'

[“(b) In accordance with the provisions of subsection (a) of this section, the total number of United States military personnel assigned and detailed, as of September 30, 1971, to United States military assistance advisory groups, military missions, and other organizations of the United States performing activities similar to such groups and missions, shall be reduced by at least 15 per centum by September 30, 1972, but every effort should be made to effect an aggregate reduction of 25 per centum by September 30, 1972.

[“SEC. 513. MILITARY ASSISTANCE AUTHORIZATIONS FOR THAILAND.—After June 30, 1972, no military assistance shall be furnished by the United States to Thailand directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act.

[“SEC. 514. SPECIAL FOREIGN COUNTRY ACCOUNTS.—(a) Except as otherwise provided in this section, no defense article may be given, and no grant of military assistance may be made, under this Act to a foreign country unless the country agrees—

[“(1) to deposit in a special account established by the United States Government the following amounts of currency of that country:

[“(A) in the case of any excess defense article to be given to that country, an amount equal to 10 per centum of the fair value of the article, as determined by the Secretary of State, at the time the agreement to give the article to the country is made; and

[“(B) in the case of a grant of military assistance to be made to that country, an amount equal to 10 per centum of each such grant; and

[“(2) to allow the United States Government to use such amounts from that special account as may be determined, from time to time, by the President to be necessary to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961.

[“(b) The President may waive any amount of currency of a foreign country required to be deposited under subsection (a)(1) of this section if he determines that the United States Government will be able to pay all of its official costs payable in the currency of that country enumerated under subsection (a)(2) of this section without the deposit of such amount and without having to expend United States dollars to purchase currency of that country to pay such costs.

[“(c) The provisions of this section shall not apply in any case in which an excess defense article is given, or a grant of military assistance is made—

[“(1) to a foreign country under an agreement with that country which allows the United States Government to operate a military or other similar base in that country in exchange for that article or grant; and

[“(2) to South Vietnam, Cambodia, or Laos.

[“(d) In no event shall any foreign country be required, under this section, to make deposits in a special account aggregating more than $20,000,000 in any one year.”.

[SEC. 202. (a) At the end of such part II, add the following new chapter:

[“CHAPTER 4—SECURITY SUPPORTING ASSISTANCE

[“SEC. 531. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries, organizations, and bodies eligible to receive assistance under this Act on such terms and conditions as he may determine, in order to support or promote economic or political stability. The authority of this chapter shall not be used to furnish assistance to more than twelve countries in any fiscal year.

[“SEC. 532. AUTHORIZATION.—There is authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1972 not to exceed $618,000,000, of which not less than $50,000,000 shall be available solely for Israel: *Provided,* That where commodities are furnished on a grant basis under this chapter under arrangements which will result in the accrual of proceeds to the Government of Vietnam from the sale thereof, arrangements should be made to assure that such proceeds will not be budgeted by the Government of Vietnam for economic assistance projects or programs unless the President or his representative has given prior written approval. Amounts appropriated under this section are authorized to remain available until expended. None of the funds authorized by this section shall be made available to the Government of Vietnam unless, beginning in January 1971, and quarterly thereafter, the President of the United States shall determine that the accommodation rate of exchange, and the rate of exchange for United States Government purchases of piasters for goods and services, between said Government and the Untied States is fair to both countries.

[“SEC. 533. UNITED STATES REFUND CLAIMS.—It is the sense of the Congress that the President should seek the agreement of the Government of Vietnam to the establishment and maintenance of a separate special account of United States dollars, which account shall be available solely for withdrawals by the United States, at such times and in such amounts as the President may determine, in satisfaction of United States dollar refund claim against the Government of Vietnam arising out of operations conducted under this Act. Such account should be established in an amount not less than $10,000,000 and maintained thereafter at a level sufficient to cover United States refund claims as they arise.”.

[(b) Chapter 4 of part I of the Foreign Assistance Act of 1961 is hereby repealed. References to such chapter or any sections thereof shall hereafter be deemed to be references to chapter 4 of part II of the Foreign Assistance Act of 1961, as added by subsection (a) of this section, or to appropriate sections thereof. All references to part I of the Foreign Assistance Act of 1961 shall thereafter be deemed to be references also to chapter 4 of part II, and all references to part II of such Act shall be deemed not to include chapter 4 of such part II.

[PART III—GENERAL AND ADMINISTRATIVE PROVISIONS

[SEC. 301. Section 620 of chapter 1 of part II of the Foreign Assistance Act of 1961, relating to prohibitions against furnishing assistance, is amended by adding at the end thereof the following new subsections:

["(v) No assistance shall be furnished under this Act, and no sales shall be made under the Foreign Military Sales Act, to Greece. This restriction may be waived when the President finds that overriding requirements of the national security of the United States justify such a waiver and promptly reports such finding to the Congress in writing, together with his reasons for such finding. Notwithstanding the preceding sentence, in no event shall the aggregate amount of (1) assistance furnished to Greece under this Act, and (2) sales made to Greece under the Foreign Military Sales Act, in any fiscal year, exceed the aggregate amount expended for such assistance and such sales for the fiscal year 1971.

["(w)(1) All military, economic, or other assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), all sales of agricultural commodities (whether for cash, credit, or by other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Pakistan under this or any other law shall be suspended on the date of enactment of this subsection.

["(2) The provisions of this subsection shall cease to apply when the President reports to the Congress that the Government of Pakistan is cooperating fully in allowing the situation in East Pakistan to return to reasonable stability and that refugees from East Pakistan in India have been allowed, to the extent feasible, to return to their homes and to reclaim their lands and properties.

["(3) Nothing in this section shall apply to the provision of food and other humanitarian assistance which is coordinated, distributed, or monitored under international auspices.".

[SEC. 302. Section 624 of chapter 2 of part III of the Foreign Assistance Act of 1961, relating to statutory officers, is amended by adding at the end thereof the following new subsection:

["(e) In addition to the officers otherwise provided for in this section, the President shall appoint, by and with the advice and consent of the Senate, one officer for the purpose of coordinating security assistance programs."

[SEC. 303. Section 637(a) of chapter 2 of part III of the Foreign Assistance Act of 1961, relating to authorization for administrative expenses of the agency administering part I, is amended by striking out "for the fiscal year 1970, $51,125,000, and for the fiscal year 1971, $51,125,000" and inserting in lieu thereof "for the fiscal year 1972, $50,000,000, and for the fiscal year 1973, $50,000,000".

[SEC. 304. (a)(1) Section 652 of the Foreign Assistance Act of 1961, relating to miscellaneous provisions, is amended to read as follows:

["SEC. 652. LIMITATION UPON EXERCISE OF SPECIAL AUTHORITIES.—The President shall not exercise any special authority granted to him under section 506(a), 610(a), or 614(a) of this Act unless the President, prior to the date he intends to exercise any such au-

thority, notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended exercise, the section of this Act under which such authority is to be exercised, and the justification for, and the extent of, the exercise of such authority.".

[(2) The last sentence of section 506(a) of such Act, relating to special authority, is repealed.

[(3) The last sentence of section 634(d) of such Act, relating to reports and information, is amended by striking out "610, 614(a)," and inserting in lieu thereof "610(b),".

[(b) Chapter 3 of part III of such Act is amended by adding at the end thereof the following new sections:

["SEC. 653. CHANGE IN ALLOCATION OF FOREIGN ASSISTANCE.—(a) Not later than thirty days after the enactment of any law appropriating funds to carry out any provision of this Act (other than section 451 or 637), the President shall notify the Congress of each foreign country and international organization to which the United States Government intends to provide any portion of the funds under such law and of the amount of funds under that law, by category of assistance, that the United States Government intends to provide to each. Notwithstanding any other provision of law, the United States Government shall not provide to any foreign country or international organization any funds under that law which exceeds by 10 per centum the amount of military grant assistance or security supporting assistance, as the case may be, which the President notified the Congress that the United States Government intended to provide that country or organization under that law, unless the President (1) determines that it is in the security interests of the United States that such country or organization receive funds in excess of the amount included in such notification for that country or organization, and (2) reports to Congress, at least ten days prior to the date on which such excess funds are to be provided to that country or organization, each such determination, including the name of the country or organization to receive funds in excess of such per centum, the amount of funds in excess of that per centum which are to be provided, and the justification for providing the additional assistance.

["(b) The provisions of this section shall not apply in the case of any law making continuing appropriations and may not be waived under the provisions of section 614(a) of this Act.

["SEC. 654. PRESIDENTIAL FINDINGS AND DETERMINATIONS.—(a) In any case in which the President is required to make a report to the Congress, or to any committee or officer of either House of Congress, concerning any finding or determination under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, that finding or determination shall be reduced to writing and signed by the President.

["(b) No action shall be taken pursuant to any such finding or determination prior to the date on which that finding or determination has been reduced to writing and signed by the President.

["(c) Each such finding or determination shall be published in the Federal Register as soon as practicable after it has been reduced to writing and signed by the President. In any case in which

the President concludes that such publication would be harmful to the national security of the United States, only a statement that a determination or finding has been made by the President, including the name and section of the Act under which it was made, shall be published.

[“(d) No committee or officer of either House of Congress shall be denied any requested information relating to any finding or determination which the President is required to report to the Congress, or to any committee or officer of either House of Congress, under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, even though such report has not yet been transmitted to the appropriate committee or officer of either House of Congress.

[“SEC. 655. LIMITATIONS UPON ASSISTANCE TO OR FOR CAMBODIA.—(a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $341,000,000 for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Cambodia during the fiscal year ending June 30, 1972.

[“(b) In computing the $341,000,000 limitation on obligation authority under subsection (a) of this section in fiscal year 1972. (1) there shall be included in the computation the value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia in such fiscal year by gift, donation, loan, lease, or otherwise, and (2) there shall not be included in the computation the value of any goods, supplies, materials, or equipment attributable to the operations of the Armed Forces of the Republic of Vietnam in Cambodia. For the purpose of this subsection, ‘value’ means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia but in no case less than 33⅓ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

[“(c) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1972, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

[“(d) The provisions of subsections (a) and (c) of this section shall not apply with respect to the obligation of funds to carry out combat air operations over Cambodia.

[“(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, for, or on behalf of Cambodia for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

[“(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1971, a written report showing the total amount of funds obligated in, for, or on behalf of Cambodia during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose, except that in the case of the first two quarters of the fiscal year beginning July 1, 1971, a single report may be submitted for both such quarters and such report may be computed on the basis of the most accurate estimates the President is able to make taking into consideration all information available to him.

[“(g) Enactment of this section shall not be construed as a commitment by the United States to Cambodia for its defense.

[“SEC. 656. LIMITATIONS ON UNITED STATES PERSONNEL AND PERSONNEL ASSISTED BY UNITED STATES IN CAMBODIA.—The total number of civilian officers and employees of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States (excluding such members while actually engaged in air operations in or over Cambodia which originate outside Cambodia) present in Cambodia at any one time shall not exceed two hundred. The United States shall not, at any time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eighty-five individuals in Cambodia who are citizens of countries other than Cambodia or the United States. For purposes of this section, ‘executive agency of the United States Government’ means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

[“SEC. 657. ANNUAL FOREIGN ASSISTANCE REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding the volume and cost of assistance extended by the United States Government to foreign countries and international organizations, and in order that the Congress and the American people may be better informed regarding the sale of arms to foreign countries and international organizations by private industry of the United States, not later than December 31 of each year the President shall transmit to the Congress an annual report, for the fiscal year ending prior to the fiscal year in which the report is transmitted, showing—

[“(1) the aggregate dollar value of all foreign assistance provided by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance by category provided by the United States Government to each such country and organization, during that fiscal year;

[“(2) the total amounts of foreign currency paid by each foreign country or international organization to the United States Government in such fiscal year, what each payment was made for, whether any portion of such payment was returned by the United States Government to the country or organization from which the payment was obtained or whether any

such portion was transferred by the United States Government to another foreign country of international organization, and, if so returned or transferred, the kind of assistance obtained by that country or organization with those foreign currencies and the dollar value of such kind of assistance;

[“(3) the aggregate dollar value of all arms, ammunitions, and other implements of war, and the aggregate dollar value of each category of such arms, ammunitions, and implements of war, exported under any export license, to all foreign countries and international organizations, and to each such country and organization, during that fiscal year; and

[“(4) such other matters relating to foreign assistance provided by the United States Government as the President considers appropriate, including explanations of the information required under clauses (1)–(3) of this subsection.

[“(b) All information contained in any report transmitted under this section shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplement to any report shall be transmitted to the Congress at the same time that the report is transmitted.

[“(c) If the Congress is not in session at the time a report or supplement is transmitted to the Congress, the Secretary of the Senate and the Clerk of the House of Representatives shall accept the report or supplement on behalf of their respective Houses of Congress and present the report or supplement to the two Houses immediately upon their convening.

[“(d) For purposes of this section—

[“(1) ‘foreign assistance’ means any tangible or intangible item provided by the United States Government under this or any other law to a foreign country or international organization, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country;

[“(2) ‘provided by the United States Government’ includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit sale, or guaranty; and

[“(3) ‘value’ means value at the time of transfer except that in no case shall any commodity or article of equipment or material be considered to have a value less than one-third of the amount the United States Government paid at the time the commodity or article was acquired by the United States Government.

[“SEC. 658. LIMITATION ON USE OF FUNDS.—(a) Except as otherwise provided in this section, none of the funds appropriated to carry out the provisions of this Act or the Foreign Military Sales Act shall be obligated or expended until the Comptroller General of the United States certifies to the Congress that all funds previously appropriated and thereafter impounded during the fiscal

year 1971 for programs and activities administered by or under the direction of the Department of Agriculture, the Department of Housing and Urban Development, and the Department of Health, Education, and Welfare have been released for obligation and expenditure.

[“(b) The provisions of this section shall not apply—

[“(1) to funds being withheld in accordance with specific requirements of law; and

[“(2) to appropriations obligated or expended prior to April 30, 1972.”.

[(c)(1) Section 644(m) of such Act, relating to definitions, is amended by striking out—

[“(m) ‘Value’ means—”

and inserting in lieu thereof—

[“(m) ‘Value’ means, other than in section 657 of this Act—”.

[(2) Subsection (a) of section 634 of such Act, relating to reports and information, is repealed.

[(3) The provisions of this subsection and section 657 of such Act, as added by subsection (b) of this Act, shall apply with respect to each fiscal year commencing on or after July 1, 1971.

[PART IV—MISCELLANEOUS PROVISIONS

[SEC. 401. The Foreign Military Sales Act is amended as follows:

[(a) In section 31(a) of chapter 3, relating to authorization, strike our “$250,000,000 for each of the fiscal years 1970 and 1971” and insert in lieu thereof “$400,000,000 for the fiscal year 1972”.

[(b) In section 31(b) of chapter 3, relating to aggregate ceiling on foregn military sales credits, strike out “$340,000,000 for each of the fiscal years 1970 and 1971” and insert in lieu thereof “$550,000,000 for the fiscal year 1972, of which amount not less than $300,000,000 shall be made available to Israel only”.

[(c) In section 33(a) of chapter 3, relating to regional ceilings on foreign military sales, strike out “$75,000,000” and insert in lieu thereof “$100,000,000”.

[(d) Subsection (c) of section 33 of chapter 3, relating to regional ceilings on foreign military sales, is amended to read as follows:

[“(c) The limitations of this section may not be waived pursuant to any authority contained in this or any other Act unless the President finds that overriding requirements of the national security of the United States justify such a waiver and promptly reports such finding to the Congress in writing, together with his reasons for such finding. In any case in which the limitations of this section are waived under the preceding sentence, the report required under such sentence shall set forth, in detail, the expenditures proposed to be made in excess of the geographical limitation applicable under this section. Notwithstanding the foregoing provisions of this subsection, in no event shall the aggregate of the total amount of military assistance pursuant to the Foreign Assistance Act of 1961, of cash sales pursuant to sections 21 and 22, of credits, or participations in credits, financed pursuant to section 23 (excluding credits covered by guaranties issued pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sec-

tions 24 (a) and (b), and of loans and sales in accordance with section 7307 of title 10, United States Code, exceed any geographical ceiling applicable under this section by more than an amount equal to 50 per centum of such ceiling.".

[(e) In section 42(a) of chapter 4, relating to general provisions—

[(1) strike out "and" immediately before "(2)"; and

[(2) immediately before the period at the end thereof insert the following: ", and (3) the extent to which such sale might contribute to an arms race, or increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements".

[(f) Section 42 of chapter 4, relating to general provisions, is amended as follows:

[(1) In Subsection (a), strike out "but consideration shall also be given" and insert in lieu thereof "but, subject to the provisions of subsection (b) of this section, consideration shall also be given".

[(2) Redesignated subsections (b) and (c) as subsections (c) and (d), respectively, and, immediately after subsection (a), insert the following new subsection:

["(b) No credit sale shall be extended under section 23, and no guarantee shall be issued under section 24, in any case involving coproduction or licensed, production outside the United States of any defense article of United States origin unless the Secretary of State shall, in advance of any such transaction, advise the appropriate committees of the Congress and furnish the Speaker of the House of Representatives and the President of the Senate with full information regarding the proposed transaction, including, but not limited to, a description of the particular defense article or articles which would be produced under a license or coproduced outside the United States, the estimated value of such production or coproduction, and the probable impact of the proposed transaction on employment and production within the United States.".

[SEC. 402. Section 8 of the Act of January 12, 1971, entitled "An Act to amend the Foreign Military Sales Act, and for other purposes" (84 Stat. 2053), is amended—

[(1) by striking out the first and second sentences of subsection (a) and inserting in lieu thereof the following: "Subject to the provisions of subsection (b), the value of any excess defense article granted to a foreign country or international organization by any department, agency, or independent establishment of the United States Government (other than the Agency for International Development) shall be considered to be an expenditure made from funds appropriated under the Foreign Assistance Act of 1961 for military assistance. Unless such department, agency, or establishment certifies to the Comptroller General of the United States that the excess defense article it is ordering is not to be transferred by any means to a foreign country or international organization, when an order is placed for a defense article whose stock status is excess at the time ordered, a sum equal to the value thereof shall (1) be reserved and transferred to a suspense account, (2) remain in the suspense account until the excess defense article is either delivered to a foreign country or international organization or the

order therefor is cancelled, and (3) be transferred from the suspense account to (A) the general fund of the Treasury upon delivery of such article, or (B) to the military assistance appropriation for the current fiscal year upon cancellation of the order.";

[(2) by striking out, in subsection (b), "$100,000,000" and inserting in lieu thereof "$185,000,000"; and

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

["(e) Except for excess defense articles granted under part II of the Foreign Assistance Act of 1961, the provisions of this section shall not apply to any excess defense article granted to South Vietnam prior to July 1, 1972.".

[SEC. 403. Paragraph (9) of section 5314 of title 5, United States Code, relating to level III of the Executive Schedule, is amended by inserting before the period at the end thereof the following: "and an Under Secretary of State for Coordinating Security Assistance Programs".

[SEC. 404. The first section of the Act of June 28, 1935, entitled "An Act to authorize participation by the United States in the Interparliamentary Union" (22 U.S.C. 276), is amended as follows:

[(1) Strike out "$53,550" and insert in lieu thereof "$102,000".

[(2) Strike out "$26,650" and insert in lieu thereof "$57,000".

[(3) Strike out "$26,900" and insert in lieu thereof "$45,000".

[SEC. 405. Section 2 of the joint resolution entitled "Joint resolution to authorize participation by the United States in parliamentary conferences of the North Atlantic Treaty Organization", approved July 11, 1956 (22 U.S.C. 1928b), is amended as follows:

[(1) Strike out "$30,000" and insert in lieu thereof "$50,000".

[(2) Strike out "$15,000" each place it appears and insert in lieu thereof in each such place "$25,000".

[SEC. 406. Part IV of the Foreign Assistance Act of 1969 is amended as follows:

[(1) Strike out the title of such part and insert in lieu thereof the following:

["PART IV—THE INTER-AMERICAN FOUNDATION ACT".

[(2) The caption of section 401 and subsection (a) of such section of that part are amended to read as follows: "INTER-AMERICAN FOUNDATION.—(a) There is created as an agency of the United States of America a body corporate to be known as the Inter-American Foundation (hereinafter in this section referred to as the "Foundation')."

[(3) Section 401 of such part is amended by striking out "Institute" wherever it appears and inserting in lieu thereof "Foundation".

[(4) Section 401(e)(4) of such part is amended to read as follows:

["(4) shall determine and prescribe the manner in which its obligations shall be incurred and its expenses, including expenses for representation (not to exceed $10,000 in any fiscal year), allowed and paid;".

[(5) Section 401(l) is amended to read as follows:

[“(l)(1) The chief executive officer of the Foundation shall be a President who shall be appointed by the Board of Directors on such terms as the Board may determine. The President shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

[“(2) Experts and consultants, or organizations thereof, may be employed as authorized by section 3109 of title 5, United States Code.”.

[SEC. 407. (a) It is the purpose of this section to enable the Congress generally, and the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives in particular, to carry out the purposes and intent of the Legislative Reorganization Acts of 1946 and 1970, with respect to—

[(1) the analysis, appraisal, and evaluation of the application, administration, and execution of the laws relating to the Department of State and the United States Information Agency and of matters relating to the foreign relations of the United States; and

[(2) providing periodic authorizations of appropriations for that Department and Agency.

[(b) Section 15 of the Act entitled “An Act to provide certain basic authority for the Department of State”, approved August 1, 1956 (22 U.S.C. 2580) is amended to read as follows:

[“SEC. 15. (a) Notwithstanding any other provision of law, no appropriation shall be made to the Department of State under any law for any fiscal year commencing on or after July 1, 1972, unless previously authorized by legislation hereafter enacted by the Congress.

[“(b) The Department of State shall keep the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives fully and currently informed with respect to all activities and responsibilities within the jurisdiction of these committees. Any Federal department, agency, or independent establishment shall furnish any information requested by either such committee relating to any such activity or responsibility.”.

[(c) The last sentence of section 13 of such Act (22 U.S.C. 2684) is repealed.

[(d) Section 701 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476) is amended to read as follows:

[“PRIOR AUTHORIZATIONS BY CONGRESS

[“SEC. 701. Notwithstanding any other provision of law, no appropriation shall be made to the Secretary of State, or to any Government agency authorized to administer the provisions of this Act, under any law for any fiscal year commencing on or after July 1, 1972, unless previously authorized by legislation enacted by the Congress after the date of enactment of the Foreign Assistance Act of 1971.”.

[SEC. 408. Section 7(a) of the Special Foreign Assistance Act of 1971 (84 Stat. 1943) is amended by striking out “Cambodian

military forces" and inserting in lieu thereof "military, paramilitary, police, or other security or intelligence forces".

[SEC. 409 Section 401(a) of Public Law 89–367, approved March 15, 1966 (80 Stat. 37), as amended, is amended—

[(1) by inserting in the second sentence of paragraph (1), after "to or for the use of the Armed Forces of the United States", the following: "or of any department, agency, or independent establishment of the United States"; and

[(2) by inserting in the introductory matter preceding clause (A) of paragraph (2) of such section, after "Armed Forces of the United States", the following: "or of any department, agency, or independent establishment of the United States".

[SEC. 410. The Congress strongly urges the President to undertake such negotiations as may be necessary to implement that portion of the recommendations of the Report of the President's Commission for the Observance of the Twenty-fifth Anniversary of the United Nations (known as the "Lodge Commission") which proposes that the portion of the regular assessed costs to be paid by the United States to the United Nations be reduced so that the United States is assessed in each year not more than 25 per centum of such costs assessed all members of the United Nations for that year.]

SPECIAL FOREIGN ASSISTANCE ACT OF 1971

AN ACT To provide additional foreign assistance authorizations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Special Foreign Assistance act of 1971".

[SEC. 2. There are authorized to be appropriated to the President for the fiscal year 1971 not to exceed—

[(1) $85,000,000 for additional military assistance and $70,000,000 for special economic assistance for Cambodia;

[(2) $100,000,000 for economic and military assistance programs to replace funds which were transferred by the President for use in Cambodia;

[(3) $150,000,000 for additional military assistance for the Republic of Korea;

[(4) $30,000,000 for additional military assistance for Jordan;

[(5) $3,000,000 for additional military assistance for Indonesia and $10,000,000 to replace funds transferred from other programs for use in Indonesia;

[(6) $5,000,000 for additional military assistance for Lebanon;

[(7) $65,000,000 for additional supporting assistance for Vietnam; and

[(8) $17,000,000 for additional general military assistance to compensate for a shortage in anticipated recovery of funds from past years' programs.

[SEC. 3. The President is authorized until June 30, 1972, to transfer to the Republic of Korea such defense articles located in Korea and belonging to the Armed Forces of the United States on

July 1, 1970, as he may determine, except that no funds heretofore or hereafter appointed under this Act or the Foreign Assistance Act of 1961 shall be available for reimbursement to any agency of the United States Government for any transfer made pursuant to this section.

[SEC. 4. Except as otherwise provided in this Act, any assistance furnished out of funds appropriated under section 2 of this Act and any transfer made under section 3 of this Act shall be furnished or transferred, as the case may be, in accordance with all of the purposes and limitations applicable by statute to that type of assistance or transfer under the Foreign Assistance Act of 1961 (including the provisions of section 652 of such Act, as added by section 8 of this Act).

[SEC. 5. Section 402 of the Foreign Assistance Act of 1961 (22 U.S.C. 2242) is amended by adding at the end thereof the following new sentence: "None of the funds authorized by this section shall be made available to the Government of Vietnam unless, beginning in January 1971, and quarterly thereafter, the President of the United States shall determine that the accommodation rate of exchange between said Government and the United States is fair to both countries.".

[SEC. 6. (a) Section 451(a) of the Foreign Assistance Act of 1961, relating to the contingency fund, is amended—

[(1) by striking out "for the fiscal year 1971 not to exceed $15,000,000" and inserting in lieu thereof "for the fiscal year 1971 not to exceed $30,000,000"; and

[(2) by striking out the period at the end thereof and inserting the following: ": *Provided*, That, in addition to any other sums available for such purpose, $15,000,000 of the amount authorized for the fiscal year 1971 may be used only for the purpose of relief, rehabilitation, and reconstruction assistance for the benefit of cyclone, tidal wave, and flood victims in East Pakistan.".

[(b) Excess foreign currencies held in Pakistan not allocated on the date of enactment of this section are authorized to be appropriated for a period of one year from such date of enactment to help Pakistan withstand the disaster which has occurred.

[SEC. 7. (a) In line with the expressed intention of the President of the United States, none of the funds authorized or appropriated pursuant to this or any other Act may be used to finance the introduction of United States ground combat troops into Cambodia, or to provide United States advisers to or for Cambodian military forces in Cambodia.

[(b) Military and economic assistance provided by the United States to Cambodia and authorized or appropriated pursuant to this or any other Act shall not be construed as a commitment by the United States to Cambodia for its defense.

[SEC. 8. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

["SEC. 652. LIMITATION UPON ADDITIONAL ASSISTANCE TO CAMBODIA.—The President shall not exercise any special authority granted to him under sections 506(a), 610(a), and 614(a) of this Act for the purpose of providing additional assistance to Cambodia, unless the President, at least thirty days prior to the date he intends

to exercise any such authority on behalf of Cambodia (or ten days prior to such date if the President certifies in writing that an emergency exists requiring immediate assistance to Cambodia), notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended exercise, the section of this Act under which such authority is to be exercised, and the justification for, and the extent of, the exercise of such authority.".]

FOREIGN ASSISTANCE ACT OF 1969

AN ACT To promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world to achieve economic development within a framework of democratic economic, social, and political institutions, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1969".

[PART I—ECONOMIC ASSISTANCE

[DEVELOPMENT LOAN FUND

[SEC. 101. (a) Section 202(a) of the Foreign Assistance Act of 1961, relating to authorization, is amended—

[(1) by striking out "and" after "fiscal year 1968,";

[(2) by inserting after "fiscal year 1969," the following: "$350,000,000 for the fiscal year 1970, and $350,000,000 for the fiscal year 1971,"; and

[(3) by striking out "the fiscal year ending June 30, 1969" in the second proviso and inserting in lieu thereof "each of the fiscal years ending June 30, 1970, and June 30, 1971".

[(b) Section 203 of such Act, relating to fiscal provisions, is amended to read as follows:

["SEC. 203. FISCAL PROVISIONS.—Dollar receipts from loans made pursuant to this part and from loans made under the Mutual Security Act of 1954, as amended, are authorized to be made available for the fiscal year 1970 and for the fiscal year 1971 for use for the purposes of this title, for loans under title VI, and for the purpose of section 232. Such receipts and other funds made available under this section shall remain available until expended."

[TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

[SEC. 102. Section 212 of such Act, relating to authorization, is amended by striking out "$200,000,000 for the fiscal year 1969" and inserting in lieu thereof "$183,500,000 for the fiscal year 1970, and $183,500,000 for the fiscal year 1971".

[AMERICAN SCHOOLS AND HOSPITALS ABROAD

[SEC. 103. Section 214 of such Act, relating to American schools and hospitals abroad, is amended—

[(1) by striking out of subsection (c) "fiscal year 1969, $14,600,000, to remain available until expended." and inserting in lieu thereof "fiscal year 1970, $25,900,000, and for the fiscal year 1971, $12,900,000, which amounts are authorized to re-

main available until expended. Amounts appropriated under this subsection for the fiscal year 1970 shall be available for expenditure solely in accordance with the allocations set forth on pages 25 and 26 of House Report No. 91–611 and on page 23 of Senate Report No. 91–603.";

[(2) by striking out of subsection (d) "fiscal year 1969, $5,100,000" and inserting in lieu thereof "fiscal year 1970, $3,000,000"; and

[(3) by adding at the end of subsection (d) the following new sentence: "Foreign currencies appropriated under this subsection shall be available for expenditure solely in accordance with the allocation set forth on page 23 of Senate Report No. 91–603.".

[PROTOTYPE DESALTING PLANT; PROGRAMS FOR PEACEFUL COMMUNICATION

[SEC. 104. Title II of chapter 2 of part I, relating to technical cooperation and development grants, is amended by adding at the end thereof the following new sections:

["SEC. 219. PROTOTYPE DESALTING PLANT.—(a) In furtherance of the purposes of this part and for the purpose of improving existing, and developing and advancing new, technology and experience in the design, construction, and operation of large-scale desalting plants of advanced concepts which will contribute materially to low-cost desalination in all countries, including the United States, the President, if he determines it to be feasible, is authorized to participate in the development of a large-scale water treatment and desalting prototype plant and necessary appurtenances to be constructed in Israel as an integral part of a dual-purpose power generating and desalting project. Such participation shall include financial, technical, and such other assistance as the President deems appropriate to provide for the study, design, construction, and, for a limited demonstration period of not to exceed five years, operation and maintenance of the water treatment and desalting facilities of the dual-purpose project.

["(b) Any agreement entered into under subsection (a) of this section shall include such terms and conditions as the President deems appropriate to insure, among other things, that all information, products, uses, processes, patents, and other developments obtained or utilized in the development of this prototype plant will be available without further cost to the United States for the use and benefit of the United States throughout the world, and to insure that the United States, its officers, and employees have a permanent right to review data and have access to such plant for the purpose of observing its operations and improving science and technology in the field of desalination.

["(c) In carrying out the provisions of this section, the President may enter into contracts with public or private agencies and with any person without regard to sections 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529 and 41 U.S.C. 5).

["(d) Nothing in this section shall be construed as intending to deprive the owner of any background patent or any right which such owner may have under that patent.

[“(e) In carrying out the provisions of this section, the President may utilize the personnel, services, and facilities of any Federal agency.

[“(f) The United States costs, other than its administrative costs, for the study, design, construction, and operation of a prototype plant under this section shall not exceed either 50 per centum of the total capital costs of the facilities associated with the production of water, and 50 per centum of the operation and maintenance costs for the demonstration period, or $20,000,000, whichever is less. There are authorized to be appropriated, subject to the limitations of this subsection, such sums as may be necessary to carry out the provisions of this section, including administrative costs thereof. Such sums are authorized to remain available until expended.

[“(g) No funds appropriated for the Office of Saline Water pursuant to the appropriation authorized by the Act of July 11, 1969 (83 Stat. 45, Public Law 91–43), or prior authorization Acts, shall be used to carry out the purposes of this section.

[“SEC. 220. PROGRAMS FOR PEACEFUL COMMUNICATION.—(a) The President is authorized to use funds made available under section 212 to carry out programs of peaceful communications which make use of television and related technologies, including satellite transmissions, for educational, health, agricultural, and community development purposes in the less developed countries.

[“(b) In carrying out programs in the fields of education, health, agriculture, and community development, the agency primarily responsible for part I shall, to the extent possible, assist the developing countries with research, training, planning assistance, and project support in the use of television and related technologies, including satellite transmissions. The agency shall make maximum use of existing satellite capabilities, including the facilities of the International Telecommunications Satellite Consortium.

[“(c) In implementing activities under this section, the agency primarily responsible for part I shall coordinate closely with Federal, State, and local agencies and with nongovernmental educational, health, and agricultural institutions and associations within the United States.”

[HOUSING GUARANTIES; OVERSEAS PRIVATE INVESTMENT CORPORATION

[SEC. 105. Chapter 2 of part I of such Act, relating to development assistance, is amended by striking out title III and title IV and inserting in lieu thereof the following new titles:

[“TITLE III—HOUSING GUARANTIES

[“SEC. 221. WORLDWIDE HOUSING GUARANTIES.—In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed friendly countries and areas, and promote the development of thrift and credit institutions engaged in programs of mobilizing local savings for financing the construction of self-liquidating housing projects and related community facilities, the President is authorized to issue guaranties, on such terms

and conditions as he shall determine, to eligible investors as defined in section 238(c), assuring against loss of loan investments for self-liquidating housing projects. The total face amount of guaranties issued hereunder, outstanding at any one time, shall not exceed $130,000,000. Such guaranties shall be issued under the conditions set forth in section 222(b) and section 223.

[“SEC. 222. HOUSING PROJECTS IN LATIN AMERICAN COUNTRIES.—(a) The President shall assist in the development in the American Republics of self-liquidating housing projects, the development of institutions engaged in Alliance for Progress programs, including cooperatives, free labor unions, savings and loan type institutions, and other private enterprise programs in Latin America engaged directly or indirectly in the financing of home mortgages, the construction of homes for lower income persons and families, the increased mobilization of savings and improvement of housing conditions in Latin America.

[“(b) To carry out the purposes of subsection (a), the President is authorized to issue guaranties, on such terms and conditions as he shall determine, to eligible investors, as defined in section 238(c), assuring against loss of loan investment made by such investors in—

[“(1) private housing projects in Latin America of types similar to those insured by the Department of Housing and Urban Development and suitable for conditions in Latin America;

[“(2) credit institutions in Latin America engaged directly or indirectly in the financing of home mortgages, such as savings and loan institutions and other qualified investment enterprises;

[“(3) housing projects in Latin America for lower income families and persons, which projects shall be constructed in accordance with maximum unit costs established by the President for families and persons whose incomes meet the limitations prescribed by the President;

[“(4) housing projects in Latin America which will promote the development of institutions important to the success of the Alliance for Progress, such as free labor unions, cooperatives, and other private enterprise programs; or

[“(5) housing projects in Latin America, 25 per centum or more of the aggregate of the mortgage financing for which is made available from sources within Latin America and is not derived from sources outside Latin America, which projects shall, to the maximum extent practicable, have a unit cost of not more than $8,500.

[“(c) The total face amount of guaranties issued hereunder or heretofore under Latin American housing guaranty authority repealed by the foreign Assistance Act of 1969, outstanding at any one time, shall not exceed $550,000,000: *Provided*, That $325,000,000 of such guaranties may be used only for the purposes of subsection (b) (1).

[“SEC. 223. GENERAL PROVISIONS.—(a) A fee shall be charged for each guaranty issued under section 221 or section 222 in an amount to be determined by the President. In the event the fee to be charged for such type of guaranty is reduced, fees to be paid

under existing contracts for the same type of guaranty may be similarly reduced.

[“(b) The amount of $50,000,000 of fees accumulated under prior investment guaranty provisions repealed by the Foreign Assistance Act of 1969, together with all fees collected in connection with guaranties issued hereunder, shall be available for meeting necessary administrative and operating expenses of carrying out the provisions of this title and of prior housing guaranty provisions repealed by the Foreign Assistance Act of 1969 (including, but not limited to expenses pertaining to personnel, supplies, and printing), subject to such limitations as may be imposed in annual appropriation Acts; for meeting management and custodial costs incurred with respect to currencies or other assets acquired under guaranties made pursuant to section 221 or section 222 or heretofore pursuant to prior Latin American and other housing guaranty authorities repealed by the Foreign Assistance Act of 1969; and to pay the cost of investigating and adjusting (including costs of arbitration) claims under such guaranties; and shall be available for expenditure in discharge of liabilities under such guaranties until such time as all such property has been disposed of and all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this subsection.

[“(c) Any payments made to discharge liabilities under guaranties issued under section 221 or section 222 or heretofore under prior Latin American or other housing guaranty authorities repealed by the Foreign Assistance Act of 1969, shall be paid first out of fees referred to in subsection (b) (excluding amounts required for purposes other than the discharge of liabilities under guaranties) as long as such fees are available, and thereafter shall be paid out of funds, if any, realized from the sale of currencies or other assets acquired in connection with any payment made to discharge liabilities under such guaranties as long as funds are available, and finally out of funds hereafter made available pursuant to subsection (e).

[“(d) All guaranties issued under section 221 or section 222 or heretofore under prior Latin American or other housing guaranty authority repealed by the Foreign Assistance Act of 1969 shall constitute obligations, in accordance with the terms of such guaranties, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

[“(e) There is hereby authorized to be appropriated to the President such amounts, to remain available until expended, as may be necessary from time to time to carry out the purposes of this title.

[“(f) In the case of any loan investment guaranteed under section 221 or section 222, the agency primarily responsible for administering part I shall prescribe the maximum rate of interest allowable to the eligible investor, which maximum rate shall not be less than one-half of 1 per centum above the then current rate of interest applicable to housing mortgages insured by the Department of Housing and Urban Development. In no event shall the agency prescribe a maximum allowable rate of interest which exceeds by more

than 1 per centum the then current rate of interest applicable to housing mortgages insured by such Department. The maximum allowable rate of interest under this subsection shall be prescribed by the agency as of the date the project covered by the investment is officially authorized and, prior to the execution of the contract, the agency may amend such rate at its discretion, consistent with the provisions of subsection (f).

[“(g) Housing guaranties committed, authorized, or outstanding under prior housing guaranty authorities repealed by the Foreign Assistance Act of 1969 shall continue subject to provisions of law originally applicable thereto and fees collected hereafter with respect to such guaranties shall be available for the purposes specified in subsection (b).

[“(h) No payment may be made under any guaranty issued pursuant to this title for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

[“(i) The authority of section 221 and section 222 shall continue until June 30, 1972.

[“Title IV—Overseas Private Investment Corporation

[“SEC. 231. CREATION, PURPOSE, AND POLICY.—To mobilize and facilitate the participation of United States private capital and skills in the economic and social progress of less developed friendly countries and areas, thereby complementing the development assistance objectives of the United States, there is hereby created the Overseas Private Investment Corporation (hereinafter called the ‘Corporation’), which shall be an agency of the United States under the policy guidance of the Secretary of State.

[“In carrying out its purpose, the Corporation, utilizing broad criteria, shall undertake—

[“(a) to conduct its financing operations on a self-sustaining basis, taking into account the economic and financial soundness of projects and the availability of financing from other sources on appropriate terms;

[“(b) to utilize private credit and investment institutions and the Corporation’s guaranty authority as the principal means of mobilizing capital investment funds;

[“(c) to broaden private participation and revolve its funds through selling its direct investments to private investors whenever it can appropriately do so on satisfactory terms;

[“(d) to conduct its insurance operations with due regard to principles of risk management including, when appropriate, efforts to share its insurance risks;

[“(e) to utilize, to the maximum practicable extent consistent with the accomplishment of its purpose, the resources and skills of small business and to provide facilities to encourage its full participation in the programs of the Corporation;

[“(f) to encourage and support only those private investments in less developed friendly countries and areas which are sensitive and responsive to the special needs and requirements of their economies, and which contribute to the social and economic development of their people;

[“(g) to consider in the conduct of its operations the extent to which less developed country governments are receptive to

private enterprise, domestic and foreign, and their willingness and ability to maintain conditions which enable private enterprise to make its full contribution to the development process;

[“(h) to foster private initiative and competition and discourage monopolistic practices;

[“(i) to further to the greatest degree possible, in a manner consistent with its goals, the balance-of-payments objectives of the United States;

[“(j) to conduct its activities in consonance with the activities of the agency primarily responsible for administering part I and the international trade, investment, and financial policies of the United States Government; and

[“(k) to advise and assist, within its field of competence, interested agencies of the United States and other organizations, both public and private, national and international, with respect to projects and programs relating to the development of private enterprise in less developed countries and areas.

[“SEC. 232. CAPITAL OF THE CORPORATION.—The President is authorized to pay in as capital of the Corporation, out of dollar receipts made available through the appropriation process from loans made pursuant to this part and from loans made under the Mutual Security Act of 1954, as amended, for the fiscal year 1970 not to exceed $20,000,000 and for the fiscal year 1971 not to exceed $20,000,000. Upon the payment of such capital by the President, the Corporation shall issue an equivalent amount of capital stock to the Secretary of the Treasury.

[“SEC. 233. ORGANIZATION AND MANAGEMENT.—(a) STRUCTURE OF THE CORPORATION.—The Corporation shall have a Board of Directors, a President, an Executive Vice President, and such other officers and staff as the Board of Directors may determine.

[“(b) BOARD OF DIRECTORS.—All powers of the Corporation shall vest in and be exercised by or under the authority of its Board of Directors (‘the Board’) which shall consist of eleven Directors, including the Chairman, with six Directors constituting a quorum for the transaction of business. The Administrator of the Agency for International Development shall be the Chairman of the Board, ex officio. Six Directors (other than the President of the Corporation, appointed pursuant to subsection (c) who shall also serve as a Director) shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall not be officials or employees of the Government of the United States. At least one of the six Directors appointed under the preceding sentence shall be experienced in small business, one in organized labor, and one in cooperatives. Each such Director shall be appointed for a term of no more than three years. The terms of no more than two such Directors shall expire in any one year. Such Directors shall serve until their successors are appointed and qualified and may be reappointed.

[“The other Directors shall be officials of the Government of the United States, designated by and serving at the pleasure of the President of the United States.

[“All Directors who are not officers of the Corporation or officials of the Government of the United States shall be compensated at a rate equivalent to that of level IV of the Executive Schedule

(5 U.S.C. 5315) when actually engaged in the business of the Corporation and may be paid per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, as amended from time to time, while away from their homes or usual places of business.

[“(c) PRESIDENT OF THE CORPORATION.—The President of the Corporation shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. In making such appointment, the President shall take into account private business experience of the appointee. The President of the Corporation shall be its Chief Executive Officer and responsible for the operations and management of the Corporation subject to bylaws and policies established by the Board.

[“(d) OFFICERS AND STAFF.—The Executive Vice President of the Corporation shall be appointed by the President of the United States, and by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. Other officers, attorneys, employees, and agents shall be selected and appointed by the Corporation, and shall be vested with such powers and duties as the Corporation may determine. Of such persons employed by the Corporation, not to exceed twenty may be appointed, compensated, or removed without regard to the civil service laws and regulations: *Provided,* That under such regulations as the President of the United States may prescribe, officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, except for cause, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary. Such positions shall be in addition to those otherwise authorized by law, including those authorized by section 5108 of title 5 of the United States Code.

[“SEC. 234. INVESTMENT INCENTIVE PROGRAMS.—The Corporation is hereby authorized to do the following:

[“(a) INVESTMENT INSURANCE.—(1) To issue insurance, upon such terms and conditions as the Corporation may determine, to eligible investors assuring protection in whole or in part against any or all of the following risks with respect to projects which the Corporation has approved—

[“(A) inability to convert into United States dollars other currencies, or credits in such currencies, received as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof;

[“(B) loss of investment, in while or in part, in the approved project due to expropriation or confiscation by action of a foreign government; and

[“(C) loss due to war, revolution, or insurrection.

[“(2) Recognizing that major private investments in less developed friendly countries or areas are often made by enterprises in which there in multinational participation, including significant United States private participation, the Corporation may make such arrangements with foreign governments (including agencies, instrumentalities, or political subdivisions thereof) or with multi-

lateral organizations for sharing liabilities assumed under investment insurance for such investments and may in connection therewith issue insurance to investors not otherwise eligible hereunder: *Provided, however,* That liabilities assumed by the Corporation under the authority of this subsection shall be consistent with the purposes of this title and that the maximum share of liabilities so assumed shall not exceed the proportionate participation by eligible investors in the total project financing.

[“(3) Not more than 100 per centum of the total face amount of investment insurance which the Corporation is authorized to issue under this subsection shall be issued to a single investor.

[“(b) INVESTMENT GUARANTIES.—To issue to eligible investors guaranties of loans and other investments made by such investors assuring against loss due to such risks and upon such terms and conditions as the Corporation may determine: *Provided, however,* That such guaranties on other than loan investments shall not exceed 75 per centum of such investment: *Provided further,* That except for loan investments for credit unions made by eligible credit unions or credit union associations, the aggregate amount of investment (exclusive of interest and earnings) so guaranteed with respect to any project shall not exceed, at the time of issuance of any such guaranty, 75 per centum of the total investment committed to any such project as determined by the Corporation, which determination shall be conclusive for purposes of the Corporation’s authority to issue any such guaranty: *Provided further,* That not more than 10 per centum of the total face amount of investment guaranties which the Corporation is authorized to issue under this subsection shall be issued to a single investor.

[“(c) DIRECT INVESTMENT.—To make loans in United States dollars repayable in dollars or loans in foreign currencies (including, without regard to section 1415 of the Supplemental Appropriation Act, 1953, such foreign currencies which the Secretary of the Treasury may determine to be excess to the normal requirements of the United States and the Director of the Bureau of the Budget may allocate) to firms privately owned or of mixed private and public ownership upon such terms and conditions as the Corporation may determine. The Corporation may not purchase or invest in any stock in any other corporation, except that it may (1) accept as evidence of indebtedness debt securities convertible to stock, but such debt securities shall not be converted to stock while held by the Corporation, and (2) acquire stock through the enforcement of any lien or pledge or otherwise to satisfy a previously contracted indebtedness which would otherwise be in default, or as the result of any payment under any contract of insurance or guaranty. The Corporation shall dispose of any stock it may so acquire as soon as reasonably feasible under the circumstances then pertaining.

[“No loans shall be made under this section to finance operations for mining or other extraction of any deposit of ore, oil, gas, or other mineral.

[“(d) INVESTMENT ENCOURAGEMENT.—To initiate and support through financial participation, incentive grant, or otherwise, and on such terms and conditions as the Corporation may determine, the identification, assessment, surveying and promotion of private investment opportunities, utilizing wherever feasible and effective

the facilities of private organizations or private investors: *Provided, however,* That the Corporation shall not finance surveys to ascertain the existence, location, extent or quality, or to determine the feasibility of undertaking operations for mining or other extraction, of any deposit of ore, oil, gas, or other mineral. In carrying out this authority, the Corporation shall coordinate with such investment promotion activities as are carried out by the Department of Commerce.

[“(e) SPECIAL ACTIVITIES.—To administer and manage special projects and programs, including programs of financial and advisory support which provide private technical, professional, or managerial assistance in the development of human resources, skills, technology, capital savings and intermediate financial and investment institutions and cooperatives. The funds for these projects and programs may, with the Corporation's concurrence, be transferred to it for such purposes under the authority of section 632(a) or from other sources, public or private.

[“SEC. 235. ISSUING AUTHORITY, DIRECTOR INVESTMENT FUND AND RESERVES.—(a)(1) The maximum contingent liability outstanding at any one time pursuant to insurance issued under section 234(a) shall not exceed $7,500,000,000.

[“(2) The maximum contingent liability outstanding at any one time pursuant to guaranties issued under section 234(b) shall not exceed in the aggregate $750,000,000, of which guaranties of credit union investment shall not exceed $1,250,000: *Provided,* That the Corporation shall not make any commitment to issue any guaranty which would result in a fractional reserve less than 25 per centum of the maximum contingent liability then outstanding against guaranties issued or commitments made pursuant to section 234(b) or similar predecessor guaranty authority.

[“(3) The Congress, in considering the budget programs transmitted by the President for the Corporation, pursuant to section 104 of the Government Corporation Control Act, as amended, may limit the obligations and contingent liabilities to be undertaken under section 234 (a) and (b) as well as the use of funds for operating and administrative expenses.

[“(4) The authority of section 234 (a) and (b) shall continue until June 30, 1974.

[“(b) There shall be established a revolving fund, known as the Direct Investment Fund, to be held by the Corporation. Such fund shall consist initially of amounts made available under section 232, shall be available for the purposes authorized under section 234(c), shall be charged with realized losses and credited with realized gains and shall be credited with such additional sums as may be transferred to it under the provisions of section 236.

[“(c) There shall be established in the Treasury of the United States an insurance and guaranty fund, which shall have separate accounts to be known as the Insurance Reserve and the Guaranty Reserve, which reserves shall be available for discharge of liabilities, as provided in section 235(d), until such time as all such liabilities have been discharged or have expired or until all such reserves have been expended in accordance with the provisions of this section. Such fund shall be funded by: (1) the funds heretofore available to discharge liabilities under predecessor guaranty au-

thority (including housing guaranty authorities), less both the amount made available for housing guaranty programs pursuant to section 223(b) and the amount made available to the Corporation pursuant to section 234(e); and (2) such sums as shall be appropriated pursuant to section reserve shall be determined by the Board after consultation with the Secretary of the Treasury. Additional amounts may thereafter be transferred to such reserves pursuant to section 236.

[“(d) Any payments made to discharge liabilities under investment insurance issued under section 234(a) or under similar predecessor guaranty authority shall be paid first out of the Insurance Reserve, as long as such reserve remains available, and thereafter out of funds made available pursuant to section 235(f). Any payments made to discharge liabilities under guaranties issued under section 234(b) or under similar predecessor guaranty authority shall be paid firs tout of the Guaranty Reserve as long as such reserve remains available, and thereafter out of funds made available pursuant to section 235(f).

[“(e) There is hereby authorized to be transferred to the Corporation at its call, for the purposes specified in section 236, all fees and other revenues collected under predecessor guaranty authority from December 31, 1968, available as of the date of such transfer.

[“(f) There is hereby authorized to be appropriated to the Corporation, to remain available until expended, such amounts as may be necessary from time to time to replenish or increase the insurance and guaranty fund or to discharge the liabilities under insurance and guaranties issued by the Corporation or issued under predecessor guaranty authority.

[“SEC. 236. INCOME AND REVENUES.—In order to carry out the purposes of the Corporation, all revenues and income transferred to or earned by the Corporation, from whatever source derived, shall be held by the Corporation and shall be available to carry out its purposes, including without limitation—

[“(a) payment of all expenses of the Corporation, including investment promotion expenses;

[“(b) transfers and additions to the insurance or guaranty reserves, the Direct Investment Fund established pursuant to section 235, and such other funds or reserves as the Corporation may establish, at such time and in such amounts as the Board may determine; and

[“(c) payment of dividends, on capital stock, which shall consist of and be paid from net earnings of the Corporation after payments, transfers, and additions under subsections (a) and (b) hereof.

[“SEC. 237. GENERAL PROVISIONS RELATING TO INSURANCE AND GUARANTY PROGRAM.—(a) Insurance and guaranties issued under this title shall cover investment made in connection with projects in any less developed friendly country or area with the government of which the President of the United States has agreed to institute a program for insurance or guaranties.

[“(b) The Corporation shall determine that suitable arrangements exist for protecting the interest of the Corporation in connection with any insurance or guaranty issued under this title, includ-

ing arrangements concerning ownership, use, and disposition of the currency, credits, assets, or investments on account of which payment under such insurance or guaranty is to be made, and any right, title, claim, or cause of action existing in connection therewith.

[“(c) All guaranties issued prior to July 1, 1956, all guaranties issued under sections 202(b) and 413(b) of the Mutual Security Act of 1954, as amended, all guaranties heretofore issued pursuant to prior guaranty authorities repealed by the Foreign Assistance Act of 1969, and all insurance and guaranties issued pursuant to this title shall constitute obligations, in accordance with the terms of such insurance or guaranties, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

[“(d) Fees shall be charged for insurance and guaranty coverage in amounts to be determined by the Corporation. In the event fees to be charged for investment insurance or guaranties are reduced, fees to be paid under existing contracts for the same type of guaranties or insurance and for similar guaranties issued under predecessor guaranty authority may be reduced.

[“(e) No insurance or guaranty of any equity investment shall extend beyond twenty years from the date of issuance.

[“(f) No insurance or guaranty issued under this title shall exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the Corporation plus interest, earnings or profits actually accrued on said investment to the extent provided by such insurance or guaranty.

[“(g) No payment may be made under any guaranty issued pursuant to this title for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

[“(h) Insurance or guaranties of a loan or equity investment of an eligible investor in a foreign bank, finance company, or other credit institution shall extend only to such loan or equity investment and not to any individual loan or equity investment made by such foreign bank, finance company, or other credit institution.

[“(i) Claims arising as a result of insurance or guaranty operations under this title or under predecessor guaranty authority may be settled, and disputes arising as a result thereof may be arbitrated with the consent of the parties, on such terms and conditions as the Corporation may determine. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

[“(j) Each guaranty contract executed by such officer or officers as may be designated by the Board shall be conclusively presumed to be issued in compliance with the requirements of this Act.

[“(k) In making a determination to issue insurance or a guaranty under this title, the Corporation shall consider the possible adverse effect of the dollar investment under such insurance or guaranty upon the balance of payments of the United States.

“[SEC. 238. DEFINITIONS.—As used in this title—

[“(a) the term ‘investment’ includes any contribution of funds, commodities, services, patents, processes, or techniques, in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3)

participation in royalties, earnings or profits of any such project, and (4) the furnishing of commodities or services pursuant to a lease or other contract;

[“(b) the term ‘expropriation’ includes, but is not limited to, any abrogation, repudiation, or impairment by a foreign government of its own contract with an investor with respect to a project, where such abrogation, repudiation, or impairment is not caused by the investor’s own fault or misconduct, and materially adversely affects the continued operation of the project;

[“(c) the term ‘eligible investor’ means: (1) United States citizens; (2) corporations, partnerships, or other associations including nonprofit associations, created under the laws of the United States or any State or territory thereof and substantially beneficially owned by United States citizens; and (3) foreign corporations, partnerships, of other associations wholly owned by one or more such United States citizens, corporations, partnerships, or other associations; *Provided, however,* That the eligibility of such foreign corporation shall be determined without regard to any shares, in aggregate less than 5 per centum of the total of issued and subscribed share capital, required by law to be held by other than the United States owners: *Provided further,* That in the case of any loan investment a final determination of eligibility may be made at the time the insurance or guaranty is issued; in all other cases, the investor must be eligible at the time a claim arises as well as at the time the insurance or guaranty is issued; and

[“(d) the term ‘predecessor guaranty authority’ means prior guaranty authorities (other than housing guaranty authorities) repealed by the Foreign Assistance Act of 1969, sections 202(b) and 413(b) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of authority relating to informational media guaranties).

[“SEC. 239. GENERAL PROVISIONS AND POWERS.—(a) The Corporation shall have its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident thereof.

[“(b) The President shall transfer to the Corporation, at such time as he may determined, all obligations, assets and related rights and responsibilities arising out of, or related to, predecessor programs and authorities similar to those provided for in section 234(a), (b), and (d). Until such transfer, the agency heretofore responsible for such predecessor programs shall continue to administer such assets and obligations, and such programs and activities authorized under this title as may be determined by the President.

[“(c) The Corporation shall be subject to the applicable provisions of the Government Corporation Control Act, except as otherwise provided in this title.

[“(d) To carry out the purposes of this title, the Corporation is authorized to adopt and use a corporate seal, which shall be judicially noticed; to sue and be sued in its corporate name; to adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the powers and duties granted to or im-

posed upon it by law; to acquire, hold or dispose of, upon such terms and conditions as the Corporation may determine, any property, real, personal, or mixed, tangible or intangible, or any interest therein; to invest funds derived from fees and other revenues in obligations of the United States and to use the proceeds therefrom, including earnings and profits, as it shall deem appropriate; to indemnify directors, officers, employees and agents of the Corporation for liabilities and expenses incurred in connection with their Corporation activities; to require bonds of officers, employees, and agents and pay the premiums therefor; notwithstanding any other provision of law, to represent itself or to contract for representation in all legal and arbitral proceedings; to purchase, discount, rediscount, sell, and negotiate, with or without its endorsement or guaranty, and guarantee notes, participation certificates, and other evidence of indebtedness (provided that the Corporation shall not issue its own securities, except participation certificates for the purpose of carrying out section 231(c)); to make and carry out such contracts and agreements as are necessary and advisable in the conduct of its business; to exercise the priority of the Government of the United States in collecting debts from bankrupt, insolvent, or decedents' estates; to determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations; and to take such actions as may be necessary or appropriate to carry out the powers herein or hereafter specifically conferred upon it.

[“(e) The Auditor-General of the Agency for International Development (1) shall have the responsibility for planning and directing the execution of audits, reviews, investigations, and inspections of all phases of the Corporation's operations and activities and (2) shall conduct all security activities of the Corporation relating to personnel and the control of classified material. With respect to his responsibilities under this subsection, the Auditor-General shall report to the Board. The agency primarily responsible for administering part I shall be reimbursed by the Corporation for all expenses incurred by the Auditor-General in connection with his responsibilities under this subsection.

[“(f) In order to further the purposes of the Corporation there shall be established an Advisory Council to be composed of such representatives of the American business community as may be selected by the Chairman of the Board. The President and the Board shall, from time to time, consult with such Council concerning the objectives of the Corporation. Members of the Council shall receive no compensation for their services but shall be entitled to reimbursement in accordance with section 5703 of title 5 of the United States Code for travel and other expenses incurred by them in the performance of their functions under this section.

[“SEC. 240. AGRICULTURAL CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROJECTS.—(a) It is the sense of the Congress that in order to stimulate the participation of the private sector in the economic development of less developed countries in Latin America, the authority conferred by this section should be used to establish pilot programs in not more than five Latin American countries to encourage private banks, credit institutions, similar private lending

organizations, cooperatives, and private nonprofit development organizations to make loans on reasonable terms to organized groups and individuals residing in a community for the purpose of enabling such groups and individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. Agricultural credit and assistance for self-help community development projects should include, but not be limited to, material and such projects as wells, pumps, farm machinery, improved seed, fertilizer, pesticides, vocational training, food industry development, nutrition projects, improved breeding stock for farm animals, sanitation facilities, and looms and other handicraft aids.

[“(b) To carry out the purposes of subsection (a), the Corporation is authorized to issue guaranties, on such terms and conditions as it shall determine, to private lending institutions, cooperatives, and private nonprofit development organizations in not more than five Latin American countries assuring against loss of not to exceed 25 per centum of the portfolio of such loans made by any lender to organized groups or individuals residing in a community to enable such groups or individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. In no event shall the liability of the United States exceed 75 per centum of any one loan.

[“(c) The total face amount of guaranties issued under this section outstanding at any one time shall not exceed $15,000,000. Not more than 10 per centum of such sum shall be provided for any one institution, cooperative, or organization.

[“(d) The Inter-American Social Development Institute shall be consulted in developing criteria for making loans eligible for guaranty coverage under this section.

[“(e) The guaranty reserve established under section 235(c) shall be available to make such payments as may be necessary to discharge liabilities under guaranties issued under this section.

[“(f) Notwithstanding the limitation contained in subsection (c) of this section, foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States may be utilized to carry out the purposes of this section, including the discharge of liabilities incurred under this subsection. The authority conferred by this subsection shall be in addition to authority conferred by any other provision of law to implement guaranty programs utilizing excess local currency.

[“(g) The Corporation shall, on or before January 15, 1972, make a detailed report to the Congress on the results of the pilot programs established under this section, together with such recommendations as it may deem appropriate.

[“(h) The authority of this section shall continue until June 30, 1972.

[“SEC. 240A. REPORTS TO THE CONGRESS.—(a) After the end of each fiscal year, the Corporation shall submit to the Congress a complete and detailed report of its operations during such fiscal year.

[“(b) Not later than March 1, 1974, the Corporation shall submit to the Congress an analysis of the possibilities of transferring all or part of its activities to private United States citizens, corporations, or other associations.”

[ALLIANCE FOR PROGRESS

[SEC. 106. Section 252(a) of such Act, relating to authorization, is amended to read as follows:

[“SEC. 252. AUTHORIZATION.—(a) There is authorized to be appropriated to the President for the purposes of this title, in addition to other funds available for such purposes, for the fiscal year 1970, $428,250,000, and for the fiscal year 1971, $428,250,000, which amounts are authorized to remain available until expended, and which amounts, except for not to exceed $90,750,000 for each such fiscal year, shall be available only for loans payable as to principal and interest in United States dollars. In order to effectuate the purposes and provisions of sections 102, 251, 601, and 602 of this Act, not less than 50 per centum of the loan funds appropriated pursuant to this section for any fiscal year shall be available for loans made to encourage economic development through private enterprise.”

[PROGRAMS RELATING TO POPULATION GROWTH

[SEC. 107. Section 292, relating to authorization, is amended by striking out “fiscal year 1969, $50,000,000” and inserting in lieu thereof “fiscal year 1970, $75,000,000, and for the fiscal year 1971, $100,000,000,”.

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 108. (a) Section 301(c) of such Act, relating to general authority, is amended to read as follows:

[“(c) No contributions by the United States shall be made to the United Nations Relief and Works Agency for Palestine Refugees in the Near East except on the condition that the United Nations Relief and Works Agency take all possible measures to assure that no part of the United States contribution shall be used to furnish assistance to any refugee who is receiving military training as a member of the so-called Palestine Liberation Army or any other guerrilla type organization or who has engaged in any act of terrorism.”

[(b) Section 302(a) of such Act, relating to authorization, is amended by striking out “fiscal year 1969, $135,000,000” and inserting in lieu thereof “fiscal year 1970, $122,620,000, and for the fiscal year 1971, $122,620,000”.

[(c) Section 302(b) of such Act, relating to Indus Basin development, is amended by inserting “(1)” immediately after “(b)” and by adding at the end thereof the following new paragraph:

[“(2) There is authorized to be appropriated to the President for grants for Indus Basin Development, in addition to any other funds available for such purposes, for use in the fiscal year 1970, $7,530,000, and for use in the fiscal year 1971, $7,530,000, which amounts shall remain available until expended.”

[(d) Section 302 of such Act is further amended by adding at the end thereof the following new subsection:

["(e) There is authorized to be appropriated $1,000,000 for the fiscal year 1970, and $1,000,000 for the fiscal year 1971, to provide added contribution to the United Nations Relief and Works Agency for expansion of technical and vocational training of Arab refugees."

[SUPPORTING ASSISTANCE

[SEC. 109. Section 402 of such Act, relating to authorization, is amended by striking out "fiscal year 1969 not to exceed $410,000,000" and inserting in lieu thereof "fiscal year 1970 not to exceed $414,600,000, and for the fiscal year 1971 not to exceed $414,600,000".

[CONTINGENCY FUND

[SEC. 110. Section 451(a) of such Act, relating to the contingency fund, is amended by striking out "fiscal year 1968 not to exceed $50,000,000, and for the fiscal year 1969 not to exceed $10,000,000" and inserting in lieu thereof "fiscal year 1970 not to exceed $15,000,000, and for the fiscal year 1971 not to exceed $15,000,000".

[PART II—MILITARY ASSISTANCE

[MILITARY ASSISTANCE AUTHORIZATION

[SEC. 201. Section 504(a) of the Foreign Assistance Act of 1961, relating to authorization, is amended—

[(1) by striking out "$375,000,000 for the fiscal year 1969" and inserting in lieu thereof "$350,000,000 for the fiscal year 1970, and $350,000,000 for the fiscal year1971"; and

[(2) by adding at the end thereof the following new sentence: "Amounts appropriated under this subsection shall be available for cost-sharing expenses of United States participation in the military headquarters and related agencies program."

[SPECIAL AUTHORITY

[SEC. 202. Section 506(a) of such Act, relating to special authority of the President, is amended—

[(1) by striking out "1969" in the first sentence and inserting in lieu thereof "1970 and the fiscal year 1971"; and

[(2) by striking out "in the fiscal year 1969" in the second sentence and inserting in lieu thereof "in each of the fiscal year 1970 and 1971".

[RESTRICTIONS ON TRAINING FOREIGN MILITARY STUDENTS

[SEC. 203. Chapter 2 of part II of such Act, relating to military assistance, is amended by inserting at the end thereof the following new section.

["SEC. 510. RESTRICTIONS ON TRAINING FOREIGN MILITARY STUDENTS.—The number of foreign military students to be trained in the United States in any fiscal year, out of funds appropriated

pursuant to this part, may not exceed a number equal to the number of foreign civilians brought to the United States under the Mutual Educational and Cultural Exchange Act of 1961 in the immediately preceding fiscal year."

[PART III—GENERAL, ADMINISTRATIVE, AND MISCELLANEOUS PROVISIONS

[SEC. 301. Section 610(a) of the Foreign Assistance Act of 1961, relating to transfer between accounts, is amended by inserting immediately after "funds made available for any provision of this Act" the following: "(except funds made available pursuant to title IV of chapter 2 of part I)".

[SEC. 302. Section 612 of such Act, relating to use of foreign currencies, is amended by adding at the end thereof the following new subsection:

["(d) In furnishing assistance under this Act to the government of any country in which the United States owns excess foreign currencies as defined in subsection (b) of this section, except those currencies generated under the Agricultural Trade Development and Assistance Act of 1954, as amended, the President shall endeavor to obtain from the recipient country an agreement for the release, on such terms and conditions as the President shall determine, of an amount of such currencies up to the equivalent of the dollar value of assistance furnished by the United States for programs as may be mutually agreed upon by the recipient country and the United States to carry out the purposes for which new funds authorized by this Act would themselves be available."

[SEC. 303. (a) Section 620(s) of such Act, relating to prohibitions against furnishing assistance, is amended to read as follows:

["(s)(1) In order to restrain arms races and proliferation of sophisticated weapons, and to ensure that resources intended for economic development are not diverted to military purposes, the President shall take into account before furnishing development loans, Alliance loans or supporting assistance to any country under this Act, and before making sales under the Agricultural Trade Development and Assistance Act of 1954, as amended:

["(A) the percentage of the recipient or purchasing country's budget which is devoted to military purposes;

["(B) the degree to which the recipient or purchasing country is using its foreign exchange resources to acquire military equipment; and

["(C) the amount spent by the recipient or purchasing country for the purchase of sophisticated weapons systems, such as missile systems and jet aircraft for military purposes, from any country.

["(2) The President shall report annually to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate his actions in carrying out this provision."

[(b) Section 620(v) of such Act is repealed.

[SEC. 304. Section 624(d) of such Act, relating to the duties of the Inspector General, Foreign Assistance, is amended—

[(1) by inserting in paragraph (2)(A), after the words "under part I of this Act", the following: "(including the Overseas Private Investment Corporation), and under part IV of the

Foreign Assistance Act of 1969 (the Inter-American Social Development Institute)";

[(2) by inserting in paragraph (5), before the period at the end of the first sentence, the following: "and part IV of the Foreign Assistance Act of 1969"; and

[(3) by inserting in the first sentence of paragraph (7), immediately after "programs under part I or II of this Act," the following: "and part IV of the Foreign Assistance Act of 1969,".

[SEC. 305. Section 634(a) of such Act, relating to reports and information, is amended—

[(1) by inserting in the first sentence, after the words "concerning operations", the following: "(other than those reported pursuant to section 240A)"; and

[(2) by striking out of the last sentence the following: "on the operation of the investment guaranty program and".

[SEC. 306. Section 636(f) of such Act, relating to use of funds, is amended by inserting immediately before the period at the end thereof the following: "or by the Corporation established under title IV of chapter 2 of part I with respect to loan activities which it carries out under the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended".

[SEC. 307. Section 637(a) of such Act, relating to administrative expenses, is amended by striking out "fiscal year 1969, $53,000,000" and inserting in lieu thereof "fiscal year 1970, $51,125,000, and for the fiscal year 1971, $51,125,000".

[SEC. 308. Section 643 of such Act, relating to savings provisions, is amended by inserting after "section 642(a)" and "section 642(a)(2)" each time they appear the following: "and the Foreign Assistance Act of 1969".]

* * * * * * *

[PART V—AMENDMENTS TO OTHER ACTS

[SEC. 501. Section 101 of the Government Corporation Control Act (31 U.S.C. 846) is amended by striking out "Development Loan Fund;" and inserting in lieu thereof "Overseas Private Investment Corporation;".

[SEC. 502. (a) Section 3343(b) of title 5, United States Code, relating to details of personnel to international organizations, as amended—

[(1) by striking out "3" and inserting in lieu thereof "5"; and

[(2) by striking out the period at the end of such section and inserting in lieu thereof a comma and the following: "except that under special circumstances where the President determines it to be in the national interest, he may extend the 5-year period for up to an additional 3 years."

[(b) Section 3581(5) of such title, relating to reemployment rights of personnel who transfer to international organizations, is amended by striking out "the first 3 consecutive years after entering the employ of the international organization" and inserting in lieu thereof the following: "the first 5 consecutive years, or any extension thereof, after entering the employ of the international organizations".

[(c) Section 3582(a) of such title, relating to rights to personnel who transfer to international organizations, is amended—

[(1) by inserting in clause (1), before the semicolon at the end thereof, a comma and the following: "except that such service shall not be considered creditable service for the purpose of any retirement system for transferring personnel, if such service forms the basis, in whole or in part, for any annuity or pension under the retirement system of the international organization"; and

[(2) by striking out clause (2) and inserting in lieu thereof the following:

["(2) to retain coverage, rights, and benefits under chapters 87 and 89 of this title, if necessary employee deductions and agency contributions in payment for the coverage, rights, and benefits for the period of employment with the international organization are currently deposited in the Employees' Life Insurance Fund and the Employees' Health Benefits Fund, as applicable, and the period during which coverage, rights, and benefits are retained under this paragraph is deemed service as an employee under chapters 87 and 89 of this title,".

[(d) Section 3582(b) of such title, relating to rights of employees transferring to international organizations, is amended—

[(1) by striking out, ", except a Congressional employee," in the first sentence;

[(2) by striking out of clause (1) "3 years" and inserting in lieu thereof "5 years, or any extension thereof,"; and

[(3) by inserting at the end thereof the following new sentences: "On reemployment, he is entitled to be paid, under such regulations as the President may prescribe and from appropriations or funds of the agency from which transferred, an amount equal to the difference between the pay, allowances, post differential, and other monetary benefits paid by the international organization and the pay, allowances, post differential, and other monetary benefits that would have been paid by the agency had he been detailed to the international organization under section 3343 of this title. Such a payment shall be made to an employee who is unable to exercise his reemployment right because of disability incurred while on transfer to an international organization under this subchapter and, in the case of any employee who dies while on such a transfer or during the period after separation from the international organization in which he is properly exercising or could exercise his reemployment right, in accordance with subchapter VIII of chapter 55 of this title. This subsection does not apply to a congressional employee nor may any payment provided for in the preceding two sentences of this subsection be based on a period of employment with an international organization occurring before the first day of the first pay period which begins on or after the date of enactment of the Foreign Assistance Act of 1969."

[(e) Section 3582(c) of such title, relating to rights of employees transferring to international organizations, is amended by striking out "3 years" and inserting in lieu thereof the following: "5 years, or any extension thereof,".

[(f) Section 3582(d) of such title, relating to agency contributions to retirement and insurance programs for personnel who transfer to international organizations, is amended to read as follows:

["(d) During the employee's period of service with the international organization, the agency from which the employee is transferred shall make contributions for retirement and insurance purposes from the appropriations or funds of that agency so long as contributions are made by the employee."

[SEC. 503. Subchapter II of chapter 53 of title 5, United States Code, is amended—

[(1) by inserting at the end of section 5314, relating to level III of the Executive Schedule, the following:

["(54) President, Overseas Private Investment Corporation.";

[(2) by inserting at the end of section 5315, relating to level IV of the Executive Schedule, the following:

["(92) Executive Vice President, Overseas Private Investment Corporation."; and

[(3) by inserting at the end of section 5316, relating to level V of the Executive Schedule, the following:

["(128) Auditor-General of the Agency for International Development.

["(129) Vice Presidents, Overseas Private Investment Corporation (3)."]

FOREIGN ASSISTANCE ACT OF 1968

AN ACT To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Foreign Assistance Act of 1968".

[PART I

[CHAPTER 2—DEVELOPMENT ASSISTANCE

[TITLE I—DEVELOPMENT LOAN FUND

[SEC. 101. Title I of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to the Development Loan Fund, is amended as follows:

[(a) Section 201(d), which relates to rates of interest, is amended as follows:

[(1) Strike out "1967" and substitute "1968".

[(2) Strike out "2½ per centum" and substitute "3 per centum".

[(b) Section 202(a), which relates to authorization, is amended as follows:

[(1) After "year 1967", strike out "and" and substitute a comma.

[(2) After "year 1968," insert "and $350,000,000 for the fiscal year 1969,".

[(3) Strike out "years ending June 30, 1967, through June 30, 1968, respectively" and substitute "year ending June 30, 1969".

[TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

[SEC. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to technical cooperation and development grants, is amended as follows:

[(a) Section 211(d), which relates to availability of funds for certain research and educational institutions, is amended by inserting "in any fiscal year" immediately after "funds made available".

[(b) Section 212, which relates to authorization, is amended by striking out "$210,000,000 for the fiscal year 1968" and substituting $200,000,000 for the fiscal year 1969".

[(c) Section 214, which relates to American schools and hospitals abroad, is amended as follows:

[(1) In subsection (c) strike out "1968, $14,000,000" and substitute "1969, $14,600,000".

[(2) In subsection (d) strike out "1968, $2,986,000" and substitute "1969, $5,100,000".

[TITLE III—INVESTMENT GUARANTIES

[SEC. 103. (a) Section 221(b) of title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to general authority for investment guaranties, is amended as follows:

[(1) In the proviso of paragraph (1), strike out "$8,000,000,000" and substitute "$8,500,000,000".

[(2) Paragraph (2) is amended as follows:

[(A) In the third proviso, strike out "$475,000,000" and "$315,000,000" and substitute "$550,000,000" and "$390,000,000", respectively.

[(B) In the third proviso, strike out "$1,000,000" and substitute "$1,250,000".

[(C) In the last proviso, strike out "1970" and substitute "1971".

[(b) At the end of section 221, add a new subsection as follows:

["(e)(1) No guaranty of a loan or equity investment of an eligible United States investor in a foreign bank, finance company, or other credit institution (hereinafter the 'original investment') shall cover any loss of a loan or equity investment of such bank, finance company, or credit institution; and in no event shall payment be made under any such guaranty except for loss of the original investment, and, where provided for by such guaranty, earnings or profits actually accrued thereon.

["(2) In the administration of this subsection, the eligible United States investor may be deemed to have sustained a loss of the original investment only if the foreign bank, finance company, or credit institution in which the original investment was made becomes or is likely to become insolvent due to the occurrence of an event against which protection is provided by the guaranty."

[SEC. 104. Section 224(c), which relates to housing projects in Latin American countries, is amended by striking out "$500,000,000" and substituting "$550,000,000".

[TITLE VI—ALLIANCE FOR PROGRESS

[SEC. 105. (a) Section 252(a) of title VI of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to authorization for the Alliance for Progress, is amended as follows:

[(1) Strike out "1967, $696,500,000, and for the fiscal year 1968, $578,000,000, which amounts are" and substitute "1969, $420,000,000, which is".

[(2) Strike out "$100,000,000 in each such fiscal year of the funds appropriated pursuant to this section for use beginning in each such fiscal year" and substitute "$90,000,000".

[(3) Strike out "years ending June 30, 1967, through June 30, 1968, respectively" and substitute "year ending June 30, 1969".

[(b) Section 252(b), which relates to authorization for the Partners of the Alliance, is amended by striking out "1968, $714,000" and substituting "1969, $350,000".

[TITLE IX—UTILIZATION OF DEMOCRATIC INSTITUTIONS IN DEVELOPMENT

[SEC. 106. Section 281 of the Foreign Assistance Act of 1961, as amended, is amended as follows:

[(a) At the end of subsection (c), add the following new sentence: "In particular, emphasis should be given to research designed to increase understanding of the ways in which development assistance can support democratic social and political trends in recipient countries."

[(b) At the end of section 281, add the following new subsection:

["(e) In order to carry out the purposes of this title, the agency primarily responsible for administering part I of this Act shall develop systematic programs of inservice training to familiarize its personnel with the objectives of this title and to increase their knowledge of the political and social aspects of development. In addition to other funds available for such purposes, not to exceed 1 per centum of the funds authorized to be appropriated for grant assistance under this chapter may be used for carrying out the objectives of this subsection."

[TITLE X—PROGRAMS RELATING TO POPULATION GROWTH

[SEC. 107. Section 292 of title X of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, is amended by striking out "1968, $35,000,000" and substituting "1969, $50,000,000".

[CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 108. (a) Section 302(a) of chapter 3 of part I of the Foreign Assistance Act of 1961, as amended, which relates to authorization for international organizations and programs is amended by

striking out "1968, $141,000,000" and substituting "1969, $135,000,000".

[(b) Section 302 is further amended by adding at the end thereof the following new subsection:

["(d) There is authorized to be appropriated to the President, for the fiscal year 1969, $1,000,000 for contributions to the United Nations Children's Fund during the calendar year 1969. Funds made available under this subsection shall be in addition to funds available under this or any other Act for such contributions and shall not be taken into account in computing the aggregate amount of United States contributions to such fund for the calendar year 1969."

[CHAPTER 4—SUPPORTING ASSISTANCE

[SEC. 109. Section 402 of chapter 4 of part I of the Foreign Assistance Act of 1961, as amended, which relates to authorization for supporting assistance, is amended by striking out "1968 not to exceed $660,000,000" and substituting "1969 not to exceed $410,000,000".

[CHAPTER 5—CONTINGENCY FUND

[SEC. 110. Section 451(a) of chapter 5 of part I of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended by inserting ", and for the fiscal year 1969 not to exceed $10,000,000," after "$50,000,000".

[PART II

[CHAPTER 2—MILITARY ASSISTANCE

[SEC. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance, is amended as follows:

[(a) Section 504(a), which relates to authorization, is amended as follows:

[(1) In the first sentence, strike out "$510,000,000" and "1968" and substitute "$375,000,000" and "1969", respectively.

[(2) Strike out the second and third sentences.

[(3) In the first sentence, insert the following proviso before the period: ": *Provided further*, That none of the funds appropriated pursuant to this subsection shall be used to furnish sophisticated weapons systems, such as missile systems and jet aircraft for military purposes, to any underdeveloped country, unless the President determines that the furnishing of such weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress".

[(b) Section 506(a), which relates to special authority, is amended by striking out "1968" each place it appears and substituting "1969".

[(c)(1) Section 507(a), which relates to restrictions on military aid to Latin America, is amended by striking out "$55,000,000, of which $25,000,000" and substituting "$25,000,000, of which any part".

[(2) Such section 507 is further amended by adding at the end thereof the following new subsection:

["(d) Notwithstanding the foregoing provisions of this section, not to exceed $10,000,000 of the funds made available for use under this part may be used to furnish assistance to the American Republics, directly or through regional defense arrangements, to enable such Republics to strengthen patrol activities in their coastal waters for the purpose of preventing landings on their shores, by Communist or other subversive elements originating in Cuba, which threaten the security of such Republics and of their duly constituted governments."

[(d) Section 508, which relates to restrictions on military aid to Africa, is amended as follows:

[(1) In the first sentence, strike out "or sales".

[(2) In the second sentence, strike out "and sales" and strike out "$40,000,000" and substitute "$25,000,000".

[PART III

[CHAPTER 1—GENERAL PROVISIONS

[SEC. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

[(a) Section 604, which relates to procurement of commodities, is amended by adding at the end thereof the following new subsection:

["(f) No funds authorized to be made available to carry out part I of this Act shall be used under any commodity import program to make any payment to a supplier unless the supplier has certified to the agency primarily responsible for administering such part I, such information as such agency shall by regulation prescribe, including but not limited to, a description of the commodity supplied by him and its condition, and, on the basis of such information such agency shall have approved such commodity as eligible and suitable for financing under this Act."

[(b) Section 607, which relates to the furnishing of services and commodities, is amended by inserting "(a)" immediately before "Whenever" and by adding at the end thereof the following new subsection:

["(b) No Government-owned excess property shall be made available under this section, section 608, or otherwise in furtherance of the purposes of part I of this Act, unless, before the shipment of such property for use in a specified country (or transfer, if the property is already in such country), the agency administering such part I has approved such shipment (or transfer) and made a written determination—

["(1) that there is a need for such property in the quantity requested and that such property is suitable for the purpose requested;

["(2) as to the status and responsibility of the designated end-user and his ability effectively to use and maintain such property; and

["(3) that the residual value, serviceability, and appearance of such property would not reflect unfavorably on the

image of the United States and would justify the costs of packing, crating, handling, transportation, and other accessorial costs, and that the residual value at least equals the total of these costs."

[(c) Section 620, which relates to prohibitions against furnishing assistance, is amended by adding at the end thereof the following new subsection:

["(v) The President is directed to withhold economic assistance in an amount equivalent to the amount spent by any underdeveloped country for the purchase of sophisticated weapons systems, such as missile systems and jet aircraft for military purposes from any country, unless the President determines that such purchase or acquisition of weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress."

[CHAPTER 2—ADMINISTRATIVE PROVISIONS

[SEC. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

[(a) Section 621, which relates to exercise of functions, is amended by inserting "(a)" immediately after "SEC. 621. EXERCISE OF FUNCTIONS.—" and by adding at the end thereof the following new subsection:

["(b) The President shall issue and enforce regulations determining the eligibility of any person to receive funds made available under this Act. A person may be suspended under such regulations for a temporary period pending the completion of an investigation and any resulting judicial or debarment proceedings, upon cause for belief that such person or an affiliate thereof probably has undertaken conduct which constitutes a cause for debarment; and, after an opportunity has been afforded to such person for a hearing, he may be debarred for an additional period, not to exceed three years. Among the causes for debarment shall be (1) offering or accepting a bribe or other illegal payment or credit in connection with any transaction financed with funds made available under this Act; or (2) committing a fraud in the procurement or performance of any contract financed with funds made available under this Act; or (3) acting in any other manner which shows a lack of integrity or honesty in connection with any transaction financed with funds made available under this Act. Reinstatement of eligibility in each particular case shall be subject to such conditions as the President shall direct. Each person whose eligibility is denied or suspended under this subsection shall, upon request, be entitled to a review of his eligibility not less often than once every two years."

[(b) Immediately after section 621 add the following new section:

["SEC. 621A. STRENGTHENED MANAGEMENT PRACTICES.—(a) The Congress believes that United States foreign aid funds could be utilized more effectively by the application of advanced management decisionmaking, information and analysis techniques such as systems analysis, automatic data processing, benefit-cost studies, and information retrieval.

[“(b) To meet this need, the President shall establish a management system that includes: the definition of objectives and programs for United States foreign assistance; the development of quantitative indicators of progress toward these objectives; the orderly consideration of alternative means for accomplishing such objectives; and the adoption of methods for comparing actual results of programs and projects with those anticipated when they were undertaken. The system should provide information to the agency and to Congress that relates agency resources, expenditures, and budget projections to such objectives and results in order to assist in the evaluation of program performance, the review of budgetary requests, and the setting of program priorities.

[“(c) The President shall report to the Congress annually on the specific steps that have been taken, including an evaluation of the progress that has been made toward the implementation of this section.”

[(c) Section 625(c), which relates to employment of personnel, is amended by inserting “or any Act superseding part II in whole or in part,” between “part II,” and “not”.

[(d) Section 636(g)(1), which relates to provisions on uses of funds, is amended by inserting “incurred in furnishing defense articles and defense services on a grant or sales basis by the agency primarily responsible for administering part II” between “expenses” and the semicolon.

[(e) Section 637(a), which authorizes appropriations for administrative expenses of the agency administering part I, is amended (1) by striking out “1968, $55,814,000” and substituting “1969, $53,000,000”; and (2) by adding at the end thereof the following: “The agency administering part I shall reduce the number of personnel, particularly administrative personnel, employed by it in order to conduct operations with the reduced amount of funds authorized for fiscal year 1969, except that such agency shall not take any action to limit or reduce auditing or training activities of such agency.”

[(f) At the end of such chapter, add the following new section:

[“SEC. 640A. FALSE CLAIMS AND INELIGIBLE COMMODITIES.—(a) Any person who makes or causes to be made or presents or causes to be presented to any bank or other financial institution or to any officer, agent, or employee of any agency of the United States Government a claim for payment from funds made available under this Act for the purposes of furnishing assistance and who knows the claim to be false, fraudulent, or fictitious or to cover a commodity or commodity-related service determined by the President to be ineligible for payment from funds made available under this Act, or who uses to support his claim any certification, statement, or entry on any contract, abstract, bill of lading, Government or commercial invoice, or Government form, which he knows, or in the exercise of prudent business management should know, to contain false, fraudulent, or fictitious information, or who uses or engages in any other fraudulent trick, scheme, or device for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit or payment from funds so made available under this Act in connection with the negotiation, procurement, award, or performance of a contract financed with funds so made available under this

Act, and any person who enters into an agreement, combination, or conspiracy so to do, (1) shall pay to the United States an amount equal to 25 per centum of any amount thereby sought to be wrongfully secured or obtained but not actually received, and (2) shall forfeit and refund any payment, compensation, loan, commission, or advance received as a result thereof, and (3) shall, in addition, pay to the United States for each such act (A) the sum of $2,000 and double the amount of any damage which the United States may have sustained by reasons thereof, or (B) an amount equal to 50 per centum of any such payment, compensation, loan, commission, or advance so received, whichever is the greater, together with the costs of suit.

[“(b) In order to secure recovery under this section, the President may, as he deems appropriate, (1) institute suit in the United States district court for any judicial district in which the person alleged to have performed or participated in an act described by this section may reside or may be found, and (2) upon posting by registered mail to such person a notice of claim describing the basis therefor and identifying the funds to be withheld, withhold from funds owed by any agency of the United States Government to such person an amount equal to the refund, damages, liquidated damages, and exemplary damages claimed by the United States under this section. Any such withholding of funds from any person shall constitute a final determination of the rights and liabilities of such person under this section with respect to the amount so withheld, unless within one year of receiving the notice of claim such person brings suit for recovery, which is hereby authorized, against the United States in any United States district court.

[“(c) For purposes of this section, the term ‘person’ includes any individual, corporation, partnership, association, or other legal entity.”

[CHAPTER 3—MISCELLANEOUS PROVISIONS

[SEC. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended by adding at the end thereof the following new section:

[“SEC. 651. SALE OF SUPERSONIC PLANES TO ISRAEL.—It is the sense of the Congress that the President should take such steps as may be necessary, as soon as practicable after the date of enactment of this section, to negotiate an agreement with the Government of Israel providing for the sale by the United States of such number of supersonic planes as may be necessary to provide Israel with an adequate deterrent force capable of preventing future Arab aggression by offsetting sophisticated weapons received by the Arab States and to replace losses suffered by Israel in the 1967 conflict.”

[PART IV—AMENDMENTS TO OTHER ACTS

[SEC. 401. The Act of April 12, 1926 (44 Stat. 242; chapter 117) is amended by adding at the end thereof a new section as follows:

[“SEC. 2. (a) For each of the calendar years 1969 through 1971, inclusive, not more than 350 million board feet, in the aggregate,

of unprocessed timber may be sold for export from the United States from Federal lands located west of the 100th meridian.

[“(b) After public hearing and a finding by the appropriate Secretary of the department administering Federal lands referred to in subsection (a) that specific quantities and species of unprocessed timber are surplus to the needs of domestic users and processors, such quantities and species may be designated by the said Secretary as available for export from the United States in addition to that quantity stated in subsection (a).

[“(c) The Secretaries of the departments administering lands referred to in subsection (a) may issue rules and regulations to carry out the purposes of this section, including the prevention of substitution of timber restricted from export by this section for exported non-Federal timber.

[“(d) In issuing rules and regulations pursuant to subsection (c), the appropriate Secretaries may include therein provisions authorizing the said Secretaries, in their discretion, to exclude from the limitations imposed by this section sales having an appraised value of less than $2,000.”

[PART V—REAPPRAISAL OF FOREIGN ASSISTANCE PROGRAMS

[DECLARATION OF POLICY

[SEC. 501. The Congress declares that, in view of changing world conditions and the continued need to make United States foreign assistance programs an effective implement of United States foreign policy, there should be a comprehensive review and reorganization of all United States foreign assistance programs, including economic development and technical assistance programs, military assistance and sales programs, and programs involving contributions and payments by the United States to international lending institutions and other international organizations concerned with the development of friendly foreign countries and areas.

[REAPPRAISAL BY THE PRESIDENT

[SEC. 502. (a) In furtherance of the policy of this part, the President is requested to make a thorough and comprehensive reappraisal of United States foreign assistance programs, as described in section 501, and to submit to the Congress, on or before March 31, 1970, his recommendations for achieving such reforms in and reorganization of future foreign assistance programs as he determines to be necessary and appropriate in the national interest in the light of such reappraisal. The President is requested to submit to the Congress, on or before July 1, 1969, an interim report presenting any preliminary recommendations formulated by him pursuant to this section.

[(b) It is the sense of the Congress that the reappraisal provided for in subsection (a) should include, but not be limited to, an analysis and consideration of proposals concerning the establishment of a Government corporation or a federally chartered private corporation designed to mobilize and facilitate the use of United States private capital and skills in less developed friendly countries and areas, including whether such corporation should be authorized to—

[(1) utilize Government guarantees and funds as well as private funds;

[(2) seek, develop, promote, and underwrite new investment projects;

[(3) assist in transferring skills and technology to less developed friendly countries and areas; and

[(4) invest in the securities of development financing institutions and assist in the formation and expansion of local capital markets.]

FOREIGN ASSISTANCE ACT OF 1964

AN ACT To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Foreign Assistance Act of 1964".

[PART I

[CHAPTER 2—DEVELOPMENT ASSISTANCE

[TITLE I—DEVELOPMENT LOAN FUND

[SEC. 101. Section 201(d) of the Foreign Assistance Act of 1961, as amended, which relates to the Development Loan Fund, is amended as follows:

[(a) Strike out " Foreign Assistance Act of 1963" and substitute " Foreign Assistance Act of 1964".

[(b) Strike out "2 per centum" and substitute "2½ per centum".

[(c) Strike out "three-fourths of 1 per centum" and substitute "1 per centum".

[TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

[SEC. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development grants and technical cooperation, is hereby amended as follows:

[(a) Amend the title heading to read as follows: "TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS".

[(b) Amend section 212, which relates to authorization, by striking out "1964" and "$220,000,000" and substituting "1965" and "$215,000,000", respectively.

[(c) Amend section 214(c), which relates to American schools and hospitals abroad, by striking out "1964, $19,000,000" and substituting "1965, $18,000,000", and by striking out the second sentence.

[(d) Amend section 216(a), which relates to voluntary agencies by inserting after "ports" the first time it appears, the words "or, in the case of excess or surplus property supplied by the United States, from foreign ports".

[(e) Add the following new section at the end thereof:

[“SEC. 217. USED EQUIPMENT.—The President is authorized to use funds made available for the purposes of section 211 to conduct a study and investigation to determine the feasibility of establishing programs for the furnishing to less developed friendly countries and areas of used tools, machinery, and other equipment to be donated by private enterprises, or acquired through normal channels of trade and the extent to which such programs are likely to be utilized by and contribute to the economic development of the receiving country. The President shall submit to the Congress at the earliest practicable date a report of the results of such study and investigation, together with such recommendations for legislation as he deems advisable.”

[TITLE III—INVESTMENT GUARANTIES

[SEC. 103. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to investment guaranties, is hereby amended as follows:

[(a) Amend section 221(b)(2), which relates to general authority, as follows:

[(1) Strike out “$180,000,000” in the third proviso and substitute “$300,000,000”.

[(2) Strike out “1965” in the last proviso and substitute “1966”.

[(b) Amend section 224(b), which relates to housing projects in Latin American countries, by striking out “$150,000,000” and substituting “$250,000,000”.

[TITLE IV—SURVEYS OF INVESTMENT OPPORTUNITIES

[SEC. 104. Section 232 of the Foreign Assistance Act of 1961, as amended, which relates to surveys of investment opportunities, is amended by striking out “1963” and “$2,000,000” and substituting “1965” and “$2,100,000”, respectively.

[TITLE VI—ALLIANCE FOR PROGRESS

[SEC. 105. Section 252 of the Foreign Assistance Act of 1961, as amended, which relates to the Alliance for Progress, is amended by striking out in the first sentence the words beginning with “of the funds” the first time they appear through the words “fiscal year 1964” and substituting “in each of the fiscal years 1963 and 1964 and $85,000,000 in fiscal year 1965 of the funds appropriated pursuant to this section for use beginning in each such fiscal year.”.

[CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 106. Section 302 of the Foreign Assistance Act of 1961, as amended, which relates to international organizations and programs, is amended as follows:

[(a) Strike out “1964” and “$136,050,000” and substitute “1965” and “$134,272,400”, respectively.

[(b) At the end thereof, add the following new sentence: “None of the funds available to carry out this chapter shall be contributed to any international organization or to any foreign government or agency thereof to pay the costs of developing or operating any vol-

unteer program of such organization, government, or agency relating to the selection, training, and programing of volunteer manpower."

[CHAPTER 4—SUPPORTING ASSISTANCE

[SEC. 107. Section 402 of the Foreign Assistance Act of 1961, as amended, which relates to supporting assistance, is amended by striking out "1964" and "$380,000,000" and substituting "1965" and "$405,000,000", respectively, and by adding at the end thereof the following new sentence: "Of the funds made available for the fiscal year 1965 to carry out the purposes of this chapter, not less than $200,000,000 shall be available solely for use in Vietnam, unless the President determines otherwise and promptly reports such determination to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives.".

[CHAPTER 5—CONTINGENCY FUND

[SEC. 108. Section 451(a) of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended by striking out "1964" and "$160,000,000" and substituting "1965" and "$150,000,000", respectively.

PART II

[CHAPTER 2—MILITARY ASSISTANCE

[SEC. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance, is amended as follows:

[(a) Amend section 503, which relates to general authority, as follows:

[(1) In subsection (c) strike out "and" at the end thereof and in subsection (d) strike out the period at the end thereof and substitute "; and".

[(2) Add the following new subsection (e):

["(e) guarantying, insuring, coinsuring, and reinsuring any individual, corporation, partnership, or other association doing business in the United States against political and credit risks of nonpayment arising in connection with credit sales financed by such individual, corporation, partnership or other association for defense articles and defense services procured in the United States by such friendly country or international organization."

[(b) Amend section 504(a), which relates to authorization, by striking out "1964" and $1,000,000,000" and substituting "1965" and $1,055,000,000", respectively, and by adding at the end thereof the following new sentence: "Of the funds made available for the fiscal year 1965 to carry out the purposes of this part, not less than $200,000,000 shall be available solely for use in Vietnam, unless the President determines otherwise and promptly reports such determination to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives.".

[(c) Amend section 507(b), which relates to sales, by inserting after "are due" at the end of the first sentence the following: ": *Provided,* That the President may, when he determines it to be in the national interest, accept a dependable undertaking to make full payment within one hundred and twenty days after delivery of the defense articles, or the rendering of the defense services, and appropriations available to the Department of Defense may be used to meet the payments required by the contracts and shall be reimbursed by the amounts subsequently received from the country or international organization".

[(d) Amend section 509, which relates to exchanges, as follows:

[(1) The section heading is amended to read as follows: "EXCHANGE AND GUARANTIES".

[(2) After the section heading insert "(a)".

[(3) Add the following new subsection (b):

["(b) In issuing guaranties, insurance, coinsurance, and reinsurance, the President may enter into contracts with exporters, insurance companies, financial institutions, or others, or groups thereof, and where appropriate may employ any of the same to act as agent in the issuance and servicing of such guaranties, insurance, coinsurance, and reinsurance, and the adjustment of claims arising thereunder. Fees and premiums shall be charged in connection with contracts of guaranty, insurance, coinsurance, and reinsurance. Obligations shall be recorded against the funds available for credit sales under this part in an amount not less than 25 per centum of the contractual liability related to any guaranty, insurance, coinsurance, and reinsurance issued pursuant to this part and the funds so obligated together with fees and premiums shall constitute a single reserve for the payment of claims under such contracts. Any guaranties, insurance, coinsurance, and reinsurance issued pursuant to this part shall be considered contingent obligations backed by the full faith and credit of the United States of America."

[(e) Section 510(a), which relates to special authority, is amended by striking out "1964" in the first and second sentences thereof and substituting "1965".

[(f) Section 512, which relates to restrictions on military aid to Africa, is amended by striking out "1964" and substituting "1965".

[(g) Add the following new section at the end thereof:

["SEC. 513. CERTIFICATION OF RECIPIENT'S CAPABILITY.—(a) Except as provided in subsection (b) of this section, no defense article having a value in excess of $100,000 shall hereafter be furnished to any country or international organization under the authority of this Act (except under the authority of section 507) unless the chief of the appropriate military assistance advisory group representing the United States with respect to defense articles used by such country or international organization or the head of any other group representing the United States with respect to defense articles used by such country or international organization has certified in writing within six months prior to delivery that the country or international organization has the capability to utilize effectively such article in carrying out the purposes of this part.

["(b) Defense articles included in approved military assistance programs may be furnished to any country or international organi-

zation for which the certification required by subsection (a) of this section cannot be made when determined necessary and specifically approved in advance by the Secretary of State (or, upon appropriate delegation of authority by an Under Secretary or Assistant Secretary of State) and the Secretary of Defense (or, upon appropriate delegation of authority by the Deputy Secretary or an Assistant Secretary of Defense). The Secretary of State, or his delegate, shall make a complete report to the Speaker of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate of each such determination and approval and the reasons therefor."

[PART III

[CHAPTER 1—GENERAL PROVISIONS

[SEC. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

[(a) Amend section 601(c), relating to the Advisory Committee on Private Enterprise, by striking out in paragraph (4) "December 31, 1964" and substituting "June 30, 1965".

[(b) Section 601, which relates to the encouragement of free enterprise and private participation, is amended by adding at the end thereof the following new subsection:

["(d) It is the sense of the Congress that the Agency for International Development should continue to encourage, to the maximum extent consistent with the national interest, the utilization of engineering and professional services of United States firms (including, but not limited to, any corporation, company, partnership, or other association) or by an affiliate of such United States firms in connection with capital projects financed by funds authorized under this Act."

[(c) Amend section 612, which relates to the use of foreign currencies, by adding the following new subsection (c):

["(c) Any Act of the Congress making appropriations to carry out programs under this or any other Act for United States operations abroad is hereby authorized to provide for the utilization of United States-owned excess foreign currencies to carry out any such operations authorized by law.

["The President shall take all appropriate steps to assure that, to the maximum extent possible, United States-owned excess foreign currencies are utilized, in lieu of dollars. As used in this subsection, the term 'excess foreign currencies' means foreign currencies or credits owned by or owed to the United States which are, under applicable agreements with the foreign country concerned, available for the use of the United States Government and are determined by the President to be excess to the normal requirements of departments and agencies of the United States for such currencies or credits and are not prohibited from use under this subsection by an agreement entered into with the foreign country concerned."

["(d) Amend subsection 620(e), relating to expropriations and other similar matters, as follows:

[(1) After "(e)" insert "(1)".

[(2) Redesignate subparagraphs (1), (2), and (3) of the first paragraph as subparagraphs (A), (B), and (C), respectively.

[(3) Strike out "paragraphs (1), (2), or (3)" and substitute "subparagraphs (A), (B), or (C) of paragraph (1)".

[(4) At the end of such subsection add the following new paragraph (2):

["(2) Notwithstanding any other provision of law, no court in the United States shall decline on the ground of the federal act of state doctrine to make a determination on the merits giving effect to the principles of international law in a case in which a claim of title or other right is asserted by any party including a foreign state (or a party claiming through such state) based upon (or traced through) a confiscation or other taking after January 1, 1959, by an act of that state in violation of the principles of international law, including the principles of compensation and the other standards set out in this subsection: *Provided,* That this subparagraph shall not be applicable (1) in any case in which an act of a foreign state is not contrary to international law or with respect to a claim of title or other right acquired pursuant to an irrevocable letter of credit of not more than 180 days duration issued in good faith prior to the time of the confiscation or other taking, or (2) in any case with respect to which the President determines that application of the act or state doctrine is required in that particular case by the foreign policy interests of the United States and a suggestion to this effect is filed on his behalf in that case with the court, or (3) in any case in which the proceedings are commenced after January 1, 1966.

[(e) In section 620(f), relating to prohibitions on furnishing assistance to Communist countries, immediately after "Union of Soviet Socialist Republics" insert the following: "(including its captive constituent republics)".

[(f) Amend section 620(k) by striking out "1964" each place it appears and substituting "1965" in each such place.

[(g) In section 620(m), relating to prohibitions on furnishing assistance to Cuba and certain other countries, after "during" insert "each and also strike out "1964" and "$1,000,000" and substitute for the latter "$500,000".

[CHAPTER 2—ADMINISTRATIVE PROVISIONS

[SEC. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

[(a) Amend section 625, which relates to employment of personnel, as follows:

[(1) In subsection (d)(2) in the third proviso strike out "more than thirty persons in the aggregate" and substitute "the assignment to such duty of more than twenty persons at any one time".

[(2) Add the following new subsection (j):

["(j) The President may appoint or assign a United States citizen to be representative of the United States to the Inter-American Committee on the Alliance for Progress and, in his discretion, may terminate such appointment or assignment, notwithstanding any other provision of law. Such person may be compensated at a rate

not to exceed that authorized for a chief of mission, class 2, within the meaning of the Foreign Service Act of 1946, as amended."

[(b) Amend section 626, which relates to experts, consultants and retired officers, as follows:

[(1) Subsection (a) is amended by striking out "$75" and substituting "$100".

[(2) Subsection (c) is amended by striking out the words "Career Compensation Act of 1949, as amended (37 U.S.C. 231 et seq.)" and substituting "section 101(3) of title 37 of the United States Code".

[(c) Amend section 637(a), which relates to administrative expenses, by striking out "1964" and "$54,000,000" and substituting "1965" and "$52,000,000", respectively.

[CHAPTER 3—MISCELLANEOUS PROVISIONS

[SEC. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended by adding at the end thereof the following new section:

["SEC. 648. SPECIAL AUTHORIZATION FOR USE OF FOREIGN CURRENCIES.—Subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953, the President is authorized, as a demonstration of good will on the part of the people of the United States for the Polish and Italian people, to use foreign currencies accruing to the United States Government under this or any other Act, for assistance on such terms and conditions as he may specify, in the repair, rehabilitation, improvement, and maintenance of cemeteries in Italy serving as the burial place of members of the armed forces of Poland who died in combat in Italy during World War II."

[PART IV—AMENDMENTS TO OTHER LAWS

[SEC. 401. The first section of the Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union", approved June 28, 1935 (22 U.S.C. 276), is amended to read as follows:

"That an appropriation of $50,000 annually is authorized, $23,100 of which shall be for the annual contributions of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and $26,900, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the President and the executive secretary of the American group."

[SEC. 402. Section 502(b) of the Mutual Security Act of 1954, as amended, is amended by inserting after the words "United States" where they first appear in the first sentence thereof a comma and the following: "which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961, as amended, and of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, (and any other local currencies owned by the United

States in amounts not to exceed the equivalent of $50 per day per person exclusive of the actual cost of transportation)".

[PART V—RELIGIOUS PERSECUTION

[SEC. 501. It is the sense of the Congress that the United States deeply believes in the freedom of religion for all people and is opposed to infringement of this freedom anywhere in the world. The Congress condemns the persecution of any persons because of their religion. It is further the sense of Congress that all persons should be permitted the free exercise of religion and the pursuit of their culture.]

LATIN AMERICAN DEVELOPMENT ACT

AN ACT To provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Latin American Development Act".

[STATEMENT OF POLICY

[SEC. 1. (a) It is the sense of the Congress that—

[(1) the historic, economic, political, and geographic relationships among the American Republics are unique and of special significance and, as appropriate, should be so recognized in future legislation;

[(2) although governmental forms differ among the American Republics, the peoples of all the Americas are dedicated to the creation and maintenance of governments which will promote individual freedom;

[(3) the interests of the American Republics are so interrelated that sound social and economic progress in each is of importance to all and that lack of it in any American Republic may have serious repercussions in others;

[(4) for the people of Latin America to continue to progress within the framework of our common heritage of democratic ideals, there is a compelling need for the achievement of social and economic advance adequate to meet the legitimate aspirations of the individual citizens of the countries of Latin America for a better way of life;

[(5) there is a need for a plan of hemispheric development, open to all American Republics which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, the growth of free economic and social institutions, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers;

[(6) mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to all countries, it is the hope of the peo-

ple of the United States that all American Republics will jointly exert sustained common efforts which will speedily achieve that economic cooperation in the Western Hemisphere which is essential for lasting peace and prosperity; and

[(7) accordingly, it is declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, private enterprise, and genuine independence in the Western Hemisphere through cooperation with all American Republics which participate in a joint development program based upon self-help and mutual efforts.

[(b) In order to carry forward the above policy, the Congress hereby—

[(1) urges the President through our constitutional processes to develop cooperative programs on a bilateral or multilateral basis which will set forth specific plans of action designed to foster economic progress and improvements in the welfare and level of living of all the peoples of the American Republics on the basis of joint aid, mutual effort, and common sacrifice;

[(2) proposes the development of workable procedures to expand hemispheric trade and to moderate extreme price fluctuations in commodities which are of exceptional importance in the economies of the American Republics, and encourages the development of regional economic cooperation among the American Republics;

[(3) supports the development of a more accurate and sympathetic understanding among the peoples of the American Republics through a greater interchange of persons, ideas, techniques, and educational, scientific, and cultural achievements;

[(4) supports the strengthening of free democratic trade unions to raise standards of living through improved management-labor relations;

[(5) favors the progressive development of common standards with respect to the rights and the responsibilities of private investment with flows across national boundaries within the Western Hemisphere;

[(6) supports the consolidation of the public institutions and agencies of inter-American cooperation, insofar as feasible within the structure of the Organization of American States and the strengthening of the personnel resources and authority of the Organization in order that it may play a role of increasing importance in all aspects of hemispheric cooperation; and

[(7) declares that it is prepared to give careful and sympathetic consideration to programs which the President may develop for the purpose of promoting these policies.

[AUTHORIZATION

[SEC. 2. In order to carry out the purposes of section 1 of this Act, there is hereby authorized to be appropriated to the President not to exceed $680,000,000, which shall remain available until expended, and which the President may use, subject to such further legislative provisions as may be enacted, in addition to other funds available for such purposes, on such terms and conditions as he may specify: *Provided,* that none of the funds made available pur-

suant to this section shall be used to furnish assistance to any country in Latin America being subjected to economic or diplomatic sanctions by the Organization of American States. The Secretary of State shall keep the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House currently informed about plans and programs for the utilization of such funds.

[SPECIAL AUTHORIZATION FOR CHILEAN RECONSTRUCTION

[SEC. 3. There is hereby authorized to be appropriated to the President not to exceed $100,000,000, which shall remain available until expended, for use, in addition to other funds available for such purposes, in the reconstruction and rehabilitation of Chile on such terms and conditions as the President may specify.

[GENERAL PROVISIONS

[SEC. 4. (a) Funds appropriated under sections 2 and 3 of this Act may be used for assistance under this Act pursuant to such provisions applicable to the furnishing of such assistance contained in any successor Act to the Mutual Security Act of 1954, as amended, as the President determines to be necessary to carry out the purposes for which such funds are appropriated.

[(b) Of the funds appropriated under section 2 of this Act not more than $800,000 shall be available only for assisting in transporting to and settling in Latin America selected immigrants from that portion of the Ryukyuan Archipelago under United States administration.]

MUTUAL SECURITY ACT OF 1959

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Mutual Security Act of 1959".

[STATEMENT OF POLICY

[SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is amended to read as follows:

["SEC. 2. STATEMENT OF POLICY.—(a) It is the sense of the Congress that peace in the world increasingly depends on wider recognition, both in principle and practice, of the dignity and interdependence of men; and that the survival of free institutions in the United States can best be assured in a world wide atmosphere of expanded freedom.

["(b) Through programs of assistance authorized by this Act and its predecessors, the United States has helped thwart Communist intimidation in many countries of the world, has helped Europe recover from the wounds of World War II, has supported defensive military preparations of nations alerted by Communist aggression, and has soundly begun to help peoples of economically underdeveloped areas to develop their resources and improve their living standards.

[“(c) Programs authorized by this Act continue to serve the following principal purposes:

[“(1) The Congress recognizes the basic identity of interest which exists between the people of the United States and the peoples of other lands who are striving to establish and develop politically independent and economically viable units, and to produce more goods and services, and to improve ways of living by methods which reflect the popular will, and to realize aspirations for justice, for education, and for dignity and respect as individual human beings, and to establish responsible governments which will cooperate with other like-minded governments. The Congress declares it to be a primary objective and need of the United States, and one consistent with its tradition and ideals, to share these strivings by providing assistance, with due regard for our other obligations, to peoples willing to work energetically toward these ends.

[“(2) The Congress recognizes that the peace of the world and the security of the United States are endangered so long as international communism and the nations it controls continue by threat of military action, by the use of economic pressure, and by internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination. The Congress declares it to be the policy of the United States to continue so long as such danger to the peace of the world and to the security of the United States persists, to make available to other free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

[“(d) It is the sense of the Congress that inasmuch as—

[“(1) the United States, through mutual security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of Western Europe; and

[“(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

[“(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world;

those nations which have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this act.

[“(e) It is the sense of the Congress that assistance provided under this Act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence. To this end, assistance shall be rendered where appropriate and feasible in such a way as

to promote the emergence of political units which are economically viable, either alone or in cooperation with neighboring units."

[CHAPTER I—MILITARY ASSISTANCE

[MILITARY ASSISTANCE

[SEC. 101. Chapter I of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended as follows:

[(a) Amend section 103(a), which relates to authorization, to read as follows:

["(a) There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1960 to carry out the purposes of this chapter not to exceed $1,400,000,000, which shall remain available until expended. Programs of military assistance subsequent to the fiscal year 1960 program shall be budgeted so as to come into competition for financial support with other activities and programs of the Department of Defense. There is hereby authorized to be appropriated to the President for the fiscal years 1961 and 1962 such sums as may be necessary from time to time to carry out the purposes of this chapter, which sums shall remain available until expended."

[(b) Amend section 105(b), which relates to conditions applicable to military assistance, as follows:

[(1) Amend paragraph (4) to read as follows:

["(4) Military equipment and materials may be furnished to the other American Republics only in furtherance of missions directly relating to the common defense of the Western Hemisphere which are found by the President to be important to the security of the United States. The President annually shall review such findings and shall determine whether military assistance is necessary. Internal security requirements shall not, unless the President determines otherwise, be the basis for military assistance programs to American Republics. The aggregate amount of funds which may be obligated or reserved during the fiscal year 1960 for furnishing military assistance to American Republics shall not exceed the aggregate amount of funds obligated or reserved for such purpose during the fiscal year 1959."

[(2) Add the following new paragraph:

["(5) To the extent feasible and consistent with the other purposes of this chapter, administrators of the military assistance program shall encourage the use of foreign military forces in underdeveloped countries in the construction of public works and other activities helpful to economic development."

[CHAPTER II—ECONOMIC ASSISTANCE

[DEFENSE SUPPORT

[SEC. 201. Section 131(b) of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended by striking out "1959" and "$810,000,000" and substituting "1960" and "$751,000,000", respectively.

[UTILIZATION OF COUNTERPART FUNDS

[SEC. 202. Clause (iii) of section 142(b) of the Mutual Security Act of 1954, as amended, which relates to utilization of funds in Special Accounts, is amended by inserting immediately before the period at the end thereof the following: ": *Provided further*, That whenever funds from such Special Account are used by a country to make loans, all funds received in repayment of such loans prior to termination of assistance to such country shall be reused only for such purposes as shall have been agreed to between the country and the Government of the United States".

[DEVELOPMENT LOAN FUND

[SEC. 203. Title II of chapter II of the Mutual Security Act of 1954, as amended, which relates to the Development Loan Fund, is amended as follows:

[(a) Amend section 202(b), which relates to general authority, as follows:

[(1) Insert the following sentence immediately after the second sentence: "The Fund in its operations shall recognize that development loan assistance will be most effective in those countries which show a responsiveness to the vital long-term economic, political, and social concerns of their people, demonstrate a clear willingness to take effective self-help measures, and effectively demonstrate that such assistance is consistent with, and makes a contribution to, workable long-term economic development objectives."

[(2) In the next to last sentence, immediately before the period at the end thereof, insert the following: "nor shall the fractional reserve maintained by the Development Loan Fund for any guaranty made pursuant to this section be less in any case than 50 per centum of the contractual liability of the Development Loan Fund under such guaranty, and the total contractual liability of the Development Loan Fund under all of such guaranties shall not, at any one time, exceed $100,000,000".

[(b) Amend section 203, which relates to capitalization, to read as follows:

[SEC. 203. CAPITALIZATION.—There is hereby authorized to be appropriated to the President at any time after enactment of the Mutual Security Act of 1959 without fiscal year limitation for advances to the Fund after June 30, 1959, not to exceed $1,800,000,000 of which not to exceed $700,000,000 may be advanced prior to July 1, 1960, and not to exceed an additional $1,100,000,000 may be advanced prior to July 1, 1961."

[(c) In section 204(b), which relates to fiscal provisions, strike out "(a)" in the second sentence.

[(d) Amend section 205, which relates to management, powers, and authorities, as follows:

[(1) In subsection (b), strike out "three" in the second sentence and substitute "four".

[(2) In subsection (c), strike out the last sentence.

[TECHNICAL COOPERATION

[SEC. 204. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

[(a) In section 304, which relates to authorization, strike out "$150,000,000" and "1959" and substitute "$179,500,000" and "1960", respectively.

[(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

[(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "$20,000,000" and "1959" and substitute "$30,000,000" and "1960", respectively, and immediately after "for such purpose" the last time it appears insert "(including assessed and audited local costs)".

[(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1959" and substitute "1960".

[(c) In section 308, which relates to the International Development Advisory Board, insert "or officers" after "officer" in the first sentence and strike out "to administer this title" in that sentence.

[SPECIAL ASSISTANCE AND OTHER PROGRAMS

[SEC. 205. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, as amended as follows:

[(a) Amend section 400, which relates to special assistance, as follows:

[(1) In subsection (a), which relates to authorization, strike out "1959" and "$202,500,000" and substitute "1960" and "$247,500,000", respectively.

[(2) In subsection (c), which relates to assistance to American-sponsored schools and libraries abroad, strike out "$10,000,000" and substitute "$20,000,000", and in the last sentence of such subsection strike out "for the purposes of this subsection" and insert in lieu thereof the following: "and notwithstanding the provisions of Public Law 213, Eighty-second Congress, the President is authorized to utilize foreign currencies accruing to the United States under this or any other Act, for the purposes of this subsection and for hospitals abroad designed to serve as centers for medical treatment, education and research, founded or sponsored by citizens of the United States".

[(b) Insert after section 400 the following new section:

["SEC. 401. UNITED NATIONS EMERGENCY FORCE.—The Congress of the United States, recognizing the important contribution of the United Nations Emergency Force to international peace and security, declares it to be the policy of the United States and the purpose of this section to support the United Nations Emergency Force. The President is hereby authorized to use during the fiscal year 1960 funds made available pursuant to section 400(a) of this Act for contributions on a voluntary basis to the budget of the United Nations Emergency Force."

[(c) In section 402, which relates to earmarking of funds, strike our "1959" in the first sentence and substitute "1960"; in the same sentence, after the words "foreign currencies" insert the words "or the grant", and at the end of the section, add the following new sentences: "Surplus food commodities of products thereof made available for transfer under this Act (or any other Act) as a grant or as a sale for foreign currencies may also be made available to the maximum extent practicable to eligible domestic recipients pursuant to section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), or to needy persons within the United States pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c). Section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), is amended by inserting 'whether in private stocks or' after 'commodities' the first time that word appears."

[(d) In section 403, which relates to responsibilities in Germany, strike out "1959" and "$8,200,000" in the first sentence and substitute "1960" and "$7,500,000", respectively.

[(e) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

[(1) In subsection (c), strike out "1959" and "$1,200,000" and substitute "1960" and "$1,100,000", respectively.

[(2) In subsection (d), strike out "1959" and "$8,600,000" and substitute "1960" and "$5,200,000", respectively.

[(f) In section 406, which related to children's welfare, strike out "$11,000,000" and "1959" and substitute "$12,000,000" and "1960", respectively.

[(g) In section 407, which relates to Palestine refugees in the Near East, strike out "1959" in the first sentence and substitute "1960", and in the proviso in the first sentence, strike out "15 per centum" and substitute "10 per centum".

[(h) In section 408(c), which relates to the North Atlantic Treaty Organization, strike out "four" and "substitute "five".

[(i) In section 409(c), which relates to ocean freight charges, strike out "1959" and "$2,100,000" and substitute "1960" and "$2,300,000", respectively.

[(j) Section 410, which relates to Control Act expenses, is repealed.

[(k) Amend section 411, which relates to administrative and other expenses, as follows:

[(1) In subsection (b), strike out "1959" and "$33,000,000" and substitute "1960" and "$39,500,000", respectively.

[(2) In subsection (c), strike out ", not to exceed $7,000,000 in any fiscal year,"; and insert before the period ", and for expenses of carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611): *Provided,* That, in addition, funds made available for carrying out chapter I of this Act shall be available for carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 in such amounts as the President may direct".

[(l) After section 411, insert a new section as follows:

["SEC. 412. PRESIDENT'S SPECIAL EDUCATION AND TRAINING FUND.—Of the funds appropriated pursuant to this Act for use be-

ginning in each of the fiscal years 1960 through 1964, $10,000,000 for each such year shall be available only as follows:

[“(a) $5,000,000 shall be available until expended only for financing studies, research, instruction, and other educational activities of citizens of underdeveloped countries in educational institutions in the United States Puerto Rico, and Virgin Islands. Such financing may include payment for transportation, tuition, maintenance and other expenses incident to scholastic activities. The President may employ such funds to augment programs of this character authorized by section 32(b)(2) of the Surplus Property Act of 1944, as amended, and by the United States Information and Educational Exchange Act of 1948, as amended, and he may consolidate such portions of such $5,000,000 as he may deem appropriate with appropriations made to carry out these two Act.

[“(b) $5,000,000 shall be available until expended only for the training of people of underdeveloped countries in skills which will contribute to economic development. Such training shall be carried out in accordance with the policies set forth in title III of chapter II, relating to technical cooperation, and such $5,000,000 may be consolidated with appropriations made for carrying out title III of chapter II.”

[(m) Amend section 413, which relates to encouragement of free enterprise and private participation, as follows:

[(1) In subparagraph (b)(4)(A), strike out “any of the purposes of this Act” and substitute “the development of the economic resources and productive capacities of economically underdeveloped areas or, in the case of guaranties issued prior to January 1, 1960, on the basis of applications submitted prior to July 1, 1959, any of the purposes of this Act”.

[(2) In subparagraph (b)(4)(F), strike out “$500,000,000” and substitute “$1,000,000,000”.

[(3) In subparagraph (b)(4)(G), strike out “achieving any of the purposes of this Act” and substitute “furthering the development of the economic resources and productive capacities of economically underdeveloped areas or, in the case of guaranties issued prior to January 1, 1960, on the basis of applications submitted prior to July 1, 1959, any of the purposes of this Act”.

[(4) In subsection (c), delete the words “a study” following the words “shall conduct” and insert in lieu thereof “annual studies to keep the data up to date”; insert immediately before the period at the end of the first sentence the following: “, and to the net position of the United States in its balance of trade with the rest of the world”; and in the final sentence delete the word “study” following “such” and insert in lieu thereof “studies”.

[(5) Add the following new subsection:

[“(d) Under the direction of the President, the Department of State and such other agencies of the Government as the President shall deem appropriate shall conduct a study of methods by which the United States and other nations, including those which are parties to regional agreements for economic cooperation to which the United States is a party, or any of them, might best together formulate and effectuate programs of assistance to strengthen the economies of free nations so as to advance the principal purposes of this Act, as stated in section 2 thereof.”

[(n) In section 419(a), which relates to atoms for peace, strike out "1959" and "$5,500,000" in the second sentence and substitute "1960" and "$6,500,000", respectively.

[CHAPTER III—CONTINGENCY FUND

[SEC. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1959" in the first sentence and substituting "1960".

[CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

[SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

[(a) In section 503, which relates to termination of assistance, insert "(a)" immediately after "TERMINATION OF ASSISTANCE.—", and add at the end thereof the following:

["(b) In any case in which the President determines that a nation has hereafter nationalized or expropriated the property of any person as defined in section 413(b) and has failed within six months of such nationalization or expropriation to take steps determined by the President to be appropriate to discharge its obligations under international law toward such person, the President shall, unless he determines it to be inconsistent with the national interest, suspend assistance under this Act to such nation until he is satisfied that appropriate steps are being taken.

["(c) The President shall include in his recommendations to the Congress for the fiscal year 1961 programs under this Act a specific plan for each country receiving bilateral grant assistance in the categories of defense support or special assistance whereby wherever practicable, such grant assistance shall be progressively reduced and terminated."

[(b) In section 504, which relates to small businesses, add the following new subsection:

["(d) Of the funds appropriated pursuant to section 451(b) of this Act, the President is authorized to utilize not to exceed $2,500,000 for the fiscal year 1960 to make available to foreign small business concerns in underdeveloped countries, or to foreign government organizations established for the purpose of helping such concerns in underdeveloped countries, on such terms and conditions as he may determine, machine tools, industrial equipment and other equipment owned by agencies of the United States Government."

[(c) In section 505(b), which relates to loan assistance and sales, strike out the third sentence and substitute the following: "United States dollars received in repayment of principal and payment of interest on any loan made under this section shall be deposited in miscellaneous receipts of the Treasury. Foreign currencies received in repayment of principal and payment of interest on any such loan which are in excess of the requirements as determined from time to time by the Secretary of State for purposes authorized in section 32(b)(2) of the Surplus Property Act of 1944, as amended (50 App. U.S.C. 1641(b), may be sold by the Secretary of

the Treasury to United States Government agencies for payment of their obligations abroad and the United States dollars received as reimbursement shall also be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the requirements of the United States in the payment of its obligations abroad, as such requirements may be determined from time to time by the President, shall be credited to and be available for the authorized purposes of the Development Loan Fund in such amounts as may be specified from time to time in appropriation Acts."

[(d) In section 510, which relates to purchase of commodities, delete the comma following the words "industrial mobilization base" in the third sentence and insert the following: "or to the net position of the United States in its balance of trade with the rest of the world,".

[(e) In section 517, which relates to completion of plans and cost estimates, delete the words "title I or" in the first sentence, and insert "title I, II, or", and add at the end of such section the following: "To the maximum extent practicable, all contracts for construction outside the United States made in connection with any agreement or grant subject to this section, except any agreement for assistance authorized under title II of chapter II, shall be made on a competitive basis."

[(f) Amend section 523, which relates to coordination with foreign policy, as follows:

[(1) In subsection (b), add the following new sentence: "The chief of the diplomatic mission shall make sure that recommendations of such representatives pertaining to military assistance are coordinated with political and economic considerations, and his comments shall accompany such recommendations if he so desires."

[(2) Amend subsection (c) to read as follows:

["(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the assistance programs authorized by this Act, including but not limited to determining whether there shall be a military assistance program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby."

[(g) In section 527(b), which relates to employment of personnel, strike out "sixty" and "thirty-five" in the first sentence and substitute "seventy" and "forty-five", respectively, and add the following new sentence at the end of such section: "One of the offices established by section 1(d) of Reorganization Plan Numbered 7 of 1953 may notwithstanding the provisions of any other law be compensated at a rate not in excess of $20,000 per annum."

[(h) Insert immediately after section 533 the following new section:

["SEC. 533A. INSPECTOR GENERAL AND COMPTROLLER.—(a) There is hereby established in the Department of State an office to be known as the "Office of the Inspector General and Comptroller", which shall be headed by an officer designated as the "Inspector General and Comptroller", whose salary shall be fixed at the annual rate of $19,000, and who shall be appointed by the Secretary

of State and be responsible to an Under Secretary of State designated for such purpose by the Secretary of State. In addition, there shall be a Deputy Inspector General and Comptroller, whose salary shall not exceed the maximum rate provided under the General Schedule of the Classification Act of 1949, as amended, and such other personnel as may be required to carry out the functions vested in the Inspector General and Comptroller by or pursuant to this section.

[“(b) There are hereby transferred to the Inspector General and Comptroller all functions, powers, and duties of the Office of Evaluation of the International Cooperation Administration, and so much of the functions, powers, and duties of the Office of Personnel Security and Integrity as relate to investigations of improper activities in connection with programs under the International Cooperation Administration.

[“(c) The Inspector General and Comptroller shall have the following duties, in addition to those duties transferred to him under subsection (b) of this section:

[“(1) Establishing or reviewing and approving a system of financial controls over programs of assistance authorized by this Act to insure compliance with applicable laws and regulations;

[“(2) Advising and consulting with the Secretary of Defense or his delegate with respect to the controls, standards, and procedures established or approved under this section insofar as such controls, standards, and procedures relate to assistance furnished under chapter I of this Act;

[“(3) Establishing or reviewing and approving policies and standards providing for extensive internal audits of programs of assistance authorized by this Act;

[“(4) Reviewing and approving internal audit programs under this section, and coordinating such programs with the appropriate officials of other Government departments in order to insure maximum audit coverage and to avoid duplication of effort;

[“(5) Reviewing audit findings and recommendations of operating agencies and the action taken thereon, and making recommendations with respect thereto to the Under Secretary of State and other appropriate officials;

[“(6) Conducting or requiring the conduct of such special audits as in his judgment may be required in individual cases, and of inspections with respect to end-item use in foreign countries;

[“(7) Establishing or reviewing and approving a system of financial and statistical reporting with respect to all programs of assistance authorized by this Act;

[“(8) Advising the Under Secretary of State and other appropriate officials on fiscal and budgetary aspects of proposed programs of assistance authorized by this Act;

[“(9) Designing the form and prescribing the financial and statistical content of the annual program presentation to the Congress;

[“(10) Coordinating and cooperating with the General Accounting Office in carrying out his duties, to the extent that

such duties are within areas of responsibility of the General Accounting Office; and

[“(11) Carrying out such other duties as may be vested in him by the Under Secretary of State.

[“(d) Expenses of the Office of the Inspector General and Comptroller with respect to programs under this Act shall be charged to the appropriations made to carry out such programs: *Provided,* That all documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to the operation or activities of the Office of Inspector General and Comptroller shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation to appropriation for, or expenditures of, such Office, upon request of the General Accounting Office or such committee or subcommittee as the case may be.”

[(i) Amend section 534, which relates to reports to the Congress, by inserting “(a)” immediately after “REPORTS.—” and by adding at the end thereof the following:

[“(b) All documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to the operation or activities of the International Cooperation Administration shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for, or expenditures of, such Administration, upon request of the General Accounting Office or such committee or subcommittee as the case may be.”

[(j) Amend section 537, which relates to provisions on uses of funds, as follows:

[(1) In paragraph (5) of subsection (a), strike out “$3,300” and substitute “$3,500”.

[(2) In subsection (c), strike out “$26,000,000” and substitute “$27,750,000”.

[(3) Amend subsection (f) to read as follows:

[“(f) During the annual presentation to the Congress of requests for authorizations and appropriations under this Act, there shall be submitted a detailed report on the assistance to be furnished, country-by-country, under title I of chapter II, and under section 400(a), of this Act. The report with respect to each country shall contain a clear and detailed explanation of the proposed level of aid for such country, and shall include a listing of all significant factors considered, and the methods used, in determining the level of aid for such country; the reason for including each such factor and an explanation of the manner in which each of such factors is related to the specific dollar figure which constitutes the proposed level of aid for each such country. In addition, with respect to assistance proposed to be furnished under title I of chapter II of this Act, the report shall contain a clear and detailed explanation on a country-by-country basis of the determination of the particular level of forces to be supported by the proposed request for authorization and appropriation for military assistance, the factors considered and methods used in arriving at each country determination, and where the level of forces supported by military assistance

differs from the total level of forces maintained in any such country, an explanation, in detail, of the reason for the difference in such level of forces."

[(k) In section 543(d), which relates to saving provisions, strike out the words between "repealed" and "shall" in the first sentence and substitute "subsequent to the time such funds are appropriated"; insert "or subsequent Acts" after "1957" both times it appears in the second sentence; and strike out the last sentence.

[(l) Section 549, which related to special provisions on availability of funds, is repealed.

[(m) After section 549 add the following new sections:

[SEC. 550. INFORMATION POLICY.—The President shall, in the reports required by section 534, or in response to requests from Members of the Congress or inquiries from the public, make public all information concerning the mutual security program not deemed by him to be incompatible with the security of the United States.

[SEC. 551. LIMITATION ON THE USE OF THE PRESIDENT'S SPECIAL AUTHORITY.—The authority contained in sections 403, 451, and 501 of this Act shall not be used to augment appropriations made pursuant to sections 103(b), 408, 411(b), and 411(c) or used otherwise to finance activities which normally would be financed from appropriations for administrative expenses."

[CHAPTER V—INTERNATIONAL COOPERATION IN HEALTH; COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION

[COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION

[SEC. 502. To enable the United States to maintain membership in the Colombo Plan Council for Technical Cooperation, there is hereby authorized to be appropriated from time to time to the Department of State such sums as may be necessary for the payment by the United States of its share of the expenses of the Colombo Plan Council for Technical Cooperation.

[CHAPTER VII—AMENDMENTS TO OTHER LAWS AND MISCELLANEOUS PROVISIONS

[AMENDMENTS TO OTHER LAWS

[SEC. 701. (a) The Defense Base Act, as amended (42 U.S.C. 1651), is further amended by inserting in subsection (e) of the first section, between "the approval of this Act," and "and contracting officers" in the first sentence, the following: "and the liability under this Act of a contractor, subcontractor, or subordinate contractor engaged in performance of contracts, subcontracts, or subordinate contracts specified in subparagraph (5), subdivision (a) of this section, and the conditions set forth therein, shall hereafter be applicable to the remaining terms of such contracts, subcontracts, and subordinate contracts entered into prior to June 30, 1958, but not complete on the date of the enactment of the Mutual Security Act of 1959,".

[(b) Section 522 of the Foreign Service Act of 1946, as amended (60 Stat. 1009, 22 U.S.C. 922), is amended by striking out the word "and" at the end of subparagraph (1), by striking out the pe-

riod at the end of subparagraph (2) and substituting a semicolon and the word "and", and by adding at the end thereof a new subparagraph (3) which shall read as follows:

[(3) extend the appointment or assignment of any Reserve officer, or continue the services of any such Reserve officer by reappointment without regard to the provisions of section 527 of this Act, for not more than five additional years if the Secretary deems it to be in the public interest to continue such officer in the Service, except that the assignment of any Reserve officer under paragraph (2) above may not be extended under the provisions of this paragraph without the consent of the head of the agency concerned."

[(c) Section 1011(a), of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442), is amended by inserting before the period at the end thereof a colon and the following: "*Provided,* That the purpose of making informational media guaranties shall be the achievement of the foreign policy objectives of the United States, including the objective mentioned in sections 413(b)(4)(A) and 413(b)(4)(G) of the Mutual Security Act of 1954, as amended".

[(d) Section 104(k) of Public Law 480, Eighty-third Congress (68 Stat. 454), as amended, is further amended by inserting "research" immediately after "conduct", and by substituting for the phrase ", but no foreign currencies shall be used for the purposes of this subsection (k) unless specific appropriations be made therefor;" the following: ": *Provided,* That foreign currencies shall be available for the purposes of this subsection (in addition to funds otherwise made available for such purposes) only in such amounts as may be specified from time to time in appropriation Acts;".]

MUTUAL SECURITY ACT, 1954

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[SEC. 402. EARMARKING OF FUNDS.—Of the funds authorized to be made available in the fiscal year 1961 pursuant to this Act (other than funds made available pursuant to title II), not less than $175,000,000 shall be used to finance the export and sale for foreign currencies or the grant of surplus agricultural commodities or products thereof produced in the United States, in addition to surplus agricultural commodities or products transferred pursuant to the Agricultural Trade Development and Assistance Act of 1954, and in accordance with the standards as to pricing and the use of private trade channels expressed in section 101 of said Act. Foreign currency proceeds accruing from such sales shall be used for the purposes of this Act and with particular emphasis on the purposes of section 104 of the Agricultural Trade Development and Assistance Act of 1954 which are in harmony with the purposes of this Act. Notwithstanding section 1415 of the Supplemental Appropriation Act of 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use for such purposes the foreign currencies which accrue to the United States under this section. Surplus food commodities or products thereof made available for transfer under this Act (or any other Act) as a grant or as a sale for foreign currencies may

also be made available to the maximum extent practicable to eligible domestic recipients pursuant to section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), or to needy persons within the United States pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c). Section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), is amended by inserting "whether in private stocks or" after "commodities" the first time that word appears.]

* * * * * * *

[SEC. 417. IRISH COUNTERPART.—Pursuant to section 115(b)(6) of the Economic Cooperation Act of 1948, as amended, the disposition within Ireland of the unencumbered balance, in the amount of approximately 6,000,000 Irish pounds, of the special account of Irish funds established under article IV of the Economic Cooperation Agreement between the United States of America and Ireland, dated June 28, 1948, for the purposes of—

[(1) scholarship exchange between the United States and Ireland;

[(2) other programs and projects (including the establishment of an Agricultural Institute) to improve and develop the agricultural production and marketing potential of Ireland and to increase the production and efficiency of Irish industry; and

[(3) development programs and projects in aid of the foregoing objectives, is hereby approved, as provided in the agreement between the Government of the United States of America and the Government of Ireland, dated June 17, 1954.]

* * * * * * *

SECTION 109 OF THE DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1982 AND 1983

[RESTRICTION ON CONTRIBUTIONS TO THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

[SEC. 109. (a) None of the funds authorized to be appropriated by paragraph (2) of section 102 of this Act or by any other Act for "International Organizations and Conferences" may be used for payment by the United States of its contribution toward the assessed budget of the United Nations Educational, Scientific and Cultural Organization if that organization implements any policy or procedure the effect of which is to license journalists or their publications, to censor or otherwise restrict the free flow of information within or among countries, or to impose mandatory codes of journalistic practice or ethics.

[(b) Not later than February 1 of each year, the Secretary of State shall report to the Congress with respect to whether the United Nations Educational, Scientific and Cultural Organization has taken any action described in subsection (a) of this section.]

DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1984 AND 1985

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TITLE X—MISCELLANEOUS PROVISIONS

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[TERMINATION OF ASSISTANCE PROGRAMS FOR SYRIA

[SEC. 1004. (a) After the enactment of this section, funds available to the Agency for International Development may not be used for any payment or reimbursement of any kind to the Government of Syria or for the delivery of any goods or services of any kind to the Government of Syria.

[(b) The Administrator of the Agency for International Development shall deobligate all funds which have been obligated for Syria under the Foreign Assistance Act of 1961 prior to the enactment of this section, except that—

[(1) such funds may continue to be used to finance the training or studies outside of Syria of students whose course of study began before the enactment of this section;

[(2) the Administrator may adopt as a contract of the United States Government any contract with a United States or third-country contractor which would otherwise be terminated pursuant to this subsection, and may assume in whole or in part any liabilities arising under such contract, except that the authority provided by this paragraph may be exercised only to the extent that budget authority is available to meet the obligations of the United States under such contracts; and

[(3) amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated for Syria under chapter 4 of part II of the Foreign Assistance Act of 1961 shall continue to be available until expended to meet necessary expenses arising from the termination of assistance programs for Syria pursuant to this subsection.]

PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE IN KAMPUCHEA

SEC. 1005. [(a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Kampuchea or elsewhere in Indochina.]

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FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1992 AND 1993

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TITLE I—DEPARTMENT OF STATE

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PART B—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES

[SEC. 122. ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS.

[(a) ESTABLISHMENT OF POSITION.—There is established in the Department of State the position of Assistant Secretary of State for South Asian Affairs.

[(b) APPOINTMENT.—The Assistant Secretary shall be appointed by the President, by and with the advice and consent of the Senate.

[(d) CONFORMING AMENDMENT.—

[(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1991.

[(e) IMPLEMENTATION.—In order to carry out this section, the Secretary of State shall reprogram the position of Deputy Assistant Secretary for South Asian Affairs.]

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PART D—PERSONNEL

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SEC. 151. FOREIGN NATIONAL EMPLOYEES SEPARATION PAY.

(a) * * *

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(e) INTEREST.—The Secretary of the Treasury shall deposit amounts in the fund in interest-bearing accounts. Any interest earned on such deposits may be credited to the fund without further appropriation.

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TITLE II—UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

PART A—UNITED STATES INFORMATION AGENCY

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SEC. 208. CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN NORTH AND SOUTH.

(a) * * *

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(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal year 1992 and [$10,000,000] *$4,000,000* for each subsequent fiscal year to carry out this section. Amounts appropriated under this section are authorized to be available until expended.

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PART B—BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS

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SEC. 227. LAW AND BUSINESS TRAINING PROGRAM FOR GRADUATE STUDENTS FROM THE *INDEPENDENT STATES OF THE FORMER* SOVIET UNION, LITHUANIA, LATVIA, AND ESTONIA.

(a) STATEMENT OF PURPOSE.—The purpose of this section is to establish a scholarship program designed to bring students from the [Soviet Union] *Independent States of the Former Soviet Union*, Lithuania, Latvia, and Estonia to the United States for study in the United States.

(b) SCHOLARSHIP PROGRAM AUTHORITY.—Subject to the availability of appropriations under subsection (d), the President, acting through the United States Information Agency, shall provide scholarships (including partial assistance) for study at United States institutions of higher education together with private and public sector internships by nationals of the [Soviet Union] *Independent States of the Former Soviet Union*, Lithuania, Latvia, and Estonia who have completed their undergraduate education and would not otherwise have the opportunity to study in the United States due to financial limitations.

(c) GUIDELINES.—The scholarship program under this section shall be carried out in accordance with the following guidelines:

(1) Consistent with section 112(b) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2460(b)), all programs created pursuant to this Act shall be nonpolitical and balanced, and shall be administered in keeping with the highest standards of academic integrity and cost-effectiveness.

(2) The United States Information Agency shall design ways to identify promising students for study in the United States.

(3) The United States Information Agency should develop and strictly implement specific financial need criteria. Scholarships under this Act may only be provided to students who meet the financial need criteria.

(4) The program may utilize educational institutions in the United States, if necessary, to help participants acquire necessary skills to fully participate in professional training.

(5) Each participant shall be selected on the basis of academic and leadership potential in the fields of business administration, *journalism and communications, education administration, public policy, library and information science," after "business administration,* economics, law, or public administration. Scholarship opportunities shall be limited to fields that are critical to economic reform and political development in the [Soviet Union] *Independent States of the Former Soviet Union*, Lithuania, Latvia, and Estonia, particularly business adminis-

tration, *journalism and communications, education administration, public policy, library and information science,*

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FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1994 and 1995

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TITLE I—DEPARTMENT OF STATE AND RELATED AGENCIES

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PART B—AUTHORITIES AND ACTIVITIES

* * * * * * *

SEC. 135. CAPITAL INVESTMENT FUND.

(a) ESTABLISHMENT.—There is established within the Department of State a Capital Investment Fund to provide for the procurement *and enhancement* of information technology and other related capital investments for the Department of State and to ensure the efficient management, coordination, operation, and utilization of such resources.

* * * * * * *

(c) AVAILABILITY.—Amounts deposited into the Fund [are authorized to] *shall* remain available until expended.

(d) EXPENDITURES FROM THE FUND.—Amounts deposited in the Fund shall be available [for expenditure to procure capital equipment and information technology] *for purposes of subsection (a).*

[(e) REPROGRAMMING PROCEDURES.—Funds credited to the Capital Investment Fund shall be treated as a reprogramming of funds under section 34 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710) and shall not be available for obligation or expenditure except in compliance with the procedures applicable to such reprogrammings.]

(e) REPROGRAMMING PROCEDURES.—Funds credited to the Capital Investment Fund shall not be available for obligation or expenditure except in compliance with the procedures applicable to reprogrammings under section 34 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710).

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SEC. 140. VISAS.

(a) SURCHARGE FOR PROCESSING CERTAIN VISAS.—

(1) Notwithstanding any other provision of law, the Secretary of State is authorized to charge a fee or surcharge for processing machine readable nonimmigrant visas and machine readable combined border crossing identification cards and nonimmigrant visas.

[(2) Fees collected under the authority of paragraph (1) shall be deposited as an offsetting collection to any Department of State appropriation, to recover the costs of providing con-

sular services. Such fees shall remain available for obligation until expended.

[(3) For fiscal years 1994 and 1995, fees deposited under the authority of paragraph (2) may not exceed a total of $107,500,000. For subsequent fiscal years, fees may be collected under the authority of paragraph (1) only in such amounts as shall be prescribed in subsequent authorization Acts.]

(2) Amounts collected under the authority of paragraph (1) shall be deposited in a special fund of the Treasury.

(3) Subject to paragraph (5), fees deposited in the special fund pursuant to paragraph (2) shall be available to the extent and in such amounts as are provided in advance in appropriations Acts for costs of the Department of State's border security program, including the costs of—

(A) installation and operation of the machine readable visa and automated name-check process;

(B) improving the quality and security of the United States passport;

(C) passport and visa fraud investigations; and

(D) the technological infrastructure to support and operate the programs referred to in subparagraphs (A) through (C).

(4) Amounts deposited pursuant to paragraph (2) shall remain available for obligation until expended.

(5) For any fiscal year, any amount collected pursuant to the authority of paragraph (1) that exceeds $140,000,000 is authorized to be made available only if a notification is submitted in compliance with the procedures applicable to a reprogramming of funds under section 34 of the State Department Basic Authorities Act of 1956.

[(4)] *(6)* The provisions of the Act of August 18, 1856 (Revised Statutes 1726–28; 22 U.S.C. 4212–14), concerning accounting for consular fees shall not apply to fees collected under this subsection.

[(5) No fee or surcharge authorized under paragraph (1) may be charged to a citizen of a country that is a signatory as of the date of enactment of this Act to the North American Free Trade Agreement, except that the Secretary of State may charge such fee or surcharge to a citizen of such a country if the Secretary determines that such country charges a visa application or issuance fee to citizens of the United States.]

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PART C—DEPARTMENT OF STATE ORGANIZATION

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SEC. 161. ORGANIZATION OF THE DEPARTMENT OF STATE.

(a) * * *

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[(e) OFFICE OF THE COORDINATOR FOR COUNTERTERRORISM.—Notwithstanding any other provision of this section, for not less than one year after the date of the enactment of this Act there shall be in the Department of State an Office of the Coordinator for Counterterrorism which shall be headed by a Coordinator for Counterterrorism. The office shall have the same responsibilities and functions as the Office of the Coordinator for Counterterrorism at the Department of State had as of January 20, 1993.

[(f) DEPUTY ASSISTANT SECRETARY FOR BURDENSHARING.—

[(1) ESTABLISHMENT.—None of the funds authorized to be appropriated by this Act shall be available for obligation or expenditure during fiscal year 1995 unless, not later than 90 days after the date of enactment of this Act, the Secretary of State has established within the Department of State the position of Deputy Assistant Secretary for Burdensharing, the incumbent of which shall be an official of ambassadorial rank, appointed by the President by and with the advice and consent of the Senate.

[(2) RESPONSIBILITIES.—The Deputy Assistant Secretary for Burdensharing shall perform such duties and exercise such authorities as the Secretary of State shall prescribe, including the following:

[(A) The principal duty of negotiating increased in-kind and financial support (including increased payment of basing costs) by countries allied to the United States for Department of Defense military units and personnel assigned to permanent duty ashore outside the United States in support of the security of such countries.

[(B) In consultation with the Department of Defense, assist in negotiations with the host governments for the recoupment of funds associated with financial commitments from such countries for paying the United States the residual value of United States facilities in such countries that the United States relinquishes to such countries upon the termination of the use of such facilities by the United States.]

* * * * * * *

SECTION 5 OF THE INTERNATIONAL CENTER ACT

SEC. 5. There is hereby authorized to be appropriated, without fiscal year limitation, not to exceed $2,200,000 to carrier out the purposes of section 5 of this Act: *Provided,* That such sums as may be appropriated hereunder shall be reimbursed to the Treasury from proceeds of the sale, exchange, or lease of property to foreign governments and international organizations as provided for in this first section of this Act. All proceeds received from such sales, exchanges, or leases shall, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484) or any other law, be paid into a special account with the Treasurer of the United States, such account to be administered by the Secretary of State for the purposes set out in section 5 of this Act. All sums remaining

in such special account after completion of the projects authorized in section 5 shall be covered into the Treasury as miscellaneous receipts. The Secretary may retain therefrom a reserve for maintenance and security of those public improvements authorized by this Act which have not been conveyed to a government or international organization under the first section of this Act, and for surveys and plans related to development of additional areas within the Nation's Capital for chancery and diplomatic purposes. Amounts in the reserve will be available only to the extent and in amounts as provided in advance in appropriations Acts. *Amounts in the reserve may be deposited in interest-bearing accounts and the Secretary may retain for the purposes set forth in this section any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation.*

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SECTION 9 OF THE FOREIGN SERVICE BUILDINGS ACT, 1926

SEC. 9. (a) * * *

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(d) Any proceeds held or deposited pursuant to this section may be deposited in interest bearing accounts. The Secretary of State may retain interest earned on such deposits for the purposes of this section without returning such interest to the Treasury of the United States and interest earned may be obligated and expended without further appropriation.

SECTION 101 OF THE UNIFORMED AND OVERSEAS CITIZENS ABSENTEE VOTING ACT

SEC. 101. FEDERAL RESPONSIBILITIES.

(a) * * *

(b) DUTIES OF PRESIDENTIAL DESIGNEE.—The Presidential designee shall—

(1) * * *

* * * * * * *

(6) not later than the end of each year after a Presidential election year, transmit to the President and the Congress a report on the effectiveness of assistance under this title, including a statistical analysis [of voter participation] *of uniformed services voter participation,* a general assessment of overseas nonmilitary participation, and a description of State-Federal cooperation.

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SECTION 2202 OF THE OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988

[SEC. 2202. COUNTRY REPORTS ON ECONOMIC POLICY AND TRADE PRACTICES.

[The Secretary of State shall, not later than January 31 of each year, prepare and transmit to the Committee on Foreign Affairs and the Committee on Ways and Means of the House of Representatives, to the Committee on Foreign Relations and the Committee on Finance of the Senate, and to other appropriate committees of the Congress, a detailed report regarding the economic policy and trade practices of each country with which the United States has an economic or trade relationship. The Secretary may direct the appropriate officers of the Department of State who are serving overseas, in consultation with appropriate officers or employees of other departments and agencies of the United States, including the Department of Agriculture and the Department of Commerce, to coordinate the preparation of such information in a country as is necessary to prepare the report under this section. The report shall identify and describe, with respect to each country—

[(1) the macroeconomic policies of the country and their impact on the overall growth in demand for United States exports;

[(2) the impact of macroeconomic and other policies on the exchange rate of the country and the resulting impact on price competitiveness of United States exports;

[(3) any change in structural policies (including tax incentives, regulations governing financial institutions, production standards, and patterns of industrial ownership) that may affect the country's growth rate and its demand for United States exports;

[(4) the management of the country's external debt and its implications for trade with the United States;

[(5) acts, policies, and practices that constitute significant barriers to United States exports or foreign direct investment in that country by United States persons, as identified under section 181(a)(1) of the Trade Act of 1974 (19 U.S.C. 2241(a)(1));

[(6) acts, policies, and practices that provide direct or indirect government support for exports from that country, including exports by small businesses;

[(7) the extent to which the country's laws and enforcement of those laws afford adequate protection to United States intellectual property, including patents, trademarks, copyrights, and mask works; and

[(8) the country's laws, enforcement of those laws, and practices with respect to internationally recognized worker rights (as defined in section 502(a)(4) of the Trade Act of 1974), the conditions of worker rights in any sector which produces goods in which United States capital is invested, and the extent of such investment.]

SECTION 574 OF THE FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1996

[ANNUAL REPORT ON ECONOMIC AND SOCIAL GROWTH

[SEC. 574. (a) REPORTING REQUIREMENT.—The President shall submit to the appropriate congressional committees an annual report providing a concise overview of the prospects for economic and social growth on a broad, equitable, and sustainable basis in the countries receiving economic assistance under title II of this Act. For each country, the report shall discuss the laws, policies and practices of that country that most contribute to or detract from the achievement of this kind of growth. The report should address relevant macroeconomic, microeconomic, social, legal, environmental, and political factors and include criteria regarding wage and price controls, State ownership of production and distribution, State control of financial institutions, trade and foreign investment, capital and profit repatriation, tax and private property protections and a country's commitment to stimulate education, health and human development.

[(b) COUNTRIES.—The countries referred to in subsection (a) are countries—

[(1) for which in excess of $5,000,000 has been obligated during the previous fiscal year for assistance under sections 103 through 106, chapters 10 and 11 of part I, and chapter 4 of part II of the Foreign Assistance of 1961, and under the Support for East European Democracy Act of 1989; or

[(2) for which in excess of $1,000,000 has been obligated during the previous fiscal year by the Overseas Private Investment Corporation.

[(c) CONSULTATION.—The Secretary of State shall submit the report required by subsection (a) in consultation with the Secretary of the Treasury, the Administrator of the Agency for International Development, and the President of the Overseas Private Investment Corporation. The report shall be submitted with the annual congressional presentation for appropriations.]

SECTION 308 OF THE CHEMICAL AND BIOLOGICAL WEAPONS AND WARFARE ELIMINATION ACT OF 1991

[SEC. 308. PRESIDENTIAL REPORTING REQUIREMENTS.

[(a) REPORTS TO CONGRESS.—Not later than 90 days after the date of the enactment of this title, and every 12 months thereafter, the President shall transmit to the Congress a report which shall include—

[(1) a description of the actions taken to carry out this title, including the amendments made by this title;

[(2) a description of the current efforts of foreign countries and subnational groups to acquire equipment, materials, or technology to develop, produce, or use chemical or biological weapons, together with an assessment of the current and likely

future capabilities of such countries and groups to develop, produce, stockpile, deliver, transfer, or use such weapons;

[(3) a description of—

[(A) the use of chemical weapons by foreign countries in violation of international law,

[(B) the use of chemical weapons by subnational groups,

[(C) substantial preparations by foreign countries and subnational groups to do so, and

[(D) the development, production, stockpiling, or use of biological weapons by foreign countries and subnational groups; and

[(4) a description of the extent to which foreign persons or governments have knowingly and materially assisted third countries or subnational groups to acquire equipment, material, or technology intended to develop, produce, or use chemical or biological weapons.

[(b) PROTECTION OF CLASSIFIED INFORMATION.—To the extent practicable, reports submitted under subsection (a) or any other provision of this title should be based on unclassified information. Portions of such reports may be classified.]

SECTION 136 OF THE FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1990 AND 1991

SEC. 136. INCREASED PARTICIPATION OF UNITED STATES CONTRACTORS IN LOCAL GUARD CONTRACTS ABROAD UNDER THE DIPLOMATIC SECURITY PROGRAM.

(a) * * *

* * * * * * *

(c) PARTICIPATION OF UNITED STATES CONTRACTORS IN LOCAL GUARD CONTRACTS ABROAD.—With respect to local guard contracts for a Foreign Service building which exceed $250,000 and are entered into after the date of enactment of this Act, the Secretary of State shall—

(1) * * *

* * * * * * *

[(3) in evaluating and scoring proposals for such contracts, award not less than 60 percent of the total points on the basis of technical factors and subfactors;]

(3) in evaluating proposals for such contracts, award contracts to the technically acceptable firm offering the lowest evaluated price, except that proposals of United States persons and qualified United States joint venture persons (as defined in subsection (d)) shall be evaluated by reducing the bid price by 5 percent;

* * * * * * *

(5) ensure that United States diplomatic and consular posts assist United States firms in obtaining local licenses and permits; *and*

(6) establish procedures to ensure that appropriate measures are taken by diplomatic and consular post management to

assure that United States persons and qualified United States joint venture persons are not disadvantaged during the solicitation and bid evaluation process[; and].

[(7) give preference to United States persons and qualified United States joint venture persons where such persons are price competitive to the non-United States persons bidding on the contract, are properly licensed by the host government, and are otherwise qualified to carry out all the terms of the contract.]

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SECTION 4 OF THE INTERNATIONAL CLAIMS SETTLEMENT ACT

SEC. 4. (a) The Commission shall have jurisdiction to receive, examine, adjudicate, and render final decisions with respect to claims of the Government of the United States and of nationals of the United States included within the terms of the Yugoslav Claims Agreement of 1948, [or] included within the terms of any claims agreement hereafter concluded between the Government of the United States and a foreign government (exclusive of governments against which the United States declared the existence of a state of war during World War II) similarly providing for the settlement and discharge of claims of the Government of the United States and of nationals of the United States against a foreign government, arising out of the nationalization or other taking of property, by the agreement of the Government of the United States to accept from that government a sum in en bloc settlement thereof, *or included in a category of claims against a foreign government which is referred to the Commission by the Secretary of State*. In the decision of claims under this title, the Commission shall apply the following in the following order:

(1) The provisions of [the] *any* applicable claims agreement as provided in this subsection.

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DEPARTMENT OF STATE APPROPRIATION ACT OF 1937

INTERNATIONAL FISHERIES COMMISSION

* * * * * * *

The Secretary of State is authorized to accept reimbursement from corporations, firms, and individuals for the expenses of travel, translation, printing, special experts, and other [extraordinary] expenses incurred in pursuing a claim on their behalf against a foreign government or other foreign entity. Such reimbursements shall be credited to the appropriation account against which the expense was initially charged.

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FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1990

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TITLE V—GENERAL PROVISIONS

* * * * * * *

ESTABLISHING CATEGORIES OF ALIENS FOR PURPOSES OF REFUGEE DETERMINATIONS

SEC. 599D. (a) * * *

(b) ESTABLISHMENT OF CATEGORIES.—

(1) * * *

* * * * * * *

(3) Within the number of admissions of refugees allocated for for each of fiscal years 1990, 1991, and 1992 for refugees who are nationals of the Soviet Union under section 207(a)(3) of the Immigration and Nationality Act and within the number of such admissions allocated for each of fiscal years 1993, 1994, 1995, 1996, [and 1997] *1997, 1998, and 1999* for refugees who are nationals of the independent states of the former Soviet Union, Estonia, Latvia, and Lithuania under such section and within the number of such admissions allocated for each of fiscal years 1993 and 1994 for refugees who are nationals of the independent states of the former Soviet Union, Estonia, Latvia, and Lithuania under such section, notwithstanding any other provision of law, the President shall allocate one thousand of such admissions for such fiscal year to refugees who are within the category of aliens described in paragraph (2)(B).

* * * * * * *

(e) PERIOD OF APPLICATION.—

(1) Subsections (a) and (b) shall take effect on the date of the enactment of this Act and shall only apply to applications for refugee status submitted before October 1, [1997] *1999*.

(2) Subsection (c) shall apply to decisions made after the date of the enactment of this Act and before October 1, [1997] *1999*.

(3) Subsection (d) shall take effect on the date of the enactment of this Act and shall only apply to reapplications for refugee status submitted before October 1, [1997] *1999*.

* * * * * * *

SEC. 599E. (a) IN GENERAL.—The Attorney General shall adjust the status of an alien described in subsection (b) to that of an alien lawfully admitted for permanent residence if the alien—

(b) ALIENS ELIGIBLE FOR ADJUSTMENT OF STATUS.—The benefits provided in subsection (a) shall only apply to an alien who—

(1) was a national of an independent state of the former Soviet Union, Estonia, Latvia, Lithuania, Vietnam, Laos, or Cambodia, and

(2) was inspected and granted parole into the United States during the period beginning on August 15, 1988, and

ending on September 30, [1997] *1999*, after being denied refugee status.

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SECTION 7 OF THE INTERNATIONAL CHILD ABDUCTION REMEDIES ACT

SEC. 7. UNITED STATES CENTRAL AUTHORITY.

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(e) GRANT AUTHORITY.—The United States Central Authority is authorized to make grants to, or enter into contracts or agreements with, any individual, corporation, other Federal, State, or local agency, or private entity or organization in the United States for purposes of accomplishing its responsibilities under the convention and this Act.

REVISED STATUTES OF THE UNITED STATES

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TITLE LXVII.

DIPLOMATIC AND CONSULAR OFFICERS.

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CHAPTER TWO.

CONSULAR OFFICERS.

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SEC. 1689. The various provisions of thie Title which are expressed in terms of general application to any particular classes of consular officers, shall be deemed to apply as well to all other classes of such officers *and to such other United States citizen employees of the Department of State as may be designated by the Secretary of State pursuant to such regulations as the Secretary may prescribe*, so far as may be consistent with the subject matter of the same and with the treaties of the United States.

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[SEC. 1726. Every consular officer shall give receipts for all fees collected for his official services, expressing the particular services for which the same were collected.

[SEC. 1727. Every consular officer shall number all receipts given by him for fees received for official services, in the order of their dates, beginning with number one at the commencement of

the period of his service, and on the first day of January in every year thereafter. He shall also register in a book to be kept by him for that purpose all fees so received by him, in the order in which they are received, specifying each item of service and the amount received therefor, from whom, and the dates when received, and if for any service connected with any vessel, the name thereof, and indicating what items and amounts are embraced in each receipt given by him therefor, and numbering the same according to the number of the receipts respectively, so that the receipts and register shall correspond with each other; and he shall, in such register, specify the name of the person for whom, and the date when he shall grant, issue, or verify any passport, certify and invoice, or perform any other official service in the entry of the receipt of the fees therefor, and also number each consular act so receipted for with the number of such receipt, and as shown by such register.

[ACCOUNT OF FEES: CERTIFICATION

[SEC. 1728. Every consular officer responsible for the collection of fees, in rendering his account of fees received, shall furnish a full transcript of the register which he is required to keep, and certify that such transcript is an accurate and complete record of all fees received for the period shown.]

SECTION 3492 OF TITLE 18, UNITED STATES CODE

§ 3492. Commission to consular officers to authenticate foreign documents

(a) * * *

* * * * * * *

(c) The provisions of this section and sections 3493–3496 of this title applicable to consular officers shall be applicable to diplomatic officers pursuant to such regulations as may be prescribed by the President. *For purposes of this section and sections 3493 through 3496 of this title, a consular officer shall include any United States citizen employee of the Department of State designated to perform notarial functions pursuant to section 24 of the Act of August 18, 1856 (Rev. Stat. 1750, 22 U.S.C. 4221).*

SECTION 115 OF TITLE 35, UNITED STATES CODE

§ 115. Oath of applicant

The applicant shall make oath that he believes himself to be the original and first inventor of the process, machine, manufacture, or composition of matter, or improvement thereof, for which he solicits a patent; and shall state of what country he is a citizen. Such oath may be made before any person within the United States authorized by law to administer oaths, or, when, made in a foreign country, before any diplomatic or consular officer of the United States authorized to administer oaths, or before any officer having an official seal and authorized to administer oaths in the

foreign country in which the applicant may be, whose authority is proved by certificate of a diplomatic or consular officer of the United States, or apostille of an official designated by a foreign country which, by treaty or convention, accords like effect to apostilles of designated officials in the United States, and such oath shall be valid if it complies with the laws of the state or country where made. When the application is made as provided in this title by a person other than the inventor, the oath may be so varied in form that it can be made by him. *For purposes of this section a consular officer shall include any United States citizen employee of the Department of State designated to perform notarial functions pursuant to section 24 of the Act of August 18, 1856 (Rev. Stat. 1750, 22 U.S.C. 4221).*

SECTION 908 OF THE INTERNATIONAL MARITIME AND PORT SECURITY ACT OF 1986

SEC. 908. TRAVEL ADVISORIES CONCERNING SECURITY AT FOREIGN PORTS.

(a) TRAVEL ADVISORY.—Upon being notified by the Secretary of Transportation that the Secretary has determined that a condition exists that threatens the safety or security of passengers, passenger vessels, or crew traveling to or from a foreign port which the Secretary of Transportation has determined pursuant to section 907(d) to be a port which does not maintain and administer effective security measures, the Secretary of State shall immediately issue a travel advisory with respect to that port. [Any travel advisory issued pursuant to this subsection shall be published in the Federal Register.] The Secretary of State shall take the necessary steps to widely publicize that travel advisory.

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SECTION 9 OF THE DEPARTMENT OF STATE APPROPRIATIONS AUTHORIZATION ACT OF 1973

[BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

[SEC. 9. (a) There is established within the Department of State a Bureau of Oceans and International Environmental and Scientific Affairs. There shall be an Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, appointed by the President, by and with the advice and consent of the Senate, who shall be the head of the Bureau and who shall have responsibility for matters relating to oceans, environmental, scientific, fisheries, wildlife, and conservation affairs and for such other related duties as the Secretary may from time to time designate.

[(c) Paragraph (109) of section 5316 of title 5, United States Code, relating to the Director of International Scientific Affairs, Department of State, is repealed.]

SECTION 1 OF THE ACT OF DECEMBER 23, 1995

AN ACT To extend au pair programs.

SECTION 1. EXTENSION OF AU PAIR PROGRAMS.

(a) REPEAL.—Section 8 of the Eisenhower Exchange Fellowship Act of 1990 (Public Law 101–454) is repealed.

(b) AUTHORITY FOR AU PAIR PROGRAMS.—The Director of the United States Information Agency is authorized to continue to administer an au pair program, operating on a world-wide basis[, through fiscal year 1997].

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UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948

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TITLE VII—APPROPRIATIONS

PRIOR AUTHORIZATION BY CONGRESS

SEC. 701. (a) * * *

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(f)(1) * * *

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[(4) This subsection shall cease to have effect after September 30, 1995.]

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TITLE VIII—ADMINISTRATIVE PROCEDURES

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USE OF ENGLISH-TEACHING PROGRAM FEES

SEC. 810. (a) Notwithstanding section 3302 of title 31, United States Code, or any other law or limitation of authority, fees received by or for the use of the United States Information Agency from or in connection with English-teaching and library services, *educational advising and counseling, exchange visitor program services, advertising sold by the Voice of America, receipts from cooperating international organizations and from the privatization of VOA Europe,* and Agency-produced publications, and not to exceed $100,000 of payments from motion picture and television programs, produced or conducted by or on behalf of the Agency under the authority of this Act or the Mutual Educational and Cultural Exchange Act of 1961 is authorized to be credited each fiscal year to the appropriate appropriation of the United States Information

Agency to such extent as may be provided in advance in an appropriation Act.

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SECTION 112 OF THE MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961

SEC. 112. (a) * * *

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(g) WORKING GROUP ON UNITED STATES GOVERNMENT SPONSORED INTERNATIONAL EXCHANGES AND TRAINING.—(1) In order to carry out the purposes of subsection (f) and to improve the coordination, efficiency, and effectiveness of United States Government sponsored international exchanges and training, there is established within the United States Information Agency a senior-level interagency working group to be known as the Working Group on United States Government Sponsored International Exchanges and Training (hereinafter in this section referred to as "the Working Group").

(2) For purposes of this subsection, the term "Government sponsored international exchanges and training" means the movement of people between countries to promote the sharing of ideas, to develop skills, and to foster mutual understanding and cooperation, financed wholly or in part, directly or indirectly, with United States Government funds.

(3) The Working Group shall be composed as follows:

(A) The Associate Director for Educational and Cultural Affairs of the United States Information Agency, who shall act as Chair.

(B) A senior representative designated by the Secretary of State.

(C) A senior representative designated by the Secretary of Defense.

(D) A senior representative designated by the Secretary of Education.

(E) A senior representative designated by the Attorney General.

(F) A senior representative designated by the Administrator of the Agency for International Development.

(G) Senior representatives of other departments and agencies as the Chair determines to be appropriate.

(4) Representatives of the National Security Adviser and the Director of the Office of Management and Budget may participate in the Working Group at the discretion of the adviser and the director, respectively.

(5) The Working Group shall be supported by an interagency staff office established in the Bureau of Educational and Cultural Affairs of the United States Information Agency.

(6) The Working Group shall have the following purposes and responsibilities:

(A) To collect, analyze, and report data provided by all United States Government departments and agencies conducting international exchanges and training programs.

(B) To promote greater understanding and cooperation among concerned United States Government departments and agencies of common issues and challenges in conducting international exchanges and training programs, including through the establishment of a clearinghouse for information on international exchange and training activities in the governmental and nongovernmental sectors.

(C) In order to achieve the most efficient and cost-effective use of Federal resources, to identify administrative and programmatic duplication and overlap of activities by the various United States Government departments and agencies involved in Government sponsored international exchange and training programs, to identify how each Government sponsored international exchange and training program promotes United States foreign policy, and to report thereon.

(D) Not later than 1 year after the date of the enactment of the Foreign Relations Authorization Act, Fiscal Years 1998 and 1999, to develop and thereafter assess, annually, a coordinated and cost-effective strategy for all United States Government sponsored international exchange and training programs, and to issue a report on such strategy. This strategy will include an action plan for consolidating United States Government sponsored international exchange and training programs with the objective of achieving a minimum 10 percent cost saving through consolidation or the elimination of duplication.

(E) Not later than 2 years after the date of the enactment of the Foreign Relations Authorization Act, Fiscal Years 1998 and 1999, to develop recommendations on common performance measures for all United States Government sponsored international exchange and training programs, and to issue a report.

(F) To conduct a survey of private sector international exchange activities and develop strategies for expanding public and private partnerships in, and leveraging private sector support for, United States Government sponsored international exchange and training activities.

(G) Not later than 6 months after the date of the enactment of the Foreign Relations Authorization Act, Fiscal Years 1998 and 1999, to report on the feasibility of transferring funds and program management for the ATLAS and/or the Mandela Fellows programs in South Africa from the Agency for International Development to the United States Information Agency. The report shall include an assessment of the capabilities of the South African Fulbright Commission to manage such programs and the cost advantages of consolidating such programs under one entity.

(7) All reports prepared by the Working Group shall be submitted to the President, through the Director of the United States Information Agency.

(8) The Working Group shall meet at least on a quarterly basis.

(9) All decisions of the Working Group shall be by majority vote of the members present and voting.

(10) The members of the Working Group shall serve without additional compensation for their service on the Working Group. Any

expenses incurred by a member of the Working Group in connection with service on the Working Group shall be compensated by that member's department or agency.

(11) With respect to any report promulgated pursuant to paragraph (6), a member may submit dissenting views to be submitted as part of the report of the Working Group.

JAPAN-UNITED STATES FRIENDSHIP ACT

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ESTABLISHMENT OF THE FUND; EXPENDITURES

SEC. 3. (a) There is established in the Treasury of the United States a trust fund to be known as the **[**Japan-United States Friendship Trust Fund**]** *United States-Japan Trust Fund* (hereafter referred to as the "Fund").

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(c) Amounts in the Fund may also be used to pay administrative expenses of the **[**Japan-United States Friendship Commission**]** *United States-Japan Commission*, established by section 4 of this Act, as directed by that Commission.

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[THE JAPAN-UNITED STATES FRIENDSHIP COMMISSION**]** *UNITED STATES-JAPAN COMMISSION*

SEC. 4. (a) There is established a commission to be known as the **[**Japan-United States Friendship Commission**]** *United States-Japan Commission* (hereafter referred to as the "Commission"). The Commission shall be composed of—

* * * * * * *

ADMINISTRATIVE PROVISIONS

SEC. 6. In order to carry out its functions under this Act, the Commission is authorized to—

(1) * * *

* * * * * * *

(4) direct the Secretary of the Treasury to make expenditure of the income of the Fund, any amount of the contributions deposited in the Fund from nonappropriated sources pursuant to paragraph (2) or (3) of this section, and not to exceed 5 percent annually of the principal of the total amount appropriated to the Fund to carry out the purposes of this Act, including the payment of Commission expenses if needed**[**, except that any amounts expended from amounts appropriated to the Fund under section 3(e)(1) of this Act shall be expended in Japan or for not more than 50 percent of administrative expenses in the United States**]**;

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MANAGEMENT OF THE FUND

SEC. 7. (a) * * *

* * * * * * *

(b) It shall be the duty of the Secretary of the Treasury (hereafter referred to as the "Secretary") to invest such portion of the Fund as is not, in the judgment of the Commission, required to meet current withdrawals. [Such investment of amounts authorized to be appropriated under section 3(d) of this Act may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.] *Such investment may be made only in interest-bearing obligations of the United States, in obligations guaranteed as to both principal and interest by the United States, in interest-bearing obligations of Japan, or in obligations guaranteed as to both principal and interest by Japan.* For such purposes, the obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States issued during the preceding two years then forming part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Such special obligations shall be issued only if the Secretary determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

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UNITED STATES INTERNATIONAL BROADCASTING ACT OF 1994

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TITLE III—UNITED STATES INTERNATIONAL BROADCASTING ACT

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SEC. 305. AUTHORITIES OF THE BOARD.

(a) AUTHORITIES.—The Board shall have the following authorities:

(1) To [direct and] supervise all broadcasting activities conducted pursuant to this title, the Radio Broadcasting to Cuba Act, and the Television Broadcasting to Cuba Act.

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SEC. 307. INTERNATIONAL BROADCASTING BUREAU.

(a) * * *

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(b) SELECTION OF THE DIRECTOR OF THE BUREAU.—

(1) [The Director of the Bureau shall be appointed by the Chairman of the Board, in consultation with the Director of the United States Information Agency and with the concurrence of a majority of the Board.] *The Director of the Bureau shall be appointed by the Board with the concurrence of the Director of the United States Information Agency.* The Director of the Bureau shall be entitled to receive compensation at the rate prescribed by law for level IV of the Executive Schedule.

* * * * * * *

(c) RESPONSIBILITIES OF THE DIRECTOR.—The Director shall organize and chair a coordinating committee to examine long-term strategies for the future of international broadcasting, including the use of new technologies, further consolidation of broadcast services, and consolidation of currently existing public affairs and legislative relations functions in the various international broadcasting entities. The coordinating committee shall include representatives of RFA, RFE/RL, the Broadcasting Board of Governors, and, as appropriate, from the Office of Cuba Broadcasting, the Voice of America, and WorldNet.

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SECTION 4 OF THE RADIO BROADCASTING TO CUBA ACT

CUBA SERVICE OF THE VOICE OF AMERICA

SEC. 4. The Director of the United States Information Agency shall establish within the Voice of America a Cuba Service (hereafter in this section referred to as the "Service"). The Service shall be responsible for all radio broadcasts to Cuba authorized by section 3. The Director of the United States Information Agency shall appoint a head of the Service and shall employ such staff as the head of the Service may need to carry out his duties. The Cuba Service shall be administered separately from other Voice of America functions and the head of the Cuba Service shall report directly to the Director [of the Voice of America] *of the International Broadcasting Bureau*.

SECTION 244 OF THE TELEVISION BROADCASTING TO CUBA ACT

SEC. 244. TELEVISION MARTI SERVICE OF THE UNITED STATES INFORMATION AGENCY.

(a) TELEVISION MARTI SERVICE.—The Director of the United States Information Agency shall establish within the Voice of America a Television Marti Service. The Service shall be responsible for all television broadcasts to Cuba authorized by this part. The Director of the United States Information Agency shall appoint a head of the Service who shall report directly to the Director [of the Voice of America] *of the International Broadcasting Bureau*. The head of the Service shall employ such staff as the head of the Service may need to carry out the duties of the Service.

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SECTION 12 OF THE INTERNATIONAL ORGANIZATIONS IMMUNITIES ACT

SEC. 12. The provisions of this title may be extended to the Organization of African Unity and may continue to be extended to the International Labor Organization *and the United Nations Industrial Development Organization* in the same manner, to the same extent, and subject to the same conditions, as they may be extended to a public international organization in which the United States participates pursuant to any treaty or under the authority of any Act of Congress authorizing such participation or making an appropriation for such participation.

ARMS CONTROL AND DISARMAMENT ACT

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TITLE III—FUNCTIONS

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[COMPREHENSIVE COMPILATION OF ARMS CONTROL AND DISARMAMENT STUDIES

[SEC. 39. Pursuant to his responsibilities under section 31 of this Act, and in order to enhance Congressional and public understanding of arms control, nonproliferation, and disarmament issues, the Director shall provide to the Congress not later than June 30 of each year a report setting forth—

[(1) a comprehensive list of studies relating to arms control, nonproliferation, and disarmament issues concluded during the previous calendar year by government agencies or for government agencies by private or public institutions or persons; and

[(2) a brief description of each such study.

This report shall be unclassified, with a classified addendum if necessary.]

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TITLE IV—GENERAL PROVISIONS

USE OF FUNDS

SEC. 48. Appropriations made to the Director for the purposes of this Act, and transfers of funds to him by other Government agencies for such purposes, shall be available to him to exercise any authority granted him by this Act, including, without limitation, expenses of printing and binding without regard to the provisions of [section 11 of the Act of March 1, 1919 (44 U.S.C. 111)] *any other Act*; purchase or hire of one passenger motor vehicle for the official use of the Director; entertainment and official courtesies to the extent authorized by appropriation; expenditures for training and study; expenditures in connection with participation in international conferences for the purposes of this Act; and expenses in connection with travel of personnel outside the United States, including transportation expenses of dependents, household goods, and personal effects (including any such travel or transportation any part of which begins in one fiscal year pursuant to travel orders issued in that fiscal year, but which is completed after the end of that fiscal year), and expenses authorized by the Foreign Service Act of 1980, not otherwise provided for.

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