Public Law 95-88
95th Congress

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:

1. "(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.

2. "(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 thereof "106"; and

(2) in subsection (b)—

(A) by striking out "No" and inserting in lieu thereof "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 sterilizations 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."
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 determine, 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 objectives 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.
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 225(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.  

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 303 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 policy-making positions within such organizations, in accordance with the World Plan of Action of the Decade for Women.”.
INTERNATIONAL DISASTER ASSISTANCE


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.
Duty assignment.
22 USC 2384
note.
Ante, p. 541.

(2) The President (A) may assign to the Inspector General, Foreign Service, any of the duties and responsibilities vested by such section 624(d) in the Inspector General, Foreign Assistance, and (B) may authorize the Inspector General, Foreign Service, to exercise such of the authorities granted by such section 624(d) to the Inspector General, Foreign Assistance, as the President determines are necessary to carry out any duties or responsibilities so assigned.

Repeal.

Effective date.
22 USC 2384
note.

(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 inserting in lieu thereof “section 3323(a)”.

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.”

Ante, p. 533.
(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 fiscal year 1978—

"(1) $220,200,000 for necessary operating expenses of the agency primarily responsible for administering part I of this Act;

"(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 material 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.

(b) The President shall continue to take all possible steps to obtain a final accounting of all Americans missing in action in Vietnam.

PLAN FOR INCREASED MINORITY BUSINESS PARTICIPATION IN FOREIGN ASSISTANCE ACTIVITIES

SEC. 133. (a) The Administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall prepare and transmit to the Congress, not later than 30 days after the date of enactment of this Act, a detailed plan for the establishment of a section on minority business within such agency.

(b) Such plan shall include, but shall not be limited to—

(1) a description of where the section on minority business will be located in such agency's organizational structure and what relevant lines of authority will be established;

(2) a listing of the specific responsibilities that will be assigned to the section on minority business to enable it to increase, in a rational and effective manner, participation of minority business enterprises in activities funded by such agency;

(3) a design for a time-phase system for bringing about expanded minority business enterprise participation, including specific recommendations for percentage allocations of contracts by such agency to minority business enterprises;

(4) a proposed reporting system that will permit objective measuring of the degree of participation of minority business enterprises in comparison to the total activities funded by such agency;
(5) a detailed projection of the administrative budgetary impact of the establishment of the section on minority business; and

(6) a detailed set of objective criteria upon which determinations will be made as to the qualifications of minority business enterprises to receive contracts funded by such agency.

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

7 USC 1702.

7 USC 1703.

7 USC 1711.

7 USC 1712.
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 section 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 commodities in the participating country for specified development 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 well-being of the poor in the rural sector of the recipient country. Assistance under this title shall be used for programs of agricultural develop-
ment, 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 laborers, by expanding their access to the rural economy through 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 multiyear 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 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 therefor, 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 production and needs and setting forth planned programing 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 programing 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.

STUDY OF PAYMENTS OF OCEAN FREIGHT DIFFERENTIALS

SEC. 214. The President shall conduct a comprehensive study of payment of ocean freight differentials between United States-flag rates and foreign-flag rates when United States-flag vessels are required to be used, in accordance with section 901(b) of the Merchant Marine Act, 1936, for the shipment of agricultural commodities under the Agricultural Trade Development and Assistance Act of 1954 and shall recommend possible changes in the method of reimbursement which is now borne by the Commodity Credit Corporation. Such study shall be completed within 180 days after the date of enactment of this section and submitted to the following committees of the Congress: the Senate Committee on Agriculture, Nutrition, and Forestry; the Senate Committee on Commerce, Science, and Transportation; the House Committee on Agriculture; the House Committee on Merchant Marine and Fisheries; and the House Committee on International Relations.

EFFECTIVE DATE

SEC. 215. The provisions of this title shall become effective October 1, 1977.


LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95–240 (Comm. on International Relations) and No. 95–501 (Comm. of Conference).

SENATE REPORT No. 95–161 accompanying S. 1520 (Comm. on Foreign Relations).

May 12, considered and passed House.
June 15, considered and passed Senate, amended, in lieu of S. 1520.
July 21, House agreed to conference report.
July 22, Senate agreed to conference report.