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Senate

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The guest Chaplain, Rev. Michael N. Higgs, LINC Ministries, Canby, OR, offered the following prayer:

Let us pray together:

Almighty God, Creator of the universe, Sovereign and Supreme Ruler over our Nation, we thank You today for the gifts of life and liberty, and for the many blessings we and our country have received from Your hand. Along with the 22,000 students here this week for Youth For Christ's D.C. '97 Youth Evangelism Super Conference, I thank You for the privilege of interceding on behalf of those You have appointed to lead our Nation. We acknowledge Your sovereignty in the affairs of all nations, as well as Your divine appointment of all in positions of authority. We thank You for all the Senators, for the unique gifts, talents, and abilities You have given them. May they utilize them today and each day in a way that pleases You and blesses our Nation. As they confront the problems, challenges and opportunities that our country faces, give them the wisdom to make decisions with justice, mercy, and compassion. Grant them insight and inspiration as they face difficulties and obstacles; give them not only success in their endeavors, but also joy in the journey as they serve You and our country. And as they represent a generation of youth who are searching for leadership marked by moral and ethical integrity, give them the faith and courage to do what is right in Your eyes, to honor You in their speech and conduct, and to act in a manner that will attract Your blessing to our Nation and ensure a righteous legacy for our young people. We pray this in faith, in the name of Jesus and for His glory. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. BROWNBACK. For the information of all Members, today the Senate will resume consideration of S. 955, the foreign operations appropriations bill. Under the previous order, following the debate time on the remaining two amendments to S. 955, the Senate will begin voting on those amendments as well as final passage. Therefore, Senators can expect three consecutive rollcall votes beginning at approximately 10 a.m. this morning.

It is the intention of the majority leader for the Senate to begin consideration of the Treasury, postal appropriations bill following the disposition of the foreign operations appropriations bill. Members can anticipate additional rollcall votes today on the Treasury, postal appropriations bill.

The majority leader has also stated that the Senate will resume consideration of the nomination of Joel Klein to be an Assistant Attorney General. Senators can expect a rollcall vote on that nomination following the conclusion of the remaining 3 hours for debate.

I thank all Senators for their attention, and I yield the floor.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1998

The PRESIDENT pro tempore. The clerk will report the pending bill.

The assistant legislative clerk read as follows:

A bill (S. 955) making appropriations for foreign operations, export financing and related programs for the fiscal year ending September 30, 1998, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Bingaman amendment No. 896, to provide for Cuban-American family humanitarian support and compassionate travel.

Hutchinson amendment No. 890, to express the sense of the Senate that most-favored-nation trade status for China should be revoked.

The PRESIDENT pro tempore. The able Senator from New Mexico is recognized.

AMENDMENT NO. 896

Mr. BINGAMAN. Mr. President, I appreciate very much the chance to speak again about my amendment. Let me take just a few minutes to describe what this amendment does and then reserve a couple of the 5 minutes that is allotted for my side for any rebuttal I need to make.

This amendment is very modest. It tries to do three things. It is aimed at assisting the Cuban-American families that reside in our country, some of whom are citizens—some individuals are citizens, some are residents. It tries to assist in three respects.

First of all, it says with regard to family support payments, that residents of the United States shall not be prohibited from sending to their parents, their siblings, their spouses, or their children who currently reside in Cuba, small amounts of money, not to exceed \$200 per month, to be used for the purchase of basic necessities, including food, clothing, household supplies, rent, medicines, and medical care.

Mr. President, I think this is self-explanatory. We had a policy until the shutdown of the plane some 2 years ago, nearly, at this point—we had a policy of permitting, I believe, \$100 per month to be remitted by Cuban-Americans living in this country to their families in Cuba for these types of purposes. That is no longer permitted at any level. This amendment would say up to \$200 per month could be sent by

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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a person in this country to a family member in Cuba.

Second, compassionate travel—that is the second item in this amendment. It says essentially that U.S. citizens and permanent residents here can travel without limitation for periods not to exceed 30 days for each trip to attend either a medical emergency or a funeral of that person's parent, sibling, spouse, or child. As I understand it, the present law in this country is that you can go to Cuba for a very short time once a year, if you are a resident of this country, for this kind of purpose. It doesn't take a great deal of ingenuity to conjure up a situation where you would have a person's parent getting sick, having a medical emergency that required that person to return early in the year, and then have a funeral later that year which would require a return again to Cuba. This amendment says that you could do both of those trips. Neither could be more than 30 days in duration. It is a very limited provision. It is only applicable to people who have spouses, parents, siblings, and children in Cuba.

And the third item here, which I think is not just aimed at the Cuban-American community, it says that the United States Government shall not be prohibited from participating in humanitarian relief efforts of multilateral organizations of which the United States is a member, where such humanitarian relief efforts are made in the aftermath of a natural disaster in Cuba.

All we are saying here is that if there is a hurricane, if there is some natural catastrophe in Cuba, and multilateral organizations that we are a member of decide to take some action to assist the Cuban people, then we can participate along with the other members of that multilateral organization.

As I indicated when I started, this is a very, very modest amendment. It is trying to deal with some very specific problems I see in our current law, and I would very much appreciate it if our colleagues could agree to this amendment. I understand it is objectionable, and I will, at this point, yield the floor and reserve the remainder of my time to allow the opponents of the amendment to explain why this is going to undermine our great democracy.

I yield the floor.

The PRESIDING OFFICER (Mr. BROWNBACK). Who yields time in opposition to the amendment?

The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TORRICELLI. Mr. President, on February 24, 1996, under the directions of Fidel Castro, the Cuban Air Force encountered and destroyed a civilian aircraft in the Florida straits. Murdered on that day were four innocent civilians, including Americans. At almost the same time, 100 brave Cuban citizens demonstrating in the streets of

Havana were arrested for demanding democratic reforms, and they remain in jail.

In response to these actions, President Clinton, with the strong bipartisan support of this country, on that day made several changes in American policy. First, we suspended the very remittances that would be expanded by the Bingham amendment today, and canceled flights that were encouraging tourism and travel in Cuba. It was a modest response to an egregious act. We were united then; I do not know what would divide us now.

Since the murders on that day, there has been no change in Cuban policy. Although the price of progress in American relations has always been clear—a single opposition newspaper, the scheduling of a free election, the allowing of any dissent, the opening of Cuba's jails to anyone; not all of these things, not even in their entirety, but any one of these things, to any extent, would have brought about a change in our policy.

I know people are impatient for democratic reform in Cuba and an ending of the embargo. It has been 5 years since we strengthened American law. I know patience is not always our greatest national attribute. But now—in the face of Fidel Castro, 5 years after embarking on this policy, only 18 months after the murder of these citizens, with no Cuban response, no concession and no change—to simply abandon our policy, I believe, would undermine a foreign policy objective of the United States for a free Cuba.

Mr. President, does the Senator from Florida—we have consumed 3 minutes, I believe, Mr. President?

The PRESIDING OFFICER. Two minutes remain.

Mr. TORRICELLI. Does the Senator from Florida request the 2 minutes?

Mr. GRAHAM. Yes.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I thank my colleague, Senator TORRICELLI.

I rise today to oppose the amendment offered by our colleague from New Mexico. The policy of the United States toward Cuba is too serious, it is too delicate, it has too many ramifications to be settled in debate which this morning will provide 5 minutes per side to discuss the nuances of what is entailed in this seemingly humanitarian and benign amendment. If there is to be a change in policy, it should be the result of studied consideration of all of the implications of specific proposals, not extracting three items from a complex set of relationships that involve not only Cuba but also many other nations in the world.

Second, there is no need for this amendment. One of the principal parts of this amendment is related to humanitarian aid, particularly after a natural disaster—a very appealing concept for Americans. It is so appealing that, in fact, the United States is already the largest donor of humani-

tarian assistance to Cuba. In the last 4 years, the U.S. Government has licensed more than \$150 million of humanitarian assistance to Cuba, more than the total of all other nations combined. So the United States has not stood by in times of humanitarian need for the people of Cuba.

With reference to travel to Cuba, American citizens already can travel to Cuba once a year with virtually no restraints in order to attend to a humanitarian family need. This would open the gates beyond that to allow unlimited visits to Cuba.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAHAM. Mr. President, I urge the Senate defer the debate on what should be our policy in the future toward Cuba to another day, when we can give it the attention that it requires, and defeat this amendment.

Mr. BINGAMAN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Mexico controls 50 seconds.

Mr. BINGAMAN. Let me conclude by saying I am not trying to change United States policy toward Cuba. I am not trying to provide assistance to Fidel Castro. I am not trying to send a signal that Fidel Castro is a favorite statesman of this country. I do think it is appropriate for us to separate out the concerns of Cuban-American citizens and residents from this geopolitical issue, and say these modest efforts to assist Cuban-American citizens and residents to help their families and to visit their families are not something that a great nation like ours should resist.

Clearly, the humanitarian assistance my colleague from Florida cites that we have done is in the private sector. There is no public sector assistance at this time.

Mr. President, I urge the adoption of my amendment.

While I have the floor, I ask unanimous consent to add Senator BOB KERREY from Nebraska as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. I also ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. By previous agreement, the vote will take place at a later time.

The PRESIDING OFFICER. All time has expired on the amendment.

AMENDMENT NO. 890

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Arkansas. The Senator from Arkansas is recognized for up to 5 minutes.

Mr. HUTCHINSON. Mr. President, I yield myself 2 minutes.

It has been years since this body voted on the most-favored-nation status for China. It has been 8 years since

the Tiananmen Square massacre, and it has been 4 years since this Nation embarked on a policy of so-called constructive engagement which delinked our China trade policy from human rights concerns.

During these years, years since we last voted on MFN, years since the Tiananmen Square massacre, and the 4 years since we embarked upon constructive engagement, this is what has happened in these years:

The struggling democracy movement in China has been thoroughly and completely squashed.

Those students at Tiananmen Square, which we watched on television all over this Nation, are all either imprisoned or executed.

All voices of freedom in China have since been silenced—all of them—according to the 1996 State Department Report on China. All voices of dissidents have been silenced.

Chinese workers have been systematically exploited.

Weapons of mass destruction have been exported around the world so that the export of those weapons from China now poses the greatest military risk in the world today.

And people of faith in China have been persecuted and driven underground.

In addition, during these years, all political dissent has been effectively oppressed, and now there is mounting evidence that, in fact, during these years when we were year after year granting most-favored-nation status, they were attempting to influence the American political process. There is mounting evidence that that was the case.

So I believe this vote is a vote of conscience. I believe it is a vote that we must have in this body. The abuses of the Chinese Government beg to be protested.

So when people ask me why this vote? I say because it is so egregious what is going on that we must vote, we must raise our voice, we must let the people of China know that there are people standing up for them in the United States.

The PRESIDING OFFICER. The Senator has used his 2 minutes.

Mr. HUTCHINSON. I reserve my 3 minutes.

The PRESIDING OFFICER. Who seeks to speak in opposition to the amendment?

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine. How much time does the Senator seek?

Ms. COLLINS. Mr. President, I seek 90 seconds, please.

The PRESIDING OFFICER. The Senator is recognized.

Ms. COLLINS. Mr. President, I rise in support of Senator HUTCHINSON's sense-of-the-Senate resolution. I want to make clear that my support of this nonbinding resolution signifies my grave concerns about most-favored-nation status for China rather than a

final decision about this important policy question.

Last month, the House of Representatives debated a resolution of disapproval that would have denied most-favored-nation status for China as proposed by President Clinton. The House rejected this measure, thereby supporting the Clinton administration's proposal to extend MFN status for China for another year.

Given this action by the House, the U.S. Senate will not have a formal debate and vote this year on the President's recommendation. Nevertheless, I recognize that this issue raises some very serious issues that need more debate and consideration than the very brief debate that the Senate has given this issue today.

Like many of my colleagues in the Senate, I am very troubled by the actions of the Chinese Government in Beijing. It has a very poor record on human rights issues. It has repeatedly violated trade agreements.

The PRESIDING OFFICER. The Senator has spoken for 90 seconds. Does she seek additional time?

Ms. COLLINS. I ask unanimous consent that I be permitted to proceed for 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. COLLINS. It has a very poor record on human rights issues. It has repeatedly violated trade agreements. It engages in unacceptable weapons proliferation activities. It denies the religious freedom of its citizens. It maintains an antidemocratic posture toward Taiwan and Tibet. And, finally, our Senate investigation into campaign finance abuses has revealed a plan by China to funnel illegal political contributions into American campaigns.

Given all of the ramifications, I believe that at an appropriate time and place, the Senate should engage in a full-fledged debate that gives these matters the attention that they truly deserve.

In conclusion, I am withholding final judgment on the question of most-favored-nation status for China, but in the meantime, I am expressing my very serious concerns and reservations by supporting the nonbinding sense-of-the-Senate resolution offered by the Senator from Arkansas.

I yield the floor.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Might I inquire as to how much time my side has remaining?

The PRESIDING OFFICER. One minute 10 seconds. All time remains in opposition.

Mr. HUTCHINSON. It is my understanding Senator ASHCROFT from Missouri is on the way to the floor to speak in favor of my amendment. I reserve the final 1 minute and yield the floor to the opponents of the amendment.

The PRESIDING OFFICER. Who seeks recognition to speak in opposition to the amendment?

Mr. BINGAMAN. Mr. President, I ask permission to speak for up to 2 minutes in opposition to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized.

Mr. BINGAMAN. Mr. President, let me just say this whole issue of most-favored-nation status is not what the name implies. We have normal trading relations with well over 100 countries in the world, and as to each of those countries, we have so-called most-favored-nation trading status with them.

What we need to maintain with China is a normalized trading situation which then allows us to deal with the specific problems that the proponents of this resolution have identified. I agree that there are major problems in the trade imbalance that we have with China, that there are human rights abuses in China that are of concern, that there is missile proliferation that is of concern, and clearly the issue that is being raised about possible involvement by the Chinese Government in our elections is of concern. But those are specific issues that should be dealt with by a rifle-shot approach. We should not try to cut off our trade activities with a very large economy, such as China, and hamper the economic opportunities of our own private sector and the job creation that comes from that in this country through this kind of device.

So I very much oppose the notion that we should deny most-favored-nation status to China. I think we should get that issue behind us and get on to dealing with the more specific issues that do require attention in regard to our relations with China. I hope in future years we can do that. It seems like we are caught in a time war. We get to where we have an annual debate about most-favored-nation status and that is all we seem to be able to have when it comes to talking about China, and that is, unfortunately, what is happening again this year.

The PRESIDING OFFICER. Who yields time in opposition to the amendment?

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, with regard to the amendment of my good friend from Arkansas, Senator HUTCHINSON, I, along with a number of other Senators, were in Hong Kong 10 days ago to watch the turnover of Hong Kong to the Chinese. I mention Hong Kong because Hong Kong is really the best indicator of what China is likely to become in the coming years.

Some people suggest that the People's Republic of China will ruin Hong Kong. Others suggest that Hong Kong will be the engine that changes China. I think clearly the latter is most likely to be the case. Even though the amendment of the Senator from Arkansas

deals with MFN for China and not MFN for Hong Kong, I think it is worthy of note that no one in Hong Kong, no one, not the democracy activists, the businessmen, no one, you can't find anybody in Hong Kong who thinks terminating MFN for China is a good idea.

I cite, for example, Martin Lee, the person who most of us are familiar with who is the prodemocracy activist in Hong Kong and the one the Chinese tend to fear the most and the one who says the greatest number of things that tend to irritate the regime in Beijing. Martin Lee is not in favor of terminating MFN for China, because he believes that the economic engine that is roaring in mainland China is pulling it inevitably in the direction of democracy and human rights.

So, Mr. President, I hope that the Hutchinson amendment will not be approved. I think it sends the wrong signal.

Having said that, let me say that nobody that I know is entirely happy with the internal government in the People's Republic of China. I might say the same thing about some of the countries that are still receiving foreign assistance from us. We are not entirely happy with what is going on in Russia these days. I, for one, am not happy with a number of things that have happened in Egypt recently, and these are countries that are foreign aid recipients of the United States.

We are not talking about foreign aid for China; we are talking about MFN for China. It seems to me it makes no sense, in terms of our growing relationship with China, to send this kind of message by terminating the trade status which benefits American business and benefits reformers in China who, in my judgment, will ultimately bring about the kind of changes in China that we would all like to see.

Mr. President, how much time remains? We are set for three votes at 10 o'clock, are we not?

The PRESIDING OFFICER. The Senator controls 2 minutes remaining in opposition. We are set for two rollcall votes at 10 o'clock.

Who seeks time? Two minutes remain for those who desire to speak in opposition; 1 minute remains for those who seek to speak in support of the amendment. Who yields time?

Mr. GRASSLEY. Mr. President, I rise to voice my opposition to the sense-of-the-Senate offered by the Senator from Arkansas. I support the President's decision to extend most-favored-nation status, or normal trading relations, to China.

The problems with China on trade, security, and human rights are well documented. And I won't take the time to repeat them here. But I'll just say that we are all concerned with China's poor record of promoting democracy, free enterprise and human rights. I'm especially concerned with the persecution of Christians in China.

But I think the question comes down to what is the best way to influence

policy within China. Is it more effective to have a policy of isolationism, where we have virtually no trading relationship with China? This is what would happen if normal trading relations is revoked.

Or is it more effective to build a closer relationship with China through our trade policy? Trade serves to promote free enterprise and raise the standard of living of the Chinese people. It allows us to export our principles of liberty and democracy. I believe that the United States, and the Chinese people, are clearly better off by strengthening our relationship through trade.

Integrating China into the world community has already paid dividends. Recognizing that China still has many problems, most people would agree that significant progress has been made just in the last 10 to 20 years. I believe our economic and diplomatic relations with China have helped push this progress along.

This is not to say that we shouldn't be tough with China. Retaliatory measures can be very effective in encouraging further reforms in China. But retaliation should be targeted and specific.

I recall that last year at this time, USTR announced \$2 billion in sanctions against China for breaching its commitment on intellectual property rights. Now I'm told by the administration that China has taken significant strides in cracking down on the pirating of intellectual property. Firm sanctions targeted at specific behavior can force change in China.

Revoking our normal trading relations is a blunt, ineffective tool. It would also hurt American workers, businesses, and consumers. Our \$12 billion in annual exports to China would be put at risk, jeopardizing over 200,000 American jobs. And the increase in tariffs on China's exports into this country amounts to a stiff tax on American consumers.

The costs of revoking normal trading relations with China—to American workers and consumers and in terms of our inability to effectuate change in China—clearly outweigh any perceived benefits. I find it hard to believe that Beijing will suddenly promote democracy and human rights because the United States ends its trading relationship with China.

Engagement is the right policy for encouraging change in China.

Some opponents of MFN are concerned, not with these other important issues, but with the trading relationship itself. They point to the United States' expanding trade deficit with China, which last year amounted to just under \$40 billion.

The current negotiations with China on its accession to the World Trade Organization is an opportunity to address the trade imbalance. We must get meaningful market access concessions from the Chinese before they are allowed into the WTO. American products deserve the same access to the Chinese market as their products enjoy in the United States.

The stakes are very high. In the agriculture sector, these negotiations will determine whether China becomes our largest export market or our biggest competitor. We cannot afford to make the same mistakes made when Japan entered the GATT in 1945. The United States is still shut out of the market in many respects. We need a tough, fair agreement with China.

It's time to move forward in our trading relationship with China. Let's get beyond this annual debate over trading status and focus on how we can best improve access to China's market for American workers and businesses, while improving the lives of the Chinese people by promoting human rights and serving as an example of democracy.

Mr. GORTON. Mr. President, my colleague from Arkansas, Mr. HUTCHINSON, has offered a sense-of-the-Senate amendment today regarding the President's decision to extend most-favored-nation trading status to the People's Republic of China for another year. Mr. HUTCHINSON believes the President's decision was wrong and would like to see MFN for China withdrawn. While I share my colleagues concerns about MFN for China, I will not support his amendment today.

As many of my colleagues know, I have grave reservations about the United States' policy of engagement with China. The President's decision to continue to provide China free and open access to the United States market and the House vote to approve that decision were, in my opinion, wrong. But, that is water under the bridge. Instead of arguing against a decision that has already been made, we should be looking forward to the MFN debate next year.

My State of Washington is on the cutting edge of trade with China. We do more business with China than virtually any other State in the Nation and rely on that business for thousands of well-paying jobs. Despite our successes, the Chinese continue to impose protectionist trade barriers against Washington State products and play politics with our exports. My State is not alone in this dilemma.

I firmly believe that the administration's policy of engagement is failing businesses throughout the United States. The United States trade deficit with China has now grown to \$40 billion and is increasing every day. This is unacceptable, Mr. President. I challenge my colleagues to take a closer look at our policy of engagement with China and urge them to join me in fighting for a tougher trade policy next year. If we condition MFN on significant trade concessions from China next year, I am convinced that China will back down.

Unless we stand firm against Chinese protectionism and condition MFN and access to the United States market on trade concessions from China, we will never reap the potential benefits of truly free trade with the world's largest emerging economy.

So, Mr. President, I will vote against this amendment today, but look forward to working closely with my colleagues next year to change the way the United States does business with China.

Mr. ABRAHAM. Mr. President, I rise to express my opposition to the sense of the Senate resolution opposing most favored nation [MFN] status to the People's Republic of China.

Mr. President, I hope everyone in this Chamber recognizes that terrible things continue to go on inside China. Religious persecution, political repression, and coercive family planning are only the most visible Chinese Government policies that violate universal standards of human decency.

In response to these serious problems, some of my colleagues have called for an end to China's most-favored-nation trading status with the United States.

But I believe that that is the wrong approach. I support a 1-year extension of MFN for China. Why? First, because it is the best policy for American consumers. Those consumers will have a wider choice of affordable goods with MFN than without it. To revoke MFN would be to increase tariffs on goods purchased by the American people. It would amount to a tax hike, and I am not in favor of tax hikes, particularly those imposed on the basis of another government's behavior.

Second, I am convinced that revoking MFN would target the wrong parties for punishment. We should keep in mind that it is not the people of China with whom we have a quarrel; it is their Government. Trade and United States investment in China have a positive effect in providing more opportunities for average Chinese citizens. According to Heritage Foundation China expert Stephen J. Yates, in China, "employees at U.S. firms earn higher wages and are free to choose where to live, what to eat, and how to educate and care for their children. This real and measurable expansion of freedom does not require waiting for middle-class civil society to emerge in China; it is taking place now and should be encouraged."

Third, I am convinced that terminating MFN would be damaging to the people of Hong Kong, recently returned to Chinese rule.

All of us in Congress are concerned that China may violate the 1984 Sino-British Joint Declaration and squash freedom, both economic and political. However, in formulating United States policy with regard to Hong Kong, we must remember that repealing MFN for China will hit Hong Kong hard. Former Hong Kong Governor Chris Patten has said that rescinding MFN would devastate Hong Kong's economy.

Mr. President, I have another important reason for supporting a 1-year extension of MFN: American jobs. Using the Commerce Department's rules of thumb, United States exports to China account for roughly 200,000 American

jobs. Should we stop doing business with China, I have no doubt but that other nations will step in to take our place, and to take jobs now occupied by Americans both here and in China.

Thus, by revoking MFN, we would not significantly punish the Chinese Government, but we would visit hardship on our own workers.

This is not to say that I believe we must stand idly by while human rights abuses continue in the People's Republic of China. But, rather than eliminate jobs and stifle growth through increased tariffs, in my view it would be better to take actions showing our displeasure directly with the Chinese Government.

That is why I have introduced S. 810, the China Sanctions and Human Rights Advancement Act."

This legislation would show our disapproval of Chinese Government actions, while at the same time encouraging worthwhile economic and cultural exchanges; exchanges that can lead to positive change in China.

It would:

Prohibit issuance of United States visas to Chinese Government officials who implement and enforce Chinese laws and directives that persecute religious groups.

Prohibit direct and indirect United States-taxpayer financed foreign aid for China.

Require the United States Government to publish a list of Chinese companies backed by the People's Liberation Army and operating in the United States. This would allow informed consumers and other purchasers to choose whether they wish to do business with such companies.

Prohibit Polytechnologies Inc., known as POLY, and NORINCO, the China North Industries Group—two Chinese companies whose officials have been indicted for attempting to smuggle arms into the United States—from exporting to the United States, or maintaining a physical presence here for 1 year.

In my judgment, the combination of these sanctions and a 1-year extension of MFN offers the best approach to change the behavior of the Chinese Government. These measures will direct punishment where it belongs, with the Chinese Government, not the Chinese people.

I understand my colleague from Arkansas' frustration with current Chinese Government policies. I commend his desire to effect those policies in a positive way. But it is my firm belief that we serve the cause of liberty best when we serve it most consistently. By maintaining free trade, while showing our disapproval of tyrannical practices, we stay true to our principles. We make it possible for liberty to spread while maintaining our own economic freedom intact.

I urge my colleagues to vote against the sense of the Senate resolution, to support a 1-year extension of MFN, and also to join me in pursuing more posi-

tive ways by which to influence Chinese Government policy.

Mr. KEMPTHORNE. Mr. President, I oppose the amendment offered by Senator HUTCHINSON. The sense-of-the-Senate resolution now before the Senate, even if it passed, will not end China's most-favored-trading status with the United States. The House of Representatives has voted to retain MFN status for China. Our current trading status with China will continue and based on all of the evidence I have seen, I believe this is the correct policy.

We must not mistake the decision to maintain normal trading status with China with acceptance or approval of China's abysmal policies regarding respect for human rights, religious freedom, nuclear proliferation, or respect for intellectual property rights.

I believe that by staying engaged in China, which the extension of MFN provides, is the best way to promote respect for human right, free enterprise, and democracy in the most populous country in the world. American businesses in China are advocates of human rights on a daily basis. By staying engaged in China, we can hear the cries for freedom of the Chinese people. If we as Americans cut ourselves off from China, who will hear these pleas for reform and progress and who else will be able to press China to respect human rights?

It is important to note that leading advocates of reform in China, such as Martin Lee in Hong Kong, are strong advocates for the extension of MFN to China. We must continue to bombard the Chinese with capitalism. But if we isolate China, as has been suggested, and cut off ties to the free world, that's when you condemn the persecuted and their cries are not heard. Tiananmen Square was a prodemocracy movement by young Chinese because of their exposure to free enterprise and capitalism. Exposure to democracy, not isolation from it, will allow change to come from within.

I have seen first hand the value of talking with Chinese leaders about human rights. Last year I traveled to China and I raised the issue of human rights violations with many of the officials I spoke with, including President Jiang Zemin. Pursuing trade with China is important so we can expose the Chinese people to the free enterprise system, capitalism, and other important concepts of our free and democratic society. Just like I did with my meetings with Chinese leaders, each sale, each meeting, each phone call is an opportunity to make our case for respecting human rights. Engaging the Chinese, not isolating them, is a faster way to achieve the reforms we all want.

I understand that many well-meaning groups oppose the extension of MFN to China because of China policies which suppress religious freedoms. Many Idahoans have raised this issue with me but I would like to quote the words of Rev. Nelson E. Graham, the

son of Dr. Billy Graham, regarding his work in China, "In the years we have been traveling to China, we have seen a definite improvement in the area of religious freedom for China's Protestant believers, and I believe it is a mistake to focus on the negatives and not reinforce the positive strides China has made in this area."

I also know many folks are concerned about the findings coming out of the hearings by the Governmental Affairs Committee regarding China's efforts to influence elections in the United States. The timing of this vote coincides with hearings by the Senate Government Affairs Committee where both Democrats and Republicans conclude that China has participated in efforts to directly and indirectly influence elections in the United States.

This is of enormous concern to me because of its threat to free and fair elections in our country without foreign influence. This should be thoroughly investigated by Congress and by Federal law enforcement agencies. Americans who may have assisted in espionage by China should be prosecuted to the fullest extent of the law. If the hearings and investigations prove the Government of China did in fact attempt to influence elections, this issue must be immediately and directly confronted by diplomatic and international sanctions so that perpetrators are brought to justice and that it never, ever happens again.

But a vote on MFN for China is not a vote on the issue of Chinese espionage. A vote on MFN for China is a vote about what is best for the interests of the United States and its citizens.

Regarding the benefits of extending MFN to China, Governor Batt of Idaho states, "There are valid concerns about China's human rights record; however, I think that to severely curtail trade with the U.S. would move us backward on this issue, not forward." Likewise, a recent editorial in the Idaho Statesman endorsing the extension of MFN for China states, "The surest, long-term policy for ensuring a better life for people here and abroad is to promote free markets and friendly trading policies."

I believe we must do what is best for ourselves and what is most likely to promote progress toward freedom and democracy for the people of China and I therefore support the extension of most-favored-nation trading status for China.

Mr. DURBIN. Mr. President, I rise in opposition to the amendment. I have serious concerns about our current trade relations with China. Last year, our merchandise trade deficit with China grew to \$39.5 billion, which is an increase of more than 213 percent over the past 5 years. This year, our trade deficit with China is expected to reach \$50 billion.

It is clear that, in many cases, goods from the United States are locked out of China's markets, while goods from China are allowed to enter United

States markets at nondiscriminatory tariff rates. Last year, the United States imported \$51.5 billion in goods from China, while China imported only \$12 billion in goods from the United States. More than one-third of China's exports are sold to the United States, while only 2 percent of total United States exports are sold to China.

The piracy of intellectual property rights in China cost the United States economy \$2.3 billion last year. It is estimated that as much as 97 percent of the entertainment software sold in China is counterfeit, and pirated goods produced in China have been found in Asia, the Middle East, Europe, and North and South America.

At the same time, the Government of China continues to sell weapons of mass destruction, and abuse the human rights of its citizens. China has sold missiles, missile technology, and chemical and biological weapons to countries such as Iran, Libya, Syria, and Iraq. These weapons threaten U.S. military personnel overseas, and our allies and friends around the world. And the State Department report on human rights in China describes widespread human rights abuses which violate internationally accepted standards. The report states that all public dissent against the Communist party and the Government of China has been silenced by intimidation, exile, prison terms, and other forms of detention.

The legislation which the Senate is considering today is not the appropriate vehicle for this amendment. The Trade Act of 1974 already provides a thorough mechanism for the consideration of MFN renewal for nonmarket economies such as China. This amendment is being offered without consideration by any committee of the Senate, and with limited opportunity for debate on the Senate floor.

In addition, this amendment would have no legal effect. The decision to renew MFN for China has already been made for this year. The President renewed MFN for China in May, and the House of Representatives rejected a joint resolution of disapproval. This amendment would have no impact on that decision.

Mr. President, the Government of China should not expect the United States to continue to provide nondiscriminatory tariff rates to goods from China, if China continues to restrict the access of United States products to markets in China. If the renewal of MFN for China is considered by the Senate next year under the Trade Act, I may be compelled to continue to oppose MFN for China unless there is a substantial improvement in China's trade practices, proliferation policies, and respect for human rights.

Mr. McCONNELL. I suggest the absence of a quorum, with the time to be equally charged to both sides.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, it is my understanding that Senator ASHCROFT is on his way to speak in favor of the amendment.

Mr. McCONNELL. I withdraw my request.

The PRESIDING OFFICER. Who yields time?

Mr. HUTCHINSON. Mr. President, it is my understanding I have 1 minute 10 seconds. I yield the remaining time to the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for the remaining time.

Mr. ASHCROFT. Mr. President, I thank you very much, and I thank the Senator from Arkansas, not only for his courtesy in this matter, but for his leadership in this matter.

It is apparent, the House of Representatives having voted in favor of most-favored-nation status for China, that anything we do by expressing ourselves in the Senate won't have a real impact in terms of denying that standing to China. But it is essential that we register the displeasure and dissatisfaction of this body with the conduct of China in three basic categories that I believe are an appropriate standard by which we would measure our relationship with a variety of nations.

The first of those categories is gross trade inequities that China and the United States have. Some have said that most-favored-nation status is just general trading status. As it applies to China, it is most-favored status. We have a wide variety of other countries whose trading relationships with the United States are nearly on a parallel basis of balance. Not so with China.

Second is that the military buildup in China threatens peace and stability, not only in the Pacific rim but around the world.

And the third is that human rights abuses in China should be something we mention very clearly and we should express with deep conviction.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ASHCROFT. I thank the Chair.

The PRESIDING OFFICER. Is there anybody who wishes to speak in opposition?

Mr. McCONNELL. Mr. President, I ask unanimous consent that there be 2 minutes of debate equally divided prior to each vote in the series following the first vote, which I gather will be momentarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does anybody desire to speak in opposition to the amendment?

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, let me say one more word about the amendment with regard to most-favored-nation status for China.

My own strong impression is that with regard to Russia and most of the other major nations we deal with, we

have a series of concerns that we deal with on a concern-by-concern basis, a case-by-case basis. And that is exactly what we should do.

In the case of China, unfortunately, our debate has gotten to where it is sort of all or nothing, we are either going to have most-favored-nation status or we are not. And that is a very blunt instrument with which to try to deal with a very important and complex relationship. I believe it would be a great mistake for us to deny most-favored-nation status to China.

I hope very much the amendment is rejected.

The PRESIDING OFFICER (Mr. SMITH of Oregon). All time has expired.

VOTE ON AMENDMENT NO. 896

The PRESIDING OFFICER. The question is on agreeing to amendment No. 896 offered by the Senator from New Mexico, Senator BINGAMAN. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana [Mr. BURNS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 38, nays 61, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—38

Akaka	Dodd	Lautenberg
Baucus	Dorgan	Leahy
Biden	Durbin	Levin
Bingaman	Feingold	Lugar
Bond	Feinstein	Moseley-Braun
Boxer	Harkin	Moynihan
Breaux	Inouye	Murray
Bumpers	Jeffords	Reed
Byrd	Johnson	Roberts
Chafee	Kennedy	Sarbanes
Cleland	Kerrey	Wellstone
Conrad	Kerry	Wyden
Daschle	Landrieu	

NAYS—61

Abraham	Graham	Murkowski
Allard	Gramm	Nickles
Ascroft	Grams	Reid
Bennett	Grassley	Robb
Brownback	Gregg	Rockefeller
Bryan	Hagel	Roth
Campbell	Hatch	Santorum
Coats	Helms	Sessions
Cochran	Hollings	Shelby
Collins	Hutchinson	Smith (NH)
Coverdell	Hutchison	Smith (OR)
Craig	Inhofe	Snowe
D'Amato	Kempthorne	Specter
DeWine	Kohl	Stevens
Domenici	Kyl	Thomas
Enzi	Lieberman	Thompson
Faircloth	Lott	Thurmond
Ford	Mack	Torricelli
Frist	McCain	Warner
Glenn	McConnell	
Gorton	Mikulski	

NOT VOTING—1

Burns

The amendment (No. 896) was rejected.

Mr. MCCONNELL. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to reconsider the vote.

The motion to lay on the table was agreed to.

Mr. MCCONNELL. I ask unanimous consent that the next two votes be limited to 10 minutes in length each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCONNELL. I ask unanimous consent at 11:30 the Senate proceed to consideration of Calendar 112, S. 1023, the Treasury, Postal appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 890

The PRESIDING OFFICER. There are 2 minutes of debate equally divided on the amendment of the Senator from Arkansas.

The Senator from Arkansas.

Mr. HUTCHINSON. I ask unanimous consent Senator FEINGOLD be added as a cosponsor to my bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUTCHINSON. Mr. President, Members can see the beautiful tie I am wearing today. It was manufactured in Little Rock, AR. It is a family business. The owner of the family business that manufactured this tie told me that the greatest threat to his economic viability is the unfair trade practices of Communist China.

I ask you to vote for this sense-of-the-Senate resolution. Suffering is not a term of economics. You cannot add it up, you cannot deduct it, you cannot redeem it in dollars.

Arguments for MFN always come down to dollars and cents. But to the average Chinese person, you can't build a wall, you can't separate the economics from the human rights violations that are going on. A product of slave labor is inexorably tied and linked to the shackled hands that made it.

I ask my colleagues, think about the enslaved, think about the oppressed, think about the imprisoned today, think about that voice of freedom that has been silenced, think about that voice of freedom in prison today, and speak for that one who cannot speak for himself. Please vote for this amendment.

Mr. MURKOWSKI. Mr. President, I urge my colleagues to vote against the pending sense-of-the-Senate resolution that China's most-favored-nation trading status should be revoked. This is the worst of all possible alternatives. Mr. President, you will recall that Teddy Roosevelt said speak softly and carry a big stick, well this resolution is just the opposite—it is speaking loudly, and carrying no stick. The traditional resolution of disapproval for MFN has already been defeated in the House of Representatives. So this vote has no force. In my view, that is the worst possible way to send a message to China.

Much has been written that this year the debate over MFN is different, that the issues have changed, but I do not think the fundamental choice has changed: Do we choose engagement—striving to bring China into the international community on terms we support—or isolation—allowing China to enter the international arena on terms beyond our control. I think the answer is obvious.

MFN should be renewed unconditionally not because it is a reward to the Government of China, but because revocation of MFN hurts the very people we want to help. We have many grave concerns with China ranging from the treatment of dissidents and Christians to weapons proliferation. But severing economic ties is not the right tool to address these issues. Revoking MFN only succeeds in hurting Americans, hurting reformers, and hurting the people of Hong Kong and Taiwan.

But what I have to say about linking MFN to Hong Kong's future is far less important than what the people of Hong Kong themselves have told lawmakers. Martin Lee, Hong Kong's leading democrat described revoking MFN as punishing Hong Kong. Miss Denise Yue, Hong Kong's Secretary for Trade and Industry, best described the threat of MFN revocation as double jeopardy, "[K]nowing that if China takes away their freedoms, the United States will respond by taking away their jobs..." Similarly, Hong Kong's Chief Executive designee Tung Chee Hwa has stressed that unconditional renewal of MFN is in the best interests of Hong Kong.

So I think we should listen very carefully to what those who live and work in Hong Kong have said, rather than pretending we know better.

This also applies to the Chinese on the other side of the strait—the people of Taiwan. This year, as in past years, the Government of Taiwan is quietly supporting the renewal of normal trading ties. One has only to look at investment in Southern China to understand that cutting economic ties between the United States and the People's Republic of China will have a significant and negative economic impact on Taiwan. Taiwan companies and individuals have invested more than \$30 billion in over 30,000 enterprises.

My colleagues should also take note that the board of the United States-Republic of China (Taiwan) Business Council, a collection of American companies doing business in Taiwan, unanimously adopted a resolution supporting renewal of MFN. The council noted that "renewing MFN for China is good for the United States in its business with China, with Taiwan, and with Hong Kong."

Supporters of Taiwan, and I put myself firmly in that category, should also look at the history of the United States relationship with Taiwan, before rejecting the claim that economic liberalization leads to political liberalization.

This United States commitment to the people of Taiwan was indispensable to the development of the economic and democratic miracle that is Taiwan today. This was not always the case. Martial law lasted from 1950 to 1987. During that period, individual rights and freedoms were stifled and political opposition was silenced. Yet, today, once imprisoned opposition leaders such as Peng Ming-min have been released. In fact, Peng was the DPP's

Presidential candidate in last year's March election.

During this less than free and open period, the United States stood by Taiwan, maintained normal trading relations, and gave the Republic of China economic aid. Most historians agree that United States aid and investment served to enhance market-oriented economic reforms that contributed to rising living standards and expanded economic freedoms, and injected a liberalizing influence into Taiwanese society. But the transition to an open, democratic society took 50 years on an island of 20 million, and was the first democracy in 5,000 years of Chinese history.

Of course, Taiwan's success also depended on a leadership decision to reform the political structure. We certainly cannot predict what direction the People's Republic of China leadership will take the 1.2 billion mainland Chinese, but we can follow the formula that has worked before.

Hong Kong's and Taiwan's freedom and power as a model for China's future evolution rests on continued economic vibrancy. U.S. policy should strive to maintain confidence, not destroy it.

I hope that next year we can have a more constructive debate over whether this annual exercise should be scrapped in favor of a deal to grant permanent MFN status for China if they make the necessary commercial concessions to enter the World Trade Organization.

The yearly exercise of public handwringing over MFN renewal has proven a liability to a coherent China policy. MFN was never intended to serve as a weapon of punishment for every problem we have with nonmarket economies. Its original purpose of guaranteeing freedom of emigration from the former Soviet Union has been grossly distorted, and I would say without achieving any positive results. But there is a time for everything, and unfortunately now is not the time to push permanent MFN.

Integrating China into the international community poses great risks and equally great opportunities. If we continue down the road of inconsistency and fail to deal honestly with the Chinese, in concert with our allies, and based on a clear understanding of the United States national interest, we will have failed the sacred trust of the Nation.

The United States-China relationship is pivotal to the continued security and prosperity of Asia and America. We must ground that relationship in the solid foundation of the U.S. national interest—ensuring stability and security in Asia to limit the potential for conflict and tension and to provide fertile soil for democracy and economic prosperity. We must also work together with our Asian allies to design and raise its frame; their future is as much at stake as our own.

Mr. MCCONNELL. Mr. President, let me say that no one in Hong Kong is in favor of terminating MFN to China—

not the democrats, not the reformers, no one. I don't think there is any chance that China will change without continued economic engagement.

Therefore, Mr. President, I hope that the Hutchinson amendment will not be approved.

Mr. SARBANES. Will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Kentucky yield time?

Mr. MCCONNELL. I yield for a question.

Mr. SARBANES. My understanding is that amendment does not terminate MFN.

Mr. MCCONNELL. It is a sense-of-the-Senate amendment.

Mr. SARBANES. It's virtual reality. I might vote for an amendment on substance, but this doesn't do that; is that correct?

Mr. MCCONNELL. That is correct, I say to the Senator from Maryland.

Mr. BAUCUS. Mr. President, I rise in opposition to the Hutchinson amendment, which is a sense-of-the-Senate resolution stating that we should revoke China's most-favored-nation status.

MFN status should not be a political issue. It is nothing more than the normal trade status we give virtually all our trade partners. But if we are to consider MFN a political issue, a look at the facts shows that MFN for China is legally right; it is morally right; and it is right for our American national interest.

Why? First, and most simply, renewal of MFN status is right under our law.

The Jackson-Vanik law has governed renewal of MFN status for non-market economies since 1974. It conditions MFN on two things—the existence of a bilateral commercial agreement and freedom of emigration. And under the law, the President's choice is clear. We have a bilateral trade agreement signed with China in 1980. And China allows free emigration. Therefore, as a legal matter, the President was right to renew MFN and we should back him up.

Second, renewing MFN status is morally right.

At times people in Washington are tempted to see a vote to revoke MFN as something which might promote human rights in China. That is a fine sentiment. Senator HUTCHINSON's remarks indicate that human rights is the central reason he wants to revoke MFN status. But while those who advocate revoking MFN status to promote human rights are well-intentioned, if we actually went ahead and revoked MFN status we would see the opposite of what they intend.

To revoke MFN status, very simply, is to raise tariffs from Uruguay round to Smoot-Hawley levels. To take one example, that means raising tariffs on toys and stuffed animals from zero to 70 percent overnight. That hits one of China's major exports to the United States, at about \$6 billion worth last

year. And who makes them? On the whole, young Chinese working people trying to improve their lives.

What will happen if we revoke MFN status? The result should be obvious. Millions of innocent Chinese workers in toy factories and other walks of life would lose their jobs. The Chinese Government would certainly be hurt, but the lives of these workers would be ruined.

So, far from improving human rights, revoking China's MFN status would cause immense human suffering. And as the Senator said, we would be sending the Chinese people a message with his resolution. But it would not be a message of support—it would be a threat to put them out of work.

And of course, that would discredit our human rights efforts with the Chinese public. No rational person can expect anyone in China to thank us for harming their economy and inflicting misery on them, their families, or their fellow citizens.

By contrast, if human rights is our motivation, MFN is an irreplaceable part of any effective policy. As the Democracy Wall activist Wang Xizhe—until recently a political prisoner—says:

*** the goal of exerting effective, long-term influence over China can only be achieved by maintaining the broadest possible contacts with China, on the foundation of MFN, thus causing China to enter further into the global family and to accept globally practiced standards of behavior.

A long-term policy may emotionally be hard to accept. There are real human rights problems in China. About 3,000 political prisoners remain in jail.

Strict limits on freedom of assembly. Very severe policies in Tibet. The Senator from Arkansas is right to be concerned about these issues. We would like to solve them all in a day. But the fact is, that won't happen. This resolution will not help us solve these problems. Only by staying involved, through trade and human exchange as well as diplomacy, can we hope to make a difference.

Finally, we are Americans first and we are responsible to the American public on our policy decisions. And renewing MFN status is right for our own national interest.

And let me give perhaps the most important example. I visited Seoul, South Korea, and Pyongyang, North Korea, during the last Memorial Day recess. And I can say from firsthand experience that we have a very complex, very dangerous situation at hand in the Korean Peninsula.

North Korea is a politically isolated government, with very severe food and economic problems, and a large and well-armed military machine. We just considered an amendment addressing the most recent provocation by North Korea. We have a commitment to joint defense of South Korea, and 37,000 men and women permanently on the line just a few miles south of the DMZ.

I spoke with their Supreme Commander, General Tilelli. I met with

some of the enlisted men. I got a threat briefing from a young Army major from Wolf Point, MT.

If you go there, you know how seriously these men and women take the responsibility we have given them. You see it in their faces. It is a very dangerous place. And we here in the Senate owe it to them to pursue a very serious, responsible policy that can keep the peace, and ensure a swift victory if, God forbid, there is any conflict.

Chinese cooperation is absolutely essential to that. China is the largest country, with the most powerful army, in the region. It is probably the only country that can help make sure the North Korean Government understands the realities on the peninsula. It has played a critically important role in restraining North Korean military aggression and in preventing nuclear proliferation. And deliberately antagonizing the Chinese Government and armed services by continually threatening to revoke MFN will not help at all.

You can go on from there to many other issues. Take trade. We need a more fair, more reciprocal, better trade relationship with China. We have an opportunity to do that this year by bringing China into the World Trade Organization on a commercially acceptable basis. Cutting off MFN status would put us on the opposite track—it would balance trade at close to zero, cutting off jobs and prosperity here as well as in China.

And as we look into the next century, we must work to slow global warming, ocean pollution, and loss of biodiversity. To take just one statistic, in the next 20 years, world greenhouse emissions will grow from 6 to 9 trillion tons a year. Fully 1 trillion of the additional 3 trillion tons will come from China.

We have a chance now to moderate that trend. And a political crisis caused by revoking MFN would make that mutually beneficial effort very difficult.

Our own common sense should tell us China is a key player on all these issues. Wantonly picking a fight with the world's largest country by revoking MFN status, when only six countries in the world lack MFN status and we give 151 countries and territories tariff rates better than MFN, would be foolish.

And our allies tell us the same thing. During my trip last May, I met top national security officials in the South Korean Government. I spoke with senior officers of the Japanese Self-Defense Forces. And I met with Chinese dissidents and democratic political leaders in Hong Kong.

These are our friends. Our strategic allies. People we work with every day. People who wish us well. Not a single one of them supported revoking MFN status. Not a single one.

The right course to take is very clear. We should reject the Hutchinson amendment.

Thank you, Mr. President.

The PRESIDING OFFICER. All time has expired on the amendment.

The question is on agreeing to the amendment of the Senator from Arkansas.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana [Mr. BURNS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 22, nays 77, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—22

Ashcroft	Helms	Sessions
Campbell	Hollings	Smith (NH)
Coats	Hutchinson	Snowe
Collins	Inhofe	Thompson
D'Amato	Kyl	Torricelli
DeWine	Leahy	Wellstone
Faircloth	Levin	
Feingold	Mack	

NAYS—77

Abraham	Feinstein	Lugar
Akaka	Ford	McCain
Allard	Frist	McConnell
Baucus	Glenn	Mikulski
Bennett	Gorton	Moseley-Braun
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grams	Murray
Boxer	Grassley	Nickles
Breaux	Gregg	Reed
Brownback	Hagel	Reid
Bryan	Harkin	Robb
Bumpers	Hatch	Roberts
Byrd	Hutchison	Rockefeller
Chafee	Inouye	Roth
Cleland	Jeffords	Santorum
Cochran	Johnson	Sarbanes
Conrad	Kempthorne	Shelby
Coverdell	Kennedy	Smith (OR)
Craig	Kerrey	Specter
Daschle	Kerry	Stevens
Dodd	Kohl	Thomas
Domenici	Landrieu	Thurmond
Dorgan	Lautenberg	Warner
Durbin	Lieberman	Wyden
Enzi	Lott	

NOT VOTING—1

Burns

So the amendment (No. 890) was rejected.

INDONESIA PROVISIONS

Mr. FEINGOLD. Mr. President, as someone gravely concerned with the human rights situation in East Timor, I am pleased to see strong language regarding military sales to Indonesia included in the foreign operations appropriations. I would like to commend the managers of the bill, the Senator from Kentucky [Mr. McCONNELL] and the Senator from Vermont [Mr. LEAHY], for including this provision.

The bill states that any agreement to sell, license for export, or transfer lethal military equipment or helicopters to Indonesia must include a statement that these items will not be used in East Timor.

I am pleased with this language because it is important to remind Indonesia that Congress is still very concerned about the situation in East Timor. The May 29 Indonesian elections spurred new violence in East Timor. In the weeks surrounding the voting, fighting between Indonesian

troops and East Timorese rebels resulted in dozens of casualties on both sides. These deaths were only the latest in the troubled region, which has been occupied by Indonesia since 1975. Human rights monitors estimate that as many as 200,000 East Timorese have died since the occupation.

Mr. President, as we all know, the Indonesian Government announced last month that it was no longer interested in participating in IMET or purchasing F-16 fighters. Congress should not relax our scrutiny of Indonesia's human rights practices and policies in East Timor just because these high-profile deals have been canceled.

Human rights organizations have expressed concerns that helicopters may be used against civilians in East Timor. Thus it is important to ensure that any such hardware provided by the United States is not used for internal repression. Certainly the answer to the East Timor problem does not lie in further arming the Indonesian military and police forces. Thus I am also pleased that the administration has reaffirmed its existing policy of precluding the sale to Indonesia of small arms, riot control equipment, and armored personnel carriers.

The bill's provision strengthens this policy, reflecting Congress' continued concerns.

LIBYA

Ms. MIKULSKI. Mr. President, I am proud to cosponsor the Lautenberg amendment to cut foreign aid to any country that violates U.N. sanctions against Libya. You cannot seek to undermine important policies of the United States and expect to receive economic assistance.

The international community imposed sanctions on Libya because of their failure to extradite their intelligence agents who were indicted for the bombing of Pan Am 103 over Lockerbie, Scotland. This one act of terrorism cost the lives of 270 people.

Libya provides sanctuary to their murderers. Yet Egypt—which receives billions of dollars of United States aid—has allowed Libyan airlines to land on their soil. They also attempted to weaken U.N. sanctions and even to build a free trade zone with Libya.

The families of those murdered on Pan Am 103 need no reminder of why we have sanctions on Libya. They live with this tragedy every day of their lives. Seven people from Maryland died in this tragedy. They were Michael Bernstein, Jay Kingham, Karen Noonan, Ann Lindsey Otenasek, Lousie Rogers, Miriam Wolf, and Jordy Williams.

They were so young. They were college students, a young Army lieutenant, a businessman and a lawyer. They were sons, daughters, and fathers. We swore that we would never forget them. We would improve airline safety, we would fight terrorism—and most importantly, we would seek justice.

One of the victims, Michael Bernstein, was a renowned Nazi hunter

working for the Justice Department. Throughout his life, he sought justice for the victims of the Holocaust. How tragic that his family has not yet had justice.

His wife continues to seek justice. I ask unanimous consent that Stephanie Bernstein's letter to the Egyptian Ambassador be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BETHESDA, MD,
July 16, 1997.

Ambassador AHMED MAHER EL-SAYED,
Embassy of Egypt,
Washington, DC.

DEAR MR. AMBASSADOR: During the last few years I have expressed my views to you, both in writing and in a meeting with you at the embassy, about Egypt's position on the Lockerbie bombing. I am writing now to express my concern to you about the disturbing events which took place last week at the United Nations Security Council during the discussions on renewing the sanctions imposed on Libya for its refusal to turn over the suspects wanted in the bombing. As you may remember, my husband, Michael S. Bernstein, was one of the 270 people murdered.

To learn that Egypt, an ally of the United States, requested measures leading to removal of the sanctions against Libya is appalling. The request made by Egypt to convene a special meeting of the Security Council to consider outlandish proposals such as trying the suspects in a neutral country, trying them before Scottish judges in The Hague, or establishing a special court to try the cases is not the behavior of a country which is a friend of the United States, 189 of whose citizens were murdered in the Lockerbie disaster.

The suspects wanted in this heinous crime of mass murder have been indicted by the United States and Scotland. The only acceptable locations for their trial are in the countries which brought the indictments against them. Over the years your country, a leader in the Arab world, has repeatedly promoted what Ambassador Nabil Elaraby called last week "alternative venues" for a trial. He referred to the suffering of "the innocent people of Libya, the innocent people of neighboring countries." Pointedly, the Ambassador ignored the continuous suffering of those whose loved ones were so brutally murdered. The way to end the inconvenience posed by the sanctions for Libya and its neighbors is for the suspects to be turned over for trial in either the United States or Scotland.

Egypt's misguided efforts last week and in the years after the murders have unfortunately undermined the quest for justice, and given hope to the Libyans and others who sponsor terrorism that their murderous acts will go unpunished. When Libya's U.N. ambassador can say, as he did during last week's debate that "we can from now on behave as if these sanctions were not there," he has been given hope by Egypt that something short of full compliance with basic principles of law and decency will extricate his country from the troubles which its leader has brought upon his people.

I am appalled that my government continues to give billions of dollars to a country which has so openly sought to undermine international law. Please be assured that other family members of those murdered in the Lockerbie bombing and I will work tirelessly to see that U.S. aid to Egypt does not continue at the present level.

On August 18, 1994, you wrote me that Egypt's position on the Lockerbie bombing

is based on "The total respect and adherence to the U.N. resolutions concerning Libya." The actions taken by Egypt last week demonstrated a complete lack of regard for the U.N. resolutions, for the family members of those murdered, and lastly for the United States.

Sincerely,

STEPHANIE L. BERNSTEIN.

Ms. MIKULSKI. Mr. President, the Senate chose to reinstate the earmark for aid to Egypt. They cannot assume that we will continue to do this unless they become partners in the fight against terrorism.

CHINA MFN RENEWAL AND PROLIFERATION VIOLATIONS

Mr. BIDEN. Mr. President, I want to explain why I voted against the amendment offered by the Senator from Arkansas, [Mr. HUTCHINSON] calling for a revocation of China's most-favored-nation trading status. Revoking China's nondiscriminatory trading status is not a silver bullet we can fire to address our many legitimate concerns with China. MFN is ill-suited to carry single-handedly the burdens of our complex and multifaceted relationship.

Yet, simply extending China's most-favored-nation status does little to advance our interests with China. Moreover, it does nothing to address those areas where China's conduct is inconsistent with international norms or in violation of their bilateral commitments.

In short Mr. President, engagement with China is not a policy, it is just a means to an end. It is the content of the engagement that matters.

In the area of nonproliferation, for all of our engagement, China's conduct clearly remains unacceptable.

Just last May, the State Department belatedly imposed sanctions on two key Chinese chemical firms—Nanjing Chemical Industries Group and Jiangsu Yongli Chemical Engineering and Technology Import Export Corp.—that knowingly and materially contributed to Iran's chemical weapons program.

If this case were the lone exception, it would still be troubling. Unfortunately, it appears to be the norm.

China has knowingly aided the development of weapons of mass destruction, and the means to deliver them, in irresponsible states or in countries located in unstable regions of the world. China has provided nuclear technology, cruise missiles, and ballistic missile technology to Iran. China has also exported M-11 missiles—which can be equipped with nuclear warheads—and missile production know-how to Pakistan.

These exports appear to be part of a deliberate government policy that traces its roots to the ancient Chinese strategy of balancing one barbarian off against another, and we may be one of the barbarians Beijing has in mind.

A critical objective of our relationship with China must be to convince Beijing not only to sign up to international nonproliferation regimes, but to follow through on its commitments.

In general, we should: stick to incentives and penalties we are prepared to

deliver; act multilaterally, where possible, to avoid having our initiatives undercut; and replace our once-a-year debate on MFN with a sustained, high-level commitment to improving our overall relationship.

I hope that diplomatic pressure, international suasion, and targeted sanctions will change Beijing's attitude toward nonproliferation. Chinese compliance with international regimes appears to improve when they are convinced that officials at the highest levels of the U.S. Government are scrutinizing their behavior.

But my patience is not limitless.

My vote today should not be interpreted as an expression of my satisfaction with China's behavior or the administration's policy of engagement. Moreover, it should not be viewed as an indication of how I might vote when MFN comes up for renewal next year.

If China fails to clean up its act, it may leave me no choice but to vote to revoke MFN. Sending a strong message—knowing full well that it won't miraculously bring about positive changes in China—may prove preferable to doing nothing while China makes the world a more dangerous place.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that Senators MCCAIN and MURRAY be added as cosponsors to amendment No. 892.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCONNELL. I also ask unanimous consent that Senator BROWNBACK be added as a cosponsor to Senator SMITH's amendment numbered 889.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCONNELL. Also I believe we do not have the yeas and nays on final passage.

The PRESIDING OFFICER. The yeas and nays have not been ordered.

AMENDMENT NO. 915, AS MODIFIED

Mr. LEAHY. Mr. President, I ask consent to modify amendment 915. I send the corrections to the desk.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 915), as modified, is as follows:

On page 43, line 3 after the word "(IAEA)," insert the following new section:

SEC. . AUTHORIZATION REQUIREMENT FOR INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) The Secretary of the Treasury may, to fulfill commitments of the United States, (1) effect the United States participation in the first general capital increase of the European Bank for Reconstruction and Development, subscribe to and make payment for 100,000 additional shares of the capital stock of the Bank on behalf of the United States; and (2) contribute on behalf of the United States to the eleventh replenishment of the resources of the International Development Association, to the sixth replenishment of the resources of the Asian Development Fund, a special fund of the Asian Development Bank. The following amounts are authorized to be appropriated without fiscal

year limitation for payment by the Secretary of the Treasury: (1) \$285,772,500 for paid-in capital, and \$984,327,500 for callable capital of the European Bank for Reconstruction and Development; (2) \$1,600,000,000 for the International Development Association; (3) \$400,000,000 for the Asian Development Fund; and (4) \$76,832,001 for paid-in capital, and \$4,511,156,729 for callable capital of the Inter-American Development Bank in connection with the eighth general increase in the resources of that Bank. Each such subscription or contribution shall be subject to obtaining the necessary appropriations.

(b) The authorizations under this section are subject to the Senate Foreign Relations Committee reporting out an authorizations bill.

Strike subsection (b) of amendment #915, and insert in lieu thereof the following:

On page 38, line 17, strike "\$950,000,000" and insert in lieu thereof "\$1,034,500,000".

On page 38, line 18, strike "\$150,000,000" and insert in lieu thereof "\$234,500,000".

On page 40, line 14, strike "\$140,000,000" and insert in lieu thereof "\$150,000,000".

On page 40, line 14, strike "\$40,000,000" and insert in lieu thereof "\$50,000,000".

AFRICA CRISIS RESPONSE INITIATIVE

Mr. FEINGOLD. Mr. President, I would like to ask the Senator from Kentucky about committee report language directing that no peacekeeping funds be made available for the Africa crisis response initiative [ACRI]. I understand the House version of this bill and the accompanying report contain no such restrictions.

I understand further that the Committee on Appropriations has raised several concerns about this initiative which are currently being resolved by the administration.

Therefore, I wonder if the distinguished chairman of the Subcommittee on Foreign Operations will be looking to support the House mark in the peacekeeping account and to revise the report language in conference to reflect this change, along with continuing concerns.

Mr. MCCONNELL. The Senator from Wisconsin is correct. I have had some strong reservations about the potential duplication of this initiative with respect to other military assistance programs of the United States and of other countries, as well as about the role of the United Nations in the initiative. Both the Departments of Defense and of State have been cooperative in addressing these potential problems.

Mr. FEINGOLD. I thank the Senator from Kentucky for his cooperation on this matter. I want to take a few moments to express my views on the ACRI.

Mr. President, I was disappointed to read in the report on this bill that the Committee on Appropriations directed "that no funds be made available for the Africa Crisis Response Force," an earlier title of what the administration now refers to as the Africa Crisis Response Initiative [ACRI]. This language would prohibit the administration's flexibility to use up to \$15 million of the peacekeeping account for this initiative.

The ACRI, in my view, is an inventive proposal on the part of the admin-

istration. It seeks to expand the capacity of qualified African militaries to respond to peacekeeping needs in Africa by merging the resources of the United States and several of our European partners to provide peacekeeping training. The ACRI would help create effective, rapidly deployable peacekeeping units that would be able to operate together. Such an initiative could ultimately reduce the burden on U.S. resources in the event of a major humanitarian or other crisis in the region.

Let me elaborate on what we are talking about. The Africa Crisis Response Initiative would provide training to selected African militaries to raise their capabilities to a common peacekeeping standard derived from United States, British, Nordic, and United Nations doctrine. In most cases, this will involve intensive training over a 2-month period in any single country, and will include important train-the-trainer activities so that additional instruction may take place after the international representatives have departed.

Troops will be trained in tasks common to peacekeeping operations and on how to utilize common communications equipment. Equally as important, they will also receive instruction in civil-military relations and respect for human rights. U.S. trainers intend to use nongovernmental and private voluntary organizations in the training where possible. Any equipment that is provided to the participating countries would be nonlethal in nature and could include items to support mine detection, water purification, or night vision.

Already several African countries have told United States officials they would like to participate in the ACRI, including Ethiopia, Uganda, Ghana, Mali, Senegal, and Malawi. Senegal and Uganda will begin training at the end of this month. It is also important that the Secretaries General of the United Nations and the Organization for African Unity have indicated their support. I should also note that this proposal is strongly supported by the U.S. Joint Staff and by our military command in Europe—the United States European Command [EUCOM].

The ACRI proposal appeals to me because it provides a mechanism through which the United States can both contribute to the resolution of crises in the region, while at the same time, help ensure that the United States will not bear the total burden of doing so. By having ready, trained troops on the ground in Africa, the ACRI would decrease the time it takes to respond to local crises. But most importantly, if the proposal is implemented as intended, it would decrease the amount of outside support the Africans would require and preclude the need to send American combat troops to the region when there is a crisis. The ACRI is a means to provide appropriate African governments with a capacity they have

said they want—the capability to respond to regional crises.

This is a concept that I have been pondering for several years. A 1994 trip to Liberia later heightened my interest. At the time, many observers were convinced that the only way to solve the crisis in Liberia, a country wracked with civil war since 1989, was to deploy a large force of American soldiers to stop the fighting and then maintain the peace.

Like many other Americans, I opposed the deployment of American troops for this purpose. But I became intrigued with an alternative that had been employed in Liberia since 1990—an all African peacekeeping force. This force, the West African peacekeeping force known by its French acronym ECOMOG, has not—by any definition—been a perfect mission, and has certainly had its share of problems. But after many fits and starts, ECOMOG troops have succeeded in establishing security in the country such that Liberians will have the opportunity to safely go to the polls this weekend to participate in an important national election. The United States has made important contributions to this effort in the form of airlift and other logistical support to ECOMOG.

While I do not want to put too much reliance in the ECOMOG experience itself, since its record has been mixed, I think we can draw at least two important lessons. First, African governments do want to contribute to maintaining peace in neighboring countries. Second, the United States can support those efforts by sharing our strengths in areas such as technical assistance, logistics, and communications, for example. Our European partners would make similar contributions.

That is what this proposal is all about. It is a cooperative effort to which all participants contribute.

Despite my enthusiasm for this initiative, Mr. President, I would also caution the administration on the tough choices it may soon have to make with respect to which countries can and should be invited to participate in the ACRI. When the administration first explored this proposal, it presented its preliminary ideas to 10 governments. These countries were understood to have excellent relations with the United States, as well as relatively disciplined militaries and democratic governments. It is my view that such qualities should represent the minimum standards for the United States to engage in the high-level military contact envisioned by the ACRI proposal.

As beneficial as the ACRI will be for the United States, it is also beneficial for the African countries involved. Congress will look harshly at any decisions that might be made to work with a government that has come to power through military action or that abuses

the rights of its citizens. I have concerns in particular about the possibility of including the Government of Nigeria in this initiative. While I recognize the strength of Nigeria's military and the important contribution it has made to the peacekeeping effort in Liberia, the Government's continued disdain for the needs of its people and continued human rights abuses I believe should preclude it from participation in the ACRI.

Mr. President, in the long term, the administration anticipates that the trained and ready forces that have benefited from the ACRI will be able to respond quickly to crises in the region with African troops led by Africans. Although I can foresee that the international community might still be called upon to provide logistics assistance in certain cases, I believe strongly that technical assistance of that nature is an appropriate response for the United States.

With the rising number of conflicts in the post-cold-war era, American troops are being called on more than ever to participate in peacekeeping operations that just are not tenable. The ACRI provides a creative way to respond to these demands while decreasing the need to deploy our own men and women.

Mr. President, I hope the conferees will agree on funding and language that will allow the administration to continue to pursue this creative approach to crisis intervention in Africa. The ACRI strengthens regional abilities to respond in a rapid and effective manner, rather than calling for direct United States or European intervention.

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Mr. DORGAN. Mr. President, I rise to ask whether the distinguished ranking member, Senator LEAHY, would be willing to engage in a colloquy with me about the International Fund for Agricultural Development, or IFAD.

Mr. LEAHY. Mr. President, I would be happy to engage in a colloquy with the Senator about the good work that IFAD does.

Mr. DORGAN. Mr. President, I thank the ranking member.

As my colleague knows, IFAD is a specialized agency of the United Nations that has the mission of fighting hunger and poverty throughout the world. Since 1977 IFAD has helped rural poor to increase their nutrition, their food production and their income. It has reached about 160 million people through 429 different projects, mostly in Africa and Asia, the regions where most of the world's poor live. In its lending work, IFAD has an overhead of less than 10 percent, and it has achieved loan repayments of 97 percent in countries as diverse as Bangladesh, Benin, and Dominica.

More importantly, IFAD has been an innovator in providing microcredit to vulnerable groups that are often difficult to reach, such as small farmers, the landless poor and rural women.

Mr. President, that is why I was interested to read language related to IFAD in the report of the House Appropriations Committee on the House's version of the foreign operations bill. I was pleased to read, on page 18 of the House report, that the House Appropriations Committee "requests that AID [the Agency for International Development] examine the possibility of using the International Fund for Agricultural Development as an implementing agency in providing microenterprise assistance."

This is in the context of the House's \$10 million increase over the administration's request for the AID microenterprise account. As my colleague knows, the Senate Appropriations Committee has increased the same account by \$15 million.

Mr. President, I wonder whether my distinguished colleague could tell me whether he would support the House position in conference, that the Agency for International Development should consider using IFAD as one of the implementing agencies in providing microenterprise assistance.

Mr. LEAHY. Mr. President, I concur with the Senator from North Dakota on this matter. The International Fund for Agricultural Development has supplied nearly 300 microfinance projects with almost \$1 billion of funding. I am particularly pleased that 40 percent of these projects have been in sub-Saharan Africa, where the need for this type of assistance is greatest.

It seems to me that the Agency for International Development should certainly consider using IFAD's capabilities. I therefore will likely support the House position on this matter and urge the conferees to include appropriate language in the statement of managers accompanying the conference report.

Mr. DORGAN. I greatly appreciate the support of the Senator from Vermont in this matter. I look forward to working with him to ensure that the conference report provides appropriate guidance to the Agency for International Development with respect to IFAD. I thank the distinguished ranking member for his assistance, and I yield the floor.

The PRESIDING OFFICER. The question is on third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. MCCONNELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do Senators yield back their time prior to the vote?

Mr. MCCONNELL. I yield any time.

Mr. LEAHY. I yield any time.

The PRESIDING OFFICER. The question is, Shall the bill, as amended, pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana [Mr. BURNS] is necessarily absent.

I further announce that, if present and voting, the Senator from Montana [Mr. BURNS] would vote "yea."

The PRESIDING OFFICER (Mr. SANTORUM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 91, nays 8, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—91

Abraham	Ford	McCain
Akaka	Frist	McConnell
Allard	Glenn	Mikulski
Baucus	Gorton	Moseley-Braun
Bennett	Graham	Moynihan
Biden	Gramm	Murkowski
Bingaman	Grams	Murray
Bond	Grassley	Nickles
Boxer	Gregg	Reed
Breaux	Hagel	Reid
Brownback	Harkin	Robb
Bryan	Hatch	Roberts
Bumpers	Hutchinson	Rockefeller
Campbell	Hutchison	Roth
Chafee	Inhofe	Santorum
Cleland	Inouye	Sarbanes
Coats	Jeffords	Sessions
Cochran	Johnson	Shelby
Collins	Kennedy	Smith (OR)
Conrad	Kerrey	Snowe
Coverdell	Kerry	Specter
D'Amato	Kohl	Stevens
Daschle	Kyl	Thomas
DeWine	Landrieu	Thompson
Dodd	Lautenberg	Thurmond
Domenici	Leahy	Torricelli
Dorgan	Levin	Warner
Durbin	Lieberman	Wellstone
Enzi	Lott	Wyden
Feingold	Lugar	
Feinstein	Mack	

NAYS—8

Ashcroft	Faircloth	Kempthorne
Byrd	Helms	Smith (NH)
Craig	Hollings	

NOT VOTING—1

Burns

The bill (S. 955), as amended, was passed, as follows:

S. 955

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1998, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: *Provided*, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, \$700,000,000 to remain available until September 30, 1999: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such sums shall remain available until 2013 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 1998 and 1999: *Provided further*, That up to \$50,000,000 of funds appropriated by this paragraph shall remain available until expended and may be used for tied-aid grant purposes: *Provided further*, That none of the funds appropriated by this Act or any prior Act appropriating funds for foreign operations, export financing, or related programs for tied-aid credits or grants may be used for any other purpose except through the regular notification procedures of the Committees on Appropriations.

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed \$20,000 for official reception and representation expenses for members of the Board of Directors, \$46,614,000: *Provided*, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: *Provided further*, That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 1998.

OVERSEAS PRIVATE INVESTMENT CORPORATION
NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: *Provided*, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed \$35,000) shall not exceed \$32,000,000: *Provided further*, That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, \$60,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961 to be derived by transfer from the Overseas Private Investment Corporation noncredit account: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That

such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 1998 and 1999: *Provided further*, That such sums shall remain available through fiscal year 2006 for the disbursement of direct and guaranteed loans obligated in fiscal year 1998, and through fiscal year 2007 for the disbursement of direct and guaranteed loans obligated in fiscal year 1999: *Provided further*, That in addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account.

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, \$43,000,000, to remain available until September 30, 1999: *Provided*, That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 1999, for necessary expenses under this paragraph: *Provided further*, That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.

TITLE II—BILATERAL ECONOMIC
ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1998, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT
DEVELOPMENT ASSISTANCE
(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96-533) and the provisions of section 401 of the Foreign Assistance Act of 1969, \$1,358,093,020, to remain available until September 30, 1999: *Provided*, That of the amount appropriated under this heading, up to \$18,000,000 may be made available for the Inter-American Foundation and shall be apportioned directly to that Agency: *Provided further*, That of the amount appropriated under this heading, up to \$10,500,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: *Provided further*, That of the funds appropriated under title II of this Act that are administered by the Agency for International Development and made available for family planning assistance, not less than 65 per centum shall be made available directly to the agency's central Office of Population and shall be programmed by that office for family planning activities: *Provided further*, That of the funds made available under this heading, not less than \$30,000,000, above the amount of funds made available to combat infectious diseases in the fiscal year 1997, shall be made available to strengthen global surveillance and control of infectious diseases: *Provided further*, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That none of the funds made available in this Act nor any un-

obligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided further*, That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services: *Provided further*, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: *Provided further*, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: *Provided further*, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: *Provided further*, That, notwithstanding section 109 of the Foreign Assistance Act of 1961, of the funds appropriated under this heading in this Act, and of the unobligated balances of funds previously appropriated under this heading, \$2,500,000 shall be transferred to "International Organizations and Programs" for a contribution to the International Fund for Agricultural Development (IFAD), and that any such transfer of funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That of the funds appropriated under this heading that are made available for assistance programs for displaced and orphaned children and victims of war, not to exceed \$25,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of such programs: *Provided further*, That of the funds appropriated under this heading, not less than \$15,000,000 shall be available for the American Schools and Hospitals Abroad Program: *Provided further*, That not less than \$500,000 of the funds appropriated under this heading shall be made available only for support of the United States Telecommunications Training Institute: *Provided further*, That of the funds made available under this heading for Haiti, up to \$250,000 may be made available to support a program to assist Haitian children in orphanages.

POPULATION, DEVELOPMENT ASSISTANCE

For necessary expenses to carry out the provisions of section 104(b) of the Foreign Assistance Act of 1961, \$435,000,000, to remain available until September 30, 1999.

CYPRUS

Of the funds appropriated under the headings "Development Assistance" and "Economic Support Fund", not less than \$15,000,000 shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicomunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.

BURMA

Of the funds appropriated under the heading "Development Assistance", not less than \$5,000,000 shall be made available to support activities in Burma, along the Burma-Thailand border, and for activities of Burmese student groups and other organizations located outside Burma: *Provided*, That \$3,000,000 of these funds shall be made available for the purposes of fostering democracy, including not less than \$200,000 to be made available for newspapers, media, and publications promoting democracy for Burma: *Provided further*, That \$2,000,000 of these funds shall be made available to support the provision of medical supplies and services and other humanitarian assistance to Burmese located in Burma or displaced Burmese along the borders: *Provided further*, That funds made available for Burma related activities under this heading may be made available notwithstanding any other provision of law: *Provided further*, That provision of such funds shall be made available subject to the regular notification procedures of the Committees on Appropriations.

CAMBODIA

None of the funds appropriated by this Act may be made available for activities or programs in Cambodia until the Secretary of State determines and reports to the Committees on Appropriations that the Government of Cambodia has (1) not been established in office by the use of force or a coup d'etat; (2) discontinued all political violence and intimidation of journalists and members of opposition parties; (3) established an independent election commission; (4) protected the rights of voters, candidates, and election observers and participants by establishing laws and procedures guaranteeing freedom of speech and assembly; (5) eliminated corruption and collaboration with narcotics smugglers; and (6) been elected in a free and fair democratic election: *Provided*, That restrictions on funds made available under this heading shall not apply to humanitarian programs or other activities administered by nongovernmental organizations: *Provided further*, That 30 days after enactment of this Act, the Secretary of State, in consultation with the Director of the Federal Bureau of Investigation, shall report to the Committees on Appropriations on the results of the FBI investigation into the bombing attack in Phnom Penh on March 30, 1997.

GUATEMALA CLARIFICATION COMMISSION

Of the funds made available under the headings "Development Assistance" and "Economic Support Fund", not less than \$1,000,000 shall be made available to support the Guatemala Clarification Commission.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, \$195,000,000, to remain available until expended.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts, through debt buybacks and swaps, owed to the United States as a result of concessional loans made to eligible Latin American and Caribbean countries, pursuant to part IV of the Foreign Assistance Act of 1961, and of modifying concessional loans authorized under title I of

the Agricultural Trade Development and Assistance Act of 1954, as amended, as authorized under subsection (a) under the heading "Debt Reduction for Jordan" in title VI of Public Law 103-306 and (b) direct loans extended to least developed countries, as authorized under section 411 of the Agriculture Trade and Assistance Act of 1954 as amended; \$34,000,000, to remain available until expended: *Provided*, That none of the funds appropriated under this heading shall be obligated except as provided through the regular notification procedures of the Committees on Appropriations.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, \$1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: *Provided*, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 per centum of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, \$500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That funds made available under this heading shall remain available until September 30, 1999.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961, \$3,000,000, to remain available until September 30, 1999: *Provided*, That these funds are available to subsidize loan principal, 100 per centum of which shall be guaranteed, pursuant to the authority of such sections. In addition, for administrative expenses to carry out guaranteed loan programs, \$6,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) and, with regard to programs for Central and Eastern Europe and programs for the benefit of South Africans disadvantaged by apartheid, section 223(j) of the Foreign Assistance Act of 1961.

PRIVATE AND VOLUNTARY ORGANIZATIONS

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 per centum of its total annual funding for international activities from sources other than the United States Government: *Provided*, That the requirements of the provisions of section 123(g) of the Foreign Assistance Act of 1961 and the provisions on private and voluntary organizations in title II of the "Foreign Assistance and Related Programs Appropriations Act, 1985" (as enacted in Public Law 98-473) shall be superseded by the provisions of this section, except that the authority contained in the last sentence of section 123(g) may be exercised by the Administrator with regard to the requirements of this paragraph.

Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary or

ganizations at a level which is at least equivalent to the level provided in fiscal year 1995. Such private and voluntary organizations shall include those which operate on a not-for-profit basis, receive contributions from private sources, receive voluntary support from the public and are deemed to be among the most cost-effective and successful providers of development assistance.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the "Foreign Service Retirement and Disability Fund", as authorized by the Foreign Service Act of 1980, \$44,208,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, \$473,000,000, to remain available until September 30, 1999: *Provided*, That none of the funds appropriated by this Act for programs administered by the Agency for International Development may be used to finance printing costs of any report or study (except feasibility, design, or evaluation reports or studies) in excess of \$25,000 without the approval of the Administrator of the Agency or the Administrator's designee.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, \$29,047,000, to remain available until September 30, 1999, which sum shall be available for the Office of the Inspector General of the Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, \$2,541,150,000, to remain available until September 30, 1999: *Provided*, That of the funds appropriated under this heading, not less than \$1,200,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within thirty days of enactment of this Act or by October 31, 1997, whichever is later: *Provided further*, That not less than \$815,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance may be provided, with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years: *Provided further*, That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country: *Provided further*, That of the funds appropriated under this heading, not less than \$150,000,000 shall be made available for Jordan: *Provided further*, That of the amount appropriated under this heading, not less than \$500,000 shall be available only for the Special Investigative Unit (SIU) of the Haitian National Police.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, \$485,000,000, to remain available until September 30, 1999, which shall be available, notwithstanding any other provision of law, for economic assistance and for related programs for Eastern Europe and the Baltic States.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or

have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) With regard to funds appropriated or otherwise made available under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program)—

(1) the Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee; and

(2) the provisions of section 533 of this Act shall apply.

(e) Funds appropriated under this heading may not be made available for economic revitalization programs in Bosnia and Herzegovina, if the President determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina has not complied with article III of annex 1-A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has not been terminated.

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the New Independent States of the former Soviet Union and for related programs, \$800,000,000, to remain available until September 30, 1999: *Provided*, That the provisions of such chapter shall apply to funds appropriated by this paragraph: *Provided further*, That up to \$22,000,000 made available under this heading may be transferred to the Export Import Bank of the United States, and up to \$8,000,000 of the funds made available under this heading may be transferred to the Micro and Small Enterprise Development Program, to be used for the cost of direct loans and loan guarantees for the furtherance of programs under this heading: *Provided further*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

(b) None of the funds appropriated under this heading shall be made available to a Government of the New Independent States of the former Soviet Union—

(1) unless that Government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, negotiating repayment of commercial debt, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that Government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures.

(3) Funds may be furnished without regard to this subsection if the President determines that to do so is in the national interest.

(c) None of the funds appropriated under this heading shall be made available to any government of the New Independent States of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, such as those violations included in the Helsinki Final Act: *Provided*, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States: *Provided further*, That the restriction of this subsection shall not apply to the use of such funds for the provision of assistance for purposes of humanitarian and refugee relief.

(d) None of the funds appropriated under this heading for the New Independent States of the former Soviet Union shall be made available for any state to enhance its military capability: *Provided*, That this restriction does not apply to demilitarization or nonproliferation programs.

(e) Funds appropriated under this heading shall be subject to the regular notification procedures of the Committees on Appropriations.

(f) Funds made available in this Act for assistance to the New Independent States of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(g) Of the funds appropriated under title II of this Act, including funds appropriated under this heading, not less than \$12,000,000 shall be available only for assistance for Mongolia: *Provided*, That funds made available for assistance for Mongolia may be made available in accordance with the purposes and utilizing the authorities provided in chapter 11 of part I of the Foreign Assistance Act of 1961.

(h) Funds made available in this Act for assistance to the New Independent States of the former Soviet Union shall be provided to the maximum extent feasible through the private sector, including small- and medium-size businesses, entrepreneurs, and others with indigenous private enterprises in the region, intermediary development organizations committed to private enterprise, and private voluntary organizations: *Provided*, That grantees and contractors should, to the maximum extent possible, place in key staff positions specialists with prior on the ground expertise in the region of activity and fluency in one of the local languages.

(i) In issuing new task orders, entering into contracts, or making grants, with funds appropriated under this heading or in prior appropriations Acts, for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

(j) Of the funds appropriated under this heading, not less than \$225,000,000 shall be made available for Ukraine: *Provided*, That of the funds made available for Ukraine under this subsection, not less than

\$25,000,000 shall be available only for comprehensive legal restructuring necessary to support a decentralized market-oriented economic system, including the enactment of all necessary substantive commercial law and procedures, the implementation of reforms necessary to establish an independent judiciary and bar, the education of judges, attorneys, and law students in the comprehensive commercial law reforms, and public education designed to promote understanding of commercial law necessary to Ukraine's economic independence: *Provided further*, That of this amount not less than \$8,000,000 shall be made available to support law enforcement institutions and training, not less than \$25,000,000 shall be made available for nuclear reactor safety programs, and not less than \$5,000,000 shall be made available for political party and related institutional development: *Provided further*, That 50 per centum of the amount made available for Ukraine by this subsection, exclusive of funds made available in the previous proviso, shall be withheld from obligation and expenditure until the Secretary of State determines and certifies that the Government of Ukraine has taken meaningful steps: (1) to enforce the April 10, 1997 Anti-Corruption Presidential decree; (2) to privatize state owned agricultural storage, distribution, equipment and supply monopolies; and (3) to resolve cases involving U.S. business complaints and establish a permanent legal mechanism for commercial dispute resolution: *Provided further*, That the Secretary shall submit such determination and certification prior to March 31, 1998.

(k) Of the funds appropriated under this heading, not less than \$100,000,000 shall be made available for Georgia, of which not less than \$10,000,000 shall be made available to support energy development and privatization initiatives: *Provided*, That not less than \$15,000,000 shall be made available for development of border security telecommunications infrastructure: *Provided further*, That not less than \$7,000,000 shall be available for judicial reform and law enforcement training: *Provided further*, That not less than \$5,000,000 shall be made available to support training for border and customs control: *Provided further*, That not less than \$3,000,000 shall be made available to support political party and related institutional development: *Provided further*, That not less than \$5,000,000 shall be available for Supsa urban and commercial development: *Provided further*, That up to \$7,000,000 may be made available for business and education exchanges and related activities.

(l) Of the funds made available under this heading, not less than \$95,000,000 shall be made available for Armenia.

(m) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(n) None of the funds appropriated under this heading may be made available for Russia unless the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia

has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor or ballistic missiles or related nuclear research facilities or programs.

(c) Of the funds appropriated under this heading, not less than \$10,000,000 shall be made available for a United States contribution to the Trans-Caucasus Enterprise Fund: *Provided*, That to further the development of the private sector in the Trans-Caucasus, such amount may be invested in a Trans-Caucasus Enterprise Fund or invested in other funds established by public or private organizations, or transferred to the Overseas Private Investment Corporation to be available, subject to the requirements of the Federal Credit Reform Act, to subsidize the costs of direct and guaranteed loans.

(p) Funds made available under this Act or any other Act may not be provided for assistance to the Government of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh: *Provided*, That the restriction of this subsection and section 907 of the FREEDOM Support Act shall not apply to—

(1) activities to support electoral and political reforms or assistance under title V of the FREEDOM Support Act and section 1424 of the "National Defense Authorization Act for Fiscal Year 1997";

(2) any insurance, reinsurance, guarantee, or other assistance provided by the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.);

(3) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421);

(4) any financing provided under the Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.); or

(5) any activity carried out by a member of the Foreign Commercial Service while acting within his or her official capacity.

(q) None of the funds appropriated under this heading or in prior appropriations legislation may be made available to establish a joint public-private entity or organization engaged in the management of activities or projects supported by the Defense Enterprise Fund.

(r) 60 days after the date of enactment of this Act, the Administrator of AID shall report to the Committees on Appropriations on the rate of obligation and risk and anticipated returns associated with commitments made by the United States-Russia Investment Fund. The report shall include a recommendation on the continued relevance and advisability of the initial planned life of project commitment.

INDEPENDENT AGENCY PEACE CORPS

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), \$206,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: *Provided*, That none of the funds appropriated under this heading shall be used to pay for abortions: *Provided further*, That funds appropriated under this heading shall remain available until September 30, 1999.

DEPARTMENT OF STATE INTERNATIONAL NARCOTICS CONTROL

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, \$216,200,000: *Provided*, That of these

funds not less than \$10,000,000 shall be made available for Law Enforcement Training and Demand Reduction: *Provided further*, That not less than \$22,000,000 shall be made available for anti-crime programs: *Provided further*, That none of the funds appropriated under this heading that are made available for counter-narcotics activities may be obligated or expended until the Secretary of State submits a report to the Committees on Appropriations containing: (1) a list of all countries in which the United States carries out international counter-narcotics activities; (2) the number, mission and agency affiliation of U.S. personnel assigned to each such country; and (3) all costs and expenses obligated for each program, project or activity by each U.S. agency in each country: *Provided further*, That of this amount not to exceed \$5,000,000 shall be allocated to operate the Western Hemisphere International Law Enforcement Academy under the auspices of the Organization of American States with full oversight by the Department of State: *Provided further*, That funds appropriated under this heading shall be provided subject to the regular notification procedures of the Committees on Appropriations.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, \$650,000,000: *Provided*, That not more than \$12,000,000 shall be available for administrative expenses: *Provided further*, That not less than \$80,000,000 shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), \$50,000,000, to remain available until expended: *Provided*, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962 which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINEING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, \$129,000,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO): *Provided*, That of this amount not to exceed

\$15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: *Provided further*, That such funds may also be used for such countries other than the New Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: *Provided further*, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated under this heading may be made available for the International Atomic Energy 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: *Provided further*, That not to exceed \$30,000,000 may be made available to the Korean Peninsula Energy Development Organization (KEDO) only for the administrative expenses and heavy fuel oil costs associated with the Agreed Framework: *Provided further*, That such funds may be obligated to KEDO only if, thirty days prior to such obligation of funds, the President certifies and so reports to Congress that: (1)(A) the parties to the Agreed Framework are taking steps to assure that progress is made on the implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula and the implementation of the North-South dialogue, and (B) North Korea is complying with the other provisions of the Agreed Framework between North Korea and the United States and with the Confidential Minute; (2) North Korea is cooperating fully in the canning and safe storage of all spent fuel from its graphite-moderated nuclear reactors and that such canning and safe storage is scheduled to be completed by the end of fiscal year 1997; and (3) North Korea has not significantly diverted assistance provided by the United States for purposes for which it was not intended: *Provided further*, That the President may waive the certification requirements of the preceding proviso if the President determines that it is vital to the national security interests of the United States: *Provided further*, That no funds may be obligated for KEDO until 30 days after submission to Congress of the waiver permitted under the preceding proviso: *Provided further*, That the obligation of any funds for KEDO shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That the Secretary of State shall submit to the appropriate congressional committees an annual report (to be submitted with the annual presentation for appropriations) providing a full and detailed accounting of the fiscal year request for the United States contribution to KEDO, the expected operating budget of the Korean Peninsula Energy Development Organization, to include unpaid debt, proposed annual costs associated with heavy fuel oil purchases, and the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities: *Provided further*, That of the funds made available under this heading, up to \$14,000,000 may be made available to the Korean Peninsula Economic Development Organization (KEDO), in addition to funds otherwise made available under this heading for KEDO, if the Secretary of State certifies and reports to the Committees on Appropriations that, except for the funds made available under this proviso, funds sufficient to cover all outstanding debts owed by KEDO for heavy fuel oil have been provided to KEDO: *Provided further*, That the additional \$14,000,000 made

available to KEDO under this heading may not be obligated or expended until the Secretary of State certifies and reports to Congress that North Korea has not violated the Military Armistice Agreement of 1953 during the preceding nine months.

TITLE III—MILITARY ASSISTANCE
FUNDS APPROPRIATED TO THE PRESIDENT
INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, \$47,000,000: *Provided*, That none of the funds appropriated under this heading shall be available for Guatemala: *Provided further*, That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights.

FOREIGN MILITARY FINANCING PROGRAM

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, \$3,308,950,000: *Provided*, That of the funds appropriated under this heading, not less than \$1,800,000,000 shall be available for grants only for Israel, and not less than \$1,300,000,000 shall be made available for grants only for Egypt: *Provided further*, That the funds appropriated by this paragraph for Israel shall be disbursed within thirty days of enactment of this Act or by October 31, 1997, whichever is later: *Provided further*, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph may, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than \$475,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development: *Provided further*, That of the funds appropriated by this paragraph, not less than \$100,000,000 shall be available for assistance for Jordan: *Provided further*, That of the funds appropriated by this paragraph, a total of \$12,000,000 shall be available for assistance for Estonia, Latvia, and Lithuania: *Provided further*, That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: *Provided further*, That funds made available under this paragraph shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a): *Provided further*, That \$60,000,000 of the funds appropriated or otherwise made available under this heading shall be made available for the purpose of facilitating the integration of Poland, Hungary, and the Czech Republic into the North Atlantic Treaty Organization: *Provided further*, That, to carry out funding the previous proviso, all or part of the \$60,000,000 may be derived by transfer, notwithstanding any other provision of law, from titles I, II, III, and IV of this Act.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans authorized by section 23 of the Arms Export Control Act as follows: cost of direct loans, \$74,000,000: *Provided*, That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed \$759,500,000: *Provided further*, That the rate of interest charged on such loans shall be not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities: *Provided further*, That of the funds appropriated under this paragraph,

a total of \$8,000,000 shall be available for assistance to Estonia, Latvia, and Lithuania: *Provided further*, That funds appropriated under this paragraph shall be made available for Greece and Turkey only on a loan basis, and the principal amount of direct loans for each country shall not exceed the following: \$122,500,000 only for Greece and \$175,000,000 only for Turkey.

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: *Provided*, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: *Provided further*, That none of the funds appropriated under this heading shall be available for Sudan, Liberia, and Guatemala: *Provided further*, That funds made available under this heading may be used, notwithstanding any other provision of law, for activities related to the clearance of landmines and unexploded ordnance, and may include activities implemented through nongovernmental and international organizations: *Provided further*, That only those countries for which assistance was justified for the "Foreign Military Sales Financing Program" in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: *Provided further*, That, subject to the regular notification procedures of the Committees on Appropriations, funds made available under this heading for the cost of direct loans may also be used to supplement the funds available under this heading for grants, and funds made available under this heading for grants may also be used to supplement the funds available under this heading for the cost of direct loans: *Provided further*, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: *Provided further*, That not more than \$23,250,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: *Provided further*, That not more than \$355,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 1998 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, \$75,000,000: *Provided*, That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations: *Provided further*, That none of the funds made available under this heading for the Multilateral Force and Observers until the Secretary of State submits a report

to the Committees on Appropriations on the status of efforts to retain a new Director General of that organization.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT
INTERNATIONAL FINANCIAL INSTITUTIONS
CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States contribution to the Global Environment Facility (GEF), \$60,000,000, to remain available until September 30, 1999.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, \$1,034,500,000, to remain available until expended, of which \$234,500,000 shall be available to pay for the tenth replenishment: *Provided*, That none of the funds may be obligated or made available until the Secretary of the Treasury certifies to the Committees on Appropriations that all procurement restrictions imposed by the Interim Trust Fund have been lifted and that the balance available for open competition in such Fund approximates \$1,000,000,000.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increase in capital stock, \$25,610,667, and for the United States share of the increase in the resources of the Fund for Special Operations, \$20,835,000, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$1,503,718,910.

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, for the United States contribution to the Fund to be administered by the Inter-American Development Bank, \$30,000,000 to remain available until expended, which shall be available for contributions previously due.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, \$13,221,596, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$647,858,204.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increases in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended (Public Law 89-369), \$150,000,000, of which \$50,000,000 shall be available for contributions previously due, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, \$35,778,717, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$123,237,803.

NORTH AMERICAN DEVELOPMENT BANK

For payment to the North American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in portion of the capital stock, \$56,500,000, to remain available until expended: *Provided*, That none of the funds appropriated under this heading that are made available for the Community Adjustment and Investment Program shall be used for purposes other than those set out in the binational agreement establishing the Bank.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the North American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of the capital stock of the North American Development Bank in an amount not to exceed \$318,750,000.

INTERNATIONAL MONETARY PROGRAMS

LOANS TO INTERNATIONAL MONETARY FUND

For loans to the International Monetary Fund under the New Arrangements to Borrow, the dollar equivalent of 2,462,000,000 Special Drawing Rights, to remain available until expended; in addition, up to the dollar equivalent of 4,250,000,000 Special Drawing Rights previously appropriated by the Act of November 30, 1983 (Public Law 98-181), and the Act of October 23, 1962 (Public Law 87-872), for the General Arrangements to Borrow, may also be used for the New Arrangements to Borrow. Notwithstanding any other provision of law, none of the funds appropriated under this heading may be made available until the relevant Committees of Congress have reviewed the new arrangements for borrowing by the International Monetary Fund provided for under this heading and authorizing legislation for such borrowing has been enacted.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, \$277,000,000: *Provided*, That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: *Provided further*, That not less than \$5,000,000 shall be made available to the World Food Program: *Provided further*, That none of the funds appropriated under this heading that are made available to the United Nations Population Fund (UNFPA) shall be made available for activities in the People's Republic of China: *Provided further*, That not more than \$25,000,000 of the funds appropriated under this heading may be made available to the UNFPA: *Provided further*, That with respect to any funds appropriated under this heading that are made available to UNFPA, UNFPA shall be required to maintain such funds in a separate account and not commingle them with any

other funds: *Provided further*, That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA).

AUTHORIZATION REQUIREMENT FOR INTERNATIONAL FINANCIAL INSTITUTIONS

(a) The Secretary of the Treasury may, to fulfill commitments of the United States: (1) effect the United States participation in the first general capital increase of the European Bank for Reconstruction and Development, subscribe to and make payment for 100,000 additional shares of the capital stock of the Bank on behalf of the United States; and (2) contribute on behalf of the United States to the eleventh replenishment of the resources of the International Development Association, to the sixth replenishment of the resources of the Asian Development Fund, a special fund of the Asian Development Bank. The following amounts are authorized to be appropriated without fiscal year limitation for payment by the Secretary of the Treasury: (1) \$285,772,500 for paid-in capital, and \$984,327,500 for callable capital of the European Bank for Reconstruction and Development; (2) \$1,600,000,000 for the International Development Association; (3) \$400,000,000 for the Asian Development Fund; and (4) \$76,832,001 for paid-in capital, and \$4,511,156,729 for callable capital of the Inter-American Development Bank in connection with the eighth general increase in the resources of that Bank. Each such subscription or contribution shall be subject to obtaining the necessary appropriations.

(b) The authorizations under this section are subject to the Senate Foreign Relations Committee reporting out an authorization bill.

TITLE V—GENERAL PROVISIONS

ENTERPRISE FUND RESTRICTIONS

SEC. 501. Section 201(l) of the Support for East European Democracy Act (22 U.S.C. 5421(l)) is amended to read as follows:

“(l) LIMITATION ON PAYMENTS TO ENTERPRISE FUND PERSONNEL.—

“(1) No part of the funds of an Enterprise Fund shall inure to the benefit of any board member, officer, or employee of such Enterprise Fund, except as salary or reasonable compensation for services subject to paragraph (2).

“(2) An Enterprise Fund shall not pay compensation for services to—

“(A) any board member of the Enterprise Fund, except for services as a board member; or

“(B) any firm, association, or entity in which a board member of the Enterprise Fund serves as partner, director, officer, or employee.

“(3) Nothing in paragraph (2) shall preclude payment for services performed before the date of enactment of this subsection.”

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 502. None of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed \$126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed

\$5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed \$95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: *Provided further*, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading “Foreign Military Financing Program”, not to exceed \$2,000 shall be available for entertainment expenses and not to exceed \$50,000 shall be available for representation allowances: *Provided further*, That of the funds made available by this Act under the heading “International Military Education and Training”, not to exceed \$50,000 shall be available for entertainment allowances: *Provided further*, That of the funds made available by this Act for the Peace Corps, not to exceed a total of \$4,000 shall be available for entertainment expenses: *Provided further*, That of the funds made available by this Act under the heading “Trade and Development Agency”, not to exceed \$2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for “Non-proliferation, Antiterrorism, Demining and Related Programs”) pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: *Provided*, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected Head of Government is deposed by military coup or decree: *Provided*, That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 1998, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: *Provided*, That the Appropriations Committees of both Houses of the Congress are notified fifteen days in advance of the reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: *Provided*, That the authority of this subsection may not be used in fiscal year 1998.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: *Provided*, That funds appropriated for the purposes of chapters 1, 8, and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading "Assistance for Eastern Europe and the Baltic States", shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: *Provided further*, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: *Provided further*, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: *Provided*, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available in this Act or during the current fiscal year for Nicaragua, and for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas

Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: *Provided*, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. For the purpose of providing the Executive Branch with the necessary administrative flexibility, none of the funds made available under this Act for "Development Assistance", "Debt restructuring", "International organizations and programs", "Trade and Development Agency", "International narcotics control", "Assistance for Eastern Europe and the Baltic States", "Assistance for the New Independent States of the Former Soviet Union", "Economic Support Fund", "Peacekeeping operations", "Operating expenses of the Agency for International Development", "Operating expenses of the Agency for International Development Office of Inspector General", "Nonproliferation, anti-terrorism, demining and related programs", "Foreign Military Financing Program", "International military education and training", "Inter-American Foundation", "African Development Foundation", "Peace Corps", "Migration and refugee assistance", shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are

previously notified fifteen days in advance: *Provided*, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 per centum in excess of the quantities justified to Congress unless the Committees on Appropriations are notified fifteen days in advance of such commitment: *Provided further*, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 per centum of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: *Provided further*, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: *Provided further*, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than three days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: *Provided further*, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Notwithstanding any other provision of law or of this Act, none of the funds provided for "International Organizations and Programs" shall be available for the United States proportionate share, in accordance with section 307(c) of the Foreign Assistance Act of 1961, for any programs identified in section 307, or for Libya, Iran, or, at the discretion of the President, Communist countries listed in section 620(f) of the Foreign Assistance Act of 1961, as amended: *Provided*, That, subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of this section or any similar provision of law, shall remain available for obligation through September 30, 1999.

ECONOMIC SUPPORT FUND ASSISTANCE FOR ISRAEL

SEC. 517. The Congress finds that progress on the peace process in the Middle East is vitally important to United States security interests in the region. The Congress recognizes that, in fulfilling its obligations, Israel has incurred severe economic burdens. Furthermore, the Congress recognizes that an economically and militarily secure Israel serves the security interests of the United States, for a secure Israel is an Israel which has the incentive and confidence to continue pursuing the peace process. Therefore, the Congress declares that, subject to the availability of appropriations, it is the policy and the intention of the United States that the

funds provided in annual appropriations for the Economic Support Fund which are allocated to Israel shall not be less than the annual debt repayment (interest and principal) from Israel to the United States Government in recognition that such a principle serves United States interests in the region.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, 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. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may 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 undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, 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. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: *Provided*, That none of the funds made available under this Act may be used to lobby for or against abortion.

LIMITATIONS ON FUNDING FOR INTERNATIONAL FAMILY PLANNING

SEC. 519. In determining eligibility for assistance from funds appropriated to carry out section 104 of the Foreign Assistance Act of 1961, nongovernmental and multilateral organizations shall not be subjected to requirements more restrictive than the requirements applicable to foreign governments for such assistance.

REPORTING REQUIREMENT

SEC. 520. Section 25 of the Arms Export Control Act is amended—

(1) in subsection (a), by striking "Congress" and inserting in lieu thereof "appropriate congressional committees";

(2) in subsection (b), by striking "the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives" and inserting in lieu thereof "any of the congressional committees described in subsection (e)"; and

(3) by adding the following subsection:

"(e) As used in this section, the term 'appropriate congressional committees' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives."

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 521. None of the funds appropriated in this Act shall be obligated or expended for Colombia, Guatemala (except that this provision shall not apply to development assistance for Guatemala), Dominican Republic, Haiti, Liberia, Pakistan, Peru, Serbia, Sudan, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committee on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 522. For the purpose of this Act, "program, project, and activity" shall be defined at the Appropriations Act account level and

shall include all Appropriations and Authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, "program, project, and activity" shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development "program, project, and activity" shall also be considered to include central program level funding, either as (1) justified to the Congress, or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within thirty days of enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL, AIDS, AND OTHER ACTIVITIES

SEC. 523. Up to \$10,000,000 of the funds made available by this Act for assistance for family planning, health, child survival, basic education and AIDS, may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out family planning activities, child survival, and basic education activities, and activities relating to research on, and the treatment and control of acquired immune deficiency syndrome in developing countries: *Provided*, That funds appropriated by this Act that are made available for child survival activities or activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: *Provided further*, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 524. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

RECIPROCAL LEASING

SEC. 525. Section 61(a) of the Arms Export Control Act is amended by striking out "1997" and inserting in lieu thereof "1998".

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 526. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (c) of that section: *Provided*, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: *Provided further*, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 527. Funds appropriated by this Act may be obligated and expended notwith-

standing section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 528. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least fifteen days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 529. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

COMPETITIVE INSURANCE

SEC. 530. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 531. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

DEBT-FOR-DEVELOPMENT

SEC. 532. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

SEPARATE ACCOUNTS

SEC. 533. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated, and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities, or

(ii) debt and deficit financing, or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) CONFORMING AMENDMENTS.—The provisions of this subsection shall supersede the tenth and eleventh provisos contained under the heading "Sub-Saharan Africa, Development Assistance" as included in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 and sections 531(d) and 609 of the Foreign Assistance Act of 1961.

(6) REPORTING REQUIREMENT.—The Administrator of the Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account

and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98-1159).

(3) NOTIFICATION.—At least fifteen days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 534. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, "international financial institutions" are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 535. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

SEC. 536. Direct costs associated with meeting a foreign customer's additional or unique requirements will continue to be allowable under contracts under section 22(d)

of the Arms Export Control Act. Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.

AUTHORITIES FOR THE PEACE CORPS

SEC. 537. Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act. The agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 538. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: *Provided*, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

RESTRICTIONS ON THE TERMINATION OF SANCTIONS AGAINST SERBIA AND MONTENEGRO

SEC. 539. (a) RESTRICTIONS.—Notwithstanding any other provision of law, no sanction, prohibition, or requirement described in section 1511 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160), with respect to Serbia or Montenegro, may cease to be effective, unless—

(1) the President first submits to the Congress a certification described in subsection (b); and

(2) the requirements of section 1511 of that Act are met.

(b) CERTIFICATION.—A certification described in this subsection is a certification that—

(1) there is substantial progress toward—

(A) the realization of a separate identity for Kosovo and the right of the people of Kosovo to govern themselves; or

(B) the creation of an international protectorate for Kosovo;

(2) there is substantial improvement in the human rights situation in Kosovo;

(3) international human rights observers are allowed to return to Kosovo; and

(4) the elected government of Kosova is permitted to meet and carry out its legitimate mandate as elected representatives of the people of Kosova.

(c) **WAIVER AUTHORITY.**—The President may waive the application in whole or in part, of subsection (a) if the President certifies to the Congress that the President has determined that the waiver is necessary to meet emergency humanitarian needs or to achieve a negotiated settlement of the conflict in Bosnia and Herzegovina that is acceptable to the parties.

SPECIAL AUTHORITIES

SEC. 540. (a) Funds appropriated in title II of this Act that are made available for Afghanistan, Lebanon, and for victims of war, displaced children, displaced Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Kosova, may be made available notwithstanding any other provision of law: *Provided*, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and energy programs aimed at reducing emissions of greenhouse gases, and for the purpose of supporting biodiversity conservation activities: *Provided*, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) During fiscal year 1998, the President may use up to \$40,000,000 under the authority of section 451 of the Foreign Assistance Act of 1961, notwithstanding the funding ceiling contained in subsection (a) of that section.

(d) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 541. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel; and

(2) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel as a confidence-building measure;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress on the specific steps being taken by the President to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ANTI-NARCOTICS ACTIVITIES

SEC. 542. (a) Of the funds appropriated or otherwise made available by this Act for

“Economic Support Fund”, assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act.

(b) Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961. Funds made available pursuant to subsection (a) for Bolivia, Colombia and Peru may be made available notwithstanding section 534(c) and the second sentence of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 543. (a) **ASSISTANCE THROUGH NON-GOVERNMENTAL ORGANIZATIONS.**—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, and 11 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading “Assistance for Eastern Europe and the Baltic States”: *Provided*, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: *Provided further*, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: *Provided further*, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) **PUBLIC LAW 480.**—During fiscal year 1998, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: *Provided*, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) **EXCEPTION.**—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

EARMARKS

SEC. 544. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with

base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: *Provided*, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: *Provided*, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 545. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs.

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 546. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of enactment of this Act by the Congress.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 547. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

CONSULTING SERVICES

SEC. 548. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PRIVATE VOLUNTARY ORGANIZATIONS— DOCUMENTATION

SEC. 549. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 550. (a) None of the funds appropriated or otherwise made available by this Act may

be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after the date of enactment of this Act.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 551. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 per centum of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term “appropriate congressional committees” means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 552. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104-107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: *Provided*, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 553. Not to exceed 5 per centum of any appropriation other than for administrative expenses made available for fiscal year 1998 for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 per centum by any such transfer: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

WAR CRIMES TRIBUNALS DRAWDOWN

SEC. 554. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to \$25,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: *Provided*, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): *Provided further*, That sixty days after the date of enactment of this Act, and every one hundred eighty days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia.

LANDMINES

SEC. 555. Notwithstanding any other provision of law, demining equipment available to the Agency for International Development and the Department of State and used in support of the clearing of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 556. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: *Provided*, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: *Provided further*, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 557. None of the funds appropriated or otherwise made available by this Act under the heading “International military education and training” or “Foreign military financing program” for Informational Program activities may be obligated or expended to pay for—

- (1) alcoholic beverages;
- (2) food (other than food provided at a military installation) not provided in conjunction with Informational Program trips where students do not stay at a military installation; or

(3) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 558. (a) To the greatest extent practicable, assistance provided or used for purchases should use American equipment, services, commodities, and products.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 559. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

(1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961; or

(2) credits extended or guarantees issued under the Arms Export Control Act.

(b) LIMITATIONS.—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief and referendum agreements, commonly referred to as “Paris Club Agreed Minutes”.

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as “IDA-only” countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

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

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

(3) is not failing to cooperate on international narcotics control matters;

(4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, fiscal years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading “Debt restructuring”.

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 560. (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 the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

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

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 per centum of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, 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) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

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

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established 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 should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading "Debt restructuring".

LIBERIA

SEC. 561. Funds appropriated by this Act may be made available for assistance for Liberia notwithstanding section 620(q) of the Foreign Assistance Act of 1961 and section 512 of this Act.

GUATEMALA

SEC. 562. (a) Funds provided in this Act may be made available for the Guatemalan military forces, and the restrictions on Guatemala under the headings "International Military Education and Training" and "For-

eign Military Financing Program" shall not apply, only if the President determines and certifies to the Congress that the Guatemalan military is cooperating fully with efforts to resolve human rights abuses which elements of the Guatemalan military forces are alleged to have committed, ordered or attempted to thwart the investigation of, and with efforts to implement a peace settlement.

(b) The prohibition contained in subsection (a) shall not apply to funds made available to implement a ceasefire or peace agreement.

(c) Any funds made available pursuant to subsections (a) and (b) for international military education and training may only be for expanded international military education and training.

SANCTIONS AGAINST COUNTRIES HARBORING WAR CRIMINALS

SEC. 563. (a) BILATERAL ASSISTANCE.—The President shall withhold funds appropriated by this Act under the Foreign Assistance Act of 1961 or the Arms Export Control Act for any country described in subsection (c).

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of financing or financial or technical assistance to any country described in subsection (c).

(c) SANCTIONED COUNTRIES.—A country described in this subsection is a country the government of which knowingly grants sanctuary to persons in its territory, or territory within its control, for the purpose of evading prosecution, where such persons have been indicted by the International Criminal Tribunal for Rwanda.

LIMITATION ON ASSISTANCE FOR HAITI

SEC. 564. (a) LIMITATION.—None of the funds appropriated or otherwise made available by this Act may be provided to the Government of Haiti unless the President reports to Congress that the Government of Haiti—

(1) is conducting thorough investigations of extrajudicial and political killings;

(2) is cooperating with United States authorities in the investigations of political and extrajudicial killings;

(3) has made demonstrable progress in privatizing major governmental parastatals, including demonstrable progress toward the material and legal transfer of ownership of such parastatals; and

(4) has taken action to remove from the Haitian National Police, national palace and residential guard, ministerial guard, and any other public security entity of Haiti those individuals who are credibly alleged to have engaged in or conspired to conceal gross violations of internationally recognized human rights.

(b) EXCEPTIONS.—The limitation in subsection (a) does not apply to the provision of humanitarian, electoral, counter narcotics, or development assistance.

(c) WAIVER.—The President may waive the requirements of this section on a semiannual basis if the President determines and certifies to the appropriate committees of Congress that such waiver is in the national interest of the United States.

(d) PARASTATALS DEFINED.—As used in this section, the term "parastatal" means a government-owned enterprise.

REQUIREMENT FOR DISCLOSURE OF FOREIGN AID IN REPORT OF SECRETARY OF STATE

SEC. 565. (a) FOREIGN AID REPORTING REQUIREMENT.—In addition to the voting practices of a foreign country, the report required to be submitted to Congress under section 406(a) of the Foreign Relations Authorization Act fiscal years 1990 and 1991 (22

U.S.C. 2414a), shall include a side-by-side comparison of individual countries' overall support for the United States at the United Nations and the amount of United States assistance provided to such country in fiscal year 1996.

(b) UNITED STATES ASSISTANCE.—For purposes of this section, the term "United States assistance" has the meaning given the term in section 481(e)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)(4)).

BURMA LABOR REPORT

SEC. 566. Not later than one hundred twenty days after enactment of this Act, the Secretary of Labor shall provide to the Committees on Appropriations a report addressing labor practices in Burma: *Provided*, That the report shall provide comprehensive details on child labor practices, worker's rights, force relocation of laborers, forced labor performed to support the tourism industry, and forced labor performed in conjunction with, and in support of, the Yadonna gas pipeline: *Provided further*, That the report should discuss whether the State Law and Order Restoration Council (SLORC) is in compliance with international labor standards: *Provided further*, That the report should provide considerable detail regarding the U.S. government's efforts to address the issue of forced labor in Burma.

HAITI

SEC. 567. The Government of Haiti shall be eligible to purchase defense articles and services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), for the civilian-led Haitian National Police and Coast Guard: *Provided*, That the authority provided by this section shall be subject to the regular notification procedures of the Committees on Appropriations.

INTERNATIONAL FINANCIAL INSTITUTION POLICIES

SEC. 568. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the International Development Association to use the voice and vote of the United States to strongly encourage their respective institutions to—

(1) provide timely public information on procurement opportunities available to United States suppliers, with a special emphasis on small business; and

(2) systematically consult with local communities on the potential impact of loans as part of the normal lending process, and expand the participation of affected peoples and nongovernmental organizations in decisions on the selection, design and implementation of policies and projects.

LIMITATION ON ASSISTANCE TO SECURITY FORCES

SEC. 569. None of the funds made available by this Act may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence to believe such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking steps to bring the responsible members of the security forces unit to justice.

CAMBODIA

SEC. 570. The Secretary of the Treasury shall instruct the United States Executive Directors of the international financial institutions to use the voice and vote of the United States to oppose loans to the Government of Cambodia, except loans to support basic human needs, unless the Government of Cambodia has: (1) not been established in office by the use of force or a coup d'etat; (2)

discontinued all political violence and intimidation of journalists and members of opposition parties; (3) established an independent election commission; (4) protected the rights of voters, candidates, and election observers and participants by establishing laws and procedures guaranteeing freedom of speech and assembly; (5) eliminated corruption and collaboration with narcotics smugglers; and (6) been elected in a free and fair election.

LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT TO EAST TIMOR

SEC. 571. In any agreement for the sale, transfer, or licensing of any lethal equipment or helicopter for Indonesia entered into by the United States pursuant to the authority of this Act or any other Act, the agreement shall state that such items will not be used in East Timor.

TRANSPARENCY OF BUDGETS

SEC. 572. Section 576(a)(1) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as contained in Public Law 104-208, is amended to read as follows:

"(1) does not have in place a functioning system for reporting to civilian authorities audits of receipts and expenditures that fund activities of the armed forces and security forces";

Section 576(a)(2) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as contained in Public Law 104-208, is amended to read as follows:

"(2) has not provided to the institution information about the audit process requested by the institution.".

RESTRICTIONS ON FUNDING TO COUNTRIES PROVIDING SANCTUARY TO INDICTED WAR CRIMINALS

SEC. 573. (a) BILATERAL ASSISTANCE.—None of the funds made available by this or any prior Act making appropriations for foreign operations, export promotion and related programs, may be provided for any country described in subsection (d).

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to any country described in subsection (d).

(c) EXCEPTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), subsections (a) and (b) shall not apply to the provision of—

(A) humanitarian assistance;

(B) democratization assistance; or

(C) assistance for physical infrastructure projects involving activities in both a sanctioned country and a nonsanctioned contiguous country, if the nonsanctioned country is the primary beneficiary.

(2) FURTHER LIMITATIONS.—Notwithstanding paragraph (1)—

(A) no assistance may be made available by this Act, or any other Act making appropriations for foreign operations, export promotion and related programs, for a program, project, or activity in any country described in subsection (d) in which an indicted war criminal has any financial or material interest or through any organization in which the indicted individual is affiliated; and

(B) no assistance (other than emergency foods or medical assistance or demining assistance) may be made available by this Act, or any other Act making appropriations for foreign operations, export promotion and related programs to any program, project, or activity in any area of any country described in subsection (d) in which local authorities are not complying with the provisions of Ar-

ticle IX and Annex 4, Article II of the Dayton Agreement relating to war crimes and the Tribunal, or with the provisions of Annex 7 of the Dayton Agreement relating to the rights of refugees and displaced persons to return to their homes of origin.

(d) SANCTIONED COUNTRIES.—A country described in this section is a country the authorities of which fail to apprehend and transfer to the Tribunal all persons in territory that is under their effective control who have been indicted by the Tribunal.

(e) WAIVER.—

(1) AUTHORITY.—The President may waive the application of subsection (a) or subsection (b) with respect to a country if the President determines and certifies to the appropriate committees of Congress within six months after the date of enactment of this Act that a majority of the indicted persons who are within territory that is under the effective control of the country have been arrested and transferred to the Tribunal.

(2) PERIOD OF EFFECTIVENESS.—Any waiver made pursuant to this subsection shall be effective for a period of six months.

(f) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to subsection (a) or subsection (b) with respect to a country shall cease to apply only if the President determines and certifies to Congress that the authorities of that country have apprehended and transferred to the Tribunal all persons in territory that is under their effective control who have been indicted by the Tribunal.

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

(1) COUNTRY.—The term "country" shall not include Bosnia and Herzegovina, and the provisions of this Act shall be applied separately to its constituent entities of Republika Srpska and the Federation of Bosnia and Herzegovina.

(2) DAYTON AGREEMENT.—The term "Dayton Agreement" means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

(3) DEMOCRATIZATION ASSISTANCE.—The term "democratization assistance" includes electoral assistance and assistance used in establishing the institutions of a democratic and civil society.

(4) HUMANITARIAN ASSISTANCE.—The term "humanitarian assistance" includes assistance for food, demining, refugees, housing, education, health care, and other social services.

(5) TRIBUNAL.—The term "Tribunal" means the International Criminal Tribunal for the Former Yugoslavia.

EXTENSION OF CERTAIN ADJUDICATION PROVISIONS

SEC. 574. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167) is amended—

(1) in section 599D (8 U.S.C. 1157 note)—

(A) in subsection (b)(3), by striking "and 1997" and inserting "1997, and 1998"; and

(B) in subsection (e), by striking "October 1, 1997" each place it appears and inserting "October 1, 1998"; and

(2) in section 599E (8 U.S.C. 1255 note) in subsection (b)(2), by striking "September 30, 1997" and inserting "September 30, 1998".

DEVELOPMENT CREDIT AUTHORITY

SEC. 575. For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans and loan guarantees in support of the development objectives of the Foreign Assistance Act of 1961 (FAA), up to \$10,000,000, which amount may be derived by transfer from funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961 and funds appropriated by this Act under the heading "Assistance for East-

ern Europe and the Baltic States", to remain available until expended: *Provided*, That of this amount, up to \$1,500,000 for administrative expenses to carry out such programs may be transferred to and merged with "Operating Expenses of the Agency for International Development": *Provided further*, That the provisions of section 107A(d) (relating to general provisions applicable to development credit authority) of the Foreign Assistance Act of 1961, as added by section 306 of H.R. 1486 as reported by the House Committee on International Relations on May 9, 1997, shall be applicable to direct loans and loan guarantees provided under this paragraph: *Provided further*, That direct loans or loan guarantees under this paragraph may not be provided until the Director of the Office of Management and Budget has certified to the Committees on Appropriations that the Agency for International Development has established a credit management system capable of effectively managing the credit programs funded under this heading, including that such system (1) can provide accurate and timely provision of loan and loan guarantee data, (2) contains information control systems for loan and loan guarantee data, (3) is adequately staffed, and (4) contains appropriate review and monitoring procedures.

EXCESS DEFENSE ARTICLES FOR CERTAIN EUROPEAN COUNTRIES

SEC. 576. Section 105 of Public Law 104-164 (110 Stat. 1427) is amended by striking "1996 and 1997" and inserting "1998 and 1999".

ADDITIONAL REQUIREMENTS RELATING TO STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 577. (a) VALUE OF ADDITIONS TO STOCKPILES.—Section 514(b)(2)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)(A)) is amended by inserting before the period at the end the following: "and \$60,000,000 for fiscal year 1998".

(b) REQUIREMENTS RELATING TO THE REPUBLIC OF KOREA AND THAILAND.—Section 514(b)(2)(B) of such Act (22 U.S.C. 2321h(b)(2)(B)) is amended by adding at the end the following: "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.".

DELIVERY OF DRAWDOWN BY COMMERCIAL TRANSPORTATION SERVICES

SEC. 578. Section 506 of the Foreign Assistance Act of 1961 (22 U.S.C. 2318) is amended—

(1) in subsection (b)(2), by striking the period and inserting the following: "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.";

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting after subsection (b) the following:

"(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."

SENSE OF THE SENATE REGARDING ESTONIA, LATVIA, AND LITHUANIA.

SEC. 579. It is the sense of the Senate that Estonia, Latvia, and Lithuania—

(1) are to be commended for their progress toward political and economic reform and meeting the guidelines for prospective NATO members;

(2) would make an outstanding contribution to furthering the goals of NATO and enhancing stability, freedom, and peace in Europe should they become NATO members; and

(3) upon complete satisfaction of all relevant criteria should be invited to become full NATO members at the earliest possible date.

TO PROHIBIT FOREIGN ASSISTANCE TO THE GOVERNMENT OF RUSSIA SHOULD IT ENACT LAWS WHICH WOULD DISCRIMINATE AGAINST MINORITY RELIGIOUS FAITHS IN THE RUSSIAN FEDERATION

SEC. 580. (a) None of the funds appropriated under this Act may be made available for the Government of Russian Federation unless the President determines and certifies in writing to the Committee on Appropriations and the Committee on Foreign Relations of the Senate that the Government of the Russian Federation has enacted no statute or promulgated no executive order that would discriminate, or would have as its principal effect discrimination, against religious minorities in the Russian Federation in violation of accepted international agreements on human rights and religious freedoms to which the Russian Federation is a signatory, including the European Convention and the 1989 Vienna Concluding Document of the Conference on Security and Cooperation in Europe.

(b) This section shall become effective one day after the enactment of this Act.

SENSE OF THE SENATE REGARDING SUPPORT FOR COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA

SEC. 581. (a) FINDINGS.—Congress makes the following findings:

(1) The ancient Silk Road, once the economic lifeline of Central Asia and the South Caucasus, traversed much of the territory now within the countries of Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

(2) Economic interdependence spurred mutual cooperation among the peoples along the Silk Road and restoration of the historic relationships and economic ties between those peoples is an important element of ensuring their sovereignty as well as the success of democratic and market reforms.

(3) The development of strong political and economic ties between countries of the South Caucasus and Central Asia and the West will foster stability in the region.

(4) The development of open market economies and open democratic systems in the countries of the South Caucasus and Central Asia will provide positive incentives for international private investment, increased trade, and other forms of commercial interactions with the rest of the world.

(5) The Caspian Sea Basin, overlapping the territory of the countries of the South Caucasus and Central Asia, contains proven oil and gas reserves that may exceed \$4,000,000,000,000 in value.

(6) The region of the South Caucasus and Central Asia will produce oil and gas in sufficient quantities to reduce the dependence of the United States on energy from the volatile Persian Gulf region.

(7) United States foreign policy and international assistance should be narrowly tar-

geted to support the economic and political independence of the countries of the South Caucasus and Central Asia.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the policy of the United States in the countries of the South Caucasus and Central Asia should be—

(1) to promote sovereignty and independence with democratic government;

(2) to assist actively in the resolution of regional conflicts;

(3) to promote friendly relations and economic cooperation; and

(4) to help promote market-oriented principles and practices;

(5) to assist in the development of infrastructure necessary for communications, transportation, and energy and trade on an East-West axis in order to build strong international relations and commerce between those countries and the stable, democratic, and market-oriented countries of the Euro-Atlantic Community; and

(6) to support United States business interests and investments in the region.

(c) DEFINITION.—In this section, the term "countries of the South Caucasus and Central Asia" means Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

PROMOTION OF RELIGIOUS FREEDOM AND HUMAN RIGHTS

SEC. 582. (a) REPORTS.—Not later than March 30, 1998, and each subsequent year thereafter, the Secretary of State shall submit to the International Relations Committee of the House of Representatives and the Foreign Relations Committee of the Senate an annual report on religious persecution on a country-by-country basis. Reports shall include a list of individuals who have been materially involved in the commission of acts of persecution that are motivated by a person's religion.

(b) PRISONER INFORMATION REGISTRY.—The Secretary of State shall establish a Prisoner Information Registry which shall provide information on all political prisoners, prisoners of conscience, and prisoners of faith on a country-by-country basis. Such information shall include the charges, judicial processes, administrative actions, use of forced labor, incidences of torture, length of imprisonment, physical and health conditions, and other matters related to the incarceration of such prisoners. The Secretary of State is authorized to make funds available to non-governmental organizations presently engaged in monitoring activities regarding such prisoners to assist in the creation and maintenance of the registry.

(c) SENSE OF CONGRESS CONCERNING ESTABLISHMENT OF A COMMISSION ON SECURITY AND COOPERATION IN ASIA.—It is the sense of the Congress that Congress, the President, and the Secretary of State should work with the governments of the People's Republic of China and other countries to establish a Commission on Security and Cooperation in Asia which would be modeled after the Commission on Security and Cooperation in Europe.

UNITED STATES INTELLIGENCE ACTIVITIES RELATED TO MONITORING HUMAN RIGHTS ABUSES AND RELIGIOUS PERSECUTION

SEC. 583. (a) IN GENERAL.—The President shall devote additional personnel and resources to gathering intelligence information regarding human rights abuses and acts of religious persecution.

(b) REPORT.—Not later than March 30, 1998, the President shall submit to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report on the number of personnel and resources that are being devoted to gathering

intelligence information regarding human rights abuses and acts of religious persecution.

WILDLIFE CONSERVATION

SEC. 584. Of the funds appropriated by this Act, not more than \$2,900,000 may be made available for the Communal Areas Management Programme for Indigenous Resources (CAMPFIRE) in Zimbabwe: *Provided*, That none of the funds appropriated by this Act may be used to directly finance the trophy hunting of elephants or other endangered species as defined in the Convention on International Trade in Endangered Species of Flora and Fauna (CITES) or the Endangered Species Act: *Provided further*, That the funds appropriated by this Act that are provided under the CAMPFIRE program may not be used for activities with the express intent to lobby or otherwise influence international conventions or treaties, or United States Government decision makers: *Provided further*, That funds appropriated by this Act that are made available for the CAMPFIRE program may be used only in Zimbabwe for the purpose of maximizing benefits to rural people while strengthening natural resources management institutions: *Provided further*, That not later than March 1, 1998, the Administrator of the Agency for International Development shall submit a report to the appropriate congressional committees describing the steps taken to implement the CAMPFIRE program, the impact of the program on the people and wildlife of CAMPFIRE districts, alternatives to trophy hunting as a means of generating income for CAMPFIRE districts, and a description of how funds made available for CAMPFIRE in fiscal year 1998 are to be used.

DEMOCRACY-BUILDING ACTIVITY IN PAKISTAN

SEC. 585. (a) OPIC.—Section 239(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2199(f)) is amended by inserting ", or Pakistan" after "China".

(b) TRAINING ACTIVITY.—Section 638(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2398(b)) is amended—

(1) by inserting "or any activity to promote the development of democratic institutions" after "activity"; and

(2) by inserting ", Pakistan," after "Brazil".

(c) TRADE AND DEVELOPMENT.—It is the sense of Congress that the Director of the Trade and Development Agency should use funds made available to carry out the provisions of section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421) to promote United States exports to Pakistan.

SENSE OF THE SENATE ON THE EUROPEAN COMMISSION'S HANDLING OF THE BOEING AND McDONNELL DOUGLAS MERGER

SEC. 586. (a) FINDINGS.—(1) The Boeing Company and McDonnell Douglas have announced their merger; and

(2) the Department of Defense has approved that merger as consistent with the national security of the United States; and

(3) the Federal Trade Commission has found that merger not to violate the anti-trust laws of the United States; and

(4) the European Commission has consistently criticized and threatened the merger before, during and after its consideration of the facts; and

(5) the sole true reason for the European Commission's criticism and imminent disapproval of the merger is to gain an unfair competitive advantage for Airbus, a government owned aircraft manufacturer.

(b) SENSE OF SENATE.—Now therefore, it is the sense of the Senate that—

(1) any such disapproval on the part of the European Commission would constitute an unwarranted and unprecedented interference

in a United States business transaction that would threaten thousands of American aerospace jobs; and

(2) the Senate suggests that the President take such actions as he deems appropriate to protect United States interests in connection therewith.

RESTRICTION ON ASSISTANCE MADE TO THE PALESTINIAN AUTHORITY

SEC. 587. None of the funds appropriated or otherwise made available by this Act may be obligated or expended with respect to providing funds to the Palestinian Authority, unless the President certifies to Congress that—

(1) the Palestinian Authority is using its maximum efforts to combat terrorism, and, in accordance with the Oslo Accords, has ceased the use of violence, threat of violence, or incitement to violence as a tool of the Palestinian Authority's policy toward Israel;

(2) after a full investigation by the Department of Justice, the Executive branch of Government concludes that Chairman Arafat had no prior knowledge of the World Trade Center bombing; and

(3) after a full inquiry by the Department of State, the Executive branch of Government concludes that Chairman Arafat did not authorize and did not fail to use his authority to prevent the Tel Aviv cafe bombing of March 21, 1997.

USE OF FUNDS FOR THE UNITED STATES-ASIA ENVIRONMENTAL PARTNERSHIP

SEC. 588. Notwithstanding any other provision of law that restricts assistance to foreign countries, funds appropriated by this or any other Act making appropriations pursuant to part I of the Foreign Assistance Act of 1961 that are made available for the United States-Asia Environmental Partnership may be made available for activities for the People's Republic of China.

REQUIREMENTS FOR THE REPORTING TO CONGRESS OF THE COSTS TO THE FEDERAL GOVERNMENT ASSOCIATED WITH THE PROPOSED AGREEMENT TO REDUCE GREENHOUSE GAS EMISSIONS

SEC. 589. The President shall provide to the Congress a detailed account of all Federal agency obligations and expenditures for climate change programs and activities, domestic and international, for fiscal year 1997, planned obligations for such activities in fiscal year 1998, and any plan for programs thereafter in the context of negotiations to amend the Framework Convention on Climate Change (FCCC) to be provided to the appropriate congressional committees no later than October 15, 1997.

AUTHORITY TO ISSUE INSURANCE AND EXTEND FINANCING

SEC. 590. (a) IN GENERAL.—Section 235(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)) is amended—

(1) by striking paragraphs (1) and (2)(A) and inserting the following:

“(1) INSURANCE AND FINANCING.—(A) The maximum contingent liability outstanding at any one time pursuant to insurance issued under section 234(a), and the amount of financing issued under sections 234 (b) and (c), shall not exceed in the aggregate \$29,000,000,000.”;

(2) by redesignating paragraph (3) as paragraph (2); and

(3) by amending paragraph (2) (as so redesignated) by striking “1997” and inserting “1999”.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 235(a) of that Act (22 U.S.C. 2195(a)), as redesignated by subsection (a), is further amended by striking “(a) and (b)” and inserting “(a), (b), and (c)”.

WITHHOLDING ASSISTANCE TO COUNTRIES VIOLATING UNITED NATIONS SANCTIONS AGAINST LIBYA

SEC. 591. (a) WITHHOLDING OF ASSISTANCE.—Except as provided in subsection (b), whenever the President determines and certifies to Congress that the government of any country is violating any sanction against Libya imposed pursuant to United Nations Security Council Resolution 731, 748, or 883, then not less than 5 percent of the funds allocated for the country under section 653(a) of the Foreign Assistance Act of 1961 out of appropriations in this Act shall be withheld from obligation and expenditure for that country.

(b) EXCEPTION.—The requirement to withhold funds under subsection (a) shall not apply to funds appropriated in this Act for allocation under section 653(a) of the Foreign Assistance Act of 1961 for development assistance or for humanitarian assistance.

WAR CRIMES PROSECUTION

SEC. 592. Section 2401 of title 18, United States Code (Public Law 104-192; the War Crimes Act of 1996) is amended as follows—

(1) in subsection (a), by striking “commits a grave breach of the Geneva Conventions” and inserting in lieu thereof “commits a war crime”;

(2) in subsection (b)—

(A) by striking “the person committing such breach or the victim of such breach” and inserting in lieu thereof “the person committing such crime or the victim of such crime”;

(B) by inserting before the period at the end of the subsection “or that the person committing such crime is later found in the United States after such crime is committed”;

(3) in subsection (c)—

(A) by striking “the term ‘grave breach of the Geneva Conventions’ means conduct defined as” and inserting in lieu thereof “the term ‘war crime’ means conduct (1) defined as”;

(B) by inserting the following before the period at the end—

“(2) prohibited by Articles 23, 25, 27, or 28 of the Annex to the Hague Convention IV, Respecting the Laws and Customs of War on Land, signed on October, 1907; (3) which constitutes a violation of common Article 3 of the international conventions signed at Geneva on August 1949; or (4) of a person who, in relation to an armed conflict and contrary to the provisions of the Protocol on Prohibitions or Restrictions on the Use of Mines, Booby-traps and Other Devices as amended at Geneva on 3 May 1996 (Protocol II as amended on 3 May 1996), when the United States is a party to such Protocol, willfully kills or causes serious injury to civilians”;

(4) by adding a new subsection (d) to read as follows:

“(d) NOTIFICATION.—No prosecution of any crime prohibited in this section shall be undertaken by the United States except upon the written notification to the Congress by the Attorney General or his designee that in his judgment a prosecution by the United States is in the national interest and necessary to secure substantial justice.”.

REFORM AND REVIEW OF UNITED STATES SPONSORED TRAINING PROGRAMS

SEC. 593. (a) FINDINGS.—Congress makes the following findings:

(1) United States training of members of Latin American military and security forces that occurred primarily at the Army School of the Americas between 1982 and 1991 has been severely criticized for promoting practices that have contributed to the violation of human rights and have otherwise been inconsistent with the appropriate role of the Armed Forces in a democratic society.

(2) Numerous members of Latin American military and security forces who have participated in United States sponsored training programs, have subsequently been identified as having masterminded, participated in, or sought to cover up some of the most heinous human rights abuses in the region.

(3) United States interests in Latin America would be better served if Latin American military personnel were exposed to training programs designed to promote—

(A) proper management of scarce national defense resources,

(B) improvements in national systems of justice in accordance with internationally recognized principles of human rights, and

(C) greater respect and understanding of the principle of civilian control of the military.

(4) In 1989, Congress mandated that the Department of Defense institute new training programs (commonly referred to as expanded IMET) with funds made available for international military and education programs in order to promote the interests described in paragraph (3). Congress also expanded the definition of eligibility for such training to include non-defense government personnel from countries in Latin America.

(5) Despite congressionally mandated emphasis on expanded IMET training programs, only 4 of the more than 50 courses offered annually at the United States Army School of the Americas qualify as expanded IMET.

(b) LIMITATION ON USE OF FUNDS.—Notwithstanding any other provision of law, none of the funds appropriated in this Act under the heading relating to international military education and training may be made available for training members of any Latin American military or security force until—

(1) the Secretary of Defense has advised the Secretary of State in writing that 30 percent of IMET funds appropriated for fiscal year 1998 for the cost of Latin American participants in IMET programs will be disbursed only for the purpose of supporting enrollment of such participants in expanded IMET courses; and

(2) the Secretary of State has identified sufficient numbers of qualified, non-military personnel from countries in Latin America to participate in IMET programs during fiscal year 1998 in consultation with the Secretary of Defense, and has instructed United States embassies in the hemisphere to approve their participation in such programs so that not less than 25 percent of the individuals from Latin American countries attending United States supported IMET programs are civilians.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of State shall report in writing to the appropriate committees of Congress on the progress made to improve military training of Latin American participants in the areas of human rights and civilian control of the military. The Secretary shall include in the report plans for implementing additional expanded IMET programs for Latin America during the next 3 fiscal years.

LIBERATION TIGERS OF TAMIL EELAM

SEC. 594. SENSE OF SENATE.—It is the sense of the Senate that the Department of State should list the Liberation Tigers of Tamil Eelam as a terrorist organization.

LIMITATION ON INTERNATIONAL MILITARY EDUCATION AND TRAINING ASSISTANCE FOR PERU

SEC. 595. None of the funds appropriated or otherwise made available by this Act may be provided to the Government of Peru for international military education and training under chapter 5 of part II of the Foreign Assistance Act of 1961, unless the President certifies to Congress that the Government of Peru is taking all necessary steps to ensure

that United States citizens held in prisons in Peru are accorded timely, open, and fair legal proceedings in civilian courts.

LIMIT AID TO THE GOVERNMENT OF CONGO UNTIL
PRESIDENTIAL CERTIFICATION

SEC. 596. None of the funds appropriated or otherwise made available by this Act may be provided to the Government of Congo until such time as the President reports in writing to the Congress that the Government of Congo is cooperating fully with investigators from the United Nations or any other international relief organizations in accounting for human rights violations or atrocities committed in Congo or adjacent countries.

Titles I through V of this Act may be cited as the "Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998".

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I see the chairman of the Appropriations Committee in the Chamber. I just want to make the point that I think we must have achieved some kind of record here in light of, in 3 days, having passed four bills. I congratulate him on his leadership, which has pushed us in that direction very skillfully.

Mr. STEVENS. Mr. President, if the Senator will yield, I congratulate the two managers of this bill, Senator MCCONNELL and Senator LEAHY, for accomplishing almost the impossible—to have the foreign assistance bill passed in this manner.

We had a meeting at the beginning of this year when I became chairman and talked about trying to have a program of crisis avoidance, and this is a good example of it. These two Senators have worked with all Members who had amendments and tried to accommodate them, at least dealt with most of them, and the result is on the floor being able to pass this bill, and it is a great bill. What was the final vote?

Mr. MCCONNELL. It was 91 to 8.

Mr. STEVENS. I can remember the days when this bill was filibustered for days and days and days. It is really a tribute to the two managers for having accomplished this, and I congratulate them very much.

Mr. LEAHY. Mr. President, if the Senator from Alaska will yield, I say for my colleagues one of the joys of the Appropriations Committee is that there are a lot of senior Members on both sides of the aisle who are used to working with each other to build the kind of personal relationships that are necessary. I cherish my own friendship with the Senator from Alaska and the Senator from Kentucky. We have worked together on a lot of different pieces of legislation, not just this one but a lot of others, and I think we understand there are certain things that can be done and certain things that cannot be done, and we go for the possible.

I note that this is a record, and I commend the Senator from Kentucky for getting it through so rapidly. But it is a case, again, I would say to the chairman of the Appropriations Committee, who sat down with us and tried to give us leeway, a realistic schedule,

of the ability to work out many things even before they got to the floor.

I have been both a manager and the ranking member of a lot of pieces of legislation. What has been happening with the appropriations bills is a model of the way it should be done—move them, move them quickly. People have an issue; vote on it and move on to the next thing. The Senate is better served. The country is better served.

I commend my two colleagues for their help.

Mr. MCCONNELL. Mr. President, I, too, thank my good friend, PAT LEAHY, for his marvelous cooperation and also extend my thanks to Steve Cortese, director of the full committee, who has been a joy to work with, and Tim Rieser of Senator LEAHY's staff and, of course, long-time foreign policy adviser, now staff director of the subcommittee, Robin Cleveland, and Billy Piper and Will Smith, who have done yeoman service and outstanding work on this. I thank them.

I yield the floor.

Mr. LEAHY. Mr. President, I also want to compliment Robin Cleveland and Will Smith of the committee staff and Billy Piper of Senator MCCONNELL's staff, and, of course, as he has already mentioned, Tim Rieser of my staff, who has done so much on this, Emily East from the appropriations staff; Lesley Carson, who is a Javits scholar with the appropriations subcommittee; Dick D'Amato, a long-time member of the appropriations staff, and John Rosenwasser from the Budget Committee. There is an awful lot that goes on among staff to make this possible. We do not have the expertise of the staff. We cannot move a bill this quickly no matter how hard we Senators may try, and I commend the staff on both sides of the aisle in this case.

The PRESIDING OFFICER. The Senator from Connecticut.

COMMENDATION OF GEN. BARRY
MCCAFFREY

Mr. DODD. Mr. President, during the consideration of the foreign operations appropriations bill yesterday, I offered an amendment along with Senator MCCAIN on the drug certification issue. During the course of that debate, some references were made to Gen. Barry McCaffrey that I thought were unfortunate and incorrect.

JOHN MCCAIN, our colleague from Arizona, rightly stood up and pointed out that Barry McCaffrey, whatever one's views may have been on the certification issue, enjoys, I think, without any question, the tremendous confidence of the Members of this body. We may disagree on various policy issues. I wanted to associate myself with Senator MCCAIN's remarks and express my gratitude to General McCaffrey for taking on this job, one of the most difficult jobs in Government, that is, to be the drug czar.

Mr. President, I wanted to express my confidence, and I am confident the

confidence of my colleagues, in Barry McCaffrey. This is a very difficult job he has taken on. It is tremendously complex. It is obviously a source of great, great disturbance in this country to watch the ever-increasing proliferation of illegal drugs, and obviously there is a domestic feature to this and there is an international feature to it. His job is not an easy one and he has to deal with people all over the globe. I think he does so with a great deal of integrity, seriousness, and forthrightness. He has been tremendously responsive to those of us up here on Capitol Hill who care about this issue.

I thank Senator MCCAIN for his remarks yesterday and associate myself, as I said, with those remarks, and once again express my high degree of confidence in the General and my appreciation as well for the work he has done.

Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I know my colleague from Iowa wants to speak and my colleague from Arkansas. Could I just for a moment ask unanimous consent that an intern, Mara Davis, be allowed to be in the Chamber today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senate has an order to go to a bill at 11:30.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be permitted—I know the Senator from Ohio wants to introduce a bill, and I do not want to delay that—but I ask unanimous consent that I be permitted to proceed for 5 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

DETERIORATION OF U.S.
NATIONAL PARKS

Mr. BUMPERS. Mr. President, one of the truly great ideas that somebody came up with back in 1872 was to establish the first national park. Ulysses Grant was President. Unhappily, that same year Ulysses Grant signed a bill called the mining law of 1872. But back to the point. President Grant established the first national park in this Nation. It has been a source of pride and usage and a great deal of euphoria for America's people ever since. We in the Senate and in the House profess our undying commitment to a National Park System second to none while we have routinely starved the park system to death.