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THE TECHNICAL ASSISTANCE, TRADE PROMOTION, AND ANTI-CORRUPTION ACT OF 2000

APRIL 7, 2000.—Ordered to be printed

Mr. HELMS, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. 2382]

The Committee on Foreign Relations, having had under consideration an original bill to authorize appropriations for technical assistance for fiscal year 2001, to promote trade and anti-corruption measures, and for other purposes, reports favorably thereon and recommends that the bill do pass.

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I. COMMITTEE ACTION

The Committee on Foreign Relations held ten hearings in 1999 and early 2000 on various elements of the Technical Assistance, Trade Promotion, and Anti-Corruption Act of 2000.

On February 8, 2000, the Committee received testimony from Secretary of State Madeleine Albright on the Administration's fiscal year 2001 foreign affairs budget request.

On February 10, 2000, the Committee received testimony from Agency for International Development Administrator, Brady Anderson, on the Administration's fiscal year 2001 foreign assistance budget request.

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On May 11, 1999, the Committee received testimony on U.S. sanctions policy from Dan Glickman, Secretary of Agriculture, William Reinsch, Under Secretary of Commerce for Export Administration, Gary Hall, President of the Kansas Farm Bureau, Max Thornsberry, President of the Missouri Cattlemen Beef Association, Mike Yost, President of the American Soybean Association, and Robert W. Kohlmeyer, President of World Perspective. On July 1, 1999, the Committee held another hearing on sanctions where Stuart E. Eizenstat, Under Secretary of State for Economic, Business and Agriculture Affairs testified. On July 21, 1999, the Committee received testimony from Senators Lugar, Dodd, Hagel, and Ashcroft on various legislative initiatives addressing sanctions reform.

On February 24, 2000 the Subcommittee on African Affairs held a hearing on the HIV/AIDS crisis in Africa. The following people offered testimony at that hearing: Senators Kerry, Boxer, Durbin, Smith, Surgeon General David Satcher, Director of National AIDS Policy, Sandra Thurman, Jeffrey Sachs, Director of the Harvard Institute for International Development, Harvey E. Bale, Jr., Director of the General International Federation of Pharmaceutical Manufactures, Peter Lurie, Deputy Director of Public Citizens Health Research Group, Father Angelo S'Agostino, Director of Nyumbani Orphanage and Franklin Graham, President of Samaritan's Purse.

On February 29, 2000, the Committee received testimony from Treasury Secretary Larry Summers and former Secretary of State and Secretary of the Treasury, George Shultz, on the Administration's fiscal year 2001 budget request for international financial institutions and its proposal to forgive debt for poor countries.

On April 20, 1999, the Committee received testimony from Secretary of State Madeleine Albright on the war in Kosovo. On July 29, 1999, the Subcommittee on Europe held a hearing on the prospects for democracy in Yugoslavia. Testimony was received from the following people: Robert S. Gelbard, Special Representative of the President and the Secretary of State for Implementation of the Dayton Peace Accords, James W. Pardew, Jr., Deputy Special Advisor to the President and the Secretary of State for Kosovo and Implementation of the Dayton Peace Accords, Sonja Biserko, Chairman of the Helsinki Commission for Human Rights in Serbia, Father Irinej Dobrijevic, Executive Director of External Affairs of the Serbian Orthodox Church, John Fox, Director of the Washington Office of the Open Society Institute, and James Hooper, Executive Director of the Balkan Action Council. On October 6, 1999, the Committee received testimony from Zbigniew Brzezinski, former National Security Advisor, Ambassador William Taft IV, former Ambassador to the North Atlantic Treaty Organization, and Eliot Cohen, Director of Strategic Studies at Johns Hopkins University's Paul H. Nitze School of Advanced International Studies (SAIS) on the conduct of the NATO air campaign in Yugoslavia.

The Committee considered the Technical Assistance, Trade Promotion, and Anti-Corruption Act on March 23, 2000.

During Committee consideration of the bill, the following recorded votes were taken:

An amendment by Senator Lugar regarding sanctions. The amendment was defeated by a vote of 8–10. Ayes: Lugar,

Hagel, Smith, Grams, Thomas, Frist, Chafee, and Dodd. Nays: Helms, Brownback, Ashcroft, Biden, Sarbanes, Kerry, Feingold, Wellstone, Boxer, and Torricelli.

An amendment by Senator Dodd striking the provision abolishing the Inter-American Foundation in Title II of the Chairman's mark. The amendment was approved by a vote of 10–8. Ayes: Lugar, Brownback, Biden, Sarbanes, Dodd, Kerry, Feingold, Wellstone, Boxer, and Torricelli. Nays: Helms, Hagel, Smith, Grams, Thomas, Ashcroft, Frist, and Chafee.

An amendment by Senator Sarbanes to delete Section 774 of the Chairman's mark. The amendment was defeated by a vote of 9–9. Ayes: Chafee, Biden, Sarbanes, Dodd, Kerry, Feingold, Wellstone, Boxer, and Torricelli. Nays: Helms, Lugar, Hagel, Smith, Grams, Brownback, Thomas, Ashcroft, and Frist.

An amendment by Senator Brownback regarding nonmilitary education and anticorruption assistance. The amendment was approved by a vote of 11–7. Ayes: Helms, Lugar, Hagel, Smith, Grams, Brownback, Thomas, Ashcroft, Frist, Dodd, and Wellstone. Nays: Chafee, Biden, Sarbanes, Kerry, Feingold, Boxer, and Torricelli.

During Committee consideration of the bill, the following amendments were agreed to by voice vote:

A managers' amendment which included an initiative by Senators Frist, Kerry, Gordon Smith, Boxer, and Feingold regarding HIV/AIDS in Africa funding; the text of Senator Boxer and Senator Gordon Smith's S. 1497, International Tuberculosis Control Act of 1999; a provision sponsored by Senator Feingold regarding Development Fund for Africa funding; a provision sponsored by Senator Helms and Senator Biden which authorizes a provision usually carried in the Foreign Operations appropriations bill regarding disbursal of assistance to Israel; a provision sponsored by Senators Helms and Biden which codifies the U.S./Israel agreement with respect to Israel's Economic Support Fund phase out; a provision sponsored by Senators Helms and Biden which authorizes a provision usually carried in the Foreign Operations appropriations bill which allows Israel to purchase equipment in Israel using a portion of the FMF funds; a provision sponsored by Senator Biden regarding Africa Crisis Response Initiative training; an amendment sponsored by Senator Biden to section 804 regarding police training; and various agreed upon technical corrections.

An amendment by Senator Ashcroft which is the same as the text of S. 2106 regarding biotechnology and international development.

The Committee voted to report the bill favorably by voice vote.

II. Summary of Funds

SUMMARY OF FUNDS IN THE TECHNICAL ASSISTANCE, TRADE PROMOTION, AND ANTI-CORRUPTION ACT

	FY 2000 Estimate	FY 2001 Request	FY 2001 SFRC Mark
AIDS Initiative [1]	[2] $200,000,000	[2] $259,000,000	$300,000,000
HIPC Trust Fund	[3] 210,000,000	150,000,000	[4] 600,000,000
Serbia Democracy Act	25,000,000	41,500,000	50,000,000
Microenterprise Assistance	135,000,000	135,000,000	[5] 150,000,000
Defense & Security Assistance			
IMET	[6] 49,810,000	55,000,000	65,000,000
FMF	[6] 4,788,944,000	3,538,200,000	3,627,000,000
Nonproliferation & Export Control Assistance	124,780,000	110,000,000	129,000,000
Antiterrorism	38,000,000	[7] 72,000,000	[7] 73,000,000
Total Authorization of Appropriations	5,561,534,000	4,353,700,000	4,994,000,000

[1] USAID figures only.
[2] Funding from all USAID accounts.
[3] Not enacted. Pending in supplemental appropriations request.
[4] These funds are authorized for FY 2000–2003. The Administration has requested $600 million for the HIPC Trust Fund in FY 2000 supplemental, FY 2001, and FY 2002 advance appropriation proposals.
[5] Includes appropriated funds and local currencies.
[6] Amounts are post-rescission. FMF for FY2000 also includes a one-time-only $1.8 billion Wye River/Middle East Peace supplemental appropriation.
[7] Includes antiterrorism and terrorism interdiction program assistance.

III. Section-by-Section Analysis

TITLE I—PROMOTING TRADE AND PROTECTING UNITED STATES JOBS

Subtitle A—Private Sector Development

Sec. 101. Private Sector Enterprise Funds

Section 101 adds a new section 601A to the Foreign Assistance Act of 1961 (FAA) authorizing the establishment of enterprise funds to support private sector growth using the model of the SEED Act. Similar legislation was recommended in the 104th Congress by the Committee in S. 961 and passed by the House (H.R. 1561). Currently, the Foreign Assistance Act of 1961 (FAA) and the SEED Act authorize the President to create enterprise funds in the former Soviet Union and Eastern Europe, and the Committee notes that the general authorities of the FAA have been used to establish an enterprise fund in South Africa. The Committee supports this innovative approach to foreign assistance through which enterprise funds—publically funded but privately managed—promote the development of private sectors in eligible countries and the creation of joint ventures between U.S. and host country entrepreneurs. In addition to authorizing the creation of enterprise funds, this provision also ensures that Congress will be aware, in advance, of how the assets of closed out funds are to be distributed.

Subsection (a) of the new section 601A authorizes the President to support existing or establish new enterprise funds, outside Eastern Europe and the former Soviet Union, in furtherance of develop-

ment assistance goals under the FAA, that help develop the private sector and promote policies and practices in eligible countries important to creating a positive environment within which businesses operate. Given the importance of fostering the expansion of the private sector in developing and transitioning nations, funds may be made available to enterprise funds notwithstanding any provision of law, with the exception of sections 620A (relating to terrorism) and 490 (concerning counter narcotics).

Subsection (b) makes any country eligible for having an enterprise fund created under the terms and conditions as those established in Poland and Hungary. Enterprise funds for SEED countries and independent states of the former Soviet Union, however, must continue to use the authorities under the SEED Act and section 498B of the FAA.

Subsection (c) establishes the Polish and Hungarian enterprise funds as models for the operations of other enterprise funds, including the legal status of officers, members, and employees. Subsection (d) exempts a newly created enterprise fund from publishing an annual report by January 31 of each year for the first 12 months after it becomes eligible to receive funds. After the exemptions for the first year, the enterprise fund would have to file annual reports pursuant to section 201(p) of the SEED Act.

Subsection (e) requires the President to send the Committee and the House International Relations Committee in advance a plan for how the assets of an enterprise fund that is scheduled for liquidation or dissolution will be distributed. This is nearly identical to text enacted as Section 572 of the Foreign Operations Appropriations, FY 2000.

Subsection (f) permits funding for enterprise funds to come from development assistance accounts and from the Economic Support Fund, in addition to amounts otherwise available.

SUBTITLE B—PROTECTION OF UNITED STATES JOBS AND EXPORTS

Sec. 111. Prohibition on Bilateral Assistance for Foreign Exports of Certain Commodities

This section amends the Foreign Assistance Act of 1961 (FAA) to ensure that no U.S. bilateral assistance will help recipient countries establish or expand production of export commodities that are currently in surplus on world markets if such aid would result in substantial injury to American producers. Section 111 also prohibits the furnishing of development assistance for certain activities in connection with the growth or production in a foreign country of an agricultural commodity for export that would compete with a similar commodity grown or produced in the United States for export. Similar language has been enacted annually in Foreign Operations Appropriation acts for many years. These legislative provision appropriately belong in permanent authorizing law. The Committee, however, does not intend by including these provisions as part of the FAA, to alter the longstanding interpretation and application of these provisions.

Sec. 112. Opposition to Multilateral Assistance for Certain Surplus Commodities

Section 112, which amends the International Financial Institutions Act, is similar in intent to Section 111, protecting U.S. producers from injury due to assistance that might be provided by multilateral development banks and the IMF. It requires the Treasury Secretary to direct U.S. Executive Directors at each international financial institution to oppose aid related to the production of commodities or minerals for export if they are in surplus on world markets and would significantly hurt American producers of competing commodities. Similar legislation was first enacted in 1986 and has been attached routinely to annual Foreign Operations Appropriations bills. Like Section 111, it is a provision that belongs in permanent statute. It is the Committee's intent, however, not to change longstanding interpretation and application of this language.

Sec. 113. Prohibition on Assistance for Activities Likely to Cause a Loss of United States Jobs

This section is intended to ensure that no U.S. assistance will provide financial incentives to U.S. firms to induce them to relocate outside the United States if the result would be a loss of jobs for Americans employed by the such enterprises. Programs managed by the Overseas Private Investment Corporation are exempt from this restriction. Section 113 further blocks aid that would contribute to the violation of internationally recognized workers rights, although this condition would not apply to assistance for the informal sector, micro and small-scale enterprise, and smallholder agriculture. Congress has enacted a nearly identical provision in annual Foreign Operations Appropriations since 1993. This section would incorporate this legislative restriction as permanent text of the Foreign Assistance Act of 1961.

Sec. 114. Purchase of American-Made Equipment and Products

Section 114 provides a clear statement of the Congressional intent that U.S. foreign aid funds, to the maximum extent possible, should be used to purchase American-made products and services. Subsections (a) and (b) express the Congressional view that aid programs authorized under this Act, the Foreign Assistance Act (FAA) and the Arms Export Control Act (AECA) should utilize U.S. resources as much as possible, and that agricultural commodities, equipment, and products purchased with funds provided under these three laws, to the greatest extent practicable, should be American-made. Subsection (c) requires the head of agencies that utilize funds authorized under this Act, the FAA, and the AECA, to the maximum extent possible, to inform contractors of Congressional views regarding the purchase of American-made goods with aid dollars. Congress has annually approved similar language in Foreign Operations Appropriations bills since 1994, text that would now be incorporated into authorization legislation. This provision is similar to the basic requirements contained in Section 604 of the FAA to use American-made products. To the extent that agencies utilizing FAA funds provide notice under that section of the pri-

ority for procurement from the United States, the Committee would view the requirements of this amendment as having been satisfied.

SUBTITLE C—TRADE SANCTIONS REFORM AND EXPORT ENHANCEMENT

Subtitle C establishes U.S. policy with respect to the imposition of unilateral sanctions restricting the export of, or provision of assistance relating to agricultural commodities or agricultural programs, or the export of, or provision of assistance relating to medicine or medical devices. It further creates mechanisms for direct Congressional involvement in the decision to impose or lift such sanctions

This subtitle, the Trade Sanctions Reform and Export Enhancement Act of 2000, is intended to exempt agricultural and medical products from unilateral embargoes maintained by the United States for foreign policy or national security reasons unless Congress specifically approves the imposition of agricultural and medical product sanctions. The subtitle does not apply to embargoes imposed in the context of a multilateral regime where the other member countries of that regime are imposing substantially similar measures. Because food and medicine satisfy basic and essential human needs, humanitarian considerations justify their exemption from unilateral trade sanctions. Further, the economic damage to U.S. suppliers of such goods, weighed against the general ineffectiveness of agricultural and medical product sanctions, when the countries subject to such embargoes simply turn to other sources, indicate that these two sectors should be exempt.

The legislation is similar to S. 425 and S. 1771 introduced earlier in the 106th Congress as the Food and Medicine for the World Act of 1999. In August, 1999, Senator Ashcroft introduced a revised version of the Food and Medicine for the World Act as amendments 1507 and 1516 to S. 1233, the Agriculture FY 2000 Appropriations bill. A motion to table amendment 1507 was rejected by a 70–28 vote of the Senate; both amendments were adopted by voice vote (they were identical). However, this amendment was eventually removed in the conference version of S. 1233. Senator Ashcroft reintroduced the Act as S. 1771, the text of which is substantially similar to subtitle C, in October, 1999.

Sec. 121. Short Title

This section cites Subtitle C as the "Trade Sanctions Reform and Export Enhancement Act of 2000."

Sec. 122. Definitions

Section 122 defines a number of terms used in Subtitle C, including those for agricultural commodity, agricultural program, joint resolution, medical device, medicine, unilateral agricultural sanction, and unilateral medical sanction.

Sec. 123. Restriction

This section prohibits the President from imposing a new unilateral agricultural sanction or new unilateral medical sanction against a foreign nation or entity, unless (1) the President notifies Congress at least 60 days in advance regarding what activity would

be restricted and what actions prompted and justified the proposed sanction, and (2) a joint resolution is enacted into law approving the President's report. These requirements apply, notwithstanding any other provision of law, except for the provisions of Section 124 and Section 125 of this Act. For sanctions that exist on the date of enactment of this Act, the President must immediately terminate unilateral agricultural or unilateral medical sanctions, except those that involve programs administered under Section 416 of the Agricultural Act of 1949 (concerning donations and other transfers of surplus American agricultural commodities), the Export Credit Guarantee Program (G.S.M.–102) or the Intermediate Export Credit Guarantee Program (G.S.M.–103) (programs promoting the export of American agricultural commodities), and the dairy export incentive program (Section 153 of the Food Security Act of 1985).

Sec. 124. Exceptions

This section sets out two types of circumstances under which Section 123 restrictions would not apply to an authority or requirement to impose (or continue to impose) a sanction against a foreign country or entity. The first would be in cases where the United States had declared war, where the use of American forces had been authorized, or where U.S. troops were either already engaged or on the verge of becoming involved in hostilities. The second exception concerns the types of items withheld. Sanctions that restrict or prohibit agricultural commodities, medicines, or medical devices that are controlled on the U.S. Munitions List or under any control list established by the Export Administration Act of 1979 or any successor statute, or those used in the development of chemical and biological weapons or weapons of mass destruction would not fall under the provisions of Section 123.

Sec. 125. Countries Supporting International Terrorism

Section 125 creates an additional exception to the requirement for Congressional notification and authorization of the imposition of new sanctions or the lifting of existing sanctions. For any country that has been determined to be supporting international terrorism pursuant to Section 620A of the Foreign Assistance Act of 1961, aid prohibitions, including those for export aid, loans, and loan guarantees, remain in effect. This section, however, also remains subject to the conditions of Section 127 which permit limited transfers to terrorist states of agricultural commodities and medicine.

Sec. 126. Termination of Sanctions

This section establishes a two-year sunset provision for each new unilateral agricultural or medical sanction imposed under Section 123. These sanctions terminate at least by the end of the second year, unless the President notifies Congress at least 60 days in advance that the sanctions should continue for another period of up to two years and Congress approves a continuance through enactment of a joint resolution.

Sec. 127. State Sponsors of International Terrorism

This section permits the exports of agricultural commodities, medicine, and medical devices to the government of a country that

is determined to have provided support for acts of international terrorism, as determined under Section 620A of the Foreign Assistance Act of 1961, but only under one-year U.S. Government licenses that are fully completed within a 12-month period and that are not financed with U.S. direct financing or loan guarantees. For items used for food, licenses will be general licenses. For other items (e.g. medicine and medical devices), the type of license, general or specific, will remain at the discretion of the appropriate Federal executive department or agency.

The Executive Branch must report to Congress quarterly concerning the activity during the previous quarter under licenses issued under the authority of this section. In addition, Federal agencies every two years will submit to the appropriate committees a report on the operation of the licensing system, based in part on the views of U.S. business and agricultural enterprises offered in a designated 30 day comment period.

Sec. 128. Congressional Priority Procedures

Section 128 sets out the procedures under which the House and Senate will consider a Presidential recommendation to impose or continue to impose unilateral agricultural and unilateral medical sanctions. In general, these procedures provide assurances to the President that Congress will act on a recommendation in a timely fashion. Subsection (b) stipulates that a joint resolution authorizing the sanction shall be referred to the House International Relations and Senate Foreign Relations Committees. Subsection (c) provides that the Committees shall be discharged from further consideration of the joint resolution if they have not reported the measure within 30 session days of Congress, and that the joint resolution will be placed on the calendar of the appropriate House. Subsection (d) sets out floor debate procedures for a joint resolution on an expedited schedule. A motion to proceed with consideration of a joint resolution would not be subject to amendment or other motions that might delay action on the President's recommendation. Debate must conclude after 10 hours, followed immediately by a vote. Subsections (e) and (f) describe procedures for consideration of a joint resolution that has passed one House and has been received in the other body, and for a joint resolution approved in both the House and Senate.

Sec. 129. Effective Date

This section states that for all matters other than those concerning existing sanctions, the provisions of this subtitle are effective on the date of enactment of this Act. For unilateral agricultural and medical sanctions that are in effect when this Act becomes law, this subtitle will not apply for 180 days.

TITLE II—ECONOMIC ASSISTANCE

SUBTITLE A—DEVELOPMENT ASSISTANCE AUTHORITIES

Sec. 201. Development Assistance Policy

This section amends the Foreign Assistance Act of 1961 explicitly to recognize the interrelationship between the achievement of eco-

nomic reforms and the development of effective institutions of democratic governance. This statement of policy makes clear the importance to the development process of democratic and economic institutions which strengthen the capacity of people to hold their governments accountable and create economic opportunity.

Sec. 202. Contingencies

Section 202 of the bill amends section 451 of the Foreign Assistance Act of 1961. The amendment increases the amount of foreign assistance funds the President may use to meet unanticipated contingencies from $25 million to $50 million. This authority has fluctuated between these two levels over the past 5 years, with the higher level being requested by the President in his budget request for FY 2001.

Sec. 203. Waiver of Restrictions for Narcotics-Related Economic Assistance

This section permits narcotics-related assistance to be provided notwithstanding most provisions of law that would otherwise make a country ineligible to receive assistance. The exercise of this authority is subject to the prior notification requirement of section 634A of the Foreign Assistance Act. Similar language has been contained in prior acts dealing with efforts to eradicate illicit drug crop production and halt the international traffic in illicit drugs.

Sec. 204. Working Capital Fund

Section 204 of the bill authorizes the U.S. Agency for International Development to establish a working capital fund into which the Agency would deposit reimbursements for services provided by USAID to other U.S. Government agencies. The establishment of the Fund would enable USAID to participate fully in the interagency International Cooperative Administrative Support Services program. This authority is requested by the President in his FY 2001 budget.

Sec. 205. Certifications Regarding Adherence to Population Planning Assistance Laws

This section adds new certification requirements regarding the practices of organizations receiving U.S. population assistance and imposes penalties for organizations that violate U.S. law concerning the use of foreign assistance funds for abortion and involuntary sterilization. Section 104(f) of the Foreign Assistance Act of 1961—current law since 1973—prohibits the use of population aid funds to perform abortions, involuntary sterilizations, or related biomedical research as a means of family planning. This section would add a new Subsection (g) requiring the Administrator of the U.S. Agency for International Development (USAID) to certify each year prior to disbursing population assistance to any organization, that such organization has not violated the prohibitions of Subsection (f) during the previous year, and that the organization has internal accounting mechanisms that would ensure that U.S. population aid funds would not be used in violation of Subsection (f) restrictions. In addition, if the USAID Administrator found that an organization has violated the abortion and involuntary sterilization

prohibitions of Subsection (f), the organization would be barred from receiving assistance of any kind under the the Foreign Assistance Act of 1961 for ten years.

Sec. 206. Funding of Certain Environmental Assistance Activities of USAID

Section 206 authorizes that at least $60,200,000 of total fiscal year 2001 funds authorized to be appropriated for development assistance be used for activities of the type carried out by USAID's Global Environment Center. Out of the $60,200,000 authorization, at least $2,500,000 shall be available for water and coastal resources activities. This authorization is not intended to be an authorization for all USAID environmental activities, but to indicate support for those programs of the sort carried out by the Global Environment Center.

Sec. 207. Funding of Certain Assistance Activities in East Timor

This section authorizes $25,000,000 of total fiscal year 2001 funds authorized to be appropriated for development assistance to allow East Timor to restore and expand the coffee sector, enable indigenous civil society organizations to participate in relief and reconstruction projects, support community-led reconstruction, development, and employment activities, promote media outlets, and demobilize and reintegrate the militia.

Sec. 208. Availability of ESF Assistance for Certain Assistance Activities for the Horn of Africa

Section 208 amends the Horn of Africa Recovery and Food Security Act (P.L. 102–214) to permit developmental assistance from the Economic Support Fund (ESF) to be provided for Ethiopia, Sudan, and Somalia through private and voluntary organizations, notwithstanding provisions of law that would otherwise limit such assistance. Under current law, only funds from Development Assistance accounts can be used for these countries to provide development-type aid. The amendment to the Horn of Africa Recovery and Food Security Act expands the source of funds for developmental programs to include the ESF account.

Sec. 209. Allocation of Assistance for Sub-Saharan Africa

This section requires that sub-Saharan Africa receive in FY2001 the same proportion of total U.S. development assistance as the region received in FY2000 as a proportion of total development aid. Development assistance is defined as including funds provided under chapter 1 (general development aid), chapter 10 (Development Fund for Africa), and chapter 11 (assistance to the Independent States of the former Soviet Union), of Part I of the Foreign Assistance Act of 1961.

The Committee recognizes that the countries of Sub-Saharan Africa require particular focus and attention, and that U.S. assistance programs must in some instances be tailored to meet the specific development needs of that region. As USAID sets forth its priorities for programs in Africa, high priority should continue to be given to higher education and professional training as reflected in the Advanced Training for Leadership Skills Program (ATLAS).

Alumni of this program and its predecessor, the African Graduate Fellowship Program, occupy a variety of key leadership positions in the areas of government, academia, business and civil society in Africa. The Committee urges USAID to consider carefully before making any changes in this program.

Sec. 210. Nonmilitary Education and Anti-corruption Assistance

Section 210 of the bill amends the Foreign Assistance Act of 1961 to allow the use of economic assistance funds for nonmilitary education programs and for anti-corruption programs, notwithstanding provisions of law that would otherwise restrict the eligibility of foreign countries to receive assistance. The authority of this section, however, does not provide for the provision of assistance for any country ineligible to receive assistance because it has been designated as a state sponsor of terrorism or because it has been designated as a major drug producing or drug transit country and not certified by the President to receive assistance. Noting the continued corruption in the NIS and its negative impact on the development of democracy and free market economies, the Committee recommends that the Administration fund programs that foster a culture of lawfulness in those countries. The National Strategy Information Center should be provided with $300,000 to develop and implement curricula for grade schools in the NIS based on its pilot program in Mexico, as well as similar work done in Hong Kong and Italy.

SUBTITLE B—INTERNATIONAL DISASTER ASSISTANCE

Sec. 211. Authority to Provide Reconstruction Assistance

Section 211 amends section 491 of the Foreign Assistance Act of 1961 to allow international disaster assistance to be used for reconstruction efforts following natural or manmade disasters, in addition to relief and rehabilitation assistance to address disasters. This authority has been included for a number of years in annual appropriations acts and the Committee's intent is simply to conform permanent law to this practice.

Sec. 212. Processing of Applications for Transportation of Humanitarian Assistance Abroad by the Department of Defense

Under current law—10 U.S.C. 402—the Secretary of Defense is authorized to transport anywhere in the world, without charge on a space available basis, humanitarian assistance furnished by nongovernmental organizations. Section 212 requires that the USAID Administrator grant priority to applications concerning disaster relief assistance that seek transportation under the authority of section 402 of title 10. Section 212 further directs the USAID Administrator to assist nongovernmental organizations in the application process.

SUBTITLE C—SUDAN PEACE ACT

Subtitle C incorporates provisions nearly identical to S. 1453—the Sudan Peace Act—that passed the Senate on November 19, 1999. The purpose of the Act is to facilitate famine relief activities

in Sudan and promote a comprehensive solution to the war in that country.

Sec. 221. Short Title

Section 221 identifies the title of subtitle C as the "Sudan Peace Act."

Sec. 222. Findings

This section sets out 15 Congressional findings, including those regarding the opportunity for an internationally sponsored peace effort and the need to strengthen humanitarian relief operations. Other findings touch on the need for U.S. leadership, activities of the Government of Sudan in areas outside their full control that impede the peace process and disrupt the ability of the population to sustain itself, the stated intention of the Government of Sudan to use oil sale proceeds to accelerate the war against areas outside its control, and the ineffectiveness of current food and other emergency relief efforts. The Congress believes that the United States should seek the multilateralization of sanctions linked to peace against the Government of Sudan, support the creation of a viable democratic civil society and people-to-people reconciliation efforts in areas of Sudan outside government control, strengthen humanitarian assistance programs, solicit cooperation among U.S. trading partners and within multilateral organizations, and pursue all possible avenues to end hostilities between Ethiopia and Eritrea so that those two countries can resume efforts to facilitate a comprehensive solution to the war in Sudan.

Sec. 223. Definitions

Section 223 defines the terms, Government of Sudan, IGAD, and OLS.

Sec. 224. Condemnation of Slavery, Other Human Rights Abuses, and New Tactics by the Government of Sudan

This section expresses Congressional condemnation of human rights violations on all sides of the war in Sudan, the government's support and tolerance for slave trading, and the government's increasing use of raiding and slaving parties to create food shortages and destroy the societies, culture, and economies of the Dinka, Nuer, and Nuba peoples.

Sec. 225. Support for the IGAD Peace Process

Section 225 expresses the sense of Congress supporting U.S. efforts to reinvigorate the Inter-Governmental Authority on Development (IGAD)-sponsored peace process, calling on IGAD member states, the European Union, the Organization of African Unity, and Egypt to support peace efforts, and urging Kenya to assume a leadership role in peace process implementation. It also states the Congressional view that peace efforts are best made through the Declaration of Principles reached in Nairobi on July 20, 1994, and that the President should not create a parallel or competing diplomatic process. Section 225 further gives the Secretary of State clear authority to commit all necessary diplomatic efforts toward reinvigorating the IGAD peace process and any settlement planning that

would be carried out by the National Democratic Alliance and IGAD Partners' Forum.

Sec. 226. Increased Pressure on Combatants

This section calls on the President to sponsor several initiatives, primarily through the United Nations, to bring additional pressure against combatants in the war in Sudan and affect several issues. Actions include sponsorship of a U.N. Security Council resolution to investigate slavery practices in Sudan and recommend measures to eliminate slavery and sponsorship of resolutions in the U.N. General Assembly and the U.N. conference on human rights in Geneva in 2000 to condemn human rights practices of the Government of Sudan. Section 226 further calls on the President to press for implementation of the U.N. Special Rapporteur for Sudan recommendations concerning human rights monitors in areas of conflict and for UNICEF and other relief organizations to keep a list of individuals who have been abducted or held in bondage or servitude in Sudan. Finally, the President should condemn the Government of Sudan following the use of aerial bombardment of its people.

Sec. 227. Reporting Requirement

Section 227 requires the President to report quarterly, beginning three months after enactment of the Act, on various issues relating to Sudan's oil exploration and construction and the extent to which any of it was financed by U.S. citizens, air attacks, areas denied to relief organizations, and the status of the IGAD-sponsored or other peace process initiatives.

Sec. 228. Reform of Operation Lifeline Sudan (OLS)

The U.N.-coordinated OLS effort began in 1989 providing food to people in southern Sudan facing famine and starvation. In early 1998, the Government of Sudan denied OLS access to much of the Bahr el Ghazal employing food as a weapon of the war. Section 228 expresses the Congressional view that the President should work with the U.N. Security Council, the European Union and its members, and other appropriate parties to reform OLS and to terminate the Government of Sudan's veto power over OLS air transport relief flights.

Sec. 229. Continued Use of Non-OLS Organizations for Relief Efforts

Section 229 acknowledges Administration progress and encourages further efforts to utilize non-OLS relief agencies to distribute U.S. humanitarian contributions to southern Sudan. The President must report to Congress within 90 days of enactment of the Act on the extent to which he has been able to increase delivery of U.S. assistance through non-OLS entities.

Sec. 230. Contingency Plan for Any Ban on Air Transport Relief Flights

This section requires the President to develop a plan to deliver U.S. Government and privately donated humanitarian assistance to all affected areas of Sudan outside U.N. auspices. This contingency

strategy could be utilized in the event of a total or partial ban by the Government of Sudan on OLS relief flights. Within 60 days of enactment of this Act, the President must send Congress a classified report regarding the costs and startup time required to implement the contingency plan if a total ban on air transport of relief supplies has been imposed by the Government of Sudan. Section 230 further authorizes the President, notwithstanding any other provision of law, to reprogram up to 100 percent of funds available for OLS operations in order to implement the contingency plan developed pursuant to this section.

Sec. 231. New Authority for USAID's Sudan Transition Assistance for Rehabilitation (STAR) Program

Section 231 authorizes a new and expanded STAR program to help build civil and economic institutions in areas devastated by the war. In moving away from the provision of only disaster relief to broader development assistance activities, the STAR program will help create sustainable administrative and social institutions in areas outside the control of the government.

Subsection (a) expresses Congress' support for Administration efforts to make U.S. assistance to people living outside the control of the Government of Sudan more diversified and effective. The Congress, in particular, is supportive of STAR program and its long-term focus on democracy promotion, rule of law, indigenous institutional capacity development, self-reliance, and people-to-people reconciliation activities.

Subsection (b) authorizes $16,000,000 for a three-year period beginning on October 1, 2000, for development of a viable civil authority and civil, and commercial institutions in Sudan. These funds would be drawn from resources made available generally for development assistance under chapter 1 of part I of the Foreign Assistance Act of 1961.

Subsection (c) extends to the President special authorities to implement other programs for emergency relief, economic self-sufficiency, civil authority, education, rule of law, judicial, and legal frameworks, people-to-people reconciliation, or any other activity supporting peace efforts.

Subsection (d) expresses Congress' view that the President should draw upon the U.S. Agency for International Development's Office of Transition Initiatives to pursue programs outlined under this section.

Subsection (e) states the sense of Congress regarding the importance of education, especially secondary educational opportunities, and the development of rule of law as particularly critical factors in the future development of Sudan. The Committee is aware of the important role played by the Rumbek Secondary School in educating the current generation of leaders in southern Sudan, and believes that priority should be given to rebuilding and supporting the secondary school in Rumbek.

Subsection (f) expresses Congress' intent that U.S. aid programs include the involvement and cooperation of indigenous groups in areas outside the control of the government in northern, southern, and eastern parts of Sudan.

Sec. 232. Assessment and Planning for Nuba Mountains and Other Areas Subject to Bans on Air Transport Relief Flights

Section 232 urges the President to assess the humanitarian needs of those living in the Nuba Mountains, Red Sea Hills, and Blue Nile regions of Sudan, and respond with appropriate assistance. These regions are heavily contested by combatants and civilians are not receiving relief supplies through OLS due to restrictions imposed by the Government of Sudan. The President should report to Congress annually regarding efforts made under this section.

Sec. 233. Options or Plans for Nonlethal Assistance for National Democratic Alliance Participants

Currently, most relief programs offer food and other assistance only to civilian populations, not to combatants. This has led to food diversion by rebel forces and severe disruption of normal food distribution systems. This section requires the President to send the Appropriations Committees, within 90 days of enactment of the Act, a report outlining possible options for the provision of nonlethal assistance by the United States to participants of the National Democratic Alliance. Within 30 days of submitting the report, the President should begin consultations with the Committees concerning findings raised in the report.

SUBTITLE D—ASSISTANCE TO COUNTRIES WITH LARGE POPULATIONS HAVING HIV/AIDS

Sec. 241. Definitions

This section defines five terms used in this subtitle: AIDS, Association (International Development Association), Bank (World Bank), HIV, and HIV/AIDS (an individual having HIV but not AIDS, or an individual having HIV and AIDS).

Sec. 242. Findings and Purposes

Section 242 sets out a number of Congressional findings concerning the global AIDS epidemic and identifies two main purposes of this subtitle. World Bank data show that over 90 percent of people with HIV/AIDS live in the developing world. Nearly two-thirds of adults and children suffering from HIV/AIDS live in sub-Saharan Africa, while another 24 percent live in Asia. Already, nearly 4.5 million children under the age of 15 have been infected with HIV, and of these 3 million have died of AIDS. This situation threatens to reverse years of progress of child survival in developing nations. The World Bank calls AIDS the "foremost and fastest-growing threat to development" in Africa, and has declared its new HIV/AIDS in Africa initiative its top priority for the region. The discovery of a relatively simple and inexpensive treatment—nevirapine (NVP)—to interrupt the transmission of HIV from an infected mother to an unborn or newly born child presents an extraordinary opportunity for the U.S. Government to partner with governments in the developing world to fight the mother-to-child transmission of HIV, known as "vertical transmission." If the current infection growth rates continue, the number of AIDS orphans may triple during the next 10 years, posing substantial economic,

social, and political consequences. An expansive mother-to-child antiretroviral drug strategy can be a significant force for social change and play a critical role in confronting the HIV/AIDS epidemic in the developing world. The U.N. estimates that an additional 400 to 800 children are infected with HIV each day through breast feeding in many African countries. According to the Congressional testimony by U.N. Ambassador Richard Holbrooke, the single most important step in preventing the transmission of the HIV virus in Africa is to provide HIV-positive pregnant women and nursing mothers with practical alternatives to breast feeding. The Committee expects USAID to address this issue and to coordinate with relevant U.N. agencies to prevent the transmission of HIV through breast feeding.

Subsection (b) states two purposes of the subtitle: (1) to prevent human suffering; and (2) to ensure economic development, stability, and national security in developing nations by advancing research to better understand the causes of HIV/AIDS and help in the development of an AIDS vaccine.

Sec. 243. Additional Assistance Authorities to Combat HIV and AIDS

Section 243 amends the Foreign Assistance Act of 1961 (FAA) by adding additional authorities for USAID to engage in HIV/AIDS activities.

Specifically, subsection (a) directs USAID to coordinate with UNAIDS, UNICEF, WHO, local governments, and other organizations to create strategies to prevent HIV vertical transmission and implement intervention programs, and to continue programs for voluntary counseling and testing, the distribution of antiretroviral drugs and replacement feeding. The Committee expects USAID to pursue comprehensive, coordinated efforts to fight HIV and AIDS, making such efforts a priority of U.S. foreign assistance. USAID assistance should focus on primary prevention and education, voluntary testing and counseling, the provision of medications preventing the transmission of HIV and AIDS from mother to child, and care for those living with HIV and AIDS.

The provision authorizes the appropriation of $300 million, in addition to funds otherwise available to implement the programs under this subsection. At least 65 percent of these funds are authorized for U.S. and foreign nongovernmental organizations, including private and voluntary organizations, for-profit organizations, religious affiliated organizations, educational organizations, and research facilities. Not less than 20 percent of these funds are authorized for programs that are part of a multidonor strategy to support and educate orphans in Africa, including AIDS orphans. Vertical transmission prevention activities are authorized to receive not less than 8.3 percent of the $300 million authorization. Finally, no more than 7 percent of the $300 million may be used to administer programs carried out under this subsection. The authorizations in Section 243 reflect the importance the Committee places on nongovernmental organizations which play a vital role to combat HIV/AIDS and the Committee's belief that particular emphasis must be placed on the care and education of children orphaned by AIDS. However, the Committee also expects USAID to

continue to support efforts of responsible governments, in Africa and elsewhere, to provide leadership and develop programs to reduce the incidences of AIDS in their countries. Ultimately the HIV/AIDS problem cannot be addressed without the involvement and cooperation of governments who understand the breadth of the problem and the urgent need to address it.

Subsection (b) amends section 496 of the FAA (dealing with the Development Fund for Africa) by inserting the authority to waive any restrictions on aid to countries for the provision of assistance for training and training facilities in sub-Saharan Africa, for doctors and other health care providers.

Sec. 244. Voluntary Contribution to Global Alliance for Vaccines and Immunizations and International AIDS Vaccine Initiative

This section amends section 302 of the FAA authorizing $50 million in fiscal year 2001 for a U.S. contribution to the Global Alliance for Vaccines and Immunizations (GAVI), and $10 million for the International AIDS Vaccine Initiative. The President must further report at the end of fiscal year 2001 on the effectiveness of GAVI and the International AIDS Vaccine Initiative in meeting several goals.

Sec. 245. Multilateral Lifesaving Vaccine Purchase Fund

This section urges the President to begin negotiations with foreign governments and other interested institutions and parties to establish an international vaccine purchase fund that could buy and distribute in developing nations vaccines for malaria, tuberculosis, HIV, and any infectious disease that causes more than 1 million deaths worldwide each year. Such a fund could be an important market incentive for private sector vaccine research. The President is to report annually to Congress regarding the status of negotiations to establish the fund, and if established, recommendations for further activities.

Sec. 246. World Bank Trust Fund for AIDS Prevention and Eradication

Section 246 directs the Treasury Secretary to enter into negotiations with the World Bank or the International Development Association (IDA), member governments, and others to create a trust fund that would receive contributions and distribute the resources for AIDS programs in countries eligible to borrow from IDA. The trust fund would be administered by either the World Bank or IDA. Subsection (b) authorizes the appropriation of $100 million in fiscal year 2001 for a U.S. contribution to the trust fund, money that would be in addition to other amounts for multilateral or bilateral AIDS programs. The Secretary of the Treasury must also report annually to the Senate Foreign Relations and Banking Committees and the House International Relations and Banking Committees on the goals, activities, and effectiveness of the trust fund in reducing the spread of AIDS worldwide.

Sec. 247. Negotiations for the Creation of a World Bank Trust Fund for Education of Orphans in Sub-Saharan Africa

This section requires the Secretary of the Treasury to begin negotiations with the World Bank or the International Development Association (IDA), member governments, and others to create a trust fund that would support primary and secondary education programs for orphans in sub-Saharan Africa. Subsection (b) authorizes the appropriation of $50 million in fiscal year 2001 for a U.S. contribution to the trust fund.

Sec. 248. Coordinated Donor Strategy for Support and Education of Orphans in Sub-Saharan Africa

This section amends the Foreign Assistance Act of 1961 by inserting a new section 131 addressing orphans in Africa. It requires the President to coordinate a multidonor strategy to support and educate AIDS orphans, and the families, communities, and institutions most impacted by the HIV/AIDS epidemic in sub-Saharan Africa. A waiver is provided so that any U.S. assistance extended under this section can be made notwithstanding any other provision of law that would otherwise restrict the aid.

Sec. 249. African Crisis Response Initiative and HIV/AIDS Training

Section 249 addresses the problem of soldiers in African militaries who are infected with HIV/AIDS and who may spread the disease where civil unrest and war arise. This provision requires that U.S. education and classroom training courses for African militaries under the African Crisis Response Initiative include military-based education on the prevention of the spread of HIV/AIDS.

SUBTITLE E—INTERNATIONAL TUBERCULOSIS CONTROL

Sec. 251. Short Title

This section designates this subtitle as the International Tuberculosis Control Act of 2000.

Sec. 252. Findings

Tuberculosis, which has been largely controlled in the U.S. and elsewhere in the western world, has re-emerged as a growing cause of adult mortality in developing nations. The World Bank estimates that about 1.86 million people died of tuberculosis-related illnesses in 1998 and that one-third of the world's population is infected with tuberculosis. Due to the relative ease with which it is transmitted, tuberculosis poses a serious public health threat to the United States and other areas where the disease had been brought under control. Nearly 40 percent of U.S. tuberculosis cases are associated with foreign-born individuals, leading to the conclusion that it will remain a problem for the United States until it is controlled abroad. Although the means to control tuberculosis exist, several obstacles stand in the way of effective control of the disease: lengthy screening, detecting, and treating processes; limited funds and trained personnel, the need for unique country-specific interventions; and the risks posed by bad tuberculosis programs. Therefore, a well designed and coordinated global effort could make

a significant contribution in combating this growing public health problem.

Sec. 253. Assistance for Tuberculosis Prevention, Treatment, Control, and Elimination

This section amends the Foreign Assistance Act of 1961 by adding new language stating Congressional expectation that USAID will coordinate with various health organizations to develop and implement a comprehensive tuberculosis control program. Congress further anticipates that USAID will establish as goals, to be achieved by December 31, 2010, the detection of 70 percent of infectious tuberculosis cases, and the cure of at least 85 percent of such cases, in countries where the Agency has established programs. Included is the authorization of $60 million in fiscal year 2001 to carry out the purposes of this subtitle.

SUBTITLE F—GLOBAL OPPORTUNITIES FOR BIOTECHNOLOGY IN AGRICULTURE

Sec. 261. Short Title

This section names this subtitle as Advancing the Global Opportunities for Biotechnology in Agriculture Act of 2000.

Sec. 262. Findings

Section 262 contains findings that conclude that biotechnology in the agriculture sector can result in enhanced crop yields that will help to feed the world's growing population, especially in developing countries. Biotechnology raises the prospect of foods that are more nutritional in content and pest and disease resistant. Ensuring that the benefits of biotechnology in the agriculture sector are shared globally should be an integral part of the United States foreign assistance program.

Sec. 263. International Educational Programs

This section authorizes $6 million of development assistance funds for programs designed to educate government officials in developing countries regarding the use of biotechnology in the agriculture sector and the regulatory procedures used in the United States with respect to that technology. In addition, USAID is to carry out a technical exchange program which brings foreign officials to the United States for the purpose of educating them about the biotechnology in the agriculture sector and the regulatory process for biotechnology products in the United States. Further, USAID is to send technical experts in the field to foreign countries to provide similar information.

Sec. 264. Development of Expertise in Biotechnology in the United States Agency for International Development

This section directs USAID to establish a group of experts within the agency, which should draw on the expertise of other relevant Federal agencies.

Sec. 265. Coordinated Federal Strategy

Section 265 requires the President to establish an interagency process involving all relevant Federal agencies, to coordinate efforts and to generate support for the acceptance of agricultural biotechnology.

Sec. 266. Sense of the Congress

This section expresses the view of Congress that the Secretary of State should work with U.S. embassies to develop support from foreign governments for the approval of science-based trading regimes in multilateral forums and organizations.

Sec. 267. Definitions

Section 267 defines terms used in this subtitle.

TITLE III—PEACE CORPS OF THE UNITED STATES

Sec. 301. Redesignation of Peace Corps as Peace Corps of the United States

This section amends the Peace Corps Act by renaming the Peace Corps as the "Peace Corps of the United States." The provision further provides that any existing reference in law to the Peace Corps will be considered to be a reference to the Peace Corps of the United States.

TITLE IV—STRENGTHENING ANTICORRUPTION MEASURES AND ACCOUNTABILITY

Sec. 401. Debt Relief Under the Heavily Indebted Poor Countries (HIPC) Initiative

This section provides authorization, as requested by the Administration, for full U.S. participation in the HIPC Trust Fund. The HIPC Initiative was established in 1996 and reformed and expanded in 1999, to provide debt relief to the world's poorest and most heavily indebted nations. Last year, the President asked Congress to appropriate funds for both multilateral (through the HIPC Trust Fund) and bilateral debt relief, and to authorize U.S. support for the IMF to draw on resources in a reserve account and to engage in an off-market revaluation of its gold holdings in order to raise the necessary resources for the Fund to extend debt relief under HIPC terms. In the Consolidated Appropriations Act for Fiscal Year 2000, Congress approved bilateral debt relief appropriations and authorized U.S. backing for the IMF proposals. Congress, however limited to 9/14ths the amount of the interest earnings raised through the investment of the IMF gold transactions that could be applied to HIPC debt relief and denied funding for the HIPC Trust Fund. The Administration has asked Congress this year to authorize these two remaining matters.

Subsection (a) repeals the 9/14th limitation enacted in 1999 as part of a new Section 62 of the Bretton Woods Agreement Act. This action will permit the U.S. Executive Director to the IMF to support the IMF use of the remaining 5/14ths of interest earnings derived from the investment of profits from the off-market sale of IMF gold for HIPC debt relief.

Subsection (b) authorizes $600 million for the period of fiscal year 2000 through 2003 for U.S. contributions to the HIPC Trust Fund.

Subsection (c) requires the Secretary of the Treasury to certify to Congress within 30 days of enactment of the Act that several requirements concerning the International Bank for Reconstruction and Development (IBRD) and the IMF have been satisfied. Both the Bank and Fund must have given the Comptroller General access to Bank and Fund information and documents allowing the GAO to audit and monitor Bank operations. The Treasury Secretary must also certify that the IBRD is implementing a number of policies to:

(1) suspend loans if funds are diverted for unintended purposes;

(2) ensure that Bank loans do not displace private sector financing;

(3) disburse loans (other than project loans) based on prior reforms or incrementally upon implementation of specific reforms instituted after the initial loan disbursement;

(4) minimize the number of projects that would displace people involuntarily, or that would have a negative impact on a people or culture of the area into which the displaced population is moved;

(5) promote open markets and trade liberalization in goods and services;

(6) concentrate Bank financing on economic and social programs and projects rather than short-term liquidity financing; and

(7) establish qualitative and quantitative indicators to measure progress toward country graduation from concessionary financing, together with an estimated timetable of which countries might graduate during the next 15 years. The intent is to indicate a category of borrowers who will not even be able to graduate in 15 years.

The Treasury Secretary must further certify that the IMF is also implementing policies to:

(1) suspend financing if funds are diverted for unintended purposes;

(2) ensure that IMF financing normally serves as a catalyst for, and does not displace private sector financing;

(3) disburse financing based on prior reforms or incrementally upon implementation of specific reforms instituted after the initial disbursement;

(4) promote open markets and trade liberalization in goods and services;

(5) concentrate IMF financing primarily on short-term balance of payments financing; and

(6) to use, in conjunction with the IBRD, qualitative and quantitative indicators to measure progress toward country graduation from concessionary financing, together with an estimated timetable of which countries might graduate during the next 15 years. The intent is to indicate a category of borrowers who will not even be able to graduate in 15 years.

In the event that the Treasury Secretary is unable to certify that all of the these requirements have been satisfied, the Secretary must report to the Committees within 30 days of enactment of this Act on the progress, if any, the IBRD and IMF have made in granting access to the Comptroller General or in implementing the required policies. If the Comptroller General is subsequently denied access to Bank or Fund information and documents after the Treasury Secretary has either certified or reported to Congress regarding the requirements of this subsection, or 30 days after enactment of this Act, whichever is earlier, the Comptroller General must report this situation to the Committees and the Secretary.

The Committee is concerned that many governments receiving assistance from the International Monetary Fund and the World Bank are mistreating foreign investors and tolerate corruption to such an extent that it distorts economic development. These actions undermine many of the objectives that IMF and World Bank lending are designed to promote. Consequently, the Committee recommends that the Administration urge both the IMF and the World Bank to make it clear to recipient governments that future assistance will be jeopardized if they do not act in a timely manner to resolve trade and investment disputes and to reduce, and eventually eliminate, corruption.

Sec. 402. Strengthening Procedures for Monitoring Use of Funds by Multilateral Development Banks

The purpose of this section is to strengthen U.S. policy and influence at the multilateral development banks (MDB) to improve MDB procedures and management controls over how funds are utilized by borrowers. The intent is to ensure that MDB loans are used for their intended purposes and comply with conditions set out in the loans. The Treasury Secretary, when requested, must make available to appropriate Congressional committees Bank information regarding MDB compliance with these conditions. The material may be submitted on a confidential basis if necessary. If the Secretary cannot obtain the necessary information within 30 days of a Congressional request, he must report to the Committees within another 30 days why the material cannot be acquired. Within six months of the enactment of this Act, the Treasury Secretary must report to the appropriate Congressional committees with an evaluation of the extent to which MDBs are achieving the goals set out in this section. The report will specifically address progress made by each multilateral development bank in improving monitoring and auditing operations in order to curtail bribery and corruption, developing priorities for allocating anti-corruption aid, implementing country-specific anti-corruption programs, identifying and disciplining employees suspected of corrupt activities, and harmonizing procurement practices among all such banks.

Sec. 403. Reports on Policies, Operations, and Management of International Financial Institutions

This section creates four new reporting requirements and amends an existing requirement regarding various aspects of multilateral development bank (MDB) operations that are to be transmitted to appropriate Congressional committees. Subsection (a) re-

quires the Comptroller General to submit an annual report regarding the sufficiency of audits of the financial operations of each MDB conducted by persons or entities outside the bank.

Subsection (b) calls for an annual report from the Treasury Secretary addressing how borrowing countries have improved governance and anti-corruption standards, and how projects funded by the World Bank's International Development Association (IDA) contribute to the eventual graduation of a representative sample of borrowing nations from reliance on IDA financing.

Subsection (c) amends Section 1705 of the International Financial Institutions Act by adding to an existing annual report regarding the IMF a requirement for a discussion of the progress made by the Fund in adopting and implementing the policies outlined in Section 401(c).

Subsection (d) requires from the Treasury Secretary a report within 90 days of enactment of this Act concerning the history of debt relief programs led by, or coordinated with international financial institutions (IFIs). In particular, the report must address how poor countries and the poorest segments of their population have benefitted from debt relief, and whether debt relief has contributed to a country graduating from reliance on concessionary financing and international development assistance.

Subsection (e) calls for the Comptroller General to prepare within six months of enactment of this Act a report listing the salaries, benefits, and operating expense account of each IFI for the previous fiscal year.

Sec. 404. Repeal of Bilateral Funding for International Financial Institutions

This section repeals Sec. 209(d) of the Foreign Assistance Act of 1961 (FAA). Enacted in 1971, Sec. 209(d) authorizes the President to transfer bilateral economic aid funds provided under part I of the FAA to the World Bank, the Asian Development Bank, and other MDBs to enable these organizations to make loans to foreign countries. Prior to 1971, Sec. 205 of the FAA, until repealed in 1971, had permitted the transfer of 10 percent of bilateral economic aid to MDBs. These transfer authorities, however, have not been operative since 1970. Beginning with the Foreign Assistance Appropriations Act, 1970, Congress annually has included a provision prohibiting the use of bilateral economic assistance for transfer to MDBs under the provisions of first, Sec. 205 of the FAA, and from 1971 on, under Sec. 209(d). In short, Sec. 405 repeals an authority that has been blocked by Congress for 30 years.

Sec. 405. Definitions

This section defines seven terms used in this title: appropriate Congressional committees, Bank, Comptroller General, Fund, international financial institutions (IFIs), multilateral development banks (MDBs), and Secretary. Appropriate Congressional committees include the Senate Foreign Relations and Appropriations Committees, and the House International Relations and Appropriations Committees. The Bank refers to the World Bank's International Bank for Reconstruction and Development (IBRD), while IFIs include the IMF and multilateral development banks. The term

MDBs refers to the three major facilities of the World Bank, and the regional banks operating in Asia, Latin America, Africa, Eastern Europe, the Middle East, and North America. The Secretary refers to the Secretary of the Treasury.

TITLE V—SERBIA DEMOCRATIZATION ACT

The Committee on Foreign Relations believes that the prospects for democratic change in Yugoslavia have improved dramatically since the end of the NATO air campaign against Serbia on June 10, 1999. After eight years of conflict, war, destruction, economic hardship and massive human rights abuses—with Slobodan Milosevic at the helm—there is renewed hope that Serbian citizens will finally rid their country of the source of instability and chaos.

Since first exploiting rising Serbian nationalism in the 1980s to gain power and influence, Milosevic has engaged in undemocratic methods to maintain his firm grip on Serbian political life. Despite positive signs that Serbian citizens may have finally tired of Milosevic, of his tactic of manipulating conflict into bloody warfare, and of his undemocratic means of governing, he has faced difficult times in the past and always managed to emerge on top, often stronger than ever. The end of the war in Kosovo, however, offers the United States and its allies an opportunity to affect positively the future direction of Serbia.

Serbia's defeat in that war may convince those individuals who once viewed Milosevic as the savior of the Serbian nation that he is, in fact, responsible for the massive destruction and degradation of their country. The Serbian public can not ignore the Kosovo Serbs who have fled the province for Serbia proper or the disenchantment of many Yugoslav army reservists over the manner in which they were ordered to conduct the war. Further, the NATO bombing damaged Serbian infrastructure and exacerbated the existing economic crisis. American journalists have reported a widespread feeling of anger and disgust within Serbia that is directed at Milosevic himself for what he has brought on.

Evidence of this dissatisfaction can be seen in the anti-Milosevic demonstrations that occurred in cities throughout Serbia in the summer and fall of 1999. A number of town councils controlled by opposition parties, including that of Novi Sad, Serbia's second largest city, passed resolutions calling for Milosevic to resign. Student leaders are becoming more engaged in the anti-Milosevic campaign. Army reservists launched protests in the Serbian cities of Nis, Vranje, and Krusevac, primarily over the issue of unpaid wages, but there is hope that their frustrations may be channeled into anti-Milosevic activity. On June 28, 1999, the leader of the Serbian Orthodox Church, Patriarch Pavle, called for the resignation of Milosevic for the good of the Serbian people, and the leader of the Church in Kosovo, Bishop Artemije, repeatedly spoke out against Milosevic's actions in that province.

The war in Kosovo also highlighted the differences between Serbia and Montenegro, Serbia's junior partner in the so-called Federal Republic of Yugoslavia. (Serbia and Montenegro have asserted the formation of a joint independent state—the Federal Republic of Yugoslavia [FRY]—but the entity has not been formally recognized by the United States.) Montenegro's President Milo Djukanovic is

seen as the only political leader in the FRY who has successfully withstood a challenge from Milosevic. In the face of extreme pressure, Djukanovic managed to maintain stability in Montenegro during the war, forestall Yugoslav army attacks against Montenegro, and retain his ties to the United States and the West. The functioning, democratic, multi-ethnic governing coalition in Montenegro, which is the beneficiary of American political and financial support, serves as a model to Serbs as to the benefits their country could enjoy in the post-Milosevic period.

The Committee notes that the United States and Western Europe missed an opportunity to encourage democratic change in Serbia in the winter of 1996–1997, when a coalition of opposition parties won municipal elections in 14 of Serbia's 17 largest cities. After Milosevic nullified the election results, tens of thousands of Serbian citizens took to the streets in massive and sustained demonstrations, demanding that the election results be recognized. Milosevic ultimately was forced to do so, but the opposition coalition disintegrated soon thereafter as a result of infighting and competing personal ambition. The United States did little to foster cooperation among the leaders of the opposition parties during that time, and Milosevic emerged even stronger.

There are approximately 6,900 American soldiers participating in the NATO-led Stabilization Force in Bosnia, and 5,600 American soldiers participating in the NATO-led Kosovo Force in Kosovo. The Committee believes that the United States will be forced to continue to send U.S. armed forces to participate in peacekeeping missions in the Balkans until we address the underlying cause of the problem in the region—Slobodan Milosevic. The Serbia Democratization Act provides substantial assistance to forces within Serbia who seek the removal of Milosevic and the development of a government in Serbia that is based on democratic principles and the rule of law, and that respects internationally recognized human rights.

The Committee wishes to make clear that it has no quarrel with the people of Serbia, but that the problem is with its leadership.

Senators Helms, Lugar, Gordon Smith, Lieberman, Lautenberg, Hagel, Edwards, DeWine, McCain, Hatch, Voinovich, Coverdell, and Biden sponsored the Serbia Democratization Act (S. 720) which was introduced in the Senate on March 25, 1999. The Committee unanimously approved by voice vote the Serbia Democratization Act with an amendment at a business meeting on July 28, 1999. On November 4, 1999, the Senate unanimously approved the Serbia Democratization Act.

The Committee held four hearings in 1999 on the situation in the former Yugoslavia. Both Administration and private sector witnesses appeared at these hearings, which are described earlier in the report.

Sec. 501. Short Title

This section names the title as the "Serbia Democratization Act of 2000".

Sec. 502. Definitions

Definitions of four terms used in the title are included.

SUBTITLE A—SUPPORT FOR THE DEMOCRATIC OPPOSITION

Sec. 511. Findings and Policy

Sec. 512. Assistance to Promote Democracy and Civil Society in Yugoslavia

Sec. 513. Authority for Radio and Television Broadcasting

The Committee urges the Administration to support actively the democratic opposition in Yugoslavia to develop a legitimate and viable alternative to the Milosevic regime. To promote and strengthen institutions of democratic government and the growth of an independent civil society in Yugoslavia, including ethnic tolerance and respect for human rights, this section authorizes $50 million in U.S. assistance for Fiscal Year 2001.

In particular, the Committee notes that providing support to the independent media is critical. During the war in Kosovo, the Milosevic regime passed and implemented a law strictly limiting freedom of the press and intimidated independent media from operating within the country. After the war in Kosovo began, the Broadcasting Board of Governors acted quickly to enhance Voice of America and Radio Free Europe broadcasts into Serbia, as well as to establish a ring of transmitters around the country so that the Serbian people would have access to accurate news accounts of the war. Yet, the Committee notes that VOA and RFE services should not preclude the United States from assisting the indigenous media to develop the capacity to serve more effectively as alternative news sources to the state-controlled media.

Along with independent media, the Committee urges the Administration to focus its assistance on the development of democratic political parties, the rule of law, non-governmental organizations, local governance, and a free market economy.

The Committee expects that non-governmental organizations with a history of working in political party development, media training, judicial reform and other similar activities will be most effective in providing the assistance authorized in the bill. Opportunities may exist for other non-traditional providers of assistance (including international organizations) to manage programs that further the goals of the title. The Committee expects, however, that United States assistance to the democratic opposition will not be funneled through the United Nations or any of its affiliated organizations.

Section 512(b) of the bill states that the President should take all necessary steps to ensure that no funds or other assistance is provided to the Government of Yugoslavia or the Government of Serbia, except for the purposes permitted under the title. The Committee recognizes that a situation may arise in which the Administration believes it consistent with the goals of the title to provide assistance to a Ministry of the Serbian or Yugoslav Government that it thinks is working to bring about democratic change in Serbia. Yet, the Committee notes that providing such assistance may be misconstrued by the Serbian people as indicative of United States support of the current regime (particularly given the virtual monopoly of the state-controlled media). The Committee urges the Administration to provide funds or other assistance to govern-

mental entities only when it is certain that those entities are actively supportive of the goals of the title and only when it is certain that Milosevic will be unable to benefit, either directly or indirectly, from doing so. The Committee believes that as long as the Milosevic government remains in power, it is unlikely that the United States will find instances in which providing assistance to governmental entities will further the purposes of the title.

The Committee discourages any member of the Administration from meeting, negotiating, engaging in discussions, or otherwise interacting with Slobodan Milosevic. As an indicted war criminal, he should be treated as a pariah. For too long the United States treated Milosevic as our partner for peace in the region and failed to cultivate relationships with opposition leaders. Milosevic used his relationship with the United States to bolster his personal authority and represented meetings with U.S. officials as proof that the United States supported his regime. The only topics of conversation the Committee envisions as appropriate between United States officials and Milosevic concern his ceding power to democratic forces in Yugoslavia or surrendering himself to the International Criminal Tribunal for the former Yugoslavia at The Hague.

To reward the positive developments in Montenegro, section 512(c) allows the provision of assistance to that republic as long as the government of Montenegro is committed to democratic principles and the rule of law, and respects human rights. If undemocratic elements were to take over governing functions in Montenegro, the Committee would expect the Administration immediately to stop dispensing all U.S. assistance to that republic.

As noted earlier, the Committee is pleased with the response of the Broadcasting Board of Governors (BBG) to counteract the Milosevic regime's propaganda during the war in Kosovo. The Committee urges the BBG to continue to further the open communication of ideas and information in both the Serbo-Croatian and Albanian languages.

SUBTITLE B—ASSISTANCE TO THE VICTIMS OF SERBIAN OPPRESSION

Sec. 521. Findings

Sec. 522. Sense of Congress

Sec. 523. Assistance

The Committee expresses its horror at the atrocities that took place in Kosovo beginning with the first assault by Serbian Interior Ministry troops in February 1998. Though it is likely that the exact number of innocent civilians killed during the course of the conflict will never be known, reports of mass graves, the discovery of bodies of the elderly, women, and children, as well as first hand accounts of atrocities from Kosovar Albanian refugees provide the impetus for the United States to give assistance to those who survived the brutal attacks and ethnic cleansing.

This subtitle authorizes assistance for relief, rehabilitation, and reconstruction in Kosovo and for refugees and persons displaced by the conflict. The Committee notes, however, that it expects our European allies to provide the bulk of reconstruction assistance to

Kosovo, given the disproportionately large financial burden that the United States bore during the air campaign against Serbia. Reconstruction projects that the Committee deems appropriate under this section include such small-scale projects as winterizing housing in Kosovo. Although many Kosovar Albanian refugees made their way from Albania and Macedonia to other countries in Europe, the Committee does not intend for United States assistance for refugees to be provided to countries such as Germany, France, or Russia.

SUBTITLE C—"OUTER WALL" SANCTIONS

Sec. 531. "Outer Wall" Sanctions

Sec. 532. International Financial Institutions Not In Compliance with "Outer Wall" Sanctions

For several years the Administration has maintained the policy of upholding the so-called "outer wall" of sanctions against Yugoslavia until that country fulfilled five conditions. The sanctions are: no United States support for economic assistance for Yugoslavia from any of the international financial institutions; no United States support for the inclusion of Yugoslavia in international organizations such as the United Nations and the Organization for Security and Cooperation in Europe; and no restoration of full U.S. diplomatic relations with Yugoslavia. The conditions required to be met prior to any relief from the outer wall are: agreement on a lasting settlement on Kosovo; full compliance with the Dayton Accords that ended the war in Bosnia; implementation of internal democratic reform; settlement of the succession issues with the other republics that emerged from the break-up of the Socialist Federal Republic of Yugoslavia; and cooperation with the International Criminal Tribunal for the former Yugoslavia.

During the negotiations at Wright-Patterson Air Force Base in Dayton, Ohio that led to the end of the war in Bosnia, Milosevic made clear the importance to Serbia of sanctions relief. Then-Assistant Secretary of State for European and Canadian Affairs Richard Holbrooke described the sanctions as the Administration's main bargaining chip with Milosevic. As a result of Milosevic's signing of the Dayton Accords on behalf of the Bosnian Serbs, the Administration immediately lifted almost all of the sanctions that were aimed against Serbia at the time.

The outer wall of sanctions has had an impact on the Serbian economy, and their effect has been magnified as a result of the need to repair infrastructure damage caused by the NATO air campaign. Although the subtitle allows the President to relax the outer wall of sanctions once he certifies that the Government of Yugoslavia has made significant progress in meeting the stated conditions, the Committee expects the Administration to use a rigorous standard when defining significant progress.

The Committee notes that such a certification will be virtually impossible as long as Milosevic remains in power. The U.S. should do nothing that could potentially prolong his regime, and maintaining the outer wall sanctions, particularly the denial of loans, grants, and other assistance from the international financial institutions, is critical to accelerating his removal from the political

scene. In particular, the Committee expects U.S. representatives to the international financial institutions to work actively to prevent any assistance from those institutions from going to Serbia or Yugoslavia.

If any of the international financial institutions proceed with any such assistance to Serbia or Yugoslavia over the objection of the United States, the Committee urges the Administration to withhold from payment of the U.S. share of any replenishment of that institution an amount equal to that of the loan or assistance granted.

SUBTITLE D—OTHER MEASURES AGAINST YUGOSLAVIA

Sec. 541. Blocking Assets in the United States

Section 541 blocks all assets in the United States of, or in the name of, the Government of Yugoslavia or the Government of Serbia and forbids the exportation to Serbia of any U.S. goods, technology, or services. The Committee acknowledges that in certain instances, the Secretary of the Treasury, in conjunction with the Secretary of State, may license specific transactions on a case-by-case basis if they determine that doing so will contribute to furthering the purposes of the subtitle (which codifies specific measures against Yugoslavia). The Committee expects the criteria for licensing will rarely be met, except in the case of providing assistance to the democratic opposition in Serbia.

This section also requires the Secretary of the Treasury to take all actions necessary to carry out the blocking of Serbian and Yugoslav assets and to fulfill his responsibilities to enforce the Executive Orders issued in response to the Kosovo conflict (13088 of June 9, 1998 and 13121 of April 30, 1999). The Committee notes that these Executive Orders should continue to be fully enforced until the Milosevic regime is replaced by a democratic government.

Sec. 542. Suspension of Entry into the United States

With regard to Section 542, the Committee notes that the visa ban imposed by the European Union against several hundred high ranking Serbian government officials, business cronies of the regime, and Milosevic family members has been highly effective at highlighting to these persons that their participation in or association with the Milosevic government has personal consequences. The Committee encourages the President to use the authority granted to him by Section 212 (f) of the Immigration and Nationality Act to deny entry into the United States not just to the senior leadership of the Serbian and Yugoslav government, as this section requires, but also to a much broader category of individuals affiliated with, or supportive of, the Milosevic regime.

Though the senior leadership of the Montenegrin government is exempted from this provision, if the Milosevic government were to act against that republic and install its loyalists in positions of political power, the Committee recommends that the President determine that the entry of those individuals to the United States would be detrimental to the interests of the U.S. and, under the authority of Section 212 (f) of the Immigration and Nationality Act, deny them entry as well.

Sec. 543. Prohibition on Strategic Exports to Yugoslavia

Section 543 forbids the Serbian or Yugoslav military, police, prison system, or national security agencies from gaining access to United States computers, computer software, or similar goods or technology. Those institutions have proven to be repressive and anti-democratic and should not have access to any technology that would benefit them in any way.

Sec. 544. Prohibition on Loans and Investment

Section 544 prohibits any loans, credit guarantees, insurance, financing, or other similar assistance to be extended by the United States government to the Government of Yugoslavia or the Government of Serbia. The Committee expects the Administration to withhold all U.S. financial support from Serbia with the exception of the assistance authorized under this title and humanitarian aid.

This section also prohibits any United States national from making or approving any loan or other extension of credit to the Government of Yugoslavia or the Government of Serbia, or to any entity owned or controlled by either government.

The Committee recognizes Serbia's need for foreign investment given the backward state of its economy and the destruction caused by the NATO bombing. The ban on U.S. government and private loans and investment is not designed to punish the Serbian people, but to highlight the fact that the removal of Milosevic from power will have a substantial, positive impact on the Serbian economy as a whole, as well as on the lives of individual Serbs.

Sec. 545. Prohibition of Military-to-Military Cooperation

Section 545 prevents the United States from providing any assistance, including defense articles or services, to the armed forces of the Government of Yugoslavia or the Government of Serbia. For the purposes of the section, the Committee intends the prohibition also to apply to the Interior Ministry police forces. The Committee also expects any cooperation between the U.S. armed forces and the Yugoslav or Serbian armed forces to be strictly limited to that delineated in the Military-Technical Agreement that ended the war in Kosovo, i.e. verification of Serbian and Yugoslav compliance with the provisions in the Agreement.

Sec. 546. Multilateral Sanctions

The Committee recognizes that the effect of the measures imposed against Yugoslavia will be greater if other countries take similar actions. Section 546 urges the President to seek to coordinate a comprehensive strategy with other countries to further the purposes of the title and to encourage other countries to impose similar measures against Yugoslavia. Their decision whether or not to do so, however, should not affect the Administration's commitment to maintain or enforce the sanctions currently in place or those imposed by this title.

Sec. 547. Exemptions

Given Kosovo's *de facto* status as an international protectorate, Section 547 exempts the province from being subject to the restrictions against Yugoslavia that are imposed in the bill. Similarly, the

restrictions do not apply to Montenegro as long as the government of Montenegro is committed to democratic principles and the rule of law, and respects human rights. If undemocratic elements were to take over governing functions in Montenegro, the Committee expects the Administration to apply this title's restrictions equally to that republic. The Committee considers the restrictions to be Sections 531 and 532 in Subtitle C and Sections 541 through 545 in Subtitle D.

Sec. 548. Waiver; Termination of Measures Against Yugoslavia

Section 548 allows the President to waive the measures against Yugoslavia for successive one-year periods if he determines that it is important to the United States national interest or that significant progress has been made in Yugoslavia in establishing a government based on democratic principles and the rule of law, and that respects internationally recognized human rights. The Committee notes that progress in establishing such a government should be interpreted rigorously, and it expects the Administration to exercise its right to use this waiver only when it is clear and demonstrable that the use of the waiver will assist the establishment of a democratic government in Yugoslavia. Further, the Committee expects that if the Administration chooses to invoke the waiver, it does so with regard to specific measures in the title, not to all the measures in the bill in one broad waiver. The Committee also expects a detailed justification for exercising the waiver option, including how using the waiver for each particular section will contribute to the goals of the title.

Invoking the waiver without the 15-day advance Congressional notification specified in the bill should be done only in exceptional, emergency situations. The Committee anticipates that such a situation will arise rarely, if ever.

The Committee notes that the termination of the restrictions imposed by this title should occur only in a post-Milosevic environment in which the governments of Yugoslavia and Serbia are committed fully and irreversibly to democracy and the rule of law, and respect for human rights.

Sec. 549. Statutory Construction

With regard to Section 549, the Committee does not intend for the people of Yugoslavia to be denied access to humanitarian assistance, including food and medicine, as a result of the measures against Yugoslavia in the title. The Committee acknowledges that providing such assistance may be subject to approval by the appropriate federal agencies. The Committee does not consider humanitarian assistance to include assistance for any reconstruction in Serbia, however basic. The Committee emphasizes that in no case should the United States allow the export of any agricultural commodity or medicine that could contribute to the development of a chemical or biological weapon.

SUBTITLE E—MISCELLANEOUS PROVISIONS

Sec. 551. The International Criminal Tribunal for the former Yugoslavia

The Committee is distressed at the lack of cooperation given by Yugoslavia to the International Criminal Tribunal for the former Yugoslavia (ICTY). Yugoslav officials have consistently rejected the jurisdiction of the Tribunal over events in Kosovo, and prior to the end of the war, actively impeded the Tribunal from investigating alleged war crimes committed there.

In light of the Tribunal's May 24, 1999, indictment of Milosevic for crimes against humanity, the Committee urges the United States to support fully the investigation of Milosevic and to provide all appropriate information to the Office of the Prosecutor of the ICTY that the U.S. intelligence community collects or has collected to support that investigation. The Committee considers all information that directly or indirectly relates to the investigation to be appropriate and urges the Administration to transfer as much information as possible, taking into account the need adequately to protect intelligence sources and methods.

This section requires the Administration to submit a report to Congress, in classified form if necessary, once every 180 days that describes the information that was provided to the Office of the Prosecutor of the ICTY during that time period. The Committee is interested in a detailed list of the information that was provided to the ICTY, but emphasizes that it does not intend the report to compromise in any way intelligence sources and methods.

Sec. 552. Sense of Congress with Respect to Ethnic Hungarians in Vojvodina

Given Milosevic's pattern of fomenting ethnic conflict to maintain his personal power, the Committee is greatly concerned about the well-being of the ethnic Hungarian population in the northern Serbian province of Vojvodina. This population has been subject to restrictions of freedom similar to those endured by the ethnic Albanians in Kosovo, and more recently has suffered harassment, intimidation, and direct threats from the government. Milosevic's vulnerability at this time may lead him to embark on an armed attack against the Vojvodina Hungarians to divert attention from protests against his government and to further consolidate his power.

This section urges the President to condemn publicly Belgrade's intimidation and harassment of the ethnic Hungarians in Vojvodina and encourages the Administration to monitor closely the situation in that province. In calling upon U.S. allies to pay substantial attention to establishing guarantees for the ethnic Hungarians and other minorities in Vojvodina and to consult with elected leaders in the province about self-administration, the Committee notes that it expects any discussions about the status of Vojvodina to take into consideration the wishes of the whole population of the province. Ethnic Hungarians and other minorities in Vojvodina must have the ability to participate in all discussions about local governance. The Committee notes that in accordance with the Helsinki Final Act, the Committee does not endorse the secession of Vojvodina from Yugoslavia. The Committee expects

that the establishment of a functioning democratic system of government in Belgrade will also benefit ethnic minorities in Vojvodina.

Sec. 553. Ownership and Use of Diplomatic and Consular Properties

After the dissolution of the Socialist Federal Republic of Yugoslavia (SFRY), representatives from Serbia-Montenegro effectively took over five SFRY diplomatic properties in Washington, D.C. and two SFRY diplomatic properties in New York, N.Y. Representatives of the other successor states (Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, and Slovenia) were denied access to such property and have received no financial compensation for their share of ownership. In March and June 1999, the United States government assumed custody of these properties and currently the Department of State controls access to them. Because Serbia has blocked progress on the resolution of successor state issues, however, the ownership and future use of these properties has not been settled. If Serbia continues to refuse to engage in good faith negotiations on the status of these properties, the Committee urges the President to take steps to return those properties to the possession of the other successor states in accordance with international law.

Sec. 554. Transition Assistance

The Committee notes that once the Milosevic government has been replaced by one that is committed to democracy and the rule of law, and that respects human rights, the United States should provide substantial assistance to help Yugoslavia make the transformation to a democratic country. Nearly a decade of warfare has placed Yugoslavia even further behind other countries in Central and Eastern Europe that also emerged from communism and centrally planned economic systems.

Section 554 authorizes transition assistance to Yugoslavia once the President determines that Yugoslavia is committed to democracy and the rule of law, and respects human rights. The Committee expects that such assistance will be provided only when the Administration is confident that the post-Milosevic leaders of Yugoslavia are on an irreversible course toward a democratic, free market system.

Section 554 also requires the Administration to prepare a detailed plan for providing and distributing the transition assistance and to submit the plan to the Congress within 120 days of enactment of the legislation. The Committee notes that the preparation of the plan offers the Administration the opportunity to devise a comprehensive strategy for how the United States will respond to the emergence of a democratic government in Yugoslavia and will facilitate prompt action when such an event does occur. The Committee expects the plan to have a specific dollar figure associated with it and to address sectors and projects in Serbia that the financial assistance will immediately benefit, including by facilitating foreign investment. The Committee further notes that publicizing the plan to the people of Yugoslavia can make clear to them the benefits of pressing for a democratic government and can be helpful

in encouraging them to work toward that end. The Voice of America and Radio Free Europe should immediately publicize the plan in its South Slavic broadcasts, and the Administration should work to ensure that independent media outlets working in and around Serbia are familiar with its details.

TITLE VI—MICROENTERPRISE ASSISTANCE

This title is based largely on S. 1463, the Microenterprise for Self-Reliance Act of 1999, introduced on July 29, 1999. Despite the enormous growth of the world's economy, over a billion people in dozens of countries subsist on less than one dollar per day. The benefits of economic growth have eluded approximately one-fifth of the world's population, leaving tremendous poverty in developing countries around the world. Accordingly, one of the greatest challenges facing the international development community has been finding ways to extend economic opportunities to these individuals.

Since the 1970s, microenterprise development programs have been one of the most successful ways to support the end of poverty in the developing world. Unlike other assistance programs, microenterprise lending programs reach the poorest of the poor with credit that is repaid by individual borrowers with interest. Microlending programs have demonstrated that if structured correctly, poverty lending programs can help lift the poorest members of society out of poverty, while repaying loans. In fact, the client repayment rate of these programs has been between 95–98%.

The objective of this title is to ensure the future success of international microenterprise grant and loan programs administered worldwide by the U.S. Agency for International Development (USAID). These programs foster self-sufficiency rather than financial dependence.

Sec. 601. Short Title

This section provides the short title for the act will be "Microenterprise for Self-Reliance Act of 2000".

Sec. 602. Findings and Declarations of Policy

This section contains 18 findings on the demand for microenterprise credits, the success with past programs and the need for their expansion in the developing world.

Sec. 603. Purposes

This section sets forth five main purposes of the Act, each aimed at bringing microenterprise development to the forefront of the U.S. assistance effort. The continuation and expansion of commitments made by USAID in its 1994 and 1997 Microenterprise Initiatives are provided for, as are increases in the amount of assistance devoted to financial services and complimentary business development services reaching the poorest sector in developing countries, particularly women.

Sec. 604. Microenterprise Development Grant Assistance

This section adds a new section 132 to the Foreign Assistance Act of 1961 to authorize appropriations for grants and govern the use of all microenterprise resources.

Subsection (b)(1) of section 132 authorizes the President to provide grant assistance for programs to increase the availability of credit and other business development services to microenterprises. Subsection (b)(2) stipulates that this assistance be provided through organizations that have a capacity to develop and implement microenterprise development programs.

This section also targets half of all microenterprise resources to support programs that directly serve the poorest of the poor. These programs are identified as those that provide credit and other financial services to entrepreneurs who are very poor, with loans defined by the following loan proxies: $1,000 or less in the Europe and Eurasia region, $400 or less in the Latin America region, and $300 or less in the rest of the world (in 1995 U.S. dollars).

Subsection (d) of the new section 131 authorizes $150,000,000 for fiscal year 2001 to carry out these initiatives. Such funds are to include local currencies, are to be drawn from Part I (including chapter 4 of Part II) of the Foreign Assistance Act of 1961 and from the SEED Act of 1989, relating to aid to East European nations.

Sec. 605. Micro- and Small Enterprise Development Credits

This section amends section 108 of the Foreign Assistance Act of 1961 to authorize the President to provide assistance to increase the availability of credit to micro- and small enterprises to ensure the stable growth of developing countries. This assistance includes loans and guarantees to credit institutions, as well as training programs for both lenders and microentrepreneurs.

Sec. 606. Microfinance Loan Facility

This section adds a new section 133 to the Foreign Assistance Act of 1961 authorizing the establishment within USAID of a United States Microfinance Loan Facility to pool and manage the risk from natural disasters, war or civil conflict, national financial crisis, or short-term financial movements that threaten the long-term development of U.S.-supported microfinance institutions. The USAID Administrator is authorized to make loans or loan guarantees, drawing from resources of the Facility, to such institutions in order to prevent bankruptcy caused by the risks noted above. During fiscal year 2001, Congress must be advised 15 days in advance of making available funds from the Facility.

Subsection (c)(3) gives the USAID Administrator the authority to issue credit assistance on such terms and conditions, including fees, as the Administrator may determine. The principal amount of loans or loan guarantees in any fiscal year with respect to a single event is limited to $30,000,000.

Subsection (d) authorizes $5,000,000 for fiscal year 2001 for the subsidy cost of the loans and for administrative expenses. These funds are to be drawn from those available under Part I of the Foreign Assistance Act of 1961.

Sec. 607. Report Relating to Future Development of Microenterprise Institutions

This section is intended to lay a foundation for the future development of the microfinance sector. Subsection (a) requires the President to prepare and transmit to Congress a report on the most

cost-effective methods and measurements for increasing the access of poor people to credit, other financial services, and related training. In particular, the Administration should develop a comprehensive strategy to advance the global microenterprise strategy in a way that maintains market principles while assuring the very poor, particularly women, obtain access to financial services.

Sec. 608. United States Agency for International Development as Global Leader and Coordinator of Bilateral and Multilateral Microenterprise Assistance Activities

This section contains findings and a sense of the Congress that the development of the microfinance sector should be included in multilateral discussions and institutions such as the International Fund for Agricultural Development (IFAD) and the United Nations Development Program (UNDP). In addition, the Secretary of the Treasury should instruct each U.S. Executive Director of the Multilateral Banks (MDBs) to advocate the development of a coherent and coordinated strategy to support the microenterprise sector.

Sec. 609. Definitions

Section 609 contains definitions of terms used in this title.

TITLE VII—DEFENSE AND SECURITY ASSISTANCE

PURPOSES OF TITLE VII

The Committee notes that, during the past 10 years, the pool of money available for security assistance to United States allies and partners has decreased dramatically. At the same time, the number of countries with which the United States needs to engage, whether to combat proliferation or terrorism or to bolster regional security, has steadily increased. For instance, three countries of the former Warsaw Pact are now NATO members and receive both Foreign Military Financing and International Military Education and Training from the United States. Other countries which were once part of the Soviet Union itself are now free and independent, and enjoy important security relationships with the United States. An even larger number of countries, now free from the Soviet orbit, are also free to pursue closer military relationships with the United States. Thus, for instance, this title makes Mongolia eligible for Department of Defense expenditures relating to excess defense articles for the first time in history.

The Committee is concerned that a steadily increasing number of countries are pursuing a relationship with the United States which is funded by a steadily decreasing amount of money. Additionally, 98 percent of the Foreign Military Financing (FMF) account is currently committed to just three countries as a result of various peace accord commitments. Even if the President's budget request is fully funded, only $183,200,000 in FMF would actually be available for the United States to build security ties to the rest of the world. This title seeks to arrest and reverse this decline. Section 701 authorizes an increase of $89,000,000 in grant Foreign Military Financing over the President's budget request, and will bring the total amount of truly "discretionary" FMF spending to

$272,200,000. Even so, this will not return security assistance to 1990 spending levels.

Similarly, Section 721 fully funds the International Military Education and Training program to maximum course capacity. Section 731 consolidates all nonproliferation funding, except for assistance to the International Atomic Energy Agency, under a single funding line. In so doing, it will protect nonproliferation assistance from numerous foreign aid restrictions that govern the current appropriations process. This title fully funds the President's request and authorizes funding for one additional, Committee-mandated nonproliferation and export control initiative in Malta and funds the International Science and Technology Centers (ISTC) program at maximum capacity. This title will strengthen the hand of the newly-created Nonproliferation Bureau of the Department of State in shaping a coherent U.S. nonproliferation and export control policy. Likewise, the President's antiterrorism funding request is fully authorized, and the Committee has applied additional resources to ensure that the fledgling Terrorist Interdiction Program is funded in fiscal year 2001 at the same level as in fiscal year 2000.

In total, this title authorizes $3,894,000,000 in security assistance funding. This is an increase of $119,000,000 over both fiscal year 2000 levels and the President's budget request for fiscal year 2001. Title VII is the only portion of the bill which contains authorization numbers.

The Committee notes that, from a Congressional budgetary scoring standpoint, the Navy anticipates that Section 791 (which authorizes ship transfers) will generate up to $420,000,000 in revenue to the United States Treasury. Likewise, Section 776 authorizes the sale of aging defense articles to Israel, and therefore may recoup a modest amount of money to the Treasury. Finally, if Section 772 is properly implemented by the Department of Defense and the Department of State, it will result in a decrease in transfers of aging defense articles on a grant basis in favor of the sale of those items at reduced prices. The revenue that would be generated by such a change in U.S. policy and practice, while impossible to estimate at this time, could be substantial.

SUBTITLE A—MILITARY AND RELATED ASSISTANCE

CHAPTER 1—FOREIGN MILITARY FINANCING PROGRAM

Sec. 701. Authorization of Appropriations

Section 701 authorizes $3,627,000,000 for fiscal year 2001 for the Foreign Military Financing (FMF) Program. The administration request for fiscal year 2001 for FMF (grants and loans) is $3,538,200,000. The actual level of FMF funding for fiscal year 2000 is $3,420,000,000.

CHAPTER 2—OTHER ASSISTANCE

Sec. 711. Defense Drawdown Special Authorities

Section 711 increases the special drawdown authorities of defense articles and services from defense stocks, and for military education and training, to assist foreign countries from $100 million to $150 million.

Current law grants the President the authority to draw down from existing stocks within the Department of Defense to assist in emergencies or when he determines it is in the national interest. This section expands the authority by making nonproliferation and antiterrorism activities eligible for the special drawdown authorities relating to defense articles and services, and to military education and training, to assist foreign countries. The increase in financial authority is meant to allow for incorporation of nonproliferation and antiterrorism objectives without sacrificing the President's flexibility to respond to unforeseen emergencies and foreign policy objectives relating to combating international narcotics, international disaster assistance, and migration and refugee assistance.

Sec. 712. Increased Transport Authority

Section 712 raises the space available weight limitation that is imposed on the transportation of excess defense articles (EDA) from 25,000 pounds to 50,000 pounds.

Currently, a variety of limitations are imposed on the use of Department of Defense funds to transfer excess defense articles to foreign nations and international organizations. Moreover, even when such an expenditure is authorized, free transportation of EDA may only be provided on a space available basis if it is in the U.S. national interest to do so, the recipient nation is a developing nation which receives less than $10,000,000 in FMF and IMET, and the weight of the items to be transferred does not exceed 25,000 pounds.

In limiting the weight of defense articles to no more than 25,000 pounds, current law will preclude the transportation of a large number of United States Coast Guard "self-righting" patrol craft which have recently been declared excess but which weigh approximately 33,000 pounds. Over the next four years, more than 50 of these vessels will be eligible for transfer to foreign nations under the EDA program. However, the current weight limitation will preclude shipment of the vessel on a space available basis to foreign countries. This, in turn, will increase the cost of transfer of the defense article to would-be recipients, and likely would cause many nations to decline U.S. offers of these vessels. As a result, the United States Coast Guard could incur unnecessary expenses due to delays in finding foreign recipients of the craft, and possibly be forced to demilitarize vessels for whom a foreign customer could not be secured. Raising the weight limit to 50,000 pounds will obviate this problem.

SUBTITLE B—INTERNATIONAL MILITARY EDUCATION AND TRAINING

Sec. 721. Authorization of Appropriations

Section 721 authorizes $65,000,000 to carry out international military education and training (IMET) of military and related civilian personnel of foreign countries. The administration request for fiscal year 2001 for IMET is $55,000,000. The actual level of FMF funding for fiscal year 2000 is $50,000,000,000. IMET is provided on a grant basis to students from allied and friendly nations, and is designed to expose foreign students to the U.S. professional

military establishment and the American way of life, including the U.S. regard for democratic values, respect for individual and human rights and belief in the rule of law. Section 721 authorizes funding of the IMET program at its maximum capacity. Funding beyond this level cannot be absorbed due to limitations in number of courses and classes.

Sec. 722. Additional Requirements Relating to International Military Education and Training

Section 722 amends Chapter 5 of part II of the Foreign Assistance Act of 1961, relating to International Military Education and Training (IMET), by adding two new requirements. First, selection of foreign personnel for the IMET program will be done in consultation with United States defense attaches, who are uniquely positioned to recommend candidates. The Committee is concerned to note that defense attaches are, on occasion, excluded from this process. By mandating consultation, the Committee intends to secure the complete involvement of defense attaches in nominating individuals for the IMET program. Naturally, selection of foreign personnel, and overall management of the IMET program, remain the responsibility of the Department of State.

Section 722 also requires that the Secretary of Defense develop and maintain a database containing records on each foreign military or defense ministry civilian participant in education and training activities conducted under this chapter after December 31, 2000. This record shall include the type of instruction received, the dates of such instruction, whether it was completed successfully, and, to the extent practicable, a record of the person's subsequent military or defense ministry career and current position and location. The Committee expects that the record of a person's subsequent career will include positions held, reports of exceptional successes or failures in those positions, and any credible reports of involvement in criminal activity or human rights abuses. The Committee believes that such a database will improve the effectiveness of foreign military education and training activities by enabling the Department of Defense to better determine: what follow-up training may be most appropriate for previously trained personnel; which courses are most effective in improving the performance of foreign military personnel; and where personnel are located in foreign defense establishments who, by virtue of their prior training, are most likely to understand U.S. modes of operation and share U.S. standards of military professionalism.

SUBTITLE C—NONPROLIFERATION AND EXPORT CONTROL ASSISTANCE

Sec. 731. Nonproliferation and Export Control Assistance

Every major category of U.S. foreign assistance, except for nonproliferation and export control assistance, is governed under multiple sections, or entire chapters, of the Foreign Assistance Act of 1961 (FAA). The FAA contains chapters authorizing international narcotics control, military assistance, peacekeeping operations, antiterrorism assistance, IMET, development assistance, and funding for international organizations, to name a few.

Although the President has declared a state of national emergency to combat the proliferation of weapons of mass destruction and associated delivery systems, the FAA does not contain a specific chapter to authorize and direct such a clearly important form of U.S. foreign aid. Funding for the nonproliferation and export control activities of the Department of State derives from a variety of disparate authorizations passed at various times. As a result, this category of funding does not enjoy the same status as other types of foreign assistance. Appropriation of funds for nonproliferation and export control activities is cobbled together annually by the Appropriations Committee under a catch-all account that also includes demining and contributions to certain international organizations. Thus the Department of State is invariably forced to make "trade-offs" between nonproliferation and export control funding and funding for other activities. Finally, other nonproliferation and export control funding is contained within the amounts appropriated for the "newly independent" states of the former Soviet Union, and is thus subject to restrictions if the President cannot certify that Russia is not proliferating technology to Iran (which he has, to date, been unable to do).

By adding a new chapter to Part II of the FAA, the Committee intends U.S. nonproliferation and export control assistance to be given equal stature with other authorized activities. The Committee expects the Department of State, in the future, to consolidate all of its nonproliferation funding, except for funding for the International Atomic Energy Agency (which is governed by a separate authorization under the FAA), into a single, integrated request to be authorized under Chapter 9 of the FAA. The Committee further expects that the Nonproliferation Bureau of the Department of State will be given authority over the use of funds authorized by this chapter.

The new chapter to the FAA incorporates existing authorities under Sections 503 and 504 of the FREEDOM Support Act (which are the principal extant authorities for nonproliferation and export control activities). The new sections 581 and 582 carry forward those authorities, but also emphasize the need for programs to bolster the indigenous capabilities of foreign countries to monitor and interdict proliferation shipments. Section 583 directs the President to ensure that sufficient funds are allocated to the transit interdiction effort. To this end, the section contains authority for the Secretary of State to establish a list of countries that should be given priority in U.S. transit interdiction funding. The Committee suggests that the initial designation of the transit country list include those countries mentioned in the fiscal year 1999 Congressional presentation document as "key global transit points" (e.g. the countries of Central Asia and the Caucasus), the Baltics, Central and Eastern Europe, Singapore, Hong Kong, Taiwan, Cyprus, Malta, Jordan, and the UAE).

Section 584, which will be part of the new chapter of the FAA, makes clear that two of the same limitations which apply to antiterrorism assistance also apply to nonproliferation and export control assistance. Section 584 permits the use of unrelated accounts to furnish services and commodities consistent with, and in furtherance of, Chapter 9 of the FAA. However, it requires that the

foreign nation receiving such services or commodities pay in advance for the item or service, and that the reimbursement be credited to the account from which the service or commodity is furnished or subsidized. Foreign Military Financing may not be used to make such payments. Section 584 also makes clear that Chapter 9 does not apply to information exchange activities conducted under other authorities of law.

Section 585 authorizes $129,000,000 for activities conducted pursuant to Chapter 9 of the FAA. This amount captures several activities currently appropriated within the Nonproliferation, Anti-Terrorism, Demining, and Related Programs Account, and the FREEDOM Support Act Assistance for the New Independent States (NIS) of the Former Soviet Union. The covered programs, at the administration's requested levels of funding for FY2001, are: $15,000,000 for the Nonproliferation and Disarmament Fund; $14,000,000 for Export Control Assistance; $45,000,000 for the Science Centers; and $36,000,000 in NIS export control and border assistance funding. The administration request for fiscal year 2001 thus totals $110,000,000 for all Chapter 9 authorized activities.

The Committee's increase of $19,000,000 above the administration's requested levels is intended to support two Committee initiatives contained in sections 733 and 734. Specifically, this increase supports funding of the International Science and Technology Centers at maximum capacity (which requires an additional $14,000,000); and establishment of a static cargo x-ray facility in Malta as the first of the transit interdiction programs to be managed under the new authorities of the FAA (a $5,000,000 program).

Sec. 732. Nonproliferation and Export Control Training in the United States

Section 732 authorizes the expenditure of $2,000,000 in nonproliferation and export control funding for the training and education of personnel from friendly countries in the United States. The Department of State already engages in a vigorous training program, and funds numerous activities which are implemented by Department of Commerce personnel. However, much of this training is conducted overseas. The Committee urges the Department of State to place emphasis on bringing a select group of officials from friendly governments back to the United States to engage in an intensive training program which draws upon the expertise of all relevant U.S. government agencies. This training should focus on those nonproliferation and export control activities which would most benefit from being conducted in the United States. Finally, the Committee is concerned with declining travel and training budgets of U.S. government agencies tasked with combating proliferation. The Committee hopes this trend will be arrested, but urges the Department of State, in the interim, to seek to offset the effects of this decline using the funds authorized under this section.

Sec. 733. Science and Technology Centers

Section 733 authorizes $59,000,000 in nonproliferation and export control funding for the Department of State's international science and technology centers. The administration request for fiscal year 2001 is $45,000,000. The actual level of funding for fiscal

year 2000 is $59,000,000. The Committee expects that this not only will fully fund all ongoing activities at these centers, but will allow a significant expansion in the number of research grants offered to Russian scientists formerly employed in the development of missiles and chemical and biological warfare programs. However, this authorization is contingent upon the Secretary of State first certifying to the Congress that intra-executive branch agreements are in place which will govern, and coordinate, the operation of the centers with all relevant U.S. government agencies. The Committee also cautions that Section 1132 of the "Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001" (P.L. 106–113) made clear that no U.S. government assistance may be provided to any person who is involved in offensive chemical or biological warfare programs.

Sec. 734. Trial Transit Program

Section 734 authorizes $5,000,000 in nonproliferation and export control funding to establish a static cargo x-ray facility in Malta, provided that the Government of Malta first gives satisfactory assurances that Maltese customs officials will engage in random cargo inspections of container traffic passing through the Malta Freeport, and will utilize the x-ray facility to examine random shipping containers.

Malta is the ideal location for a trial transit interdiction program. The country's location, along one of the busiest trade routes in the world, has made it a crucial shipping center. The Malta Freeport is ideally situated as a redistribution point, linking trade between Europe, Africa, the Middle East, and Asia. For instance, direct shipments from the Black Sea to Malta take less than 15 days. From various ports in Europe, Russia, and Asia, large cargo vessels offload their containers into the Freeport. The containers are then stored temporarily and are reloaded onto smaller "feeder" vessels which service ports in North Africa, including Libya.

The Freeport went into operation in April, 1990. According to Maltese Freeport documents, that year alone, 231 vessels offloaded 94,500 containers. Since that time, the volume of activity at the port has steadily increased. In 1996, the number of ships calling at the Freeport reached 1,383. Nearly 600,000 containers transited the facility that year. For 1999, according to a January 10, 2000 article in a Maltese daily newspaper, 1,464 container ships utilized the Freeport. At this time, estimates of container traffic are not available to the Committee, but presumably the number well exceeded half a million.

The steadily rising level of container traffic in the Freeport is noteworthy. The volume can be expected to increase further if plans to further expand the port's services are implemented, thereby making one of the world's largest deepwater ports all the more robust.

The Malta Freeport Act, which establishes the Freeport as a legally separate entity from Malta proper, creates specific proliferation concerns. Currently the Freeport has its own Minister, and customs functions have been conferred upon the Freeport Authority which he oversees. Maltese Customs does not receive information on transshipments, and may not operate in the Freeport without

permission. While the Freeport has never refused such a request, the fundamental lack of transparency, and the inability of Maltese customs to conduct random inspections, means that effective export enforcement is impossible at this time.

The Committee is concerned with this situation since Malta is undeniably being used as a transit point by various entities engaged in weapons proliferation. For instance, in one instance of excellent cooperation between the Freeport and Maltese Customs officials, a shipment of chemical warfare precursor chemicals was seized. Similarly, the United Kingdom recently uncovered a massive shipment of missile parts slated for air delivery to Libya via Malta. While this latter incident did not involve the Freeport, it nevertheless is further evidence that various countries are seeking to use Malta as a transit point for deliveries of dangerous commodities to North Africa.

The Committee notes that Maltese-U.S. relations have steadily improved over the past several years. The Government of Malta has demonstrated a genuine commitment to nonproliferation and bolstering its export control capability. Therefore the Committee favors initiation of a trial transit program with Malta, provided that the Maltese Government takes the necessary steps to render this program viable (namely, by opening the Freeport to periodic, random inspections by Maltese Customs officials). The Committee hopes that this program, if successful, might serve as a model for programs in other designated transit countries.

SUBTITLE D—ANTITERRORISM ASSISTANCE

Sec. 741. Authorization of Appropriations

Section 741 authorizes $73,000,000 in antiterrorism assistance for fiscal year 2001. The administration request for anti-terrorism assistance for fiscal year 2001 is $72,000,000 (including the request for the Terrorist Interdiction Program (TIP)). The actual level of funding for fiscal year 2000, including the TIP, is $38,000,000.

SUBTITLE E—INTERNATIONAL SECURITY ASSISTANCE PLANNING

CHAPTER 1—ESTABLISHMENT OF A NATIONAL SECURITY ASSISTANCE STRATEGY

Sec. 751. National Security Assistance Strategy

Section 751 requires the annual preparation of a National Security Assistance Strategy (NSAS) to be submitted in connection with the annual foreign operations budget request.

The purpose of the NSAS is to establish a clear and coherent multi-year plan, on a country by country basis, regarding U.S. security assistance programs. The current process utilized by the United States Government is entirely insufficient and is run on an ad hoc basis. Seldom is a thoroughly researched, thoroughly justified proposal for security assistance put forward to the Committee. This, in turn, has encouraged parallel Congressional initiatives and earmarks which often are put forward with a comparable level of foresight and planning. As a result, it seems that the Political-Military Affairs Bureau of the Department of State does not currently possess sufficient control over the allocation of security assistance

funds, despite its clear mandate to manage these programs (except for nonproliferation assistance).

Currently there is no clearly articulated organizing principle for U.S. military assistance. Nor is there a coherent set of benchmarks, or measurements, against which the success of individual programs with various countries can be measured. As a result, military assistance funding proposals are often vague and seemingly unjustified. For instance, the most recent Congressional presentation documents justify the provision of FMF for Southeast Europe as "contributing to regional stability in Southeast Europe by promoting military reform." No further elaboration is given. It is hardly surprising, in light of this sort of justification, that the administration's security assistance requests seldom are fully funded by Congress.

The Committee expects the Department of State to transform fundamentally the way that the United States conceptualizes security assistance. Utilizing a model more akin to the Department of Defense's planning process, the Department of State is expected to pull together a comprehensive five year plan, which will evolve on an annual basis, setting forth a specific programmatic objective for each country and explaining how the requested funds will accomplish that objective. Additional, secondary objectives are to be added as necessary. The Committee believes that the plan for each country should be developed at the U.S. mission level, and should be coordinated by the Department of State with all relevant U.S. government agencies with a role in U.S. security assistance programs. The bottom-up document that results is then to be coordinated with the top-down policy guidance set forth in the National Security Strategy of the United States, and by the Secretary of State (in coordination with the Secretary of Defense and the Chairman of the Joint Chiefs of Staff).

The Committee expects the resultant document to be a comprehensive National Security Assistance Strategy which provides a robust, detailed justification for security assistance funding that is requested. Rather than the current process, which yields unclear and unmeasurable objectives for U.S. security assistance programs, it is expected that the NSAS process will ensure that the type and amount of assistance given a country is determined programmatically. Progress can thus be measured by the administration and the Congress. In turn, the Committee anticipates that such an initiative, led by the Political-Military Affairs Bureau of the Department of State, will substantially improve Congressional understanding of the administration's initiatives and bolster Congressional support for the President's military assistance request.

Sec. 752. Security Assistance Surveys

Section 752 authorizes the use of $2,000,000 in Foreign Military Financing to conduct security assistance surveys in foreign countries for the purpose of preparing the National Security Assistance Strategy required pursuant to Section 751.

CHAPTER 2—ALLOCATIONS FOR CERTAIN COUNTRIES

Sec. 761. Security Assistance for New NATO Members

Section 761 authorizes $35,000,000 in grant FMF and $7,000,000 in IMET funding for the three new NATO members (e.g. the Czech Republic, Hungary, and Poland). The administration request for fiscal year 2001 for these three countries is $30,300,000 in grant FMF and $5,100,000 in IMET funding. The actual level of grant FMF funding for the three for fiscal year 2000 is $22,000,000. The actual level for IMET funding for fiscal year 2000 is $4,570,000.

Section 761 also directs the President to give priority to supporting the objectives set forth by the Senate in its resolution of ratification for the protocols adding the three new NATO members. Specifically, the Committee expects the administration to ensure that FMF and IMET funding is used to support the ability of Poland, Hungary, and the Czech Republic to fulfill their collective defense requirements under Article V of the Washington Treaty. The Committee also expects the administration to use the additional funds provided to expand U.S. efforts to improve the ability of these countries to protect themselves from hostile foreign intelligence services.

Sec. 762. Increased Training Assistance for Greece and Turkey

Section 762 authorizes $1,000,000 in IMET funding for Greece and $2,500,000 in IMET funding for Turkey for fiscal year 2001. The administration request for IMET for fiscal year 2001 is $25,000 for Greece and $1,600,000 for Turkey. The actual level of IMET funding for Greece for fiscal year 2000 is $25,000. For Turkey, the actual level of IMET funding for fiscal year 2000 is $1,500,000.

The Committee is encouraged by numerous indications of a warming in Greek-Turkish relations. This improvement has manifested itself in several ways, ranging from Greek agreement to Turkish candidacy for membership in the European Union to the large number of bilateral agreements that have recently been signed during reciprocal visits of foreign ministers (including agreements on transportation, tourism, cultural heritage, and customs issues). In the interest of bolstering this process the Committee authorizes a substantial increase in funds for International Military Education and Training (IMET).

It is the Committee's expectation that the administration will use these additional funds to support the process of rapprochement between Greece and Turkey. Specifically, the Committee urges the administration to ensure that $1,000,000 of the additional resources, evenly divided between the two countries, is used for joint professional military education of Greek and Turkish officers. The Committee notes that this type of training will build personal relationships between the militaries of these two important NATO allies, and will reinforce the process that is already underway.

Sec. 763. Minimum Allocation for Egypt and Israel

Section 763 authorizes $1,980,000,000 in grant FMF for Israel and $1,300,000 in grant FMF for Egypt for fiscal year 2001. This corresponds to the administration request for fiscal year 2001. The

actual level of grant FMF funding for fiscal year 2000 is $3,120,000 for Israel (including the Wye Supplemental) and $1,325,000 for Egypt (including the Wye Supplemental). In addition, this section directs that FMF funds for Israel for fiscal year 2001 be disbursed not later than 30 days after enactment of this Act or on October 31, 2000, whichever is later. To the extent that Israel makes a request, FMF funds shall, as agreed by Israel and the United States, be available for advanced weapons systems. Not less than 26.3 percent of such funds can be used for procurement in Israel of defense articles and defense services, including research and development. The Committee expects that Israel's annual aid package will be provided under the usual terms, including early disbursal of both the ESF and FMF, offshore procurement of at least 26.3% of its military aid, and that the aid be provided in the form of a grant.

Sec. 764. Security Assistance for Certain Countries

Section 764 provides individual authorizations of grant FMF and IMET funding for ten countries. Specific authorizations are detailed on the following two charts:

GRANT FOREIGN MILITARY FINANCING

Country	Authorized for FY2001	Administration Request for FY2001	Actual for FY2000
Estonia	[1] $6,500,000	$6,350,000	$4,000,000
Latvia	[1] 6,500,000	5,350,000	4,000,000
Lithuania	[1] 7,500,000	6,500,000	4,400,000
Philippines	5,000,000	2,000,000	1,000,000
Georgia	5,000,000	4,500,000	3,000,000
Malta	1,000,000	.....	.....
Slovenia	4,000,000	3,500,000	2,000,000
Slovakia	8,400,000	8,400,000	2,600,000
Romania	11,000,000	11,000,000	6,000,000
Bulgaria	8,500,000	8,500,000	4,800,000

[1] Section 764 authorizes an aggregate total of $20,500,000 in grant FMF for the three Baltic countries, but does not provide individual authorizations within that total. Thus this is the recommended apportionment.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

Country	Authorized for FY2001	Administration Request for FY2001	Actual for FY2000
Estonia	[1] $1,250,000	$800,000	$700,000
Latvia	[1] 1,250,000	750,000	700,000
Lithuania	[1] 1,500,000	750,000	700,000
Philippines	1,500,000	1,400,000	1,400,000
Georgia	1,000,000	475,000	400,000
Malta	1,000,000	100,000	100,000
Slovenia	1,000,000	700,000	650,000
Slovakia	1,000,000	700,000	650,000
Romania	1,500,000	1,300,000	1,100,000
Bulgaria	1,200,000	1,100,000	1,000,000

[1] As in the case of FMF, Section 764 authorizes an aggregate total of $4,000,000 in IMET for the three Baltic countries, but does not provide individual authorizations within that total. Thus this is the recommended apportionment.

Sec. 765. Border Security and Territorial Independence

Section 765 provides an integrated authorization of security assistance funds for the GUAM countries (e.g. Georgia, Ukraine, Azerbaijan, and Moldova) and Armenia. Specifically, Section 765 authorizes a package of $20,000,000 in grant FMF, $10,000,000 in nonproliferation and export control assistance, $5,000,000 in IMET funding, and $2,000,000 in antiterrorism assistance.

These funds must be expended in accordance with the individual requirements of their respective accounts. Thus, for instance, the $20,000,000 in grant FMF may only be utilized for activities authorized in connection with the FMF program. Likewise, nonproliferation and export control funds must be spent on the objectives set forth under Chapter 9 of the Foreign Assistance Act of 1961. Similar restrictions apply to the other authorized forms of security assistance. Thus, as assistance to Azerbaijan under this section is still subject to section 907 of the FREEDOM Support Act, such assistance may be provided only for antiterrorism or nonproliferation and export control purposes.

The funds authorized under Section 765, totaling $37,000,000, must be spent for the purpose of assisting the GUAM countries and Armenia in strengthening control of their borders, and for the purpose of promoting the independence and territorial sovereignty of these countries. These funds also are specifically authorized, pursuant to Section 499C of the Foreign Assistance Act of 1961, for the purpose of enhancing the abilities of the national border guards, coast guard, and customs officials of the GUAM countries and Armenia to secure their borders against narcotics trafficking, proliferation, and transnational organized crime.

Finally, it bears emphasizing that the Committee strongly supports the cooperation on political, security, and economic matters promoted and facilitated through the GUAM group. The United States should promote these endeavors as part of its strategy to help these states consolidate their independence and strengthen their sovereignty, to help resolve and prevent conflicts in their respective regions, and to promote democracy and human rights. In addition, the Committee strongly supports political, security, and economic cooperation between the United States and Armenia.

SUBTITLE F—OTHER PROVISIONS

Sec. 771. Utilization of Defense Articles and Services

Section 771 amends Section 502 of the Foreign Assistance Act of 1961 to make clear that defense articles and services may be furnished by the United States to foreign nations for antiterrorism or nonproliferation purposes (in addition to other currently authorized purposes).

Sec. 772. Reduction in Valuation of Defense Articles Not Intended For Replacement

Section 772 amends Section 21(a) of the Arms Export Control Act to allow the President to reduce the price that a foreign country must pay for a defense article that is to be sold from current United States stocks if the President does not intend to replace that item. Presumably any such item (i.e. that will not be replaced

if sold to a foreign country) is either excess to the defense needs of the United States or nearing obsolescence. However, if the President is to reduce the price charged for such items, he must first determine that such a price reduction would either serve the national security interests of the United States or facilitate the sale of a similar or new defense article that is manufactured in the United States.

The Committee favors this modification to the AECA in light of the fact that few sales from stocks of excess or obsolete items are actually occurring. In contrast, the Committee is notified annually that the U.S. Government has donated millions of dollars of excess defense articles (EDA) to foreign nations. The Defense Security Cooperation Agency has frequently justified these numerous transfers of grant EDA by claiming that sale of the item is unlikely at "actual market value" (as currently required under the AECA). It is argued that the United States has little chance of reaping financial dividends from the sale of aging military equipment, but that the United States should at least reap foreign policy benefits by giving away such equipment for free. The exact formulation used by the Department of Defense in its Congressional notification is that "Transferring these excess items under section 516, FAA, is preferable to selling it, after taking into account the potential proceeds from, and likelihood of, such sale, and the comparative foreign policy benefits that may accrue to the United States as a result of either a transfer or sale."

The Committee is willing to amend the Arms Export Control Act to permit the administration to negotiate the sale of such excess defense articles. The sale of defense articles, even at greatly reduced prices, is preferable in most cases to a simple grant transfer. In those cases where the defense article will simply be destroyed or demilitarized if it is not transferred in a timely fashion to a foreign nation, the Committee agrees with use of the 516 authority. In other cases, there may be compelling foreign policy reasons for such a transfer. However, in general the Committee hopes that the Department of State and the Department of Defense will use this new authority to negotiate as many sales as possible of excess U.S. defense articles that otherwise would be given away on a grant basis.

Sec. 773. Congressional Notification

Section 773 amends the Arms Export Control Act to ensure that the Congress continues to be notified of transfers of U.S. Munitions List items to foreign nations. A number of initiatives are underway within the administration to improve the process by which the United States engages in defense trade with key NATO allies. Section 773 amends the relevant sections of the Arms Export Control Act, thereby ensuring that these provisions, if utilized in the manner contemplated by the administration, will not inadvertently sacrifice Congressional prerogatives relating to notification of arms sales.

Sec. 774. National Security Exemption

Section 774 directs that the prohibition contained in Section 907 of the FREEDOM Support Act not apply to any activity reported

pursuant to title V of the National Security Act. Generally, activities reported pursuant to the title V of the National Security Act of 1947 are not covered by foreign policy-related limitations or restrictions on assistance. The formulation used in Section 774 corresponds directly with that found in many places in U.S. law. For instance, in P.L. 106–113, (the "Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001") Section 1132 prohibits the United States Government from providing assistance to any person who is involved in the research, development, design, testing, or evaluation of chemical or biological weapons for offensive persons. An exception to this prohibition is made for any activity being conducted in accordance with title V of the National Security Act of 1947.

Section 774 merely extends this customary practice of exempting activities reportable under the National Security Act of 1947.

Sec. 775. Additions to U.S. War Reserve Stockpiles for Allies

Pursuant to Section 514 of the Foreign Assistance Act of 1961, as amended, the Department of Defense can make additions to the War Reserve Stockpiles for Allies stockpiles only as periodically provided for in legislation. For fiscal year 2000, the President requested authority to make additions to stockpiles in South Korea ($40,000,000) and Thailand ($20,000,000). The Committee provided this authority under Section 1231 of the "Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001" (P.L. 106–113).

For fiscal year 2001 the Department of Defense has asked for an additional $50,000,000 authorization for the Korean program. Section 775 provides this authority for fiscal year 2001.

Sec. 776. Transfer of Certain Obsolete or Surplus Defense Articles in the War Reserve Stockpiles for Allies to Israel

Periodically the Department of Defense requests authorization to transfer defense articles out of War Reserve Stockpiles to the host country in question. The defense articles are either sold to the host nation, or provided in exchange for relief from charges associated with storage and stockpile maintenance. The Committee provided authority to make such transfers to South Korea and Thailand pursuant to Section 1232 of the "Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001" (P.L. 106–113).

Section 776 fulfills the Department of Defense's request for authority to engage in transfers to the Government of Israel which are similar to those previously authorized for South Korea and Thailand.

Sec. 777. Stinger Missiles in the Persian Gulf Region

Section 777 permits the replacement, on a one-for-one basis, of Stinger missiles possessed by Bahrain and Saudi Arabia that are nearing the scheduled expiration of their shelf-life.

Sec. 778. Export Information

Section 778 builds upon Subtitle E of Title XII of the "Admiral James W. Nance and Meg Donovan Foreign Relations Authoriza-

tion Act, Fiscal Years 2000 and 2001" (P.L. 106–113), which established requirements for the creation of an Internet-based Automated Export System both to facilitate the filing of Shipper's Export Declarations (SEDs), and to provide the United States Government with a searchable database of all exports of dual-use commodities. The Committee's intent was to establish a system that could be used by law enforcement officials and other U.S. agencies to identify suspicious acquisition and shipment patterns.

One of the difficulties which threatens to impair the effectiveness of the nascent Internet system is the frequent failure of various freight forwarding and shipping companies to file their SEDs in accordance with current law. Section 778 increases the applicable penalties from $100 to up to $1,000 per day, with a maximum fine of $10,000. The Committee urges the administration to use these enhanced penalties to ensure that the Automated Export System contains the information necessary to make it of use to the relevant U.S. government agencies.

Sec. 779. Excess Defense Articles for Mongolia

The Committee supports the furnishing by grant of excess defense articles (EDA) and services to Mongolia. Unfortunately, given the weak nature of its national economy, which has led to difficulty in funding its military budget, Mongolia cannot afford the cost of packing, crating, handling, and transportation of EDA, even if the EDA itself is provided at no cost. Section 779 provides the Department of Defense with the authority to absorb the costs of transporting EDA to Mongolia, thereby allowing the receipt of much needed equipment. However, the Committee intends to continue the practice of requiring from the Department of Defense a detailed description of such costs in each proposed transfer. Were such costs to grow beyond a reasonable level, the Committee's continued support for such authorities would be jeopardized.

Sec. 780. Space Cooperation with Russian Persons

Section 780 amends the Arms Export Control Act, provides for increased reporting and certification to Congress, and expands the ability of the President to regulate missile-related cooperation by providing him with the discretionary authority to terminate contracts in the event that he determines that a violation of the MTCR sanctions law (Section 73(a)(1) of the Arms Export Control Act) has occurred.

Currently, Chapter 7 of the Arms Export Control Act imposes mandatory sanctions on proliferating entities. However, those sanctions apply only to prospective licenses and contracts. The authority does not exist, within Chapter 7, to terminate an existing license in the event that an individual has been discovered to have proliferated missile technology subsequent to the granting of the license. This deficiency became apparent in discussions with the administration regarding the proposed co-production arrangement between Lockheed Martin and a Russian rocket-engine firm, NPO Energomash. Concerns had arisen regarding Energomash due to reports that UNSCOM had determined that the Russian firm may have been seeking to violate the U.N. sanctions and embargo on Iraq and work with the Iraqi missile program. Similarly, press ac-

counts and testimony before Congress have suggested that Energomash-designed engines are present in Iran, although those engines could have come from a multiplicity of sources.

Despite these concerns, the Administration elected to proceed with Congressional notification of the co-production arrangement, as it will help ensure U.S. military satellite launch capabilities. In responding to Committee inquiries regarding the Administration response should the aforementioned transfers be shown to have occurred (thus subjecting Energomash to MTCR sanctions), the Assistant Secretary of State for Political-Military Affairs noted that the provisions of Section 42 of the AECA (which is a general authority to suspend, terminate, or amend U.S. Government authorization for defense transfers) would need to be employed in this case since no specific retroactive termination authority exists within the actual sanctions law. Section 780 provides that missing authority to the President, should he choose to utilize it. It is important to underscore that this authority is completely discretionary.

Section 780 also requires the President to make an annual certification to the Committee that various Russian space and missile entities doing business with the United States are not suspected of contributing to Iran's MTCR-class ballistic missile program at any time since January 1, 2000. These certifications must be made annually for the first five years of a license between a U.S. firm and a Russian entity. However, there is no penalty in the event that a certification cannot be made (presumably because suspicion has arisen). The MTCR sanctions law only operates in the event that the President makes a formal determination that a transfer, or a conspiracy to transfer, occurred. In short, the certification required under Section 780 does not go beyond the annual report that the President is required to submit to Congress under the Iran Nonproliferation Act of 2000. It is nevertheless useful because it will ensure that the Department of State continues to focus on Russian entities doing business with the United States. This provision is also intended to encourage U.S. companies working with Russian space entities to maintain pressure on their counterparts not to proliferate technology to Iran.

Finally, Section 780 rectifies an unintended reporting loophole in the Arms Export Control Act that resulted from amendments to integrate the Arms Control and Disarmament Agency within the Department of State and a subsequent decision by the Department of State on licensing technical exchanges and brokering services under Section 36 of the AECA. Specifically, for MTCR-related transfers governed under Section 36(b) and (c) which fall below the Congressional notification threshold, the administration currently must nevertheless submit a report to the Committee explaining the consistency of such a transfer with U.S. MTCR policy. However, MTCR-related licenses covered by Section 36(d) which fall below the notification threshold are not captured fully by this reporting requirement. Section 780 rectifies this problem, and ensures that MTCR-related transfers of both Category I and Category II components and systems are covered under the reporting requirement.

Sec. 781. Assistance for Israel

Section 781 sets into place the phase out of annual U.S. Economic Support Funds to Israel. Beginning in FY 1999, the United States and Israel agreed to a plan whereby Israel's annual economic assistance would be reduced in equal increments of 10 percent (equivalent to $120,000,000 per annum), resulting in the ultimate phase out of the ESF program. In order to ensure Israel's continued security in the face of the loss of annual economic support, Israel requested and the United States agreed to, an annual increase in Foreign Military Finance equal to half the reduced ESF amount (or $60,000,000).

By FY 2008, the authorities of this section will result in an aggregate annual reduction in authorized foreign assistance of $600,000,000. Calculations made in this section are not intended to factor in rescissions or supplemental appropriations, and are intended to work from the original baseline figure from FY 1999 of $1.2 billion in ESF.

SUBTITLE G—TRANSFERS OF NAVAL VESSELS

Sec. 791. Authority to Transfer Naval Vessels to Certain Foreign Countries

Section 791 provides authority to the President to transfer seventeen naval vessels to Australia, Brazil, Chile, Egypt, Greece, and Turkey. These naval vessels either displace in excess of 3,000 tons, or are less than 20 years of age. Therefore statutory approval for the transfers is required under 10 U.S.C. 7307(a).

The four KIDD class ships, proposed to be transferred to the Government of Australia, were originally approved by Congress for transfer to Greece in fiscal year 1999 ship transfer legislation. However the Government of Greece did not accept the offer and thus subsequent authorization for Australia has been requested. Two KNOX class frigates are proposed in this section to be transferred to Greece on a grant basis.

The two PERRY class frigates proposed for transfer to Turkey under lease/sale authority were approved by Congress to be transferred to Turkey by sale in the fiscal year 2000 ship transfer legislation. Because of Turkish financial uncertainties caused by recent natural disasters, however, this proposal, which is in addition to the sale authority previously granted, is needed to give Turkey some flexibility in determining the most appropriate means to acquire the ships.

Sec. 792. Inapplicability of Aggregate Annual Limitation on Value of Transferred Excess Defense Articles

Section 792 ensures that the value of naval vessels authorized for transfer by grant by this Act will not be included in determining the aggregate value of transferred excess defense articles.

Sec. 793. Costs of Transfers

Section 793 provides that all costs are to be borne by the foreign recipients, including fleet turnover costs, maintenance, repairs, and training.

Sec. 794. Conditions Relating to Combined Lease-Sale Transfers

Section 794 authorizes the transfer of high value ships on a combined lease-sale basis under Section 61 and 21 of the Arms Export Control Act (22 U.S.C. 2796 and 2761 respectively).

Sec. 795. Funding of Certain Costs of Transfers

Section 795 provides authorization for the appropriation of funds that may be necessary for the costs of the combined lease-sale transfers in order to satisfy the requirements of 2 U.S.C. 661c. These funds are authorized to be appropriated into the Defense Vessels Transfer Program Account, which was established in the fiscal year 1999 ship transfer legislation.

Sec. 796. Expiration of Authority

Section 796 provides that the transfers authorized by this Act must be executed within two years of the date of enactment. This allows a reasonable opportunity for agreement on terms and for execution of the transfer.

SUBTITLE H—DEFINITION

Sec. 797. Definition

This section defines, for the purpose of this title, appropriate committees of Congress, as the Senate Foreign Relations Committee and the House International Relations Committee.

TITLE VIII—SPECIAL AUTHORITIES AND OTHER PROVISIONS

Sec. 801. Prohibition on Assistance to Foreign Governments that Export Lethal Military Equipment to Countries Supporting International Terrorism

This section broadens existing restrictions in permanent law on U.S. aid to governments that export lethal military equipment to terrorist nations. Currently, section 620H of the Foreign Assistance Act of 1961 (FAA) prohibits all assistance authorized under that Act to governments that export such equipment to countries the Secretary of State has determined to be supporting international terrorism. Section 801 amends section 620H to also prohibit assistance authorized under the Arms Export Control Act. This amendment would make section 620H more consistent with provisions included in Foreign Operations Appropriations bills since 1994 that ban all assistance, including that authorized by the FAA and the Arms Export Control Act, funded under the annual spending bill to governments that transfer lethal military goods to terrorist states.

Sec. 802. Effective Program Oversight

Section 802 amends section 635 of the Foreign Assistance Act of 1961 to authorize the U.S. Agency for International Development to use economic assistance funds to provide program and management oversight for activities conducted in countries where the agency has no direct-hire U.S. government employee presence. En-

actment of this authority will ensure that there is proper management and oversight of U.S. taxpayer funds being spent for countries where there is no USAID direct-hire presence.

Sec. 803. Termination of Expenses

Section 803 rewrites section 617 of the Foreign Assistance Act of 1961. This section, which is largely based on the current section 617, provides authority to conduct an orderly wind-up of programs following the termination of assistance to a country. The section clarifies existing wind-up authorities as they pertain to the expenditure of previously appropriated funds and with respect to guarantees, and makes these wind-up authorities available to programs implemented under the Arms Export Control Act, as well. The language contained in section 803 reflects the current application of section 617 to economic assistance programs that are being terminated.

Sec. 804. Administration of Justice

Section 804 amends section 534 of the Foreign Assistance Act of 1961 (FAA) making the Administration of Justice authorities contained in that section available worldwide, instead of only in Latin America and the Caribbean. This section also repeals the sunset provision contained in section 534(e) of the FAA.

Sec. 805. Change from Semiannual to Annual Reporting of Environmental Impacts of MDB Assistance Proposals

This section amends the International Financial Institutions Act to require USAID to submit an annual report identifying proposals for multilateral development bank funding that are likely to have an adverse impact on the environment. Currently this report is required semiannually.

Sec. 806. Sense of the Senate on Environmental Contamination and Health Effects emanating from the Former United States Military Facilities in the Philippines.

Section 806 states the Senate view that the Secretary of State, together with the Defense Secretary, should work with the Government of the Philippines and appropriate nongovernmental organizations to identify environmental contamination and health effects emanating from U.S. military facilities in the Philippines after American forces departed in 1992. The Senate further believes that the United States should work with the Government of the Philippines to resolve problems associated with the environmental contamination and health issues.

Sec. 807. Repeal of Obsolete Provisions

Section 807 repeals parts or all of 37 obsolete foreign aid laws dating back as far as the 1950s. Most of these repeals have been proposed, with bipartisan support, in previous bills reported by the Committee but not enacted. Many were recommended for repeal by the Executive branch in its 1994 foreign assistance re-write legislation, the Peace, Prosperity, and Democracy Act.

IV. Cost Estimate

In accordance with rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the committee provides the following estimate of the cost of this legislation prepared by the Congressional Budget Office:

U.S. Congress,
Congressional Budget Office,
Washington, DC, April 6, 2000.

Hon. Jesse Helms,
Chairman,
Committee on Foreign Relations,
U.S. Senate,
Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the enclosed cost estimate for the Technical Assistance, Trade Promotion, and Anti-Corruption Act of 2000.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Joseph C. Whitehill.

Sincerely,

Steven M. Lieberman
(for Dan L. Crippen, *Director)*

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Summary

CBO estimates that the Technical Assistance, Trade Promotion, and Anti-Corruption Act of 2000 would authorize appropriations of $7.3 billion over the 2000-2005 period for economic and security assistance programs. (About $5.2 billion of the total would be for appropriations in 2001.) Assuming the appropriation of the authorized amounts, CBO estimates that implementing the bill would cost about $6.4 billion over the 2000-2005 period.

In addition to affecting discretionary spending, the bill would amend laws governing sales of military equipment that would lower offsetting receipts (a form of direct spending) by about $45 million a year. The bill also would affect governmental receipts (i.e., revenues), but by less than $500,000 a year. Because it would affect direct spending and receipts, the bill would be subject to pay-as-you-go procedures.

The bill would authorize $3.9 billion for foreign military financing and other security assistance programs in 2001. It would authorize $600 million over the 2000-2003 period for a contribution to a trust fund to pay for a portion of the cost of reducing the debts of highly indebted poor countries (HIPC) by multilateral development banks. The bill would authorize $150 million for contributions to new trust funds within the World Bank to help developing countries fight HIV/AIDS and to educate orphans in sub-Saharan Africa. It would authorize $420 million for bilateral and multilateral programs to fight infectious diseases and additional amounts for other programs. It would authorize the transfer of 17 naval vessels to foreign countries, authorize new assistance programs, reform

procedures for imposing bilateral trade sanctions, and otherwise address foreign policy.

The Technical Assistance, Trade Promotion, and Anti-Corruption Act of 2000 would impose private-sector and intergovernmental mandates, as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the costs of those mandates would not exceed the thresholds established in UMRA ($109 million in 2000 for private-sector mandates and $55 million in 2000 for intergovernmental mandates, adjusted annually for inflation).

Estimated Cost to the Federal Government

The estimated budgetary impact of the bill is shown in Table 1. The costs of this legislation fall within budget functions 150 (international affairs) and 050 (national defense).

Table 1.—Estimated Budgetary Effects of the Technical Assistance, Trade Promotion, and Anti-Corruption Act of 2000

	By fiscal year, in millions of dollars					
	2000	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law:						
Budget Authority [1]	5,388	0	0	0	0	0
Estimated Outlays	3,587	2,830	1,314	587	56	33
Proposed Changes:						
Estimated Authorization Level	210	5,222	698	450	450	250
Estimated Outlays	53	2,435	1,470	1,442	569	423
Spending Under the Bill:						
Estimated Authorization Level [1]	5,598	5,222	698	450	450	250
Estimated Outlays	3,639	5,264	2,784	2,028	625	457
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	0	45	45	45	45	45
Estimated Outlays	0	45	45	45	45	45
CHANGES IN REVENUES						
Estimated Revenues	0	([2])	([2])	([2])	([2])	([2])

[1] The 2000 level is the amount appropriated for that year for economic and security assistance programs.
[2] Less than $500,000.

Basis of Estimate

The bill would affect spending subject to appropriation, direct spending, and revenues. For purposes of this estimate, CBO assumes appropriation of most of the authorized amounts by October 1, 2000. We assume that some of the funds for the HIPC trust fund would be provided by June 1, 2000, and that additional amounts for HIPC and other programs would be provided as needed over the 2002-2005 period. We also assume that outlays would follow historical patterns for the affected programs, or for similar programs in the case of new activities.

Spending Subject to Appropriation

In some instances, the bill would authorize appropriations or earmark amounts for 2001 and other years. Those amounts are shown in Table 2. In other instances, the bill would provide changes in areas where no program level authorization currently exists. While section 10 of Public Law 91–672 requires that appropriations for

foreign assistance be authorized by law, that provision is routinely waived by foreign operations appropriation acts. For the purpose of the estimate, changes in authorizations are shown in Table 3 relative to the funding level for 2000.

Authorization of Program Levels.—The bill would authorize appropriations for program levels in several areas and earmark amounts in other areas.

Foreign Military Financing. The bill would authorize the appropriation of $3,627 million for foreign military financing (FMF) in 2001. Within that amount, the bill would earmark $1,980 million for Israel and require the disbursement of the funds within 30 days of their appropriation or October 31, 2000, whichever is the later. Requiring early disbursement would shift outlays of $550 million into 2001 from 2002.

Contributions to the HIPC Trust Fund. The bill would authorize the appropriation of $600 million over the 2000-2003 period for a contribution to a HIPC trust fund. That trust fund would be managed by the World Bank to compensate the various multilateral development banks for a portion of the cost of reducing their loans to certain countries under a proposal announced in June 1999, at a summit in Cologne, Germany.

CBO assumes that the contribution under the bill would be funded over a three-year period with the first installment in a fiscal year 2000 supplemental as requested by the President. We also assume that the contribution would be provided as a letter of credit issued to the HIPC trust fund at the time a country and its creditors agree upon a plan for debt relief and poverty reduction and that the outlay would occur when the country satisfies all conditions in the plan. Thus, outlays would be spread over the next five years.

Other World Bank Trust Funds. The bill would authorize the Secretary of the Treasury to negotiate with the World Bank and other donor countries to create two new trust funds within the bank. The first trust fund would provide grants to countries eligible to borrow from the bank to help them deal with the HIV/AIDS epidemic. The second trust fund would support primary and secondary education programs for orphans in sub-Saharan Africa. The bill would authorize the appropriation in 2001 of $100 million for a contribution to the HIV/AIDS fund and $50 million for a contribution to the sub-Saharan Africa fund.

Table 2.—Authorizations of Program Levels in the Technical Assistance, Trade Promotion, and Anti-Corruption Act of 2000

	By fiscal year in millions of dollars					
	2000	2001	2002	2003	2004	2005
Foreign Military Financing:						
Authorization Level	0	3,627	0	0	0	0
Estimated Outlays	0	2,030	716	834	27	7
Contributions to the HIPC Trust Fund:						
Estimated Authorization Level	210	150	240	0	0	0
Estimated Outlays	53	111	186	147	92	12
Other World Bank Trust Funds:						
Authorization Level	0	150	0	0	0	0
Estimated Outlays	0	0	9	38	38	30

Table 2.—Authorizations of Program Levels in the Technical Assistance, Trade Promotion, and Anti-Corruption Act of 2000—Continued

	By fiscal year in millions of dollars					
	2000	2001	2002	2003	2004	2005
Reconstruction Assistance:						
Estimated Authorization Level	0	200	200	200	200	200
Estimated Outlays	0	14	76	126	156	172
Transition Assistance to Yugoslavia:						
Estimated Authorization Level	0	0	200	200	200	0
Estimated Outlays	0	0	50	120	157	127
Enterprise Funds:						
Estimated Authorization Level	0	50	50	50	50	50
Estimated Outlays	0	4	19	32	39	43
Naval Vessel Transaction Fund:						
Estimated Authorization Level	0	60	0	0	0	0
Estimated Outlays	0	0	0	0	0	0
Other Authorized Programs:						
Authorization Level	0	737	0	0	0	0
Estimated Outlays	0	258	282	96	38	20
Other Earmarked Programs:						
Authorization Level	0	248	8	0	0	0
Estimated Outlays	0	18	132	49	21	12
Total:						
Estimated Authorization Level	210	5,222	698	450	450	250
Estimated Outlays	53	2,435	1,470	1,442	569	423

Table 3.—Changes in Authorizations of Appropriations as Compared to the 2000 Appropriations Levels

	By fiscal year, in millions of dollars				
	2001	2002	2003	2004	2005
Future Funding for Israel:					
Economic Support Fund for Israel:					
Estimated Authorization Level	–109	–229	–349	–469	–589
Estimated Outlays	–109	–229	–349	–469	–589
Foreign Military Financing for Israel:					
Estimated Authorization Level	[1] (60)	120	180	240	300
Estimated Outlays	[1] (60)	120	180	240	300
Special Drawdown Authority:					
Estimated Authorization Level	50	50	50	50	50
Estimated Outlays	38	47	49	49	50
Total Changes from 2000:					
Estimated Authorization Level	–59	–59	–119	–179	–239
Estimated Outlays	–71	–62	–120	–180	–239

[1] The amount for 2001 is included in the authorized amounts shown in Table 2 and is not added into the total for this table.

Based on experience with other facilities operated by multilateral development banks, CBO estimates that it will take the bank and donor community more than one year to organize the operations of the trust fund and to begin making grants. CBO assumes that project selection and subsequent grants would augment lending by the bank, thus limiting administrative overhead. We also assume that the appropriated amounts would be provided to the trust fund as a letter of credit that would be drawn upon as needed to finance the grants, thus spreading outlays over a number of years. Using those assumptions, CBO estimates that approximately 75 percent of the authorized amounts would be disbursed over the next five

years. CBO also estimates that the costs of negotiations and reporting requirements would be negligible.

Reconstruction Assistance. The bill would authorize the use of disaster assistance funds for reconstruction in general and for Kosovo in particular. The cost of reconstruction from natural or man-made disasters is usually many multiples of the cost of immediate relief. CBO assumes that funding for disaster assistance would double to finance reconstruction, an increase of $200 million per year in new funding. CBO estimates that the resulting spending would increase by $544 million over the next five years.

Transition Assistance to Yugoslavia. The bill would authorize the President to provide assistance to Yugoslavia should he determine that the country is committed to democratic principles and the rule of law, and respects internationally recognized human rights. Countries in Eastern Europe and Eurasia have undertaken dramatic changes in the last decade, and the United States has supported their transition with large multiyear assistance programs. Assuming that Yugoslavia will undergo a similar transition in 2002, CBO estimates that spending would increase by $454 million over the next five years.

Enterprise Funds. The bill would authorize the President to use development assistance or the economic support fund to support private-sector enterprise funds outside Eastern Europe and the new independent states of the former Soviet Union. The President has used existing authority to support enterprise funds in those two regions over the past decade. Those funds range in size from $30 million to $260 million with the typical capitalization of $50 million. CBO estimates that the new enterprise funds would increase spending by $137 million over the next five years assuming one new enterprise fund a year with a grant of $50 million each.

Naval Vessel Transaction Fund. The bill would authorize the transfer of 17 naval vessels to foreign countries. The bill would authorize the sale of eight vessels by installments to be paid over a number of years. The other nine would be given away.

CBO estimates the transfers would not affect outlays because it does not expect any of the eight authorized sales to take place under the bill and because there would be no forgone receipts from giving away the other nine vessels. If the government did sell the eight ships in installments of more than 90 days, such sales would meet the definition of direct loans subject to the requirements of the Federal Credit Reform Act of 1990 and would require an appropriation for the cost of the subsidy, which the bill would authorize in such sums as would be necessary. CBO estimates that the subsidy authorization would amount to about $60 million based on information from the Department of Defense and military attaches that the asking price for the eight ships would be approximately $260 million dollars. Because CBO expects that the countries would prefer that their ships be produced locally, we expect that the sales of those eight ships and consequent outlays and offsetting receipts would not occur. That is, we estimate no outlays from the $60 million authorization, and no collections of sales receipts.

Other Authorized Programs. The bill would also authorize appropriations for four sets of programs as follows:

- $420 million to fight infectious diseases—$360 million for bilateral assistance to fight HIV/AIDS and tuberculosis, $50 million for a contribution to the Global Alliance for Vaccine Initiative, and $10 million for a contribution to the International AIDS Vaccine Initiative;
- $202 million for nonproliferation and antiterrorism assistance;
- $65 million for international military education and training; and
- $50 million to promote democracy in Yugoslavia.

Based on historical spending patterns for similar programs, CBO estimates that appropriation of the authorized amounts would increase outlays by $694 million over the next five years.

Other Earmarked Programs. The bill would earmark funds not otherwise authorized for various programs:

- $150 million increase for microenterprise grants;
- $60 million for certain environmental programs;
- $25 million for East Timor;
- $16 million for transition assistance to Sudan over a two-year period; and
- $5 million for a new microfinance loan facility.

The earmarks would increase spending by $232 million over the next five years, assuming appropriation of the authorized amounts.

Changes in Authorizations Of Appropriations.—In addition to authorizing program levels, the bill contains provisions that would lead to changes in future spending, assuming the appropriations of the necessary funds, but for which no amounts are authorized or earmarked. In Table 3, those implicit changes to future funding levels are shown relative to the funding level for 2000. Because these changes relate to programs not currently authorized and not authorized in this bill, the net change in outlays shown in Table 3—totaling –$672 million over the 2001-2005 period—are not included in either Table 1 or Table 2.

Future Funding for Israel. The bill contains provisions that would combine to lower future aid to Israel. One provision would gradually eliminate grants to Israel from the economic support fund by reducing the authorization of future appropriations by $120 million a year through 2008. (In 2001, the reduction would amount to $11 million less or $109 million because of the across-the-board cut required by Public Law 106–113.) Another provision would authorize that future FMF funding for Israel be increased by $60 million each year over the same period.

Special Drawdown Authority. The bill would raise by $50 million per year the limit on the President's authority to draw upon the resources of the Department of Defense (DoD) for various needs, including international emergencies. It would add antiterrorism and nonproliferation assistance to the purposes for which the special authority could be used. Other provisions of the bill would authorize the use of DoD's resources to transport excess defense articles to Mongolia and would double the tonnage limit on excess defense articles that DoD may ship on a space available basis. Assuming the appropriation of the necessary funds, CBO estimates that the provisions could increase spending by $233 million over the next five years.

Direct Spending

CBO estimates that the bill would lower offsetting receipts for the Department of Defense by $225 million over the next five years and would have other insignificant effects on direct spending.

Discounted Sales of Defense Equipment.—Section 772 would authorize the President to sell defense articles not intended to be replaced at reduced prices if it would facilitate the sale of new defense articles or if it served the national interest. Under current law, the President can sell excess defense articles at a market-determined price or give the items away. Not all defense articles covered by this provision are considered excess to U.S. defense needs; however, section 772 would apply in either case. CBO estimates that if the new authority would be used to lower prices by 5 percent to 10 percent, offsetting receipts to DoD would fall by $40 million per year.

Stockpiles Transfers.—The bill would permit the Secretary of Defense to augment defense appropriations over the next five years by exchanging items in the War Reserve Stockpile for Allies with Israel for cash, services, waiver of charges, and other items of value. Under current law, DoD has the authority to sell defense items from stock, but the cash proceeds from sales are returned to the Treasury. CBO expects that under the bill DoD would barter with Israel instead of selling items to it. CBO estimates that if the bill were enacted forgone sales would total about $5 million a year based on information from DoD.

Financing the Cost of the HIPC Trust Fund.—Public Law 106–113 authorized the U.S. Executive Director of the International Monetary Fund (IMF) to vote for the Fund's plan to revalue a portion of its gold holdings and to transfer resources held in a special reserve account to a trust fund to be used for debt relief. That law permits the IMF to use only 9/14 of such earnings for debt relief. The bill would strike that restriction, but CBO does not expect that change to have a budgetary impact.

The revaluation and transactions with member countries will lower the IMF's net income by an estimated $120 million a year. Lower income for the IMF could affect the U.S. budget if the IMF should lower the rate of interest that it pays on the U.S. reserve position in the Fund. Based on information from the Treasury Department, CBO assumes the United States would oppose reducing the rate of remuneration.

Trade Sanctions Reform and Export Enhancement.—The bill would exempt medicine, medical devices, and commercial sales of agricultural commodities from current and future unilateral economic sanctions imposed by the United States on a foreign country or entity, unless the Congress enacts a joint resolution approving a report by the President describing and justifying the proposed sanctions. Current sanctions would continue, however, on sales of agricultural commodities supported with certain federal export subsidies or financing. The bill would require that any such unilateral sanction terminate two years after its effective date unless the Congress approves an extension.

The bill could affect direct spending if unilateral agricultural sanctions are imposed less frequently or are of shorter duration than under current law. CBO has no basis for predicting the likeli-

hood, duration, or market effects of future sanctions, or the likelihood of future Congressional action to approve or disapprove of such sanctions. But the bill would not affect most federally supported sales of agricultural commodities, and thus, CBO estimates that enacting this provision would probably have no significant budgetary impact.

Other Direct Spending Provisions.—The bill contains other provisions that would directly affect spending; however, CBO estimates that their budgetary impact would not be significant.

Section 802 would provide the authority to deobligate funds and reobligate them for the purpose of an orderly closure of programs that are forced to terminate under provisions of the Foreign Assistance Act. The authority would include the international military education and training and foreign military financing programs. The bill would provide authority to make an equitable settlement of termination claims by contractors under certain relatively rare circumstances. CBO estimates the new authority would not significantly affect spending.

The bill would create a permanent working capital fund for the Agency for International Development. CBO estimates spending from the fund would net to zero over time.

Revenues

Section 778 of the bill would increase the maximum fine for failure to file information or reports with the Secretary of the Treasury in connection with the export or transportation of cargo from $1,000 to $10,000. The bill also would create a $10,000 fine for persons who knowingly fail to file, or submit false export information through the shipper's export declaration or the automated export system. Based on information from the U.S. Customs Service, CBO estimates that these changes would increase revenues by less than $500,000 annually.

Pay-As-You-Go Considerations

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in Table 4. (The estimated effects on receipts are less than $500,000 a year.) For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

Table 4.—Estimated Effects on Direct Spending and Receipts

	By fiscal year, in millions of dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	45	45	45	45	45	45	45	45	45	45
Changes in receipts	0	0	0	0	0	0	0	0	0	0	0

Estimated Intergovernmental and Private-Sector Impact

The Technical Assistance, Trade Promotion, and Anti-Corruption Act of 2000 would impose private-sector and intergovernmental

mandates, as defined in UMRA. CBO estimates that the cost of those mandates would not exceed the thresholds established by UMRA ($109 million in 2000 for private-sector mandates and $55 million in 2000 for intergovernmental mandates, adjusted annually for inflation).

Section 778 of title VII would increase the cost of an existing private-sector mandate on carriers of international cargo. Under current law, international carriers are required to either submit declaration forms prior to shipment or within four days after shipment, provided that they have a $1,000 bond on file with the Treasury Department. This bill would increase the cost of that mandate by requiring a $10,000 bond for carriers that wish to submit forms after departure. According to information provided by the Customs Service, most international carriers file bonds allowing them to submit late declarations. To comply with the mandate under this bill, carriers could either file all forms prior to shipment or secure a more costly bond. Based on information provided by industry sources, CBO estimates that the direct costs of complying with the mandate would be minor.

Section 127 of title I would impose a mandate on exporters of agricultural commodities, medicine, and medical devices to countries found by the Secretary of State to be providing support for acts of international terrorism. The bill would require those exporters to apply for one-year licenses and to complete contracts within 12 months. Although that provision would subject exports to certain countries to more restrictive controls, costs to exporters could be offset by that provision's easing of export restrictions to other terrorist-supporting nations. The termination of unilateral agricultural and medical sanctions in section 123 could also provide savings to exporters of those commodities. Based on information provided by government sources, CBO estimates the net costs that the bill would impose on such exporters would not be significant.

Title V of the bill contains provisions that would impose private-sector and intergovernmental mandates by prohibiting certain transactions involving Serbia and the government of Yugoslavia. However, based on information provided by the Treasury Department about new regulatory authority provided in the bill, CBO expects that the provisions would largely maintain current policy and thus would have little impact on the private sector or on state, local, or tribal governments.

Estimates prepared by:—Federal Costs: Joseph C. Whitehill and Dave Hull. Federal Revenues: Hester Grippando. Impact on State, Local, and Tribal Governments: Leo Lex. Impact on the Private Sector: Keith Mattrick and Jean Wooster.

Estimates approved by:—Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

V. Evaluation of Regulatory Impact

In accordance with rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the Committee has concluded that there is no regulatory impact from this legislation.

VI. Changes in Existing Law

In compliance with paragraph 12 Rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Foreign Assistance Act of 1961

* * * * * * *

SEC. 102. DEVELOPMENT ASSISTANCE POLICY.—(a) * * *

(b)(1) * * *

(16) * * *

(17) Economic reform and development of effective institutions of democratic governance are mutually reinforcing. The successful transition of a developing country is dependent upon the quality of its economic and governance institutions. Rule of law, mechanisms of accountability and transparency, security of person, property, and investments, are but a few of the critical governance and economic reforms that underpin the sustainability of broad-based economic growth. Programs in support of such reforms strengthen the capacity of people to hold their governments accountable and to create economic opportunity.

* * * * * * *

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

(c) ASSISTANCE FOR HEALTH AND DISEASE PREVENTION.—(1) * * *

(4)(A) Congress recognizes the growing international dilemma of children with the human immunodeficiency virus (HIV) and the merits of intervention programs aimed at this problem. Congress further recognizes that mother-to-child transmission prevention strategies can serve as a major force for change in developing regions, and it is, therefore, a major objective of the foreign assistance program to control the acquired immune deficiency syndrome (AIDS) epidemic.

(B) The agency primarily responsible for administering this part shall—

(i) coordinate with UNAIDS, UNICEF, WHO, local governments, and other organizations to develop and implement effective strategies to prevent vertical transmission of HIV; and

(ii) coordinate with those organizations to increase in scale intervention programs and introduce voluntary counseling and testing, antiretroviral drugs, replacement feeding, and other strategies.

(5)(A) Congress expects the agency primarily responsible for administering this part to make the human immunodeficiency virus (HIV) and the acquired immune deficiency syndrome (AIDS) a priority in the foreign assistance program and to undertake a comprehensive, coordinated effort to combat HIV and AIDS.

(B) Assistance described in subparagraph (A) shall include providing—

(i) primary prevention and education;

(ii) voluntary testing and counseling;

(iii) medications to prevent the transmission of HIV and AIDS from mother to child; and

(iv) care for those living with HIV or AIDS.

(6)(A) In addition to amounts otherwise available for such purpose, there is authorized to be appropriated to the President $300,000,000 for fiscal year 2001 to carry out paragraphs (4) and (5).

(B) Of the funds authorized to be appropriated under subparagraph (A), not less than 65 percent is authorized to be available through United States and foreign nongovernmental organizations, including private and voluntary organizations, for-profit organizations, religious affiliated organizations, educational institutions, and research facilities.

(C) Of the funds authorized to be appropriated by subparagraph (A), not less than 20 percent is authorized to be available for programs as part of a multidonor strategy to address the support and education of orphans in sub-Saharan Africa, including AIDS orphans.

(D) Of the funds authorized to be appropriated under subparagraph (A), not less than 8.3 percent is authorized to be available to carry out the prevention strategies for vertical transmission referred to in paragraph (4)(A).

(E) Of the funds authorized to be appropriated by subparagraph (A), not more than $21,000,000 may be used for the administrative expenses of the agency primarily responsible for carrying out this part of this Act in support of activities described in paragraphs (4) and (5).

(F) Funds appropriated under this paragraph are authorized to remain available until expended.

(7)(A) Congress recognizes the growing international problem of tuberculosis and the impact its continued existence has on those nations that had previously largely controlled the disease. Congress further recognizes that the means exist to control and treat tuberculosis, and that it is therefore a major objective of the foreign assistance program to control the disease. To this end, Congress expects the agency primarily responsible for administering this part—

(i) to coordinate with the World Health Organization, the Centers for Disease Control, the National Institutes of Health, and other organizations toward the development and implementation of a comprehensive tuberculosis control program; and

(ii) to set as a goal the detection of at least 70 percent of the cases of infectious tuberculosis, and the cure of at least 85 percent of the cases detected, in those countries in which the agency has established development programs, by December 31, 2010.

(B) There is authorized to be appropriated to the President, $60,000,000 for fiscal year 2001 to be used to carry out this paragraph. Funds appropriated under this subparagraph are authorized to remain available until expended.

* * * * * * *

(g) TREATMENT OF VIOLATIONS OF UNITED STATES POPULATION PLANNING ASSISTANCE LAWS.—

(1) CERTIFICATION REQUIRED.—An organization shall be eligible for population planning assistance in a fiscal year if, prior to the initial disbursement of such assistance in that fiscal year

to the organization, the AID Administrator determines and certifies to the appropriate congressional committees that the organization—

(A) has not used population planning assistance in violation of subsection (f) during the preceding fiscal year; and

(B) has adequate internal accounting controls to prevent the use of population planning assistance in violation of subsection (f).

(2) SUSPENSION OF ELIGIBILITY FOR ASSISTANCE UNDER THE ACT.—An organization that the AID Administrator determines has used population planning assistance in violation of subsection (f) shall be ineligible to receive assistance of any kind under this Act for a period of 10 years from the date of the determination.

(3) DEFINITIONS.—In this subsection:

(A) AID ADMINISTRATOR.—The term "AID Administrator" means the Administrator of the United States Agency for International Development.

(B) APPROPRIATE CONGRESSIONAL COMMITTEES.—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.

(C) ORGANIZATION.—The term "organization" means any organization providing population planning assistance and includes any grantee, subgrantee, contractor, or subcontractor of an agency of the United States.

(D) POPULATION PLANNING ASSISTANCE.—The term "population planning assistance" means assistance under subsection (b).

[(g)**]** *(h)* AUTHORIZATIONS OF APPROPRIATIONS.—(1) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

(A) $290,000,000 for fiscal year 1986 and $290,000,000 for fiscal year 1987 to carry out subsection (b) of this section; and

(B) $205,000,000 for fiscal year 1986 and $180,000,000 for fiscal year 1987 to carry out subsection (c) of this section.

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

[(b) Of the funds made available under this chapter in each of the fiscal years 1986 and 1987, up to $18,000,000 may be deposited in this account. Such funds used in accordance with the policies

and authorities of this section shall be in addition to other funds available for private sector activities under other authorities in this Act. Any reflows and income arising from activities carried out pursuant to this section, including loan repayments and fee income (as provided in subsection (e) of this section), shall be deposited into the revolving fund and remain available to carry out the purposes of this section. All funds in such account may be invested in obligations of the United States.

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

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

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

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

[(C) will have a demonstration effect;

[(D) will be innovative;

[(E) are financially viable;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[(i) (1) To carry out the purposes of subsection (a), in addition to the other authorities set forth in this section, the agency primarily responsible for administering this part is authorized to issue guarantees on such terms and conditions as it shall determine assuring against losses incurred in connection with loans made to projects that meet the criteria set forth in subsection (c). The full faith and credit of the United States is hereby pledged for the full payment and performance of such guarantees.

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

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

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

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

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

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

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

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

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

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

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

[(5) The agency shall segregate in the revolving fund account and hold as a reserve an amount estimated to be sufficient to cover the agency's expected net liabilities on the loan guarantees outstanding under this subsection; except that the amount held in reserve shall not be less than 25 percent of the principal amount of the agency's outstanding contingent liabilities on such guarantees.

Any payments made to discharge liabilities arising from the loan guarantees shall be paid first out of the assets in the revolving fund account and next out of other funds made available for this purpose.]

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

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

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

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

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

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

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

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

(c) ELIGIBILITY CRITERIA.—The Administrator of the United States Agency for International Development shall establish criteria for determining which entities described in subsection (b) are eligible to carry out activities, with respect to micro- and small enterprises, assisted under this section. Such criteria may include the following:

(1) The extent to which the recipients of credit from the entity do not have access to the local formal financial sector.

(2) The extent to which the recipients of credit from the entity are among the poorest people in the country.

(3) The extent to which the entity is oriented toward working directly with poor women.

(4) The extent to which the entity recovers its cost of lending.

(5) The extent to which the entity implements a plan to become financially sustainable.

(d) ADDITIONAL REQUIREMENT.—Assistance provided under this section may only be used to support micro- and small enterprise programs and may not be used to support programs not directly related to the purposes described in subsection (b).

(e) AUTHORIZED USES OF FUNDS.—

(1) IN GENERAL.—Amounts made available to carry out this section may be used for, among other things—

(A) the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, for activities under this section; and

(B) the cost of administration expenses in carrying out credit activities under this section.

(2) DEFAULT AND PROCUREMENT PROVISIONS.—

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

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

(3) RULE OF CONSTRUCTION.—Amounts authorized to be appropriated under this subsection are in addition to amounts otherwise available to carry out this section.

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SEC. 130. ASSISTANCE FOR VICTIMS OF TORTURE.

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SEC. 131. COORDINATED DONOR STRATEGY FOR SUPPORT AND EDUCATION OF ORPHANS IN SUB-SAHARAN AFRICA.

(a) STATEMENT OF POLICY.—It is in the national interest of the United States to assist in mitigating the burden that will be placed on sub-Saharan African social, economic, and political institutions as these institutions struggle with the consequences of a dramatically increasing AIDS orphan population, many of whom are themselves infected by HIV/AIDS. Effectively addressing that burden and its consequences in sub-Saharan Africa will require a coordinated multidonor strategy.

(b) DEVELOPMENT OF STRATEGY.—The President shall coordinate the development of a multidonor strategy to provide for the support and education of AIDS orphans and the families, communities, and institutions most affected by the HIV/AIDS epidemic in sub-Saharan Africa.

(c) AUTHORITY.—Assistance made available under this section may be made available notwithstanding any other provision of law.

(d) DEFINITION.—In this section, the term "HIV/AIDS" means, with respect to an individual, an individual who is infected with—

(1) the human immunodeficiency virus (HIV); or

(2) HIV and the acquired immune deficiency virus (AIDS).

SEC. 132. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

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

(1) the development of microenterprise is a vital factor in the stable growth of developing countries and in the development of free, open, and equitable international economic systems;

(2) it is therefore in the best interest of the United States to assist the development of microenterprises in developing countries; and

(3) the support of microenterprise can be served by programs providing credit, savings, training, technical assistance, and business development services.

(b) AUTHORIZATION.—

(1) IN GENERAL.—In carrying out this part, the President is authorized to provide grant assistance for programs to increase the availability of credit and other services to microenterprises lacking full access to capital training, technical assistance, and business development services through—

(A) grants to microfinance institutions for the purpose of expanding the availability of credit, savings, and other financial services to microentrepreneurs;

(B) grants to microenterprise development institutions for the purpose of training, technical assistance, and business development services for microenterprises to enable them to make better use of credit, to better manage their enterprises, and to increase their income and build their assets;

(C) capacity building for microenterprise development institutions in order to enable them to better meet the credit and training needs of microentrepreneurs; and

(D) policy and regulatory programs at the country level that improve the environment for microentrepreneurs and microenterprise development institutions that serve the poor and very poor.

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

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

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

(C) other indigenous governmental and nongovernmental organizations.

(3) TARGETED ASSISTANCE.—In carrying out sustainable poverty-focused programs under paragraph (1), 50 percent of all microenterprise resources shall be targeted to very poor enterpreneurs, defined as those living in the bottom 50 percent below the poverty line as established by the national government of the country. Specifically, such resources shall be used for—

(A) direct support of programs under this subsection through practitioner institutions that—

(i) provide credit and other financial services to entrepreneurs who are very poor, with loans in 1995 United States dollars of—

(I) $1,000 or less in the Europe and Eurasia region;

(II) $400 or less in the Latin America region; and

(III) $300 or less in the rest of the world; and

(ii) can cover their costs in a reasonable time period; or

(B) demand-driven business development programs that achieve reasonable cost recovery that are provided to clients holding poverty loans (as defined by the regional poverty loan limitations in subparagraph (A)(i)) whether they are provided by microfinance institutions or by specialized business development services providers.

(4) SUPPORT FOR CENTRAL MECHANISMS.—The President should continue support for central mechanisms and missions that—

(A) provide technical support for field missions;

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

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

(D) support the development of nonprofit global microfinance networks, including credit union systems, that—

(i) are able to deliver very small loans through a vast grassroots infrastructure based on market principles; and

(ii) act as wholesale intermediaries providing a range of services to microfinance retail institutions, including financing, technical assistance, capacity building and safety and soundness accreditation.

(5) LIMITATION.—Assistance provided under this subsection may only be used to support microenterprise programs and may not be used to support programs not directly related to the purposes described in paragraph (1).

(6) DEFINITION.—In this subsection, the term "business development services" means support for the growth of microenterprises through training, technical assistance, marketing assistance, improved production technologies, and other services.

(c) MONITORING SYSTEM.—In order to maximize the sustainable development impact of the assistance authorized under subsection (a)(1), the Administrator of the United States Agency for International Development shall establish a monitoring system that—

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

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

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

(4) provides a basis for recommendations for adjustments to measures for reaching the poorest of the poor, including proposed legislation containing amendments to improve paragraph (3).

(d) LEVEL OF ASSISTANCE.—Of the funds made available under this part and the Support for East European Democracy (SEED) Act of 1989, including local currencies, there are authorized to be available $135,000,000 during fiscal year 2001, and $150,000,000 during fiscal year 2002, to carry out the provisions of this section.

SEC. 133. UNITED STATES MICROFINANCE LOAN FACILITY.

(a) ESTABLISHMENT.—The Administrator is authorized to establish a United States Microfinance Loan Facility (in this section referred to as the "Facility") to pool and manage the risk from natural disasters, war or civil conflict, national financial crisis, or short-term financial movements that threaten the long-term development of United States-supported microfinance institutions.

(b) DISBURSEMENTS.—

(1) IN GENERAL.—The Administrator shall make disbursements from the Facility to United States-supported microfinance institutions to prevent the bankruptcy of such institutions caused by—

(A) natural disasters;

(B) national wars or civil conflict; or

(C) national financial crisis or other short-term financial movements that threaten the long-term development of United States-supported microfinance institutions.

(2) FORM OF ASSISTANCE.—Assistance under this section shall be in the form of loans or loan guarantees for microfinance institutions that demonstrate the capacity to resume self-sustained operations within a reasonable time period.

(3) CONGRESSIONAL NOTIFICATION PROCEDURES.—During each of the fiscal years 2001 and 2002, funds may not be made available from the Facility until 15 days after notification of the proposed availability of the funds has been provided to the congressional committees specified in section 634A in accordance with the procedures applicable to reprogramming notifications under that section.

(c) GENERAL PROVISIONS.—

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

(2) DEFAULT AND PROCUREMENT PROVISIONS.—

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

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

(3) TERMS AND CONDITIONS OF CREDIT ASSISTANCE.—

(A) IN GENERAL.—Credit assistance provided under this section shall be offered on such terms and conditions, including fees charged, as the Administrator may determine.

(B) LIMITATION ON PRINCIPAL AMOUNT OF FINANCING.—The principal amount of loans made or guaranteed under this section in any fiscal year, with respect to any single borrower, may not exceed $30,000,000.

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

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

(d) FUNDING.—

(1) ALLOCATION OF FUNDS.—

(A) IN GENERAL.—Of the amounts made available to carry out this part for each of the fiscal years 2000 and 2001, up to $5,000,000 may be made available for—

(i) the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, to carry out this section; and

(ii) subject to subparagraph (B), the cost of administrative expenses to carry out this section.

(B) LIMITATION ON ADMINISTRATIVE EXPENSES.—Of the amount made available under subparagraph (A) to carry out this section for a fiscal year, not more than $500,000 may be made available for administrative expenses under subparagraph (A)(ii).

(2) RELATION TO OTHER FUNDING.—Amounts made available under paragraph (1) are in addition to amounts available under any other provision of law to carry out this section.

(e) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the agency primarily responsible for administering this part.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

(3) UNITED STATES-SUPPORTED MICROFINANCE INSTITUTION.—The term "United States-supported microfinance institution" means a financial intermediary that has received finds made available under this Act for fiscal year 1980 or any subsequent fiscal year.

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SEC. 209. MULTILATERAL AND REGIONAL PROGRAMS.—(a) * * *

[(d) In furtherance of the provisions of subsection (a) of this section, any funds appropriated under this part I may be transferred by the President to the International Development Association, the International Bank for Reconstruction and Development, the International Finance Corporation, the Asian Development Bank or other multilateral lending institutions and multilateral organizations in which the United States participates for the purpose of providing funds to enable any such institution or organization to make loans to foreign countries.]

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Sec. 302. Authorization.—(a) * * *

[(j) In addition to amounts otherwise available under this section for such purposes, there are authorized to be appropriated to the President $3,000,000 for fiscal year 1989 to be available only for United States contributions to multilateral and regional drug abuse control programs. Of the amount authorized to be appropriated by this subsection—

[(1) $2,000,000 shall be for a United States contribution to the United Nations Fund for Drug Abuse Control;

[(2) $600,000 shall be for the Organization of American States (OAS) Inter-American Drug Abuse Control Commission (CICAD) Legal Development Project, except that the proportion

which such amount bears to the total amount of contributions to this specific project may not exceed the proportion which the United States contribution to the budget of the Organization of American States for that fiscal year bears to the total contributions to the budget of the Organization of American States for that fiscal year; and

[(3) $400,000 shall be for the Organization of American States (OAS) Inter-American Drug Abuse Control Commission (CICAD) Law Enforcement Training Project, except that the proportion which such amount bears to the total amount of contributions to this specific project may not exceed the proportion which the United States contribution to the budget of the Organization of American States for that fiscal year bears to the total contributions to the budget of the Organization of American States for that fiscal year.]

(j) In addition to amounts otherwise available under this section, there is authorized to be appropriated to the President $50,000,000 for fiscal year 2001 to be available only for United States contributions to the Global Alliance for Vaccines and Immunizations.

(k) In addition to amounts otherwise available under this section, there is authorized to be appropriated to the President $10,000,000 for fiscal year 2001 to be available only for United States contributions to the International AIDS Vaccine Initiative.

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

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SEC. 482. AUTHORIZATION.—(a)(1) * * *

(h) PROVISION OF NARCOTICS-RELATED ASSISTANCE.—Narcotics-related assistance under this part (other than this chapter) may be provided notwithstanding any provision of law that restricts assistance to foreign countries (other than section 490(e) or section 502B), if at least 15 days before obligating funds for such assistance, the President notifies the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.

* * * * * * *

SEC. 491. POLICY AND GENERAL AUTHORITY.—(a) The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and manmade disasters is an important expression of the humanitarian concern and tradition of the people of the United States, affirms the willingness of the United States to provide assistance [for the relief and rehabilitation of people and countries affected by such disasters] *for the re-*

lief, rehabilitation, and reconstruction of countries affected by such disasters, including the relief of people in such countries.

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

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

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CHAPTER 10—DEVELOPMENT FUND FOR AFRICA

SEC. 496. LONG-TERM DEVELOPMENT ASSISTANCE FOR SUB-SAHARAN AFRICA.—(a) * * *

* * * * * * *

(i) CRITICAL SECTORAL PRIORITIES.— * * *

(1) AGRICULTURAL PRODUCTION AND NATURAL RESOURCES.—

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(2) HEALTH.—Improving health conditions, with special emphasis on meeting the health needs of mothers and children (including displaced children) through the establishment of primary health care systems that give priority to preventive health and that will be ultimately self-sustaining. *In addition, providing training and training facilities, in sub-Saharan Africa, for doctors and other health care providers, notwithstanding any provision of law that restricts assistance to foreign countries.*

SEC. 502. UTILIZATION OF DEFENSE ARTICLES AND SERVICES.—Defense articles and defense services to any country shall be furnished solely for internal security *(including for antiterrorism and nonproliferation purposes)*, for legitimate self-defense, to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security, or for the purpose of assisting foreign military forces in less developed friendly countries (or the voluntary efforts of personnel of the Armed Forces of the United States in such countries) to construct public works and to engage in other activities helpful to the economic and social development of such friendly countries. It is the sense of the Congress that such foreign military forces should not be maintained or established solely for civic action activities and that such civic action activities not significantly detract from the capability of the military forces to perform their military missions

and be coordinated with and form part of the total economic and social development effort.

* * * * * * *

SEC. 506. SPECIAL AUTHORITY.—(a)(1) If the President determines and reports to the Congress in accordance with section 652 of this Act that—

(A) an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization; and

(B) the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except this section;

he may direct, for the purposes of this part, the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not to exceed **[**$100,000,000**]** *$150,000,000* in any fiscal year.

(2)(A) If the President determines and reports to the Congress in accordance with section 652 of this Act that it is in the national interest of the United States to draw down articles and services from the inventory and resources of any agency of the United States Government and military education and training from the Department of Defense, the President may direct the drawdown of such articles, services, and military education and training—

(i) for the purposes and under the authorities of—

(I) chapter 8 of part I (relating to international narcotics control assistance);

(II) chapter 9 of part I (relating to international disaster assistance); **[**or**]**

[(III) the Migration and Refugee Assistance Act of 1962; or**]**

(III) chapter 8 of part II (relating to antiterrorism assistance);

(IV) chapter 9 of part II (relating to nonproliferation assistance); or

(V) the Migration and Refugee Assistance Act of 1962; or

* * * * * * *

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

(b)(1) * * *

[(2)(A) The value of such additions to stockpiles of defense articles in foreign countries shall not exceed $60,000,000 for fiscal year 2000.

[(B) Of the amount specified in subparagraph (A), 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.**]**

(2)(A) The value of such additions to stockpiles of defense articles in foreign countries shall not exceed $50,000,000 for fiscal year 2001.

(B) Of the amount specified in subparagraph (A) for fiscal year 2001, not more than $50,000,000 may be made available for stockpiles in the Republic of Korea.

* * * * * * *

SEC. 534. ADMINISTRATION OF JUSTICE.—(a) The President may furnish assistance under this chapter to countries and organizations, including national and regional institutions, [in order to strengthen the administration of justice in countries in Latin America and the Caribbean] *in order to support or strengthen the administration of justice*.

* * * * * * *

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

[The authority of this section shall expire on September 30, 1991.]

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SEC. 547. CONSULTATION REQUIREMENT.

The selection of foreign personnel for training under this chapter shall be made in consultation with the United States defense attache to the relevant country.

SEC. 548. RECORDS REGARDING FOREIGN PARTICIPANTS.

In order to contribute most effectively to the development of military professionalism in foreign countries, the Secretary of Defense shall develop and maintain a database containing records on each foreign military or defense ministry civilian participant in education and training activities conducted under this chapter after December 31, 2000. This record shall include the type of instruction received, the dates of such instruction, whether such instruction was completed successfully, and, to the extent practicable, a record of the person's subsequent military or defense ministry career and current position and location.

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SEC. 574. AUTHORIZATIONS OF APPROPRIATIONS.—(a) There are authorized to be appropriated to the President to carry out this chapter [$9,840,000 for the fiscal year 1986 and $14,680,000 for the fiscal year 1987] *$73,000,000 for the fiscal year 2001.*

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CHAPTER 9—NONPROLIFERATION AND EXPORT CONTROL ASSISTANCE

SEC. 581. GENERAL AUTHORITY.

Notwithstanding any other provision of law that restricts assistance to foreign countries (other than sections 502B and 620A of this Act), the President is authorized to furnish, on such terms and conditions as the President may determine, assistance to foreign countries in order to enhance the ability of such countries to halt the pro-

liferation of nuclear, chemical, and biological weapons, and advanced conventional weaponry. Such assistance may include training services and the provision of equipment and other commodities related to the detection, deterrence, monitoring, interdiction, and prevention or countering of proliferation, the establishment of effective nonproliferation laws and regulations, and the apprehension of those individuals involved in acts of proliferation of such weapons.

SEC. 582. PURPOSES.

Activities conducted under this chapter shall be designed—

(1) to enhance the nonproliferation and export control capabilities of friendly countries by providing training and equipment to detect, deter, monitor, interdict, and counter proliferation;

(2) to strengthen the bilateral ties of the United States with friendly governments by offering concrete assistance in this area of vital national security interest; and

(3) to accomplish the activities and objectives set forth in sections 503 and 504 of the FREEDOM Support Act (Public Law 502–511).

SEC. 583. TRANSIT INTERDICTION.

(a) ALLOCATION OF FUNDS.—In providing assistance under this chapter, the President should ensure that not less than one-quarter of the total of such assistance is expended for the purpose of enhancing the capabilities of friendly countries to detect and interdict proliferation-related shipments of cargo that originate from, and are destined for, other countries.

(b) PRIORITY TO CERTAIN COUNTRIES.—Priority shall be given in the apportionment of the assistance described under subsection (a) to any friendly country that has been determined by the Secretary of State to be a country frequently transited by proliferation-related shipments of cargo.

SEC. 584. LIMITATIONS.

The limitations contained in section 573 (a) and (d) of this Act shall apply to this chapter.

SEC. 585. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the President to carry out this chapter $129,000,000 for the fiscal year 2001.

(b) AVAILABILITY OF FUNDS.—Funds made available under subsection (a) may be used notwithstanding any other provision of law and shall remain available until expended.

PART III

CHAPTER 1—GENERAL PROVISIONS

SEC. 601. * * *

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SEC. 601A. PRIVATE SECTOR ENTERPRISE FUNDS.

(a) AUTHORITY.—

(1) ELIGIBLE ENTERPRISE FUNDS.—The President may provide funds and support to Enterprise Funds designated in accord-

ance with subsection (b) that are or have been established in furtherance of chapter 1 of part I of this Act for the purposes of promoting—

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

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

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

(2) SUPERSEDES OTHER LAWS.—Funds may be made available under this section notwithstanding any other provision of law, except sections 620A and 490 of this Act.

(b) COUNTRIES ELIGIBLE FOR ENTERPRISE FUNDS.—

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

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

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

(d) REPORTING REQUIREMENT.—Notwithstanding any other provision of this section, the requirement of section 201(p) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421(p)) that an Enterprise Fund shall be required to publish an annual report not later than January 31 of each year shall not apply with respect to an Enterprise Fund that receives funds and support under this section for the first 12 months after it is designated as eligible to receive such funds and support.

(e) ENTERPRISE FUND RESTRICTIONS.—Prior to the distribution of any assets resulting from any liquidation, dissolution, or winding up of an Enterprise Fund, in whole or in part, the President shall submit to the Committee on Foreign Relations of the Senate and the

Committee on International Relations of the House of Representatives a plan for the distribution of the assets of the Enterprise Fund.

(f) USE OF OTHER FOREIGN ASSISTANCE FUNDS.—In addition to amounts otherwise available for such purposes, amounts made available for a fiscal year to carry out chapter 1 of part I of this Act (relating to development assistance) and to carry out chapter 4 of part II of this Act (relating to the economic support fund) shall be available for such fiscal year to carry out this section.

* * * * * *

[Sec. 617. TERMINATION OF ASSISTANCE.—Assistance under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for a period not to exceed eight months from the date of termination of assistance under this Act for the necessary expenses of winding up programs related thereto. In order to ensure the effectiveness of assistance under this Act, such expenses for orderly termination of programs may include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated. Such expenses for orderly termination of programs under the Arms Export Control Act may include the obligation and expenditure of funds to complete the training or studies outside the countries of origin of students whose course of study or training program began before assistance was terminated, as long as the origin country's termination was not a result of activities beyond default of financial responsibilities.]

SEC. 617. TERMINATION EXPENSES.—(a) IN GENERAL.—Funds made available under this Act and the Arms Export Control Act, may remain available for obligation for a period not to exceed 8 months from the date of any termination of assistance under such Acts for the necessary expenses of winding up programs related to such termination and may remain available until expended. Funds obligated under the authority of such Acts prior to the effective date of the termination of assistance may remain available for expenditure for the necessary expenses of winding up programs related to such termination notwithstanding any provision of law restricting the expenditure of funds. In order to ensure the effectiveness of such assistance, such expenses for orderly termination of programs may include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.

(b) LIABILITY TO CONTRACTORS.—For the purpose of making an equitable settlement of termination claims under extraordinary contractual relief standards, the President is authorized to adopt as a contract or other obligation of the United States Government, and assume (in whole or in part) any liabilities arising thereunder, any contract with a United States or third-country contractor that had been funded with assistance under such Acts prior to the termination of assistance.

(c) TERMINATION EXPENSES.—Amounts certified as having been obligated for assistance subsequently terminated by the President, or pursuant to any provision of law, shall continue to remain avail-

able and may be reobligated to meet any necessary expenses arising from the termination of such assistance.

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

(e) RELATION TO OTHER PROVISIONS.—Unless specifically made inapplicable by another provision of law, the provisions of this section shall be applicable to the termination of assistance pursuant to any provision of law.

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SEC. 620H. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT PROVIDE MILITARY EQUIPMENT TO TERRORIST STATES.

(a) PROHIBITION.—

(1) IN GENERAL.—The President shall withhold assistance under this Act *and the Arms Export Control Act* to the government of any country that provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for the purposes of section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)), or 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371).

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SEC. 620I. * * *

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SEC. 620J. PROHIBITION ON BILATERAL ASSISTANCE FOR FOREIGN EXPORTS OF CERTAIN COMMODITIES.

(a) PROHIBITION RELATING TO SURPLUS COMMODITIES.—No assistance shall be furnished under this Act, including title IV of chapter 2 of part I of this Act (relating to the Overseas Private Investment Corporation), to finance any loan, any assistance, or any other financial commitments for the purpose of 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) PROHIBITION RELATING TO AGRICULTURAL COMMODITIES.—No assistance shall be furnished under chapter 1 of part I (relating to development assistance) 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, except 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.

SEC. 620K. PROHIBITION ON ASSISTANCE FOR ACTIVITIES LIKELY TO CAUSE A LOSS OF UNITED STATES JOBS.

No assistance under this Act other than title IV of chapter 2 of part I may be used to provide—

(1) 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;

(2) 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

(3) 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, except that, in recognition that the application of this paragraph should be commensurate with the level of development of the recipient country and sector, the provisions of this paragraph shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

* * * * * * *

SEC. 635. GENERAL AUTHORITIES.—(a) * * *

(l)(1) There is established a working capital fund (in this subsection referred to as the "fund") for the United States Agency for International Development (in this subsection referred to as the "Agency") which shall be available without fiscal year limitation for the expenses of personal and nonpersonal services, equipment, and supplies for—

(A) international cooperative administrative support services; and

(B) rebates from the use of United States Government credit cards.

(2) The capital of the fund shall consist of—

(A) the fair and reasonable value of such supplies, equipment, and other assets pertaining to the functions of the fund as the Administrator determines, and

(B) any appropriations made available for the purpose of providing capital,

minus related liabilities.

(3) The fund shall be reimbursed or credited with advance payments for services, equipment, or supplies provided from the fund from applicable appropriations and funds of the Agency, other Federal agencies and other sources authorized by section 607 at rates

that will recover total expenses of operation, including accrual of annual leave and depreciation. Receipts from the disposal of, or payments for the loss or damage to, property held in the fund, rebates, reimbursements, refunds and other credits applicable to the operation of the fund may be deposited in the fund.

(4) At the close of each fiscal year the Administrator of the Agency shall transfer out of the fund to the miscellaneous receipts account of the Treasury of the United States such amounts as the Administrator determines to be in excess of the needs of the fund.

(5) The fund may be charged with the current value of supplies and equipment returned to the working capital of the fund by a post, activity, or agency, and the proceeds shall be credited to current applicable appropriations.

(m) The Administrator of the agency primarily responsible for administering part I may use funds made available under that part to provide program and management oversight for activities that are funded under that part and that are conducted in countries in which the agency does not have a field mission or office.

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SEC. 638. EXCLUSIONS.—(a) * * *

(b) * * *

(c) Notwithstanding any provision of law that restricts assistance to a foreign country (other than section 490(e) or section 620A), funds made available to carry out the provisions of part I of this Act may be furnished for assistance for nonmilitary education programs and for anticorruption programs.

* * * * * * *

The Arms Control Export Act

SEC. 21. SALES FROM STOCKS.—(a)(1) The President may sell defense articles and defense services from the stocks of the Department of Defense and the Coast Guard to any eligible country or international organization if such country or international organization agrees to pay in United States dollars—

(A) in the case of a defense article not intended to be replaced at the time such agreement is entered into, not less than the actual value thereof*, except as provided in paragraph (3)*;

(B) in the case of a defense article intended to be replaced at the time such agreement is entered into, the estimated cost of replacement of such article, including the contract or production costs less any depreciation in the value of such article; or

(C) in the case of the sale of a defense service, the full cost to the United States Government of furnishing such service, except that in the case of training sold to a purchaser who is concurrently receiving assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 or to any high-income foreign country (as described in that chapter), only those additional costs that are incurred by the United States Government in furnishing such assistance.

(2) For purposes of subparagraph (A) of paragraph (1), the actual value of a naval vessel of 3,000 tons or less and 20 years or more

of age shall be considered to be not less than the greater of the scrap value or fair value (including conversion costs) of such vessel, as determined by the Secretary of Defense.

(3) The President may reduce the price required to be paid under paragraph (1)(A) for the sale of a defense article if such sale would—

(A) facilitate the sale of a similar or related new defense article that is manufactured in the United States; or

(B) serve the national security interests of the United States.

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SEC. 27. AUTHORITY OF PRESIDENT TO ENTER INTO COOPERATIVE PROJECTS WITH FRIENDLY FOREIGN COUNTRIES.—(a) * * *

* * * * * * *

[(g) In the case of a cooperative project with a North Atlantic Treaty Organization country, section 36(b) of this Act shall not apply to sales made under section 21 or 22 of this Act and to production and exports made pursuant to cooperative projects under this section, and section 36(c) of this Act shall not apply to the issuance of licenses or other approvals under section 38 of this Act, if such sales are made, such production and exports ensue, or such licenses or approvals are issued, as part of a cooperative project.**]**

[(h)**]** *(g)* The authority under this section is in addition to the authority under sections 21 and 22 of this Act and under any other provision of law.

[(i)**]** *(h)*(1) With the approval of the Secretary of State and the Secretary of Defense, a cooperative agreement which was entered into by the United States before the effective date of the amendment to this section made by the International Security and Development Cooperation Act of 1985 and which meets the requirements of this section as so amended may be treated on and after such date as having been made under this section as so amended.

(2) Notwithstanding the amendment made to this section made by the International Security and Development Cooperation Act of 1985, projects entered into under the authority of this section before the effective date of that amendment may be carried through to conclusion in accordance with the terms of this section as in effect immediately before the effective date of that amendment.

[(j)**]** *(i)* (1) The President may enter into a cooperative project agreement with any friendly foreign country not a member of the North Atlantic Treaty Organization under the same general terms and conditions as the President is authorized to enter into such an agreement with one or more member countries of the North Atlantic Treaty Organization if the President determines that the cooperative project agreement with such country would be in the foreign policy or national security interests of the United States.

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SEC. 38. CONTROL OF ARMS EXPORTS AND IMPORTS.—(a)(1) * * *

(b)(1) * * *

(2) Except as otherwise specifically provided in regulations issued under subsection (a)(1) of this section *and in effect on January 1, 2000*, no defense articles or defense services designated by the President under subsection (a)(1) may be exported or imported

without a license for such export or import, issued in accordance with this Act and regulations issued under this Act, except that no license shall be required for exports or imports made by or for an agency of the United States Government (A) for official use by a department or agency of the United States Government, or (B) for carrying out any foreign assistance or sales program authorized by law and subject to the control of the President by other means.

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CHAPTER 7—CONTROL OF MISSILES AND MISSILE EQUIPMENT OR TECHNOLOGY

SEC. 71. LICENSING.—

(a) ESTABLISHMENT OF LIST OF CONTROLLED ITEMS.— * * *

(d) EXPORTS TO SPACE LAUNCH VEHICLE PROGRAMS.—[Within 15 days after the issuance of a license for the export of items valued at less than $14,000,000 that are controlled under this Act pursuant to United States obligations under the Missile Technology Control Regime and intended to support the design, development, or production of a space launch vehicle system listed in Category I of the MTCR Annex,] *Within 15 days after the issuance of a license (including any brokering license) for the export of items valued at less than $50,000,000 that are controlled under this Act pursuant to United States obligations under the Missile Technology Control Regime or are goods or services that are intended to support the design, utilization, development, or production of a space launch vehicle system listed in Category I or II of the MTCR Annex,* the Secretary shall transmit to the Congress a report describing the licensed export and rationale for approving such export, including the consistency of such export with United States missile nonproliferation policy. The requirement contained in the preceding sentence shall not apply to licenses for exports to countries that were members of the MTCR as of April 17, 1987.

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The Peace Corps Act

TITLE I—THE [PEACE CORPS] *PEACE CORPS OF THE UNITED STATES*

SECTION 1. SHORT TITLE. This Act may be cited as the "[Peace Corps] *Peace Corps of the United States* Act".

SEC. 2. DECLARATION OF PURPOSE. (a) The Congress of the United States declares that it is the policy of the United States and the purpose of this Act to promote world peace and friendship through a [Peace Corps] *Peace Corps of the United States*, which shall make available to interested countries and areas men and women of the United States qualified for service abroad and willing to serve, under conditions of hardship if necessary, to help the peoples of such countries and areas in meeting their needs for trained manpower, particularly in meeting the basic needs of those living in the poorest areas of such countries, and to help , promote a better understanding of the American people on the part of the peo-

ples served and a better understanding of other peoples on the part of the American people.

(b) The Congress declares that it is the policy of the United States and a purpose of the [Peace Corps] *Peace Corps of the United States* to maintain, to the maximum extent appropriate and consistent with programmatic and fiscal considerations, a volunteer corps of at least 10,000 individuals.

SEC. 2A. [PEACE CORPS] *PEACE CORPS OF THE UNITED STATES* AS AN INDEPENDENT AGENCY. Effective on the date of the enactment of the International Security and Development Cooperation Act of 1981, the [Peace Corps] *Peace Corps of the United States* shall be an independent agency within the executive branch and shall not be an agency within the ACTION Agency, the successor to the ACTION Agency, or any other department or agency of the United States.

SEC. 3. AUTHORIZATION. (a) * * *

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(g) In recognition of the fact that women in developing countries play a significant role in economic production, family support, and the overall development process, the [Peace Corps] *Peace Corps of the United States* shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economics of developing countries, thus improving their status and assisting the total development effort.

(h) In recognition of the fact that there are over 400,000,000 disabled people in the world, 95 percent of whom are among the poorest of the poor, the [Peace Corps] *Peace Corps of the United States* shall be administered so as to give particular attention to programs, projects, and activities which tend to integrate disabled people into the national economies of developing countries, thus improving their status and assisting the total development effort.

SEC. 4. DIRECTOR OF THE [PEACE CORPS] *PEACE CORPS OF THE UNITED STATES* AND DELEGATION OF FUNCTIONS.— (a) The President may appoint, by and with the advice and consent of the Senate, a Director of the [Peace Corps] *Peace Corps of the United States* and a Deputy Director of the Peace Corps.

(b) The President may exercise any functions vested in him by this Act through the Director of the Peace Corps. The Director of the [Peace Corps] *Peace Corps of the United States* may promulgate such rules and regulations as he may deem necessary or appropriate to carry out such functions, and may delegate to any of his subordinates authority to perform any of such functions.

(c)(1) Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

(2) The President shall prescribe appropriate procedures to assure coordination of [Peace Corps] *Peace Corps of the United States* activities with other activities of the United States Government in each country, under the leadership of the chief of the United States diplomatic mission.

(3) * * *

(4) The Director of the [Peace Corps] *Peace Corps of the United States* may prescribe such regulations as may be necessary to assure that no individual performing service for the [Peace Corps]

Peace Corps of the United States under any authority contained in this Act shall engage in any activity determined by the Director to be detrimental to the best interest of the United States.

(d) Except with the approval of the Secretary of State, the [Peace Corps] *Peace Corps of the United States* shall not be assigned to perform services which could more usefully be performed by other available agencies of the United States Government in the country concerned.

SEC. 5. [PEACE CORPS] *PEACE CORPS OF THE UNITED STATES* VOLUNTEERS. (a) The President may enroll in the [Peace Corps] *Peace Corps of the United States* for service abroad qualified citizens and nationals of the United States (referred to in this Act as "volunteers"). The terms and conditions of the enrollment, training, compensation, hours of work, benefits, leave, termination, and all other terms and conditions of the service of volunteers shall be exclusively those set forth in this Act and those consistent therewith which the President may prescribe; and, except as provided in this Act, volunteers shall not be deemed officers or employees or otherwise in the service or employment of, or holding office under, the United States for any purpose. In carrying out this subsection there shall be no discrimination against any person on account of race, sex, creed, or color.

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(g) The President may detail or assign volunteers or otherwise make them available to any entity referred to in paragraph (1) of section 10(a) on such terms and conditions as he may determine: *Provided,* That not to exceed two hundred volunteers may be assigned to carry out secretarial or clerical duties on the staffs of the [Peace Corps] *Peace Corps of the United States* representatives abroad: *Provided, however,* That any volunteer so detailed or assigned shall continue to be entitled to the allowances, benefits and privileges of volunteers authorized under or pursuant to this Act.

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(j) Upon enrollment in the [Peace Corps] *Peace Corps of the United States* , every volunteer shall take the oath prescribed for persons appointed to any office of honor or profit by section 3331 of title 5, United States Code.

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SEC. 6. [PEACE CORPS] *PEACE CORPS OF THE UNITED STATES* VOLUNTEER LEADERS The President may enroll in the [Peace Corps] *Peace Corps of the United States* qualified citizens or nationals of the United States whose services are required for supervisory or other special duties or responsibilities in connection with programs under this Act (referred to in this Act as "volunteer leaders"). The ratio of the total number of volunteer leaders to the total number of volunteers in service at any one time shall not exceed one to twenty-five. Except as otherwise provided in this Act, all of the provisions of this Act applicable to volunteers shall be applicable to volunteer leaders, and the term "volunteers" shall include "volunteer leaders": *Provided, however,* That—

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SEC. 7. [PEACE CORPS] *PEACE CORPS OF THE UNITED STATES* EMPLOYEES (a)(1) For the purpose of performing functions under this Act outside the United States, the President may employ or assign persons, or authorize the employment or assignment of officers or employees of agencies of the United States Government which are not authorized to utilize the Foreign Service personnel system, who shall receive compensation at any of the rates established under section 402 or 403 of the Foreign Service Act of 1980, together with allowances and benefits thereunder; and persons so employed or assigned shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of the employment or assignment exceeds thirty months, to the same benefits as are provided by section 310 of that Act for persons appointed to the Foreign Service Reserve.

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(5) Except as provided in paragraph (6), the Director of the [Peace Corps] *Peace Corps of the United States* may make appointments or assignments of United States citizens under paragraph (2) for periods of more than five years only in the case of individuals whose performance as employees of the [Peace Corps] *Peace Corps of the United States* has been exceptional and only in order to achieve one or more of the following purposes:

(A) * * *

(D) To promote the continuity of functions in administering the [Peace Corps] *Peace Corps of the United States*.

At no time may the number of appointments or assignments of United States citizens in effect under paragraph (2) for periods in excess of five years exceed fifteen percent of the total of all appointments and assignments of United States citizens then in effect under paragraph (2).

(6) Notwithstanding the limitation set forth in paragraph (2)(A) on the length of an appointment or assignment under paragraph (2) and notwithstanding the limitations set forth in paragraph (5) on the circumstances under such an appointment or assignment may exceed five years, the Director of the [Peace Corps] *Peace Corps of the United States*, under special circumstances, may personally approve an extension of an appointment or assignment under paragraph (2) for not more than one year on an individual basis.

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(c) In each country or area in which volunteers serve abroad, the President may appoint an employee or a volunteer as a [Peace Corps] *Peace Corps of the United States* representative to have direction of other employees of the [Peace Corps] *Peace Corps of the United States* abroad and to oversee the activities carried on under this Act in such country or area. Unless a representative is a volunteer, the compensation, allowances and benefits, and other terms and conditions of service of each such representative, shall be the same as those of a person appointed or assigned pursuant to paragraph (1) or (2) of subsection (a) of this section, except that any

such representative may, notwithstanding any provision of law, be removed by the President in his discretion.

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SEC. 9. PARTICIPATION OF FOREIGN NATIONALS. In order to provide for assistance by foreign nationals in the training of volunteers, and to permit effective implementation of [Peace Corps] *Peace Corps of the United States* projects with due regard for the desirability of cost-sharing arrangements, where appropriate, the President may make provision for transportation, housing, subsistence, or per diem in lieu thereof, and health care or health and accident insurance for foreign nationals engaged in activities authorized by this Act while they are away from their homes, without regard to the provisions of any other law: *Provided, however,* That per diem in lieu of subsistence furnished to such persons shall not be at rates higher than those prescribed by the Secretary of State pursuant to section 12 of Public Law 84–855 (70 Stat. 890). Such persons, and persons coming to the United States under contract pursuant to section 10(a)(5), may be admitted to the United States, if otherwise qualified, as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)) for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General. A person admitted under this section who fails to maintain the status under which he was admitted or who fails to depart from the United States at the expiration of the time for which he was admitted, or who engages in activities of a political nature detrimental to the interests of the United States, or in activities not consistent with the security of the United States, shall, upon the warrant of the Attorney General, be taken into custody and promptly removed pursuant to chapter 4 of title II of the Immigration and Nationality Act proceedings under this section shall be summary and the findings of the Attorney General as to matters of fact shall be conclusive.

SEC. 10. GENERAL POWERS AND AUTHORITIES. (a) * * *

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(4) accept in the name of the [Peace Corps] *Peace Corps of the United States* and employ or transfer in furtherance of the purposes of this Act (A) voluntary services notwithstanding the provisions of section 1342 of title 31, United States Code, and (B) any money or property (real, personal or mixed, tangible or intangible) received by gift, devise, bequest, or otherwise; and

* * * * * * *

(b) Notwithstanding any other provision of law, whenever the President determines that it will further the purposes of this Act, the President, under such regulations as he may prescribe, may settle and pay, in an amount not exceeding $20,000, any claim against the United States, for loss of or damage to real or personal property (including loss of occupancy or use thereof) belonging to, or for personal injury or death of, any person not a citizen or resident of the United States, where such claim arises abroad out of the act or omission of any [Peace Corps] *Peace Corps of the United States* employee or out of the act or omission of any volunteer, but

only if such claim is presented in writing within one year after it accrues. Any amount paid in settlement of any claim under this subsection shall be accepted by the claimant in full satisfaction thereof and shall bar any further action or proceeding thereon.

* * * * * * *

(e) The President may allocate or transfer to any agency of the United States Government any funds available for carrying out the purposes of this Act including any advance received by the United States from any country or international organization under authority of this Act, but not to exceed 20 per centum in the aggregate of such funds may be allocated or transferred to agencies other than the [Peace Corps] *Peace Corps of the United States*. Such funds shall be available for obligation and expenditure for the purposes of this Act in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.

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(i) The Director of the [Peace Corps] *Peace Corps of the United States* shall have the same authority as is available to the Secretary of State under section 26(a) of the State Department Basic Authorities Act of 1956. For purposes of this subsection, the reference in such section 26(a) to a principal officer of the Foreign Service shall be deemed to be a reference to a [Peace Corps] *Peace Corps of the United States* representative and the reference in such section to a member of the Foreign Service shall be deemed to be a reference to a person employed, appointed, or assigned under this Act.

(j) The provisions of section 30 of the State Department Basic Authorities Act of 1956 shall apply to volunteers and persons employed, appointed, or assigned under this Act, and to individuals employed under personal services contracts to furnish medical services abroad pursuant to subsection (a)(5) of this section. For purposes of this subsection, references to the Secretary in subsection (b) of such section shall be deemed to be references to the Director of the [Peace Corps] *Peace Corps of the United States*, references to the Secretary in subsection (f) of such section shall be deemed to be references to the President, and the reference in subsection (g) of such section to a principal representative of the United States shall be deemed to be a reference to a [Peace Corps] *Peace Corps of the United States* representative.

SEC. 11. REPORTS. The President shall transmit to the Congress, at least once in each fiscal year, a report on operations under this Act. Each report shall contain information describing efforts undertaken to improve coordination of activities of the [Peace Corps] *Peace Corps of the United States* with activities of international voluntary service organizations, such as the United Nations volunteer program, and of host country voluntary service organizations, including—

(1) a description of the purpose and scope of any development project which the [Peace Corps] *Peace Corps of the United States* undertook during the preceding fiscal year as a

joint venture with any such international or host country voluntary service organizations; and

(2) recommendations for improving coordination of development projects between the [Peace Corps] *Peace Corps of the United States* and any such international or host country voluntary service organizations.

The President shall also include in the report a description of any plans to carry out the policy set forth in section 2(b) of this Act.

SEC. 12. [PEACE CORPS] *Peace Corps of the United States* NATIONAL ADVISORY COUNCIL. (A) ESTABLISHMENT.—A [Peace Corps] *Peace Corps of the United States* National Advisory Council (hereinafter in this section referred to as the "Council") shall be established in accordance with the provisions of this section.

(b) FUNCTIONS.—(1) The Council shall advise and consult with the President and the Director of the [Peace Corps] *Peace Corps of the United States* with regard to policies and programs designed to further the purposes of this Act and shall, as the Council considers appropriate, periodically report to the Congress with regard to the [Peace Corps] *Peace Corps of the United States*.

(2) Members of the Council shall (subject to subsection (d)(1)) conduct on-site inspections, and make examinations, of the activities of the [Peace Corps] *Peace Corps of the United States* in the United States and in other countries in order to—

(A) evaluate the accomplishments of the [Peace Corps] *Peace Corps of the United States*;

(B) assess the potential capabilities and the future role of the [Peace Corps] *Peace Corps of the United States*;

(C) make recommendations to the President, the Director of the Peace Corps, and, as the Council considers appropriate, the Congress, for the purpose of guiding the future direction of the [Peace Corps] *Peace Corps of the United States* and of helping to ensure that the purposes and programs of the [Peace Corps] *Peace Corps of the United States* are carried out in ways that are economical, efficient, responsive to changing needs in developing countries and to changing relationships among people, and in accordance with law; and

* * * * * * *

(c) MEMBERSHIP.—(1) * * *

(2)(A) The Council shall consist of fifteen voting members who shall be appointed by the President, by and with the advice and consent of the Senate. At least seven of such members shall be former [Peace Corps] *Peace Corps of the United States* volunteers, and not more than eight of such members shall be members of the same political party.

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(3) In addition to the voting members of the Council, the Secretary of State and the Administrator of the Agency for International Development, or their designees, and the Director and Deputy Director of the [Peace Corps] *Peace Corps of the United States*, shall be non-voting members, ex officio, of the Council.

(d) COMPENSATION.—(1) * * *

(A) * * *

(B) while away from his or her home or regular place of business on necessary travel, as determined by the Director of the [Peace Corps] *Peace Corps of the United States*, in the actual performance of duties as a Council member, shall be paid per diem, travel, and transportation expenses in the same manner as is provided under subchapter I of chapter 57 of title 5, United States Code

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(h) MEETINGS, BYLAWS, AND REGULATIONS.—(1) The Council shall hold a regular meeting during each calendar quarter and shall meet at the call of the President, the Director of the [Peace Corps] *Peace Corps of the United States*, the Council's Chair, or one-fourth of its members.

(2) The Council shall prescribe such bylaws and regulations as it considers necessary to carry out its functions. Such bylaws and regulations shall include procedures for fixing the time and place of meetings, giving or waiving of notice of meetings, and keeping of minutes of meetings.

(i) REPORTS TO THE PRESIDENT AND THE DIRECTOR.—Not later than January 1, 1988, and not later than January 1 of each second year thereafter, the Council shall submit to the President and the Director of the [Peace Corps] *Peace Corps of the United States* a report on its views on the programs and activities of the [Peace Corps] *Peace Corps of the United States*. Each report shall contain a summary of the advice and recommendations provided by the Council to the President and the Director during the period covered by the report and such recommendations (including recommendations for administrative or legislative action) as the Council considers appropriate to make to the Congress. Within ninety days after receiving each such report, the President shall submit to the Congress a copy of the report, together with any comments concerning the report that the President or the Director considers appropriate.

(j) ADMINISTRATIVE ASSISTANCE.—The Director of the [Peace Corps] *Peace Corps of the United States* shall make available to the Council such personnel, administrative support services, and technical assistance as are necessary to carry out its functions effectively.

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SEC. 15. UTILIZATION OF FUNDS. (a) * * *

(4) purchase and hire of passenger motor vehicles: *Provided,* That, except as may otherwise be provided in an appropriation or other Act, passenger motor vehicles for administrative purposes abroad may be purchased for replacement only, and such vehicles may be exchanged or sold and replaced by an equal number of such vehicles, and the cost, including exchange allowance, of each such replacement shall not exceed the applicable cost limitation described in section 636(a)(5) of the Foreign Assistance Act of 1961 in the case of an automobile for any [Peace Corps] *Peace Corps of the United States* country representative appointed under section 7(c): *Provided further,* That the provisions of section 1343 of Title 31, United States Code, shall not apply to the purchase of vehicles for the trans-

portation, maintenance, or direct support of volunteers overseas: *Provided further,* That passenger motor vehicles may be purchased for use in the United States only as may be specifically provided in an appropriation or other Act;

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(7) expenditures (not to exceed $20,000 in any fiscal year except as may be otherwise provided in appropriation or other Act) not otherwise authorized by law to meet unforeseen emergencies or contingencies arising in the [Peace Corps] *Peace Corps of the United States*: *Provided,* That a certificate of the amount only of each such expenditure and that such expenditure was necessary to meet an unforeseen emergency or contingency, made by the Director of the [Peace Corps] *Peace Corps of the United States* or his designee, shall be deemed a sufficient voucher for the amount therein specified;

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(13) the transportation of [Peace Corps] *Peace Corps of the United States* employees, [Peace Corps] *Peace Corps of the United States* volunteers, dependents of such employees and volunteers, and accompanying baggage, by a foreign air carrier when the transportation is between two places outside the United States without regard to section 40118 of title 49, United States Code.

SEC. 16. FOREIGN CURRENCY FLUCTUATIONS ACCOUNT. (a) ESTABLISHMENT.—(1) There is established in the Treasury of the United States an account to be known as the "Foreign Currency Fluctuations, [Peace Corps] *Peace Corps of the United States*, Account". The account shall be used for the purpose of providing funds to pay expenses for operations of the [Peace Corps] *Peace Corps of the United States* outside the United States which, as a result of fluctuations in currency exchange rates, exceed the amount appropriated for such expenses.

(2) Funds in the account may be transferred, upon the certification of the Director of the [Peace Corps] *Peace Corps of the United States* (or the Director's designee) that the transfer is necessary for the purpose specified in paragraph (1), to the account containing funds appropriated for the expenses of the Peace Corps.

(b) USE OF FUNDS IN THE ACCOUNT.—Funds transferred under subsection (a) shall be merged with, and be available for the same time period, as the appropriation to which they are applied. Notwithstanding any provision of law limiting the amount of funds the [Peace Corps] *Peace Corps of the United States* may obligate in any fiscal year, such amount shall be increased to the extent necessary to reflect fluctuations in exchange rates from those used in preparing the budget submission.

(c) EXCHANGE RATES APPLICABLE TO OBLIGATIONS.—An obligation of the [Peace Corps] *Peace Corps of the United States* payable in the currency of a foreign country may be recorded as an obligation based upon exchange rates used in preparing a budget submission. A change reflecting fluctuations in exchange rates may be recorded as a disbursement is made.

(d) TRANSFERS BACK TO ACCOUNT.—Funds transferred from the Foreign Currency Fluctuations, [Peace Corps] *Peace Corps of the United States*, Account may be transferred back to that account—

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(f) TRANSFERS TO THE ACCOUNT FROM REGULAR APPROPRIATIONS.—(1) At the end of the fiscal year or other period for which appropriations for the expenses of the [Peace Corps] *Peace Corps of the United States* are made available, unobligated balances of such appropriation may be transferred into the Foreign Currency Fluctuations, [Peace Corps] *Peace Corps of the United States*, Account, to be merged with, and to be available for the same period and purposes as, that account.

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(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Foreign Currency Fluctuations, [Peace Corps] *Peace Corps of the United States*, Account for each fiscal year such sums as may be necessary to maintain a balance of $5,000,000 in such account at the beginning of such fiscal year.

(h) REPORTS.—Each year the Director of the [Peace Corps] *Peace Corps of the United States* shall submit to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives, and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, a report on funds transferred under this section.

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SEC. 19. EXCLUSIVE RIGHT TO SEAL AND NAME. (a) The President may adopt, alter and use an official seal or emblem of the [Peace Corps] *Peace Corps of the United States* of such design as he shall determine which shall be judicially noticed.

(b)(1) The use of the official seal or emblem and the use of the name "[Peace Corps] *Peace Corps of the United States*" shall be restricted exclusively to designate programs authorized under this Act.

(2) Whoever, whether an individual, partnership, corporation, or association, uses the seal for which provision is made in this section, of any sign, insignia, or symbol in colorable imitation thereof, or the words "[Peace Corps] *Peace Corps of the United States*" or any combination of these or other words or characters, in colorable imitation thereof, other than to designate programs authorized under this Act, shall be fined not more than $500 or imprisoned not more than six months, or both. A violation of this subsection may be enjoined at the suit of the Attorney General, United States attorneys, or other persons duly authorized to represent the United States.

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SEC. 23. UNIVERSAL MILITARY TRAINING AND SERVICE ACT. Notwithstanding the provisions of any other law or regulation, service in the [Peace Corps] *Peace Corps of the United States* as a volunteer shall not in any way exempt such volunteer from the perform-

ance of any obligations or duties under the provisions of the Universal Military Training and Service Act.

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TITLE III—ENCOURAGEMENT OF VOLUNTARY SERVICE PROGRAMS

SEC. 301. (a) * * *

(b)(1) Activities carried out by the President in furtherance of the purposes of clauses (1) and (2) of subsection (a) shall be limited to—

(A) furnishing technical assistance, materials, tools, supplies, and training appropriate to the support of volunteer programs in such countries or areas; and

(B) conducting demonstration projects in such countries or areas.

None of the funds made available to carry out the purposes of clauses (1) and (2) of subsection (a) may be used to pay the administrative costs of any program or project, other than a demonstration project, or to assist any program or project of a paramilitary or military nature. Funds allocated for activities set forth in this paragraph should be kept to a minimum so that such allocation will not be detrimental to other [Peace Corps] *Peace Corps of the United States* programs and activities.

(2) Not more than 2 per centum of the amount appropriated to the [Peace Corps] *Peace Corps of the United States* for a fiscal year may be used in such fiscal year to carry out the provisions of clause (3) of subsection (a) of this section. Such funds may be contributed to educational institutions, private voluntary organizations, international organizations, and foreign governments or agencies thereof, to pay a fair and proportionate share of the costs of encouraging the development of, and participation in, international voluntary programs and activities.

(c) Such activities shall not compromise the national character of the [Peace Corps] *Peace Corps of the United States*.

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Support for East European Democracy (SEED) Act

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SEC. 202. (a) PURPOSES.

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(d) DESIGNATION OF ENTERPRISE FUNDS.—

(1) DESIGNATION.—The President is authorized to designate two private, nonprofit organizations as eligible to receive funds and support pursuant to this section upon determining that such organizations have been established for the purposes specified in subsection (a) of this section. For purposes of this chapter, the organizations so designated shall be referred to as the Polish-American Enterprise Fund and the Hungarian-American Enterprise Fund (hereinafter in this section referred to as the "Enterprise Funds").

(2) CONSULTATION WITH CONGRESS.—The President shall consult with the [leadership of each House of Congress] *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.* before designating an organization pursuant to paragraph (1).

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The International Financial Institutions Act

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TITLE XIII—THE ENVIRONMENT

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SEC. 1303. (a) * * *

(c) Based on the information obtained during the evaluation referred to in subsection (a) and other available information, the Administrator of the Agency for International Development, in consultation with the Secretary of the Treasury and the Secretary of State, shall identify those assistance proposals likely to have adverse impacts on the environment, natural resources, public health, or indigenous peoples. The proposals so identified shall be transmitted to the Committee on Appropriations and the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Appropriations and the Committee on Foreign Relations of the Senate, not later than June 30 [and December 31] of each year following the date of enactment of this title.

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SEC. 1705. ANNUAL REPORT AND TESTIMONY ON THE STATE OF THE INTERNATIONAL FINANCIAL SYSTEM, IMF REFORM, AND COMPLIANCE WITH IMF AGREEMENTS.

(a) REPORTS.—Not later than October 1 of each year, the Secretary of the Treasury shall submit to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate a written report on *(1)* the progress (if any) made by the United States Executive Director at the International Monetary Fund in influencing the International Monetary Fund to adopt the policies and reform its internal procedures in the manner described in section 262o-2 of this title *(2) the progress made by the International Monetary Fund in adopting and implementing the policies described in section 401(c)(1)(C) of the Technical Assistance, Trade Promotion, and Anti-Corruption Act of 2000.*

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TITLE XVIII—EXPORT ENHANCEMENT

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SEC. 1803. COMMERCIAL SERVICE OFFICERS AND MULTILATERAL DEVELOPMENT BANK PROCUREMENT.

(a) * * *

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SEC. 1804. OPPOSITION TO ASSISTANCE BY INTERNATIONAL FINANCIAL INSTITUTIONS FOR SURPLUS COMMODITIES.

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 pursuant to law, 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.

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The Horn of Africa Recovery and Food Security Act

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SEC. 6. HORN OF AFRICA FOOD SECURITY AND RECOVERY STRATEGY. (a) * * *

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(h) DEVELOPMENTAL ASSISTANCE AUTHORITIES.—Developmental assistance to carry out this section shall be provided pursuant to the authorities of chapter 1 of part I (relating to development [assistance) and] *assistance)* chapter 10 of part I (relating to the Development Fund for Africa) of the*, and chapter 4 of part II (relating to economic support fund assistance)* Foreign Assistance Act of 1961.

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The Bretton Woods Agreements Act

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SEC. 62. APPROVAL OF CONTRIBUTIONS FOR DEBT REDUCTIONS FOR THE POOREST COUNTRIES.

For the purpose of mobilizing the resources of the Fund in order to help reduce poverty and improve the lives of residents of poor countries and, in particular, to allow those poor countries with unsustainable debt burdens to receive deeper, broader, and faster debt relief, without allowing gold to reach the open market or otherwise adversely affecting the market price of gold, the Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote—

(1) to approve an arrangement whereby the Fund—

(A) sells a quantity of its gold at prevailing market prices to a member or members in nonpublic transactions sufficient to generate 2.226 billion Special Drawing Rights in profits on such sales;

(B) immediately after, and in conjunction with each such sale, accepts payment by such member or members of such gold to satisfy existing repurchase obligations of such member or members so that the Fund retains ownership of the gold at the conclusion of such payment; *and*

(C) uses the earnings on the investment of the profits of such sales through a separate subaccount, only for the purpose of providing debt relief from the Fund under the modified Heavily Indebted Poor Countries (HIPC) Initiative (as defined in section 1623 of the International Financial Institutions Act); and

[(D) shall not use more than 9/14 of the earnings on the investment of the profits of such sales; and**]**

(2) to support a decision that shall terminate the Special Contingency Account 2 (SCA–2) of the Fund so that the funds in the SCA–2 shall be made available to the poorest countries. Any funds attributable to the United States participation in SCA–2 shall be used only for debt relief from the Fund under the modified HIPC Initiative.

13 United States Code

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CHAPTER 9. COLLECTION AND PUBLICATION OF FOREIGN COMMERCE AND TRADE STATISTICS

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SEC. 304. FILING EXPORT INFORMATION, DELAYED FILINGS, PENALTIES FOR FAILURE TO FILE.

(a) The information of reports in connection with the exportation or transportation of cargo required to be filed by carriers with the Secretary of the Treasury under any rule, regulation, or order issued pursuant to this chapter may be filed after the departure of such carrier from the port or place of exportation or transportation, whether such departing carrier is destined directly to a foreign port or place or to a noncontiguous area, or proceeds by way of other ports or places of the United States, provided that a bond in an approved form in **[**the penal sum of $1,000**]** *a penal sum of $10,000* is filed with the Secretary of the Treasury. The Secretary of Commerce may, by a rule, regulation, or order issued in conformity herewith, prescribe a maximum period after such departure during which the required information or reports may be filed. In the event any such information or report is not filed within such prescribed period, **[**a penalty not to exceed $100 for each day's delinquency beyond the prescribed period, but not more than $1,000**]** *a penalty not to exceed $1,000 for each day's delinquency beyond the prescribed period but not more than $10,000*, shall be exacted. Civil suit may be instituted in the name of the United States against the principal and surety for the recovery of any penalties that may accrue and be exacted in accordance with the terms of the bond.

(b) The Secretary may remit or mitigate any penalty incurred for violations of this section and regulations issued pursuant thereto if, in his opinion, they were incurred without willful negligence or fraud, or other circumstances justify a remission or mitigation.

[SEC. 305. VIOLATIONS, PENALTIES.

[Any person, including the owners or operators of carriers, violating the provisions of this chapter, or any rule, regulation, or order issued thereunder, except as provided in section 304 above, shall be liable to a penalty not to exceed $1,000 in addition to any other penalty imposed by law. The amount of any such penalty shall be payable into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States.]

SEC. 305. PENALTIES FOR UNLAWFUL EXPORT INFORMATION ACTIVITIES.

(a) Any person who knowingly fails to file or knowingly submits false or misleading export information through the Shipper's Export Declaration (SED) (or any successor document) or the Automated Export System (AES) shall be subject to a fine not to exceed $10,000, or imprisoned for not more than 5 years, or both.

(b) Any person who knowingly reports any information on or uses the SED or the AES to further any illegal activity shall be subject to a fine not to exceed $10,000, or imprisoned for not more than 5 years, or both.

(c) Any person violating the provisions of this chapter or any rule, regulation, or order issued thereunder, except as provided in section 304, shall be subject to a penalty not to exceed $10,000 in addition to any other penalty imposed by law. The amount of any such penalty shall be payable into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States.

(d) The Secretary may remit or mitigate any penalties imposed under subsection (c) if, in the Secretary's opinion—

(1) they were incurred without willful negligence or fraud; or

(2) other circumstances exist that justify a remission or mitigation.

Repeal of Obsolete Provisions

The Jobs Through Exports Act of 1992

TITLE I—OVERSEAS PRIVATE INVESTMENT CORPORATION

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TITLE II—TRADE AND DEVELOPMENT AGENCY

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[TITLE III—AID, TRADE, AND COMPETITIVENESS

[SEC. 301. SHORT TITLE.

[This title may be cited as the "Aid, Trade, and Competitiveness Act of 1992".

[SEC. 302. CAPITAL PROJECTS OFFICE WITHIN THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

[(a) ESTABLISHMENT OF OFFICE. The Administrator of AID shall establish a capital projects office to carry out the purposes described in subsection (b).

[(b) PURPOSES OF OFFICE. The purposes referred to in subsection (a) are—

[(1) to develop an AID program that would focus solely on developmentally sound capital projects, taking into consideration development needs of the host country and the export opportunities for the United States; and

[(2) to consider specifically opportunities for United States high-technology firms, including small- and medium-sized firms, in supporting capital projects for developing countries and for countries making the transition from nonmarket to market economies.

[(c) ACTIVITIES OF AID. The Administrator of AID (acting through the capital projects office), in coordination with the appropriate members of the Trade Promotion Coordination Committee—

[(1) shall support capital projects in developing countries and in countries making the transition from nonmarket to market economies;

[(2) shall periodically review infrastructure needs in developing countries and countries making the transition from nonmarket to market economies and shall explore opportunities for United States firms in the development of new capital projects in these countries, keeping both United States firms and the Congress informed of these reviews;

[(3) shall ensure that each capital project for which AID provides funding is developmentally sound, as determined under the criteria developed by the Development Assistance Committee of the Organization for Economic Cooperation and Development;

[(4) shall coordinate its activities with other AID offices, and work with AID country missions, in developing capital projects that provide opportunities for United States firms consistent with AID's primary mission to help developing countries with traditional development projects;

[(5) shall coordinate, where appropriate, funds available to AID for tied-aid purposes; and

[(6) shall play a special role in helping to meet the infrastructure needs of countries making the transition from nonmarket to market economies by meeting the challenge of infrastructure assistance provided by foreign governments to those countries, including by undertaking a comprehensive study of the infrastructure needs of the various countries making the transition from nonmarket to market economies—

[(A) to identify those sectors in the economies of these countries that are most in need of rebuilding, and

[(B) to identify the state of technology in these countries and the opportunity for United States high technology firms to help develop a technological infrastructure in these countries, including an assessment of export opportunities for United States high technology companies.

[The results of the study conducted pursuant to paragraph (6) shall be reported to the appropriate congressional committees within 12 months after the date of the enactment of this Act.

[SEC. 303. CAPITAL PROJECTS FOR POVERTY ALLEVIATION AND ENVIRONMENTAL SAFETY AND SUSTAINABILITY.

[(a) PURPOSES. The Administrator of AID shall develop a program, in accordance with subsection (b), that focuses on developmentally sound capital projects for basic infrastructure that will measurably alleviate the worst manifestations of poverty or directly promote environmental safety and sustainability at the community level, taking into consideration development needs of the host country and export opportunities for services and goods from the United States.

[(b) ACTIVITIES OF AID. In order to carry out subsection (a), the Administrator of AID shall, working with AID technical support staff, regional bureau staff, and country missions, identify and provide funding for capital projects to alleviate the worst manifestations of poverty or to promote environmental safety and sustainability at the community level in countries receiving assistance under part I of the Foreign Assistance Act of 1961. Such projects may include basic sanitation systems, basic water supply and treatment, pollution control, and rural infrastructure benefiting poor communities or establishing environmentally sustainable patterns of rural development. Such projects should have measurable positive effects on indicators of human and environmental health.

[SEC. 304. COORDINATION.

[The President shall use the Trade Promotion Coordination Committee to coordinate activities under this title with other relevant activities of the United States Government.

[SEC. 305. REPORTS TO CONGRESS ON CAPITAL PROJECTS.

[Not later than May 1, 1993, the President shall submit to the Congress a report describing—

[(1) the extent to which United States Government resources have been expended specifically to support the projects described in this title in developing countries and countries making the transition from nonmarket to market economies;

[(2) the extent to which the activities of the United States Government have been coordinated pursuant to section 304; and

[(3) the extent to which United States Government capital projects and tied-aid credit programs have affected United States exports.

[SEC. 306. FUNDING FOR CAPITAL PROJECTS.

[(a) FUNDING LEVEL. The Congress strongly urges the President to use at least $650,000,000 for fiscal year 1993 and at least $700,000,000 for fiscal year 1994 of the total amounts made available for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), assistance under the Support for East European Democracy (SEED) Act of 1989, assistance under the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992, and assistance under the Multilateral Assistance Initiative for the Philippines, for grants for developmentally sound capital projects. Such

grants may be combined with financing offered by private financial entities or other entities.

[(b) DEVELOPMENT ASSISTANCE CAPITAL PROJECTS. Funds appropriated to carry out chapter 1 or chapter 10 of part I of the Foreign Assistance Act of 1961 (relating to development assistance and the Development Fund for Africa) may not be used for capital projects that do not meet the criteria contained in section 303 of this Act. This subsection does not apply with respect to capital projects for which funds have been obligated or expended before the date of the enactment of this Act.

[SEC. 307. REPORT ON THE FEASIBILITY OF AID CREDIT GUARANTEES TO FINANCE CAPITAL PROJECTS.

[Not later than May 1, 1993, the President shall submit to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate a report on the feasibility of allowing AID to offer credit guarantees for the financing of capital projects.

[SEC. 308. DEFINITIONS.

[For purposes of this title—

[(1) the term "AID" means the Agency for International Development; and

[(2) the term "capital project" means a project involving the construction, expansion, alteration of, or the acquisition of equipment for, a physical facility or physical infrastructure, including related engineering design (concept and detail) and other services, the procurement of equipment (including any related services), and feasibility studies or similar engineering and economic services.]

[TITLE I—OVERSEAS PRIVATE INVESTMENT CORPORATION

[SECTION 1. SHORT TITLE.

[This Act may be cited as the "Overseas Private Investment Corporation Amendments Act of 1988".]

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[SEC. 109. SMALL AND MINORITY-OWNED BUSINESSES.

[(a) FINDINGS.—The Congress finds that—

[(1) the Overseas Private Investment Corporation has a consistent record of encouraging United States business investment in the world's developing countries;

[(2) 62 percent of the open projects supported by the Corporation during fiscal year 1987 were located in the poorest of developing countries; and

[(3) United States small businesses participated in 34 percent of the open projects supported by the Corporation during fiscal year 1987.

[(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

[(1) the Overseas Private Investment Corporation should continue to encourage United States small businesses to invest in the world's developing countries; and

[(2) the Corporation should continue to encourage United States small businesses that are minority-owned to invest in

the world's developing countries as these businesses are well suited to the economic and social development needs of such countries.]

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[SEC. 111. OPIC PROGRAMS IN HAITI.

[Prohibitions on United States assistance for Haiti during fiscal year 1988 shall not be construed to apply with respect to the Overseas Private Investment Corporation unless the prohibition specifically states that it applies with respect to the Overseas Private Investment Corporation.]

[International Narcotics Control Act of 1988

[SECTION 1. SHORT TITLE.

[This Act may be cited as the "Anti-Drug Abuse Act of 1988".]

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[TITLE IV—INTERNATIONAL NARCOTICS CONTROL

[SEC. 4702. RESTRICTIONS ON LAUNDERING OF UNITED STATES CURRENCY.

[(a) FINDINGS.—The Congress finds that international currency transactions, especially in United States currency, that involve the proceeds of narcotics trafficking fuel trade in narcotics in the United States and worldwide and consequently are a threat to the national security of the United States.

[(b) PURPOSE.—The purpose of this section is to provide for international negotiations that would expand access to information on transactions involving large amounts of United States currency wherever those transactions occur worldwide.

[(c) NEGOTIATIONS.—(1) The Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") shall enter into negotiations with the appropriate financial supervisory agencies and other officials of any foreign country the financial institutions of which do business in United States currency. Highest priority shall be attached to countries whose financial institutions the Secretary determines, in consultation with the Attorney General and the Director of National Drug Control Policy, may be engaging in currency transactions involving the proceeds of international narcotics trafficking, particularly United States currency derived from drug sales in the United States.

[(2) The purposes of negotiations under this subsection are—

[(A) to reach one or more international agreements to ensure that foreign banks and other financial institutions maintain adequate records of large United States currency transactions, and

[(B) to establish a mechanism whereby such records may be made available to United States law enforcement officials.

[In carrying out such negotiations, the Secretary should seek to enter into and further cooperative efforts, voluntary information exchanges, the use of letters rogatory, and mutual legal assistance treaties.

[(d) REPORTS.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit an interim report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on progress in the negotiations under subsection (c). Not later than 2 years after such enactment, the Secretary shall submit a final report to such Committees and the President on the outcome of those negotiations and shall identify, in consultation with the Attorney General and the Director of National Drug Control Policy, countries—

[(1) with respect to which the Secretary determines there is evidence that the financial institutions in such countries are engaging in currency transactions involving the proceeds of international narcotics trafficking; and

[(2) which have not reached agreement with United States authorities on a mechanism for exchanging adequate records on international currency transactions in connection with narcotics investigations and proceedings.

[(e) AUTHORITY.—If after receiving the advice of the Secretary and in any case at the time of receipt of the Secretary's report, the Secretary determines that a foreign country—

[(1) has jurisdiction over financial institutions that are substantially engaging in currency transactions that effect the United States involving the proceeds of international narcotics trafficking;

[(2) such country has not reached agreement on a mechanism for exchanging adequate records on international currency transactions in connection with narcotics investigations and proceedings; and

[(3) such country is not negotiating in good faith to reach such an agreement,

[the President shall impose appropriate penalties and sanctions, including temporarily or permanently—

[(1) prohibiting such persons, institutions or other entities in such countries from participating in any United States dollar clearing or wire transfer system; and

[(2) prohibiting such persons, institutions or entities in such countries from maintaining an account with any bank or other financial institution chartered under the laws of the United States or any State.

[Any penalties or sanctions so imposed may be delayed or waived upon certification of the President to the Congress that it is in the national interest to do so. Financial institutions in such countries that maintain adequate records shall be exempt from such penalties and sanctions.

[(f) DEFINITIONS.—For the purposes of this section—

[(1) The term "United States currency" means Federal Reserve Notes and United States coins.

[(2) The term "adequate records" means records of United States' currency transactions in excess of $10,000 including the identification of the person initiating the transaction, the person's business or occupation, and the account or accounts affected by the transaction, or other records of comparable effect.]

Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1988

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Sec. 101. * * *

(e) * * *

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ENVIRONMENTAL CONCERNS

SEC. 537. * * *

(h) The Administrator of the Agency for International Development, in consultation with the Secretaries of Treasury and State, shall continue, and work to enhance, the operation of the "early warning system", by—

(1) instructing overseas missions of the Agency for International Development and embassies of the United States to analyze the impacts of multilateral Development Bank loans well in advance of a loan's approval. Such reviews shall address the economic viability of the project; adverse impacts on the environment, natural resources, public health, and indigenous peoples; and recommendations as to measures, including alternatives, that could eliminate or mitigate adverse impacts. If not classified under the national security system of classification, such information shall be made available to the public;

[(2) compiling a list of proposed Multilateral Development Bank loans likely to have adverse impacts on the environment, natural resources, public health, or indigenous peoples. The list shall contain the information identified in paragraph (1), shall be updated in consultation with interested members of the public, and shall be made available to the Committees on Appropriations by April 1, 1988 and semiannually thereafter; and]

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The Narcotics Control Trade Act

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TITLE VIII—TARIFF TREATMENT OF PRODUCTS OF, AND OTHER SANCTIONS AGAINST, UNCOOPERATIVE MAJOR DRUG PRODUCING OR DRUG–TRANSIT COUNTRIES

SEC. 801. SHORT TITLE.

This title may be cited as the "Narcotics Control Trade Act".

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SEC. 802. TARIFF TREATMENT OF PRODUCTS OF UNCOOPERATIVE MAJOR DRUG PRODUCING OR DRUG–TRANSIT COUNTRIES.

(a) REQUIRED ACTION BY PRESIDENT. * * *

[(e) For each calendar year, the Secretary of State, after consultation with the appropriate committees of the Congress, shall establish numerical standards and other guidelines for determining

which countries will be considered to be major drug-transit countries under section 805(3)(A) and (B).]

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[SEC. 804. PROGRESS REPORTS.

[The President shall include as a part of the annual report required under section 489 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291h) an evaluation of progress that each major drug producing country and each major drug-transit country has made during the reporting period in achieving the objectives set forth in section 802(b).]

Foreign Assistance and Related Programs Appropriations Act, 1987

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SEC. 539. (a) * * *

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(g) The Administrator for the Agency for International Development in conjunction with the Secretaries of Treasury and State shall—

(1) instruct overseas missions of the Agency for International Development and embassies of the United States to analyze the impacts of Multilateral Development Bank projects proposed to be undertaken in the host country well in advance of a project's approval by the relevant institution. Such reviews shall address the economic viability of the project; adverse impacts on the environment, natural resources, and indigenous peoples; and recommendations as to measures, including alternatives, that could eliminate or mitigate adverse impacts. If not classified under the national security system of classification, such information shall be made available to the public;

[(2) in preparation of reviews required by subsection (g)(1), compile a list of categories of projects likely to have adverse impacts on the environment, natural resources, or indigenous peoples. The list shall be developed in consultation with interested members of the public and made available to the Committee on Appropriations by December 31, 1986 and semiannually thereafter; and]

(3) study the feasibility of creating a cooperative "early warning system" for projects of concern with other interested donors.

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International Narcotics Control Act of 1986

[SECTION. 1. SHORT TITLE.

[This Act may be cited as the "Anti-Drug Abuse Act of 1986".]

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[TITLE II—INTERNATIONAL NARCOTICS CONTROL

[SEC. 2018. MULTILATERAL DEVELOPMENT BANK ASSISTANCE FOR DRUG ERADICATION AND CROP SUBSTITUTION PROGRAMS.

[(a) MDB ASSISTANCE FOR DEVELOPMENT AND IMPLEMENTATION OF DRUG ERADICATION PROGRAM.—The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks to initiate discussions with other Directors of their respective banks and to propose that all possible assistance be provided to each major illicit drug producing country for the development and implementation of a drug eradication program, including technical assistance, assistance in conducting feasibility studies and economic analyses, and assistance for alternate economic activities.

[(b) INCREASES IN MULTILATERAL DEVELOPMENT BANK LENDING FOR CROP SUBSTITUTION PROJECTS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks to initiate discussions with other Directors of their respective banks and to propose that each such bank increase the amount of lending by such bank for crop substitution programs which will provide an economic alternative for the cultivation or production of illicit narcotic drugs or other controlled substances in major illicit drug producing countries, to the extent such countries develop and maintain adequate drug eradication programs.

[(c) NATIONAL ADVISORY COUNCIL REPORT.—The Secretary of the Treasury shall include in the annual report to the Congress by the National Advisory Council on International Monetary and Financial Policies a detailed accounting of the manner in which and the extent to which the provisions of this section have been carried out.

[(d) DEFINITIONS.—For purposes of this section—

[(1) MULTILATERAL DEVELOPMENT BANK.—The term "multilateral development bank" means the International Bank for Reconstruction and Development, the International Development Association, the Inter-American Development Bank, the African Development Bank, and the Asian Development Bank.

[(2) MAJOR ILLICIT DRUG PRODUCING COUNTRY.—The term "major illicit drug producing country" has the meaning provided in section 481(i)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 229(i)(2)).

[(3) NARCOTIC DRUG AND CONTROLLED SUBSTANCE.—The terms "narcotic drug" and "controlled substance" have the meanings given to such terms in section 102 of the Controlled Substances Act (21 U.S.C. 802).]

Special Foreign Assistance Act of 1986

SECTION 1. SHORT TITLE.

This Act may be cited as the "Special Foreign Assistance Act of 1986".

TITLE I—PROMOTING IMMUNIZATION AND ORAL REHYDRATION IN DEVELOPING COUNTRIES

SEC. 101. FINDINGS.

* * * * * * *

TITLE II—PROMOTING DEMOCRACY IN HAITI

[SEC. 201. FINDINGS CONCERNING HAITI.

[The Congress finds that—

[(1) the establishment of an interim government in Haiti committed to a restoration of democracy provides Haiti with an opportunity to build the political, social, and economic institutions necessary to promote Haiti's development, to provide a better future for the people of Haiti, and to provide the framework for more effective mutual cooperation with the United States, Haiti's neighbor in the Caribbean, and the other nations of the Hemisphere;

[(2) the magnitude of the political, economic, and social tasks facing the people of Haiti will make the achievement of a better future a difficult task which will require a determined and sustained effort by the Haitian people over a long period of time and will require significant external assistance from the United States and other donors; and

[(3) it is in the interest of the United States to provide appropriate support for the development of Haiti, a close neighbor which is one of the world's poorest nations and which is committed to the establishment of a democratic government.

[SEC. 202. ECONOMIC ASSISTANCE FOR HAITI.

[(a) EARMARKING OF FUNDS.—Not less than $108,000,000 of the aggregate amounts available for fiscal year 1987 to carry out sections 103 through 106 of the Foreign Assistance Act of 1961 (relating to development assistance), chapter 4 of part II of that Act (relating to the Economic Support Fund), and titles I and II of the Agricultural Trade Development and Assistance Act of 1954 (relating to the Food for Peace Program) shall be available only for Haiti.

[(b) USE OF DEVELOPMENT ASSISTANCE.—Assistance under sections 103 through 106 of the Foreign Assistance Act of 1961 which is provided for Haiti pursuant to subsection (a) shall be used to support a transition to democracy in Haiti, emphasizing foreign investment, job creation (especially in the private sector), rural development, health care and sanitation, small-scale irrigation, reforestation and land conservation, and literacy education. Such assistance should reflect the need to distribute development assistance resources more equitably among the various regions in Haiti in order to support sustainable development in all of Haiti.

[(c) REQUIREMENT FOR SEGREGATED ACCOUNT FOR ECONOMIC SUPPORT ASSISTANCE FUNDS PAID TO GOVERNMENT OF HAITI.—Funds under chapter 4 of part II of the Foreign Assistance Act of 1961 which are made available for Haiti pursuant to subsection (a) may be paid to the Government of Haiti only if the Government of Haiti will maintain those funds in a separate account and not commingle them with other funds.

[(d) CONDITIONS ON ECONOMIC SUPPORT AND DEVELOPMENT ASSISTANCE.—Funds may be obligated for assistance for Haiti under sections 103 through 106 of chapter 4 of part II of the Foreign Assistance Act of 1961 pursuant to subsection (a) only if the President determines that the interim Government of Haiti—

[(1) is improving the human rights situation in Haiti;

[(2) is implementing its timetable for completion of a new constitution that promotes genuine democratic reforms and guarantees the fundamental principles of democracy;

[(3) is establishing a framework for free and open elections leading to a democratically-elected civilian government, which would include free and functioning political parties and associations, free labor unions, and freedom of the press;

[(4) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years);

[(5) is maintaining a system of fiscal accountability to ensure that all resources allocated to the development of Haiti are used in the most effective and efficient manner;

[(6) is continuing its investigation of alleged human rights abuses and corruption by the Duvalier government and is prosecuting, in accordance with due process, those responsible for human rights abuses and corruption;

[(7) is maintaining a free and independent judiciary system;

[(8) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti; and

[(9) is encouraging private sector development.]

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[(f) ADDITIONAL ASSISTANCE FOR ECONOMIC DEVELOPMENT IN HAITI.—In order to assist economic development in Haiti, a Foreign Commercial Service officer should be assigned to the United States Embassy in Haiti.

[SEC. 203. MILITARY TRAINING AND OTHER NONLETHAL ASSISTANCE FOR HAITI.

[(a) AUTHORIZATION OF ASSISTANCE.—Up to $4,000,000 of the aggregate amounts available for fiscal year 1987 to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), chapter 5 of part II of that Act (relating to international military education and training), and the Arms Export Control Act (relating to FMS assistance) may be made available for Haiti for education, training, and other nonlethal assistance (such as transportation equipment, communications equipment, and uniforms).

[(b) CONDITIONS ON MILITARY ASSISTANCE.—Funds made available pursuant to subsection (a) may be obligated only if the President certifies to the Congress the following:

[(1) The Government of Haiti has submitted a formal request to the United States specifying a comprehensive plan for the reform and reorganization of the mission, command, and control structures of the Haitian armed forces consistent with a transition to democracy, the rule of law, constitutional government, and an elected civilian government. Such a plan should include a publicly announced commitment by the armed

forces of Haiti to abide by international human rights standards and adoption of a code of conduct to assure adherence to these standards.

[(2) The Government of Haiti is making substantial efforts—

[(A) to prevent the involvement of the Haitian armed forces in human rights abuses and corruption by removing from those forces and prosecuting, in accordance with due process, those military personnel responsible for the human rights abuses and corruption;

[(B) to ensure that freedom of speech and assembly are respected;

[(C) to conduct investigations into the killings of unarmed civilians in Gonaives, Martissant, and Fort Dimanche, to prosecute, in accordance with due process, those responsible for those killings, and to prevent any similar occurrences in the future;

[(D) to provide education and training to the Haitian armed forces with respect to internationally recognized human rights and the civil and political rights essential to democracy, in order to enable those forces to function consistent with those rights; and

[(E) to take steps to implement the policy of the Government of Haiti requiring former members of the Volunteers for National Security (VSN) to turn in their weapons and to take the necessary actions to enforce this requirement.]

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[(d) NOTIFICATION TO CONGRESS.—Funds made available pursuant to subsection (a) may be obligated only if the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives and the Committee on Appropriations and the Committee on Foreign Relations of the Senate are notified fifteen days in advance.

[(e) RELATION TO EXISTING PROVISION.—Assistance under subsection (a) may be provided notwithstanding the limitations contained in section 705(e) of the International Security and Development Cooperation Act of 1985 and is in addition to the assistance allowed under that section.]

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International Security and Development Cooperation Act of 1985

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "International Security and Development Cooperation Act of 1985".

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TITLE I—MILITARY ASSISTANCE AND SALES AND RELATED PROGRAMS

[SEC. 101. FOREIGN MILITARY SALES CREDITS.

[(a) * * *

[(b) * * *

[(c) FMS FINANCING FOR ISRAEL.—(1) Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than $1,800,000,000 for fiscal year 1986 and not less than $1,800,000,000 for fiscal year 1987 shall be available only for Israel.

[(2) Israel shall be released from its contractual liability to repay the United States Government with respect to the credits provided pursuant to paragraph (1).

[(3) If the Government of Israel requests that funds be used for such purposes—

[(A) up to $150,000,000 of the amount of credits made available for Israel pursuant to paragraph (1) for each of the fiscal years 1986 and 1987 shall be available for research and development in the United States for the Lavi program, and

[(B) not less than $250,000,000 of the amount of credits made available for Israel pursuant to paragraph (1) for each of the fiscal years 1986 and 1987 shall be available for the procurement in Israel of defense articles and defense services (including research and development) for the Lavi program.

[(d) FMS FINANCING FOR EGYPT.—(1) Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than $1,300,000,000 for fiscal year 1986 and not less than $1,300,000,000 for fiscal year 1987 shall be available only for Egypt.

[(2) Egypt shall be released from its contractual liability to repay the United States Government with respect to the credits extended pursuant to paragraph (1).

[(e) FMS FINANCING FOR GREECE.—(1) Of the total amount of credits extended under section 23 of the Arms Export Control Act, $500,000,000 for each of the fiscal years 1986 and 1987 shall be available only for Greece.

[(2) For each of the fiscal years 1986 and 1987, of the total amount of credits extended for Greece under section 23 of the Arms Export Control Act, Greece shall receive the same proportion of credits extended at concessional rates of interest as the proportion of credits extended at concessional rates of interest which Turkey receives out of the total amount of credits extended for Turkey under that section, and the average annual rate of interest on the credits extended for Greece at concessional rates of interest shall be comparable to the average annual rate of interest on the credits extended for Turkey at concessional rates of interest. Credits extended for Greece for each of the fiscal years 1986 and 1987 at concessional rates of interest shall not be counted toward any ceiling established by law on concessional financing under the Arms Export Control Act.

[(f) FMS FINANCING AND MAP FOR TURKEY.—For each of the fiscal years 1986 and 1987, the aggregate total of financing under the Arms Export Control Act and assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 provided for Turkey may not exceed $714,280,000. Of this amount, up to $215,000,000 may be used for assistance under chapter 2 of part II of the Foreign Assistance Act of 1961, with the understanding that the United States

Government is acting with urgency and determination to oppose any actions aimed at effecting a permanent bifurcation of Cyprus.]

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[SEC. 106. GUARANTY RESERVE FUND.

[(a) REPORT ON REPLENISHMENT.—For the purpose of providing recommendations for improving the security interests of the United States and the friends and allies of the United States, the President shall prepare and transmit to the Congress within 90 days after the date of enactment of this Act a report which sets forth the history of United States foreign military sales financing under the Foreign Assistance Act of 1961 and the Arms Export Control Act. Such report shall include recommendations on replenishing the Guaranty Reserve Fund under section 24 of the Arms Export Control Act and recommendations on other matters agreed to in consultation with the chairman and ranking minority member of the Committee on Foreign Relations of the Senate and of the Committee on Foreign Affairs of the House of Representatives.]

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[SEC. 129. CONVENTIONAL ARMS TRANSFERS.

[(a) NEGOTIATIONS.—At the earliest possible date, the President should, in consultation with United States allies, initiate discussions with the Soviet Union and France aimed at beginning multilateral negotiations to limit and control the transfer of conventional arms to less developed countries.

[(b) REPORT.—Within one year after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report which specifies steps being taken to fulfill the requirements of subsection (a) and which examines and analyzes United States policies concerning the export of conventional arms, especially sophisticated weapons, and possible approaches to developing multilateral limitations on conventional arms sales. This report shall examine and analyze—

[(1) the lessons of earlier efforts to negotiate restraints on the export of conventional arms;

[(2) the evolution of supplier practices and policies;

[(3) the evolution of recipient country attitudes regarding conventional arms transfers;

[(4) the effect upon regional stability and security of conventional arms transfer by the United States and its allies and the Soviet Union and its allies;

[(5) the relationship between arms imports and the external debt of recipient countries, the allocation of their internal resources, and their economic well-being;

[(6) the relationship between arms exports by Western European countries and the needs of those countries to support their domestic military procurement programs;

[(7) the prospects for engaging the Soviet Union in serious discussions concerning arms transfers, both globally and as they relate to regional security problems;

[(8) possible measures by the United States and Western European suppliers to control levels of sophisticated weapons sales, both regionally and globally; and

[(9) the timing and phasing of international conventional arms control negotiations.

[SEC. 130. FOREIGN MILITARY SALES FOR JORDAN.

[(a) MIDDLE EAST PEACE.—The foreign military sales financing authorized by this Act for Jordan is provided and increased in the recognition of progress Jordan has made in the search for a just and lasting peace in the Middle East, to encourage further progress, in recognition of the continuing defense needs of Jordan, and in the expectation that Jordan will enter into direct negotiations with Israel based on United Nations Security Council Resolutions 242 and 338 in order to resolve the state of war between those two countries.

[(b) SENSE OF CONGRESS.—It is the sense of the Congress that no foreign military sales financing authorized by this Act may be used to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new advanced military weapons systems, and no notification may be made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons systems, unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

[(c) CERTIFICATION.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons, shall be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.]

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[TITLE II—ECONOMIC SUPPORT FUND]

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[SEC. 202. ASSISTANCE FOR THE MIDDLE EAST.

[(a) ISRAEL.—(1) Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $1,200,000,000 for fiscal year 1986 and not less than $1,200,000,000 for fiscal year 1987 shall be available only for Israel.

[(2) The total amounts of funds allocated for Israel under that chapter for fiscal year 1986 and fiscal year 1987 shall be made available as a cash transfer on a grant basis. Such transfer shall be made on an expedited basis in the first 30 days of the respective fiscal year. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfer made to Israel

does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

[(b) EGYPT.—(1) Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $815,000,000 for fiscal year 1986 and not less than $815,000,000 for fiscal year 1987 shall be available only for Egypt.

[(2) All of the funds made available to Egypt under that chapter for the fiscal years 1986 and 1987 shall be provided on a grant basis.

[(3) Up to $115,000,000 of the amounts provided for Egypt for each of the fiscal years 1986 and 1987 pursuant to paragraph (1) may be provided as a cash transfer with the understanding that Egypt will undertake economic reforms or development activities which are additional to those which would be undertaken in the absence of the cash transfer.

[(c) COOPERATIVE SCIENTIFIC AND TECHNOLOGICAL PROJECTS.—It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should finance, and where appropriate participate in, cooperative projects of a scientific and technological nature involving Israel and Egypt and other Middle East countries wishing to participate. These cooperative projects should include projects in the fields of agriculture, health, energy, the environment, education, water resources, and the social sciences.

[SEC. 203. ASSISTANCE FOR CYPRUS.

[(a) EARMARKS.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $15,000,000 for fiscal year 1986 and not less than $15,000,000 for fiscal year 1987 shall be available only for Cyprus.

[(b) CYPRUS PEACE AND RECONSTRUCTION FUND.—It is the sense of the Congress that, at the appropriate time, $250,000,000 should be authorized to be appropriated to provide assistance for Cyprus under chapter 4 of part II of the Foreign Assistance Act of 1961 if the President certifies to the Congress that an agreement has been concluded by the Greek and Turkish Cypriots which is supported by Greece and Turkey and which achieves substantial progress toward settlement of the Cyprus dispute. Such an agreement should include an agreement on Varosha/Famagusta, foreign troop levels in the Republic of Cyprus, the disposition of the international airport on Cyprus, or other significant steps which are evidence of substantial progress toward an overall settlement of the Cyprus dispute.

[SEC. 204. ASSISTANCE FOR PORTUGAL.

[Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $80,000,000 for fiscal year 1986 and $80,000,000 for fiscal year 1987 shall be available only for Portugal.

[SEC. 205. ACQUISITION OF AGRICULTURAL COMMODITIES UNDER COMMODITY IMPORT PROGRAMS.

[The President shall use not less than 18 percent of the funds which are authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for each of the fiscal

years 1986 and 1987, and which are made available for commodity import programs, for the purchase of agricultural commodities of United States-origin.

[SEC. 206. TIED AID CREDIT PROGRAM.

[Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated for Commodity Import Programs—

[(1) not less than $50,000,000 for fiscal year 1986, and

[(2) an aggregate of not less than $100,000,000 for both fiscal years 1986 and 1987,

[shall be deposited in the fund authorized by subsection (c)(2) of section 645 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635r) and shall be used by the Agency for International Development in carrying out the program of tied aid credits for United States exports which is provided for in that section. Funds that have not been obligated pursuant to the tied aid credit program by the end of the third quarter of the fiscal year for which they were appropriated may be used for other purposes under chapter 4 of part II of the Foreign Assistance Act of 1961 if the Administrator of the Agency for International Development certifies to the Congress that (A) no trade credit application acceptable and timely under the Trade and Development Enhancement Act of 1983 is pending, or (B) those funds are not needed for that program because other countries are not engaging in predatory financing practices in order to compete with United States exports.

[SEC. 207. RESTRICTION ON USE OF FUNDS FOR NUCLEAR FACILITIES.

[Funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 or fiscal year 1987 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the International Atomic Energy Agency, and pursues nonproliferation policies consistent with those of the United States.

[SEC. 208. FISCAL YEAR 1985 SUPPLEMENTAL AUTHORIZATION.

[(a) AUTHORIZATION.—In addition to the amount appropriated for such purpose by Public Law 98–473, there are authorized to be appropriated $2,008,000,000 for fiscal year 1985 to carry out the purposes of chapter 4 of part II of the Foreign Assistance Act of 1961. Of this amount, $1,500,000,000 shall be available only for Israel, $500,000,000 shall be available only for Egypt, and $8,000,000 shall be available only for the Middle East Regional Program. Amounts appropriated pursuant to this section are authorized to remain available until September 30, 1986.

[(b) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act.

[TITLE III—DEVELOPMENT ASSISTANCE]

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[SEC. 305. PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION.

[(a) * * *

[(b) ANNUAL REPORTS.—Each annual report required by section 634 of the Foreign Assistance Act of 1961 shall describe the progress achieved during the preceding fiscal year in carrying out section 104(c)(3) of such Act.]

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[SEC. 311. USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS, COOPERATIVES, AND THE PRIVATE SECTOR.

[(a) STUDY.—The Administrator of the Agency for International Development shall undertake a comprehensive study of additional ways to provide development assistance through nongovernmental organizations, including United States and indigenous private and voluntary organizations, cooperatives, the business community, and other private entities. Such study shall include—

[(1) an analysis of the percentage of development assistance allocated to governmental and nongovernmental programs;

[(2) an analysis of structural impediments, within both the United States and foreign governments, to additional use of nongovernmental programs; and

[(3) an analysis of the comparative economic benefits of governmental and nongovernmental programs.

[(b) REPORT.—The Administrator shall report the results of this study to the Congress no later than September 30, 1986.]

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[SEC. 315. MINORITY SET-ASIDE.

[Except to the extent that the Administrator of the Agency for International Development determines otherwise, not less than 10 percent of the aggregate of the funds made available for each of the fiscal years 1986 and 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be made available only for activities of economically and socially disadvantaged enterprises (within the meaning of section 133(c)(5) of the International Development and Food Assistance Act of 1977), historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically and socially disadvantaged (within the meaning of section 133(c)(5) (B) and (C) of the International Development and Food Assistance Act of 1977). For purposes of this section, economically and socially disadvantaged individuals shall be deemed to include women.

[TITLE IV—OTHER FOREIGN ASSISTANCE PROGRAMS]

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[SEC. 402. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS.

[(a) * * *

[(b) FISCAL YEAR 1985 CONTRIBUTION TO UNITED NATIONS ENVIRONMENT PROGRAM.—Notwithstanding section 614 of the Foreign Assistance Act of 1961 or any other provision of law, $10,000,000 of the funds appropriated for the fiscal year 1985 to carry out chapter 3 of part I of such Act shall be available only for the United

Nations Environment Program. This subsection shall take effect on the date of enactment of this Act.]

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TITLE V—INTERNATIONAL TERRORISM AND FOREIGN AIRPORT SECURITY

[PART A—INTERNATIONAL TERRORISM GENERALLY]

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[SEC. 502. COORDINATION OF ALL UNITED STATES TERRORISM-RELATED ASSISTANCE TO FOREIGN COUNTRIES.

[(a) COORDINATION.—The Secretary of State shall be responsible for coordinating all assistance related to international terrorism which is provided by the United States Government.

[(b) REPORTS.—Not later than February 1 each year, the Secretary of State, in consultation with appropriate United States Government agencies, shall report to the appropriate committees of the Congress on the assistance related to international terrorism which was provided by the United States Government during the preceding fiscal year. Such reports may be provided on a classified basis to the extent necessary, and shall specify the amount and nature of the assistance provided.

[(c) RULE OF CONSTRUCTION.—Nothing contained in this section shall be construed to limit or impair the authority or responsibility of any other Federal agency with respect to law enforcement, domestic security operations, or intelligence activities as defined in Executive Order 12333.

[SEC. 503. PROHIBITION ON ASSISTANCE TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.]

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[SEC. 506. INTERNATIONAL ANTI-TERRORISM COMMITTEE.

[The Congress calls upon the President to seek the establishment of an international committee, to be known as the International Anti-Terrorism Committee, consisting of representatives of the member countries of the North Atlantic Treaty Organization, Japan, and such other countries as may be invited and may choose to participate. The purpose of the Committee should be to focus the attention and secure the cooperation of the governments and the public of the participating countries and of other countries on the problems and responses to international terrorism, by serving as a forum at both the political and law enforcement levels.

[SEC. 507. INTERNATIONAL TERRORISM CONTROL TREATY.

[It is the sense of the Congress that the President should establish a process by which democratic and open societies of the world, which are those most plagued by terrorism, negotiate a viable treaty to effectively prevent and respond to terrorist attacks. Such a treaty should incorporate an operative definition of terrorism, and should establish effective close intelligence-sharing, joint counterterrorist training, and uniform laws on asylum, extradition, and swift punishment for perpetrators of terrorism. Parties to such a treaty should include, but not be limited to, those democratic nations who are most victimized by terrorism.

[SEC. 508. STATE TERRORISM.

[It is sense of the Congress that all civilized nations should firmly condemn the increasing use of terrorism by certain states as an official instrument for promoting their policy goals, as evidenced by such examples as the brutal assassination of Major Arthur D. Nicholson, Junior, by a member of the Soviet armed forces.]

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[SEC. 558. HIJACKING OF TWA FLIGHT 847 AND OTHER ACTS OF TERRORISM.

[The Congress joins with all Americans in celebrating the release of the hostages taken from Trans World Airlines flight 847. It is the sense of the Congress that—

[(1) purser Uli Derickson, pilot John Testrake, co-pilot Philip Maresca, flight engineer Benjamin Zimmermann, and the rest of the crew of Trans World Airlines flight 847 displayed extraordinary valor and heroism during the hostages' ordeal and therefore should be commended;

[(2) the hijackers who murdered United States Navy Petty Officer Stethem should be immediately brought to justice;

[(3) all diplomatic means should continue to be employed to obtain the release of the 7 United States citizens previously kidnapped and still held in Lebanon;

[(4) acts of international terrorism should be universally condemned; and

[(5) the Secretary of State should be supported in his efforts to gain international cooperation to prevent future acts of terrorism.

[SEC. 559. EFFECTIVE DATE.

[This part shall take effect on the date of enactment of this Act.

[TITLE VI—INTERNATIONAL NARCOTICS CONTROL]

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[SEC. 607. PROCUREMENT OF WEAPONS TO DEFEND AIRCRAFT INVOLVED IN NARCOTICS CONTROL EFFORTS.

[Of the funds available to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), $1,000,000 for each of the fiscal years 1986 and 1987 shall be made available to arm, for defensive purposes, aircraft used in narcotic control eradication or interdiction efforts. The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate shall be notified of the use of any such funds for that purpose at least 15 days in advance in accordance with the reprogramming procedures applicable under section 634A of the Foreign Assistance Act of 1961.]

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[SEC. 610. ASSISTANCE FOR JAMAICA.

[In allocating assistance for Jamaica for fiscal year 1986 under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), the President shall give major consideration to whether the Government of Jamaica has prepared, presented, and committed itself to a comprehensive plan or strategy for the control and reduction of illicit cultivation, production,

processing, transportation, and distribution of marijuana within a specifically stated period of time.

[SEC. 611. ASSISTANCE FOR BOLIVIA.

[Assistance may be provided to Bolivia for fiscal years 1986 and 1987 under chapter 2 (relating to grant military assistance), chapter 4 (relating to the economic support fund), and chapter 5 (relating to international military education and training) of part II of the Foreign Assistance Act of 1961, and under chapter 2 of the Arms Export Control Act (relating to foreign military sales financing), only under the following conditions:

[(1) For fiscal year 1986—

[(A) up to 50 percent of the aggregate amount of such assistance allocated for Bolivia may be provided at any time after the President certifies to the Congress that the Government of Bolivia has enacted legislation that will establish its legal coca requirements, provide for the licensing of the number of hectares necessary to produce the legal requirement, and make unlicensed coca production illegal; and

[(B) the remaining amount of such assistance may be provided at any time following a certification pursuant to subparagraph (A) if the President certifies to the Congress that the Government of Bolivia has achieved the eradication targets for the calendar year 1985 contained in its 1983 narcotics agreements with the United States.

[(2) For fiscal year 1987, such assistance may not be provided unless the President certifies to the Congress that the Government of Bolivia has developed a plan to eliminate illicit narcotics production countrywide and is prepared to enter into an agreement with the United States to implement that plan. If that certification is made, then—

[(A) up to 50 percent of the aggregate amount of such assistance allocated for Bolivia may be provided at any time after the President certifies to the Congress that Bolivia has engaged in narcotics interdiction operations which have significantly disrupted the illicit coca industry in Bolivia or has cooperated with the United States in such operations; and

[(B) the remaining amount of such assistance may be provided at any time after the President certifies to the Congress that Bolivia has either met in calendar year 1986 the eradication targets for the calendar year 1985 contained in its 1983 narcotics agreements with the United States or has entered into an agreement of cooperation with the United States for implementing that plan for 1987 and beyond (including numerical eradication targets) and is making substantial progress toward the plan's objectives, including substantial eradication of illicit coca crops and effective use of United States assistance.

[In the certification required by subparagraph (B), the President shall explain why the terms of the 1983 agreement provided unattainable and the reasons why a new agreement was necessary.

[SEC. 612. ASSISTANCE TO PERU.

[(a) CONDITIONS ON ASSISTANCE.—United States assistance (as defined by section 481(i)(4) of the Foreign Assistance Act of 1961) may be provided for Peru—

[(1) for fiscal year 1986, only if the President reports to the Congress that the Government of Peru has demonstrated substantial progress in developing a plan that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirement, and eliminate illicit and unlicensed coca production; and

[(2) for fiscal year 1987, only if the President reports to the Congress that the Government of Peru has developed such a plan and is implementing it.

[(b) UPPER HUALLAGA VALLEY PROJECT.—Funds authorized to be appropriated for fiscal year 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) may be made available for the project of the Agency for International Development in the Upper Huallaga Valley of Peru only if the Administrator of that Agency, after consultation with the Congress, determines that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley. The assistance for Peru described in this subsection may be provided only if the report required by subsection (a)(2) has been submitted to the Congress.

[SEC. 613. REALLOCATION OF FUNDS IF CONDITIONS NOT MET.

[If any of the assistance described in section 611 is not provided for Bolivia because the conditions specified in that section are not met, or if any of the assistance described in section 612(a) is not provided for Peru because the conditions specified in that section are not met, the President shall reprogram such assistance in order to provide additional assistance to countries which have taken significant steps to halt illicit drug production or trafficking.]

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[SEC. 615. LATIN AMERICAN REGIONAL NARCOTICS CONTROL ORGANIZATION.

[(a) FEASIBILITY STUDY.—The Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall conduct a study of the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information-sharing and a regional enforcement unit.

[(b) REPORT.—No later than six months after the date of enactment of this Act, a report on the advisability of encouraging the establishment of such an organization shall be submitted to the Committee on Foreign Affairs and the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations and the Committee on the Judiciary of the Senate.

[SEC. 616. GREATER EFFORT BY UNITED STATES ARMED FORCES TO SUPPORT NARCOTICS CONTROL EFFORTS ABROAD.

[No later than 60 days after the date of enactment of this Act, the President shall report to the Congress on why the United

States Armed Forces should not exert greater effort in facilitating and supporting interception of narcotics traffickers, and in gathering narcotics-related intelligence, outside the United States.

[SEC. 617. CUBAN DRUG TRAFFICKING.

[(a) FINDINGS.—The Congress finds that—

[(1) the subject of the flow, use, and control of narcotic and psychotropic substances is a matter of great international importance;

[(2) the problem of drug abuse and drug trafficking continues to worsen throughout most parts of the world;

[(3) the concerns of the governments of many countries have become manifest in several bilateral and multilateral narcotics control projects;

[(4) United Nations agencies monitor and apply controls on the flow and use of drugs and coordinate multilateral efforts to control production, trafficking, and abuse of drugs;

[(5) the United Nations Fund for Drug Abuse Control funds narcotics projects throughout the world and has been a vehicle since 1971 for multilateral implementation of narcotics control and reduction programs;

[(6) the International Narcotics Control Board is charged with monitoring compliance with the Single Convention on Narcotic Drugs, 1961, and the Convention on Psychotropic Substances, and Cuba is a party to both Conventions;

[(7) the United Nations Commission on Narcotic Drugs is responsible for formulating policies, coordinating activities, supervising the implementation of international conventions, and making recommendations to governments for international drug control;

[(8) the promotion of drug abuse and participation in drug trafficking is universally considered egregious criminal behavior wherever it occurs, whether it occurs locally, nationally, or internationally;

[(9) a Federal grand jury of the United States has indicted four prominent Cuban officials on charges of conspiring to smuggle drugs into the United States;

[(10) United States Government officials have testified at several congressional hearings that the Government of Cuba is facilitating the flow of illicit drugs into the United States in order to obtain hard currency, support guerrilla/terrorist activities, and undermine United States society; and

[(11) such alleged conduct on the part of the Government of Cuba would be injurious to the world community and counter to the general principle of international law that no country has the right to use or permit the use of its territory in such a manner as to injure another country or persons therein.

[(b) RECOMMENDED ACTIONS.—It is the sense of the Congress that the President should—

[(1) acting through the Permanent Representative of the United States to the United Nations, take such steps as may be necessary to place the question of the involvement by the Government of Cuba in illicit drug trafficking on the agenda of the United Nations;

[(2) acting through the Representative of the United States to the Organization of American States, request the Organization of American States to consider this question as soon as possible; and

[(3) request other appropriate international organizations and international forums to consider this question.

[(c) REPORT.—The President shall report to the Congress on the actions taken pursuant to this section.]

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[SEC. 619. DRUG TRAFFICKING AND THE PROBLEM OF TOTAL CONFIDENTIALITY OF CERTAIN FOREIGN BANK ACCOUNTS.

[(a) FINDINGS.—The Congress finds that—

[(1) several banks in Latin America and the Caribbean are used by narcotics traffickers as depositories for money obtained in providing illicit drugs to the United States and other countries of the region;

[(2) offshore banks which provide total confidentiality provide a service which materially assists the operations of illicit drug traffickers; and

[(3) cooperation in gaining access to the bank accounts of such narcotics traffickers would materially assist United States authorities in controlling the activities of such traffickers.

[(b) POLICY.—The Congress—

[(1) requests the President to negotiate treaties or appropriate international agreements with all countries providing confidential banking services (giving high priority to countries in the Caribbean region) to provide disclosure to the United States Government of information contained in official records, and in records of bank accounts, concerning persons under investigation for violations of United States law, in particular those regarding international drug trafficking;

[(2) directs the President to include reports on the results of such efforts in the annual International Narcotics Control Strategy Report; and

[(3) reaffirms its intention to obtain maximum cooperation on the part of all governments for the purpose of halting international drug trafficking, and constantly to evaluate the cooperation of those governments receiving assistance from the United States.

[TITLE VII—WESTERN HEMISPHERE]

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[SEC. 702. EL SALVADOR.

[(a) SUPPORT FOR EL SALVADOR.—(1) The Congress finds that—

[(A) a free and democratic El Salvador is in the security interest of the United States;

[(B) Jose Napoleon Duarte was elected President of El Salvador in 1984 in the most democratic election held in El Salvador in many years;

[(C) political violence in El Salvador has declined dramatically under President Duarte's leadership;

[(D) President Duarte's policies of respect for human rights, political pluralism, dialogue and reconciliation with the Salva-

doran guerrilla force, legal and social reform and effective defense against the violent overthrow of the Salvadoran government are deserving of praise from all who believe in a democratic form of government;

[(E) the March 31, 1985, legislation and municipal elections were successfully carried out, with 64 percent of the electorate defying guerrilla attacks to vote;

[(F) the victory of President Duarte's Christian Democratic Party reaffirms the support for these policies by his fellow citizens, the essential test of any government or movement;

[(G) in spite of the state of siege technically in effect due to the insurgent threat, observance of free speech, free press, and free assembly are widely enjoyed in El Salvador and permit public airing of opposing political views;

[(H) President Duarte is firmly committed to judicial reform and prosecution of cases involving "death squads";

[(I) President Duarte's leadership and popular support has notably weakened the popular support given the guerrillas, as evidenced by the high levels of voter participation in the free elections held in El Salvador since 1982, the reduction in territory in which the guerrillas can freely operate, their inability to mount frontal military attacks, and their resort to economic sabotage, ambushes, political assassination, and urban terrorism with blatant disregard for basic human rights; and

[(J) President Duarte has succeeded in reversing the decline in his country's economy which, though still weak, has better prospects than in recent years.

[(2) Therefore, it is the sense of the Congress that—

[(A) President Duarte is to be congratulated for his outstanding leadership under difficult circumstances and for his efforts to foster democratic government and institutions in his country, and he is encouraged to continue his efforts to promote political pluralism, democratic institutions, and respect for human rights in his country; and

[(B) the armed services of El Salvador are to be congratulated for their improved performance and professionalism in defending Salvadoran citizens and their democratically elected government from attack by armed insurgents, and especially for their role in helping to protect and uphold the electoral process.

[(3) The Congress reaffirms the importance of continued support for democratic principles and institutions and respect for human rights by the various sectors of Salvadoran society, which is a major factor in United States support for El Salvador.

[(b) OBJECTIVES.—The Congress expects that—

[(1) the Government of El Salvador will be willing to pursue a dialogue with the armed opposition forces and their political representatives for the purposes of achieving an equitable political settlement of the conflict, including free and fair elections;

[(2) the elected civilian government will be in control of the Salvadoran military and security forces, and those forces will comply with applicable rules of international law and with Presidential directives pertaining to the protection of civilians

during combat operations, including Presidential directive C111–03–984 (relating to aerial fire support);

[(3) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in ending the activities of the death squads;

[(4) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in establishing an effective judicial system; and

[(5) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in implementing the land reform program.

[(c) REPORTS.—On October 1, 1985, April 1, 1986, October 1, 1986, and April 1, 1987, the President shall report to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate on the extent to which the objectives described in subsection (b) are being met. With respect to the objective described in paragraph (4) of that subsection, each report shall discuss whether the commission proposed by the President of El Salvador to investigate human rights cases has been established, funded, and given sufficient investigative powers; whether the evidence that commission collects may be used in the Salvadoran judicial process; whether that commission has issued a comprehensive report with regard to its investigation of all Americans murdered in El Salvador; and whether those responsible for the Las Hojas massacre are being prosecuted.

[(d) AIRCRAFT FOR AERIAL WARFARE.—(1) The authorities of part II of the Foreign Assistance Act of 1961 and the Arms Export Control Act may not be used to make available to El Salvador any helicopters or other aircraft, and licenses may not be issued under section 38 of the Arms Export Control Act for the export to El Salvador of any such aircraft, unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

[(2) Paragraph (1) shall take effect on the date of enactment of this Act and shall remain in effect until October 1, 1987.

[(e) SPECIAL ACCOUNT FOR LOCAL CURRENCIES.—(1) All local currencies, which are generated with the funds provided to El Salvador for balance-of-payments support for fiscal years 1986 and 1987 under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), shall be deposited in accordance with section 609 of that Act in a special account established by the Government of El Salvador.

[(2) Local currencies deposited pursuant to paragraph (1) shall be used for projects assisting agrarian reform and the agricultural sector (and particular emphasis shall be placed on projects for these purposes); judicial reform, employment generation; health, education, and other social services; infrastructure repair; and credits and other support for the private sector (principally for small and medium sized businesses).

[(3) For purposes of subsection—

[(A) the term "agrarian reform" means projects assisting or enhancing the abilities of agencies, cooperatives, and farms to

implement land reform decrees in El Salvador, notwithstanding section 620(g) of the Foreign Assistance Act of 1961; and

[(B) the term "judicial reform" means projects assisting or enhancing the abilities of agencies of the Salvadoran Government to investigate and prosecute politically motivated violence.

[(f) DEVELOPMENT ASSISTANCE.—Of the amounts available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, $79,600,000 for fiscal year 1986 and $79,600,000 for fiscal year 1987 shall be available only for El Salvador.

[(g) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance authorized by this Act which is allocated for El Salvador shall be suspended if the elected President of that country is deposed by military coup or decree.

[SEC. 703. ASSISTANCE FOR GUATEMALA.

[(a) CONDITIONS ON MILITARY ASSISTANCE AND SALES.—For fiscal years 1986 and 1987, assistance may be provided for Guatemala under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) and sales may be made and financing may be provided for Guatemala under the Arms Export Control Act (relating to foreign military sales) only if the President makes the following certifications to the Congress:

[(1) For fiscal year 1986, an elected civilian government is in power in Guatemala and has submitted a formal written request to the United States for the assistance, sales, or financing to be provided.

[(2) For both fiscal years 1986 and 1987, the Government of Guatemala made demonstrated progress during the preceding year—

[(A) in achieving control over its military and security forces,

[(B) toward eliminating kidnapings and disappearances, forced recruitment into the civil defense patrols, and other abuses by such forces of internationally recognized human rights, and

[(C) in respecting the internationally recognized human rights of its indigenous Indian population.

[(b) CONSTRUCTION EQUIPMENT AND MOBILE MEDICAL FACILITIES AND RELATED TRAINING.—If the conditions specified in subsection (a) are met, Guatemala may be provided with the following for fiscal years 1986 and 1987 (in addition to such other assistance, sales, or financing as may be provided for Guatemala):

[(1) Sales of construction equipment and mobile medical facilities to assist in development programs that will directly assist the poor in Guatemala.

[(2) Sales of training, to be provided outside of Guatemala, which is related to the sales described in paragraph (1).

[(3) A total for both fiscal years 1986 and 1987 of no more than $10,000,000 in credits under the Arms Export Control Act for sales described in paragraphs (1) and (2).

[Such sales and credits shall be provided only to enable the military forces of Guatemala to obtain equipment and training for civil-

ian engineering and construction projects and mobile medical teams, which would not be used in the rural resettlement program.

[(c) PROHIBITION ON FURNISHING WEAPONS.—Funds authorized to be appropriated by title I of this Act may not be used for the procurement by Guatemala of any weapons or ammunition.

[(d) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance authorized by this Act which is allocated for Guatemala shall be suspended if the elected civilian government of that country is deposed by military coup or decree.

[(e) RURAL RESETTLEMENT PROGRAM.—Assistance provided for Guatemala for the fiscal year 1986 and fiscal year 1987 under chapter 1 of part I (relating to development assistance) or under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961—

[(1) may not be provided to the Government of Guatemala for use in its rural resettlement program; and

[(2) shall be provided through private and voluntary organizations to the maximum extent possible.

[(f) INVITATION FOR ICRC TO VISIT GUATEMALA.—The Congress calls upon the President to urge the Government of Guatemala to allow the International Committee of the Red Cross—

[(1) to conduct an unimpeded visit to Guatemala in order to investigate humanitarian needs in that country and to report on human rights abuses in that country; and

[(2) to investigate the possibilities of its providing humanitarian services in that country.

[(g) RELATIONS BETWEEN BELIZE AND GUATEMALA.—It is the sense of the Congress that the United States should use its good offices and influence to encourage the Government of Guatemala to recognize the independence of Belize and to enter into a mutual nonaggression treaty with Belize.

[(h) HUMAN RIGHTS GROUPS IN GUATEMALA.—(1) The Congress finds that—

[(A) the Group for Mutual Support was formed in 1984 to protest the disappearances of Guatemalan civilians;

[(B) the Group for Mutual Support has carried out its work in a peaceful, non-ideological manner, and is the only indigenous human rights group operating in Guatemala; and

[(C) two of the Group's six steering committee members, Hector Gomez and Maria Rosario Godyo de Cuevas, were recently killed.

[(2) It is the sense of the Congress that—

[(A) human rights groups in Guatemala, particularly the Group for Mutual Support, should be allowed to carry out their work against human rights abuses with the full cooperation, protection, and support of the Government of Guatemala; and

[(B) whether the Government of Guatemala allows human rights groups, including the Group for Mutual Support, to carry out their work should be taken into account by the United States in determining whether there is human rights progress in Guatemala.

[SEC. 704. REFUGEES IN HONDURAS.

[Funds authorized to be appropriated by this Act and funds authorized to be appropriated for the "Migration and Refugee Assistance" account for fiscal years 1986 and 1987—

[(1) which are to be used for refugee assistance or other assistance for Nicaraguan Indian refugees in Honduras shall be channeled, to the maximum extent possible, through the United Nations High Commissioner for Refugees, the International Committee of the Red Cross, the Intergovernmental Committee for Migration, or other established and recognized international refugee relief organizations; and

[(2) may not be used to facilitate the involuntary repatriation of Salvadoran refugees who are in Honduras.

[SEC. 705. PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI.

[(a) USE OF PVOS.—To the maximum extent practicable, assistance for Haiti under chapter 1 of part I (relating to development assistance) and under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

[(b) CONDITIONS ON ASSISTANCE.—Funds available for fiscal year 1986 and for fiscal year 1987 to carry out chapter 1 of part I (relating to development assistance), chapter 4 of part II (relating to the economic support fund), or chapter 5 of part II (relating to international military education and training) of the Foreign Assistance Act of 1961 may be obligated for Haiti only if the President determines that the Government of Haiti—

[(1) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti;

[(2) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years); and

[(3) is making progress toward improving the human rights situation in Haiti and progress toward implementing political reforms which are essential to the development of democracy in Haiti, such as progress toward the establishment of political parties, free elections, free labor unions, and freedom of the press.

[(c) * * * [Repealed—1998]

[(d) ASSISTANCE IN HALTING ILLEGAL EMIGRATION FROM HAITI.—Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961 (relating to police training), funds made available under such Act may be used for programs with Haiti, which shall be consistent with prevailing United States refugee policies, to assist in halting significant illegal emigration from Haiti to the United States.

[(e) LIMITATION ON MAP AND FMS FINANCING.—Assistance may not be provided for Haiti for fiscal year 1986 or fiscal year 1987 under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) or under the Arms Export Control Act (relating to foreign military sales financing), except for necessary transportation, maintenance, communications, and related

articles and services to enable the continuation of migrant and narcotics interdiction operations.

[(f) LITERACY AND OTHER EDUCATION PROGRAMS.—Of the amounts authorized to be appropriated to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) which are allocated for Haiti, $1,000,000 for fiscal year 1986 and $1,000,000 for fiscal year 1987 shall be available only for literacy and other education programs in Haiti.

[SEC. 706. MILITARY ASSISTANCE FOR PARAGUAY.

[For the fiscal years 1986 and 1987, none of the funds authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) or to carry out the Arms Export Control Act (relating to foreign military sales financing) may be used for assistance for Paraguay unless the President certifies to the Congress that the Government of Paraguay has ended the practice of torture and abuse of individuals held in detention by its military and security forces and has instituted procedures to ensure that those arrested promptly charged and brought to trial.

[SEC. 707. ASSISTANCE FOR PERU.

[(a) HUMAN RIGHTS TRAINING IN IMET PROGRAMS.—Respect for internationally recognized human rights shall be an important component of the training provided for Peru under chapter 5 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 and for fiscal year 1987.

[(b) STRENGTHENING THE PERUVIAN JUDICIAL SYSTEM.—Of the amount authorized to be appropriated by this Act to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), $1,000,000 for fiscal year 1986 and $1,000,000 for fiscal year 1987 shall be used to strengthen the judicial system in Peru under section 534 of the Foreign Assistance Act of 1961 (relating to administration of justice).]

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[SEC. 709. COMPREHENSIVE REPORTS ON ASSISTANCE FOR LATIN AMERICA AND THE CARIBBEAN.

[(a) REQUIREMENT FOR COMPREHENSIVE ACCOUNTING OF ASSISTANCE.—In the annual reports required by section 634 of the Foreign Assistance Act of 1961, the President shall provide to the Congress a full, complete, and detailed accounting of all assistance provided during the fiscal years 1986 and 1987 for Latin America and the Caribbean under the Foreign Assistance Act of 1961 and the Arms Export Control Act.

[(b) INFORMATION TO BE INCLUDED.—The report provided pursuant to subsection (a) shall include for each fiscal year, among other things, the following with respect to each authorization account:

[(1) The specific projects and other activities carried out in each country.

[(2) The number of persons from each country who were provided with training, and the types of training provided.

[(3) The defense articles and defense services provided for each country.

[(4) The types of goods and commodities provided to each country for economic stabilization purposes under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), and a copy of each agreement for the furnishing of any assistance under that chapter.

[(5) The amounts of local currency generated by United States assistance to each country, the uses of those currencies, and the total amount of those currencies still available for use as of the time of the report.

[(6) A report on any transfers or reprogrammings of funds, and a description of how transferred or reprogrammed funds modified the amounts requested for each account.

[(7) A report on the funds which have been obligated but remain unexpended for each country in each account.

[(8) An analysis of the amount of funds and programs provided through nongovernmental as contrasted to governmental channels.

[SEC. 710. USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS.

[To the maximum extent practicable, assistance under chapter 1 of part I (relating to development assistance) and chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 for countries in Latin America and the Caribbean should be provided through private and voluntary organizations which have a proven record of development assistance efforts overseas.]

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[SEC. 713. USE OF EMPLOYEE STOCK OWNERSHIP PLANS IN DEVELOPMENT EFFORTS.

[(a) FINDINGS.—The Congress declares that—

[(1) employee stock ownership plans in industrial, farming, banking, and other enterprises in Central America and the Caribbean can be an important component in achieving United States goals in Central America and the Caribbean; and

[(2) employee stock ownership plans should be used as an instrument in financing growth and transfers of equity in the region, in reorganizing state-owned enterprises into viable employee-owned businesses, in expanding political and economic pluralism, and in strengthening democratic institutions in the region.

[(b) PLAN FOR EXPANDED USE OF ESOPS.—The President is urged to develop a plan for the expanded use of employee stock ownership plans in development efforts of the United States in Central America and the Caribbean, with an emphasis on policy and infra-structural changes needed to encourage voluntary employee stock ownership initiatives by multinational corporations and other private sector enterprises which have investments, are considering making new investments, or are interested in management contracts and joint ventures in the region.

[(c) TASK FORCE.—To assist in this effort, there is established a Presidential Task Force on Project Economic Justice (hereafter in this section referred to as the "Task Force"), which shall consist of individuals appointed by the President who are distinguished leaders of the private sector of the United States, including significant

representation of union representatives of workers in successful companies with employee stock ownership plans and of nationally recognized experts in all phases of design, implementation, and operation of employee stock ownership plans. The President shall designate one of the members of the Task Force to serve as Chairman. The Chairman of the Task Force shall appoint a volunteer fundraising committee, and all the expenses of the Task Force shall be paid without the use of public funds.

[(d) REPORT.—Not later than December 31, 1985, the Task Force shall prepare and transmit to the President and the Congress a report on the expanded use of employee stock ownership plans in the development efforts of the United States in Central America and the Caribbean, including specific recommendations on strategies for using employee stock ownership plans as a means of accelerating the rate of private sector capital formation in Central America and the Caribbean that is systematically linked to expanding ownership and profit-sharing opportunities for all employees.

[SEC. 714. INTERNATIONAL ADVISORY COMMISSION FOR THE CARIBBEAN REGION.

[(a) FINDINGS.—The Congress finds that—

[(1) many of the social, agricultural, educational, and economic problems which confront nations in the Caribbean Region result primarily from social and economic injustice and inadequate economic and agricultural development;

[(2) such problems are not addressed sufficiently by current United States policies toward that region;

[(3) the development of the Caribbean Region is of vital importance to the economic and strategic interests of the United States and its allies; and

[(4) for purposes of defining development plans, providing an international forum for Caribbean Region development issues, and providing expert advice to donor-aid countries, an international commission is needed as the prime institution for promoting economic cooperation and development in the Caribbean Region.

[(b) INVITATIONS TO PARTICIPATE IN COMMISSION.—

[(1) INVITATION TO CARIBBEAN COUNTRIES.—The President may invite the countries which comprise the Caribbean Region to participate with the United States in a commission to be known as the International Advisory Commission for the Caribbean Region (hereafter in this section referred to as the "Commission").

[(2) INVITATION TO CERTAIN OTHER COUNTRIES.—The President may also invite the Netherlands, the United Kingdom, France, Canada, the Commonwealth of Puerto Rico, and the Virgin Islands to participate in the Commission.

[(c) FUNCTIONS OF COMMISSION.—It is the sense of the Congress that the Commission should—

[(1) examine social, agricultural, educational, and economic issues which affect the Caribbean Region; and

[(2) consult with leaders of the countries in the Caribbean Region and with representatives from public and private organizations involved in matters related to the Caribbean Region in order to evaluate the problems and needs of such countries.

[(d) FUNDING FOR ORGANIZATIONAL MEETING OF COMMISSION.—Of the funds authorized to be appropriated to carry out section 106 of the Foreign Assistance Act of 1961 (relating to development assistance for energy, private and voluntary organizations, and selected development activities), up to a total of $100,000 for fiscal years 1986 and 1987 may be made available to—

[(1) pay reasonable administrative expenses associated with the organizational meeting of the Commission; and

[(2) pay reasonable travel and lodging expenses incurred by commissioners from other participant governments incident to their attendance at the organizational meeting of the Commission.

[(e) REQUEST TO CONGRESS RELATING TO UNITED STATES PARTICIPATION IN THE COMMISSION.—The President should provide cost estimates and request authorization from the Congress in order to provide for the participation of the United States in the Commission (other than United States participation associated with the organizational meeting).

[(f) APPOINTMENT OF UNITED STATES REPRESENTATIVE AND OBSERVERS.—Upon the creation of the Commission—

[(1) the President should consider appointing one individual as the United States representative to the Commission;

[(2) the Speaker of the House of Representatives should consider appointing two Members of the House, one from each major political party, as observers at the Commission; and

[(3) the majority leader of the Senate should consider appointing two Members of the Senate, one from each major political party, as observers at the Commission.

* * * * * * *

[SEC. 716. RURAL ELECTRIFICATION.

[It is the sense of the Congress that funds appropriated for the fiscal years 1986 and 1987 under section 103(a)(2) of the Foreign Assistance Act of 1961 (relating to development assistance for agriculture, rural development, and nutrition) should be used for a comprehensive rural electrification program in Central America in order to establish conditions of stability and a foundation for economic development.

[SEC. 717. FACILITATING INTERNATIONAL COMMERCE THROUGH MEXICO.

[(a) FINDING.—Recognizing that increased levels of balanced international trade are an essential component in an economic development program for the region and that the United States has traditionally been the most important trading partner for each of the nations of Latin America, it is the sense of the Congress that current procedures and laws of the Government of Mexico, and practices of its officials, constitute a significant impediment to the transit of vehicles carrying the commodities of international trade through Mexican territory.

[(b) NEGOTIATIONS AND COOPERATIVE STEPS CONCERNING TRANSIT.—As the Government of Mexico has played a valuable role in assisting and encouraging the economic and political development of the region, and in offering advice to the United States as to constructive policies this nation might pursue with respect to peace

and prosperity in the area, the Secretary of State, acting independently or with representatives of other Latin America nations, shall initiate negotiations with the Government of Mexico aimed at eliminating or reducing those impediments to international trade. The agenda for such negotiations should include discussions to encourage the Government of Mexico to accede to existing international custom conventions on international in-transit shipments. Such actions are to be taken in concert with the institution by the United States, and the nations of the region where the transiting shipments originate, of appropriate and cooperative steps to make sealed-truck, no-inspection transit administratively acceptable to the Government of Mexico and other transited countries. Similar bilateral or multilateral negotiations by the Secretary of State with nations respecting the same international customs conventions is also encouraged.

[(c) REPORT.—The Secretary of State shall report the status of these negotiations to Congress by January 1, 1986.

[SEC. 718. CONDEMNING HUMAN RIGHTS VIOLATIONS AND THE SUBVERSION OF OTHER GOVERNMENTS BY THE GOVERNMENT OF CUBA.

[(a) CONDEMNATION OF CERTAIN ACTION BY THE GOVERNMENT OF CUBA.—The Congress condemns—

[(1) the consistent pattern of gross violations of internationally recognized human rights by the Cuban Government, including—

[(A) cruel, inhumane, and degrading treatment and punishment of prisoners;

[(B) the suppression of free speech, press, and assembly; and

[(C) restrictions on religious activity and the freedom to emigrate; and

[(2) the provision by the Cuban government of material aid and personnel support for the purposes of subversion.

[(b) CALL UPON THE GOVERNMENT OF CUBA.—The Congress calls upon the Government of Cuba to restore civil liberties and cease in the violation of human rights of the Cuban people and cease the subversion of other governments through material and personnel support.

[SEC. 719. REPORTS ON FOREIGN DEBT IN LATIN AMERICA.

[(a) FINDINGS.—The Congress finds that—

[(1) the foreign debt of Latin American countries has soared from $27,000,000,000 in 1970 to over $350,000,000,000 in 1983;

[(2) the foreign debt of Latin American countries is a serious obstacle to their economic progress, threatens their stability, and endangers the democratic processes in those nations;

[(3) the economic and political futures of many of the Latin American countries hang in the balance and depend upon a successful resolution of the foreign debt crisis; and

[(4) the confidence of the American people in the United States system of banking is also involved in a successful resolution of the foreign debt crisis.

[(b) REPORT.—Not later than January 1, 1986, the Secretary of State shall prepare and transmit to the Congress a report on—

[(1) the magnitude of the foreign debt crisis in the Western Hemisphere;

[(2) the impact of the foreign debt crisis on the economies of the countries of Latin America;

[(3) the degree to which the national security interests of the United States are implicated in this crisis;

[(4) the steps being taken and the policy being pursued by the United States aimed at dealing with this crisis;

[(5) the degree to which the foreign debt crisis affects the system of banking in the United States; and

[(6) the steps being taken and the policy being pursued by the United States Government aimed at dealing with this crisis.

[SEC. 720. ECONOMIC ASSISTANCE FOR URUGUAY.

[Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), $15,000,000 for fiscal year 1986 and $15,000,000 for fiscal year 1987 shall be available only for Uruguay.

[SEC. 721. CANADIAN EXPORTS TO THE UNITED STATES.

[(a) CATTLE AND HOGS.—(1) The Congress finds that—

[(A) livestock prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of live cattle and hogs from Canada, which has increased by 1,000 percent in the last decade in the case of hogs alone;

[(B) American livestock producers are suffering from the same general economic crisis affecting all of agriculture, and many will face liquidation or foreclosure in the near future; and

[(C) the disparity between the United States and the Canadian dollar amounts to 32 to 34 percent and results in even further increases in Canadian hogs and cattle being imported into the United States.

[(2) Therefore, it is the sense of the Congress that the President should direct appropriate officials of the executive branch, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of cattle and hogs to the United States.

[(b) SOFTWOOD TIMBER.—(1) The Congress finds that—

[(A) softwood timber prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of processed softwood timber from Canada, which has increased from 18 percent of the United States market in the last two years to 35 to 40 percent today;

[(B) American timber producers are suffering from this economic crisis, and the difficulty in acquiring timber from the National Forest System; and

[(C) the disparity between the United States and the Canadian dollar amounts to 32 to 34 percent and results in even

further increases in processed softwood timber being imported into the United States.

[(2) Therefore, it is the sense of the Congress that the President should direct appropriate officials of the executive branch, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of softwood timber to the United States.

[SEC. 722. NICARAGUA.

[(a) SETTLEMENT OF THE CONFLICT.—The Congress—

[(1) strongly supports national reconciliation in Nicaragua and the creation of a framework for negotiating a peaceful settlement to the Nicaraguan conflict; and

[(2) finds that the United States should, in assisting efforts to reach comprehensive and verifiable final agreements based on the Contadora Document of Objectives, encourage the Government of Nicaragua to pursue a dialogue with the armed opposition forces and their political representatives for the purposes of achieving an equitable political settlement of the conflict, including free and fair elections.

[(b) UNITED STATES CONCERNS ABOUT NICARAGUAN FOREIGN AND DOMESTIC POLICIES.—The Congress finds and declares the following:

[(1) Despite positive actions by the Congress signaling support for negotiated solutions to conflicts in Central America, there are disturbing trends in Nicaragua's foreign and domestic policies, including—

[(A) President Daniel Ortega's April 1985 trip to the Soviet Union at a time when the Congress signaled its strong disapproval of increasing Nicaraguan-Soviet ties;

[(B) the Sandinista government's close military ties with Cuba, the Soviet Union, and its Warsaw Pact allies; the disappointing and insufficient reduction of the number of Cuban advisors in Nicaragua by only 100 out of an approximately 2,500; and the continuing military buildup that Nicaragua's neighbors consider threatening;

[(C) the Sandinista government's curtailment of individual liberties, political expression, freedom of worship, and the independence of the media;

[(D) the subordination of military, judicial, and internal security functions to the ruling political party; and

[(E) the Sandinista government's efforts to export its influence and ideology.

[(2) If Nicaragua does not address the concerns described in paragraph (1), the United States has several options to address this challenge to peace and stability in the region, including political, diplomatic, and trade sanctions. In addition, the United States—

[(A) should through appropriate regional organizations, such as the Organization of American States, seek to maintain multilateral pressure on Nicaragua to address these concerns; and

[(B) should, if called upon to do so, give serious consideration to supporting any sanctions adopted by such an organization.

[(3) In assessing whether or not progress is being made in addressing these concerns, the Congress will expect prompt and significant initiatives by the Government of Nicaragua such as—

[(A) the removal of foreign military advisors from Nicaragua;

[(B) the end to Sandinista support for insurgencies in other countries in the region, including the cessation of military supplies to the rebel forces fighting the democratically elected government in El Salvador;

[(C) restoration of individual liberties, political expression, freedom of worship, and the independence of the media; and

[(D) progress toward international reconciliation and a pluralistic democratic system, including steps to liberalize institutions in order to allow the internal opposition in Nicaragua to become a viable partner in the Nicaraguan political process.

[(c) RESOLUTION OF THE CONFLICT IN NICARAGUA.—

[(1) BASIS FOR POLICY.—The Congress finds that—

[(A) the people of Nicaragua are suffering the horrors of a fierce armed conflict that is causing grave hardships and loss of life, has thrown the country into a serious political, social, and economic upheaval, and is of serious concern to the nations of the region and to the United States;

[(B) this conflict is fundamentally a continuation of efforts of the Nicaraguan people to attain a representative government at peace with its neighbors, efforts which began under the Somoza regime; and

[(C) the United States recognized these noble aspirations of the Nicaraguan people in the June 23, 1979, resolution of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs of the Organization of American States, which reads as follows:

[“WHEREAS:

[“The people of Nicaragua are suffering the horrors of a fierce armed conflict that is causing grave hardships and loss of life, and has thrown the country into a serious political, social and economic upheaval;

[“The inhumane conduct of the dictatorial regime governing the country, as evidenced by the report of the Inter-American Commission on Human Rights, is the fundamental cause of the dramatic situation faced by the Nicaraguan people; and

[“The spirit of solidarity that guides Hemisphere relations places an unavoidable obligation on the American countries to exert every effort within their power, to put an end to the bloodshed and to avoid the prolongation of this conflict which is disrupting the peace of the Hemisphere;

[“THE SEVENTEENTH MEETING OF CONSULTATION OF MINISTERS OF FOREIGN AFFAIRS,

[“DECLARES:

[“That the solution of the serious problem is exclusively within the jurisdiction of the people of Nicaragua.

[“That in the view of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs this solution should be arrived at on the basis of the following:

[“1. Immediate and definitive replacement of the Somoza regime.

[“2. Installation in Nicaraguan territory of a democratic government, the composition of which should include the principal representative groups which oppose the Somoza regime and which reflects the free will of the people of Nicaragua.

[“3. Guarantee of the respect for human rights of all Nicaraguans without exception.

[“4. The holding of free elections as soon as possible, that will lead to the establishment of a truly democratic government that guarantees peace, freedom, and justice.

[“RESOLVES:

[“1. To urge the member states to take steps that are within their reach to facilitate an enduring and peaceful solution of the Nicaraguan problem on the bases set forth above, scrupulously respecting the principle of nonintervention and abstaining from any action that might be in conflict with the above bases or be incompatible with a peaceful and enduring solution to the problem.

[“2. To commit their efforts to promote humanitarian assistance to the people of Nicaragua and to contribute to the social and economic recovery of the country.

[“3. To keep the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs open while the present situation continues.”.

[(2) THE GOVERNMENT OF NICARAGUA.—The Congress further finds that—

[(A) the Government of National Reconstruction of Nicaragua formally accepted the June 23, 1979, resolution as a basis for resolving the Nicaraguan conflict in its “Plan to Achieve Peace” which was submitted to the Organization of American States on July 12, 1979;

[(B) the June 23 1979, resolution and its acceptance by the Government of National Reconstruction of Nicaragua was the formal basis for the removal of the Somoza regime and the installation of the Government of National Reconstruction;

[(C) the Government of National Reconstruction, now known as the Government of Nicaragua and controlled by the Frente Sandinista (the FSLN), has flagrantly violated the provisions of the June 23, 1979, resolution, the rights of the Nicaraguan people, and the security of the nations in the region, in that it—

[(i) no longer includes the democratic members of the Government of National Reconstruction in the political process;

[(ii) is not a government freely elected under conditions of freedom of the press, assembly, and organiza-

tion, and is not recognized as freely elected by its neighbors, Costa Rica, Honduras, and El Salvador;

[(iii) has taken significant steps towards establishing a totalitarian Communist dictatorship, including the formation of FSLN neighborhood watch committees and the enactment of laws that violate human rights and grant undue executive power;

[(iv) has committed atrocities against its citizens as documented in reports by the Inter-American Commission on Human Rights of the Organization of American States;

[(v) has aligned itself with the Soviet Union and Soviet allies, including the German Democratic Republic, Bulgaria, Libya, and the Palestine Liberation Organization;

[(vi) has committed and refuses to cease aggression in the form of armed subversion against its neighbors in violation of the Charter of the United Nations, the Charter of the Organization of American States, the Inter-American Treaty of Reciprocal Assistance, and the 1965 United Nations General Assembly Declaration on Intervention; and

[(vii) has built up an army beyond the needs of immediate self-defense, at the expense of the needs of the Nicaraguan people and about which the nations of the region have expressed deepest concern.

[(3) THE NICARAGUAN DEMOCRATIC OPPOSITION.—The Congress further finds that—

[(A) as a result of these violations, the Government of Nicaragua has lost the support of virtually all independent sectors of Nicaraguan society who initially supported the removal of the Somoza regime (including democratic political parties of the left, center, and right; the leadership of the Church; free unions; and the business, farmer, and professional sectors) and who still seek democracy, reject the rule of the Frente Sandinista, and seek the free elections promised in 1979;

[(B) the Nicaraguan political opposition has joined with the armed opposition groups in issuing the San Jose Manifesto of March 1, 1985, calling for a national dialogue under mediation by the Nicaraguan Bishops Conference to peacefully attain the fulfillment of the Government of Nicaragua's commitments to the Organization of American States, including "the democratization of Nicaragua, conscious that democracy is the only means to carry out an authentic revolution and secure our national identity and sovereignty";

[(C) on June 12, 1985, in San Salvador, El Salvador, the political and armed opposition groups representing the entire democratic political spectrum of Nicaragua formed the United Nicaraguan Opposition and affirmed their "historical commitment to achieve for Nicaragua the reconciliation of her children, to establish the foundation for de-

mocracy and the moral and material reconstruction of the nation"; and

[(D) the United Nicaraguan Opposition further declared its intention to "give priority at all times to a political solution which will ease the suffering of our people".

[(4) CONCERNS IN THE REGION AND UNITED STATES RESPONSIBILITIES.—The Congress further finds that—

[(A) Nicaragua's neighbors, Costa Rica, El Salvador, and Honduras, have expressed, individually and through the Contadora process, their belief that their peace and freedom is not safe so long as the Government of Nicaragua excludes from power most of Nicaragua's political leadership and is controlled by a small sectarian party, without regard to the will of the majority of Nicaraguans; and

[(B) the United States, given its role in the installation of the current Government of Nicaragua, has a special responsibility regarding the implementation of the commitments made by that Government in 1979, especially to those who fought against Somoza to bring democracy to Nicaragua with United States support.

[(5) RESOLUTION OF THE CONFLICT.—The Congress—

[(A) condemns the Government of Nicaragua for violating its solemn commitments to the Nicaraguan people, the United States, and the Organization of American States;

[(B) affirms that the Government of Nicaragua will be regarded as having achieved political legitimacy when it fulfills its 1979 commitment to the Organization of American States to implement genuinely democratic elections, under the supervision of the Organization of American States, in which all elements of the Nicaraguan resistance can peacefully participate under conditions recognized as necessary for free elections by international bodies;

[(C) urges the Government of Nicaragua to enter a national dialogue, as proposed by the Nicaraguan democratic resistance in San Jose, Costa Rica, on March 1, 1985, under mediation by the Nicaraguan Bishops Conference in order to peacefully resolve the current crisis through internationally recognized elections in which all elements of Nicaraguan society can freely participate;

[(D) supports the Nicaraguan democratic resistance in its efforts to peacefully resolve the Nicaraguan conflict and to achieve the fulfillment of the Government of Nicaragua's solemn commitments to the Nicaraguan people, the United States, and the Organization of American States;

[(E) supports efforts by the Contadora nations, the Organization of American States, and other appropriate regional organizations to maintain multilateral pressure on Nicaragua to fulfill its commitments; and

[(F) requests that the Secretary of State transmit the text of this subsection to the Foreign Ministers of the member states of the Organization of American States.

[(d) PROHIBITION RELATING TO MILITARY OR PARAMILITARY OPERATIONS IN NICARAGUA.—Notwithstanding any other provision of law, no funds authorized to be appropriated or otherwise made available by this Act (except the funds authorized to be appropriated in this section), by the Foreign Assistance Act of 1961, or by the Arms Export Control Act shall be used to provide assistance of any kind, either directly or indirectly, to any person or group engaging in an insurgency or other act of rebellion against the Government of Nicaragua. The United States shall not enter into any arrangement conditioning, expressly or impliedly, the provision of assistance under this Act or the purchase of defense articles and services under the Arms Export Control Act upon the provision of assistance by a recipient to persons or groups engaging in an insurgency or other act of rebellion against the Government of Nicaragua.

[(e) LIMITATION ON USE OF FUNDS AGAINST NICARAGUA.—None of the funds authorized to be appropriated in this or any other Act can be used to fund directly, or indirectly, activities against the Government of Nicaragua which have not been authorized by, or pursuant to, law and which would place the United States in violation of our obligations under the Charter of the Organization of American States, to which the United States is a signatory, or under international law as defined by treaty commitments agreed to, and ratified by, the Government of the United States.

[(f) FOOD AID TO THE NICARAGUAN PEOPLE.—In cooperation with Cardinal Miguel Obando y Bravo and private and voluntary organizations, the President should explore and promote means for providing food aid to the Nicaraguan people through private and voluntary organizations and the Catholic Church.

[(g) HUMANITARIAN ASSISTANCE FOR NICARAGUAN DEMOCRATIC RESISTANCE.—(1) Effective upon the date of enactment of this Act, there are authorized to be appropriated $27,000,000 for humanitarian assistance to the Nicaraguan democratic resistance. Such assistance shall be provided to such department or agency of the United States as the President shall designate, except the Central Intelligence Agency or the Department of Defense.

[(2) The assistance authorized by this subsection is authorized to remain available for obligation until March 31, 1986.

[(3) One-third of the assistance authorized by this subsection shall be available for obligation at any time after the appropriation of funds pursuant to such authorization, an additional one-third shall be available for obligation upon submission of the first report required by subsection (j), and the remaining one-third shall be available for obligation upon submission of the second such report.

[(4) The President shall establish appropriate procedures to ensure that any humanitarian assistance provided by the United States Government to the Nicaraguan democratic resistance is used only for the intended purpose and is not diverted (through barter, exchange, or any other means) for acquisition of weapons systems, ammunition, or other equipment, vehicle, or material which can be used to inflict serious bodily harm or death.

[(5) As used in this subsection, the term "humanitarian assistance" means the provision of food, clothing, medicine, and other humanitarian assistance, and it does not include the provision of

weapons, weapons systems, ammunition, or other equipment, vehicles, or material which can be used to inflict serious bodily harm or death.

[(h) ASSISTANCE FOR IMPLEMENTATION OF A CONTADORA AGREEMENT.—Effective upon the date of enactment of this Act, there are authorized to be appropriated $2,000,000, which are authorized to remain available until expended, for payment by the Secretary of State for the expenses arising from implementation by the Contadora nations (Mexico, Panama, Colombia, and Venezuela) of an agreement among the countries of Central America based on the Contadora Document of Objectives of September 9, 1983, including peacekeeping, verification, and monitoring systems.

[(i) POLICIES WITH RESPECT TO NICARAGUA.—The President is hereby urged and requested—

[(1) to pursue vigorously the use of diplomatic and economic measures to resolve the conflict in Nicaragua, including simultaneous negotiations—

[(A) to implement the Contadora Document of Objectives of September 8, 1983; and

[(B) to develop, in close consultation and cooperation with other nations, trade and economic measures to complement such policies of the United States and to encourage the Government of Nicaragua to take the necessary steps to resolve the conflict;

[(2) to suspend the economic sanctions imposed by the President on May 1, 1985, and the United States military maneuvers in Honduras and off the coast of Nicaragua, if the Government of Nicaragua agrees—

[(A) to a cease fire,

[(B) to open a dialogue with all elements of the opposition, including the Nicaraguan democratic resistance, and

[(C) to suspend the state of emergency in Nicaragua;

[(3) to call upon the Nicaraguan democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses; and

[(4) to resume bilateral discussions with the Government of Nicaragua with a view to encouraging—

[(A) a church-mediated dialogue between the Government of Nicaragua and all elements of the opposition, including the Nicaraguan democratic resistance, in support of internal reconciliation as called for by the Contadora Document of Objectives; and

[(B) a comprehensive, verifiable agreement among the nations of Central America, based on the Contadora Document of Objectives.

[(j) REPORTS.—The President shall submit a report to the Congress 90 days after the date of enactment of this Act, and every 90 days thereafter, on any actions taken to carry out subsections (g) and (h). Each such report shall include—

[(1) a detailed statement of any progress made in reaching a negotiated settlement referred to in subsection (i)(1), including the willingness of the Nicaraguan democratic resistance and the Government of Nicaragua to negotiate a settlement;

[(2) a detailed accounting of the disbursements made to provide humanitarian assistance with the funds provided pursuant to subsection (g); and

[(3) a discussion of the alleged human rights violations by the Nicaraguan democratic resistance and the Government of Nicaragua, including a statement of the steps taken by the Nicaraguan democratic resistance to comply with the request referred to in subsection (i)(3).

[(k) SUBMISSION OF REQUEST FOR ADDITIONAL ASSISTANCE FOR THE CENTRAL AMERICA PEACE PROCESS.—If the President determines at any time after the enactment of this Act that—

[(1) negotiations based on the Contadora Document of Objectives of September 9, 1983, have produced an agreement, or show promise of producing an agreement, or

[(2) other trade and economic measures will assist in a resolution of the conflict, or to stabilization in the region,

[the President may submit to the Congress a request for budget and other authority to provide additional assistance for the furtherance of the Central America peace process.

[(l) STATEMENT TO BE INCLUDED.—The President's request pursuant to subsection (k) shall include a detailed statement as to progress made to resolve the conflict in the region.

[(m) CONSULTATION WITH THE CONGRESS.—In formulating a request pursuant to subsection (k), the President shall consult with the Congress.

[(n) HOUSE PROCEDURES.—(1) The provisions of this subsection apply, during the 99th Congress, to the consideration in the House of Representatives of a joint resolution with respect to the request submitted by the President pursuant to subsection (k).

[(2) For purposes of this subsection, the term "joint resolution" means only a joint resolution introduced within 3 legislative days after the Congress receives the request submitted by the President pursuant to subsection (k)—

[(A) the matter after the resolving clause of which is as follows: "That the Congress hereby approves the additional authority and assistance for the Central America peace process that the President requested pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 91672.";

[(B) which does not have a preamble; and

[(C) the title of which is as follows: "Joint Resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985.".

[(3) A joint resolution shall, upon introduction, be referred to the appropriate committee or committees of the House of Representatives.

[(4) If all the committees of the House to which a joint resolution has been referred have not reported the same joint resolution by the end of 15 legislative days after the first joint resolution was introduced, any committee which has not reported the first joint resolution introduced shall be discharged from further consideration of that joint resolution and that joint resolution shall be placed on the appropriate calendar of the House.

[(5)(A) At any time after the first joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution under clauses 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

[(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

[(C) An amendment to the joint resolution is not in order.

[(D) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

[(6) As used in this subsection, the term "legislative day" means a day on which the House is in session.

[(o) SENATE PROCEDURES.—A joint resolution which is introduced in the Senate within 3 calendar days after the day on which the Congress receives a Presidential request described in subsection (k) and which, if enacted, would grant the President the authority to take any or all of the actions described in subsection (k) shall be considered in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98–473), except that—

[(1) references in such paragraphs to the Committees on Appropriations of the Senate shall be deemed to be references to the appropriate committee or committees of the Senate; and

[(2) amendments to the joint resolution are in order.

[(p) * * * [Repealed—1987]

[(q) STATEMENT TO BE INCLUDED.—The President's request pursuant to subsection (p) shall include a detailed statement as to why the negotiations or other measures have failed to resolve the conflict in the region.

[(r) CONSULTATION WITH THE CONGRESS.—In formulating a request pursuant to subsection (p), the President shall consult with the Congress.

[(s) * * * [Repealed—1987]

[(t) * * * [Repealed—1987]

[(u) CONGRESSIONAL RULEMAKING POWERS.—Subsections (n), (o), (s), and (t) are enacted—

[(1) as exercises of the rulemaking powers of the House of Representatives and Senate, and as such they are deemed a

part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under this section, and they supersede other rules only to the extent that they are inconsistent with such rules; and

[(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule in the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

[TITLE VIII—AFRICA

[SEC. 801. BALANCE-OF-PAYMENTS SUPPORT FOR COUNTRIES IN AFRICA.

[(a) ESF COMMODITY IMPORT AND SECTOR PROGRAMS.—Agreements with countries in Africa which provide for the use of funds made available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for the fiscal years 1986 and 1987 to finance imports by those countries (under commodity import programs or sector programs) shall require that those imports be used to meet long-term development needs in those countries in accordance with the following criteria:

[(1) Spare parts and other imports shall be allocated on the basis of evaluations, by the agency primarily responsible for administering part I of that Act, of the ability of likely recipients to use such spare parts and imports in a maximally productive, employment generating, and cost effective way.

[(2) Imports shall be coordinated with investments in accordance with the recipient country's plans for promoting economic development. The agency primarily responsible for administering part I of that Act shall assess such plans to determine whether they will effectively promote economic development.

[(3) Emphasis shall be placed on imports for agricultural activities which will expand agricultural production, particularly activities which expand production for export or production to reduce reliance on imported agricultural products.

[(4) Emphasis shall also be placed on a distribution of imports having a broad development impact in terms of economic sectors and geographic regions.

[(5) In order to maximize the likelihood that the imports financed by the United States under such chapter are in addition to imports which would otherwise occur, consideration shall be given to historical patterns of foreign exchange uses.

[(6)(A) Seventy-five percent of the foreign currencies generated by the sale of such imports by the government of the country shall be deposited in a special account established by that government and, except as provided in subparagraph (B), shall be available only for use in accordance with the agreement for economic development activities which are consistent with the policy directions of section 102 of the Foreign Assistance Act of 1961 and which are the types of activities for which

assistance may be provided under sections 103 through 106 of that Act.

[(7) The agreement shall require that the government of the country make available to the United States Government such portion of the amount deposited in the special account as may be determined by the President to be necessary for requirements of the United States Government.

[(b) ANNUAL EVALUATIONS.—The agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall conduct annual evaluations of the extent to which the criteria set forth in this subsection have been met.

[SEC. 802. ECONOMIC SUPPORT ASSISTANCE FOR SOUTHERN AFRICA.

[(a) FUNDS FOR SOUTHERN AFRICA REGIONAL PROGRAMS.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $30,000,000 for fiscal year 1986 and not less than $30,000,000 for fiscal year 1987 shall be available only for regional programs in southern Africa. Not less than 50 percent of each of these amounts shall be allocated to assist sector projects supported by the Southern Africa Development Coordination Conference (SADCC) to enhance the economic development of the nine member states forming this important regional institution, especially in the following sectors: transportation, agriculture research and training, manpower development, and institutional support for the SADCC secretariat.

[(b) STUDIES RELATING TO SOUTHERN AFRICA REGIONAL PROGRAMS.—(1) The administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall conduct a study which evaluates—

[(A) the assistance which that agency provides to the Southern Africa Development Coordination Conference and other African regional institutions and economic development organizations, and

[(B) ways to improve such assistance.

[(2) The administrator shall also conduct a study which assesses what type of bureaucratic mechanism within that agency might be established to coordinate assistance to all African regional institutions.

[(3) The administrator shall submit the results of the studies conducted pursuant to this subsection to the Congress within 3 months after the date of enactment of this Act.

[SEC. 803. POLICY TOWARD SOUTH AFRICAN "HOMELANDS".

[(a) FINDINGS.—The Congress finds that—

[(1) the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race, are principles which are fully supported by the American people;

[(2) the forced relocation of blacks by the Government of the Republic of South Africa to designated "homelands" divides families, as families are required to remain in the "homelands" while fathers seek work in the so-called "white areas";

[(3) the forced removal of persons living in so-called "black spots" in "white" rural areas in South Africa denies them the

fundamental right to live and to farm on land they have legally occupied for years, and subjects them to arbitrary arrest and detention when they seek these rights;

[(4) compared to "white" South Africa, the designated "homelands", which are meant to accommodate the largest South African population group on a fraction of South African territory and were established without the consent of the vast majority of the governed, are characterized by high rates of infant mortality, unemployment, and malnutrition and by a severe shortage of medical services;

[(5) the policy of the Government of the Republic of South Africa denies blacks their rightful claim to full South African citizenship; and

[(6) the recent violence in South Africa must be seen as an inevitable result of the denial of the full rights of citizenship.

[(b) STATEMENT OF POLICY.—It is the sense of the Congress that—

[(1) the policy of separate development and the forced relocation of the people of the Republic of South Africa are inconsistent with fundamental American values and internationally recognized principles of human rights;

[(2) the Government of the United States should continue to regard as citizens of South Africa all persons born within the internationally recognized boundaries of the Republic of South Africa, and not differentiate among these citizens on the basis of the South African Government's claim to have granted independence to various "homelands";

[(3) at such times that any "homeland" official applies for a visa for travel to the United States, such visa should not be granted unless that official holds a passport which is recognized as valid by the Government of the United States; and

[(4) the Government of the United States should urge that the forced relocation of South African citizens be discontinued and that policies be adopted for all South Africa's citizens which protect the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race.

[SEC. 804. ASSISTANCE FOR ZAIRE.

[(a) ECONOMIC SUPPORT ASSISTANCE.—Funds allocated for assistance for Zaire under chapter 4 of part II of the Foreign Assistance Act of 1961 for each of the fiscal years 1986 and 1987 shall be used only for assistance which is provided in accordance with the provisions applicable to assistance under chapter 1 of part I of the Foreign Assistance Act of 1961. Such assistance shall be provided, to the maximum extent practicable, through private and voluntary organizations.

[(b) MILITARY ASSISTANCE.—For each of the fiscal years 1986 and 1987—

[(1) the value of assistance provided under chapter 2 of part II of the Foreign Assistance Act of 1961 for Zaire may not exceed $7,000,000; and

[(2) financing may not be provided under the Arms Export Control Act of Zaire.

[SEC. 805. ASSISTANCE FOR TUNISIA.

[(a) POLICY CONCERNING SECURITY ASSISTANCE.—The United States provides security assistance to Tunisia in recognition of the traditional friendship between the United States and Tunisia and our common interests in the region. The provision of such assistance is also based on the expectation that political stability and development in Tunisia will be best advanced through continued growth of democratic institutions.

[(b) EARMARKING OF MAP AND ESF.—For each of the fiscal years 1986 and 1987—

[(1) not less than $15,000,000 of the amounts authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961, and

[(2) not less than $20,000,000 of the amounts authorized to be appropriated to carry out chapter 4 of part II of that Act,

[shall be available only for Tunisia.

[SEC. 806. POLITICAL SETTLEMENT IN SUDAN.

[(a) FINDINGS.—The Congress finds that—

[(1) friendship and mutual interests bind the United States and Sudan; and

[(2) the peace, security, and economic development of Sudan depend in large part on addressing the problems associated with the traditional north- south division in that country through political rather than military means.

[(b) UNITED STATES POLICY.—It is, therefore, the policy of the United States that the provision of security assistance to Sudan shall be based on the expectation that the Government of Sudan will make progress toward reaching a political settlement with all parties to the conflict in the south of Sudan.

[SEC. 807. ELECTIONS IN LIBERIA.

[In recognition of the special relationship that the United States has with Liberia and of the wide variety of interests that the United States has in Liberia, security assistance for Liberia for fiscal years 1986 and 1987 is based on the expectation of a successful completion of free and fair elections, on a multiparty basis, in October 1985 as proposed by the Government of Liberia and on a return to full civilian, constitutional rule as a consequence of those elections.

[SEC. 808. WESTERN SAHARA.

[(a) UNITED STATES POLICY.—The policy of the United States shall be to support a negotiated political solution to the conflict in the Western Sahara taking into account the principle of self-determination as outlined in the 1981 Nairobi resolution and to encourage all parties to the conflict to reach a peaceful internationally recognized settlement. As part of this policy, the United States should carefully consider each type of military assistance it furnishes to any of the parties to the conflict and should seek to insure that the furnishing of such military assistance is consistent with United States policy which seeks a negotiated settlement.

[(b) FURTHER STATEMENT OF POLICY.—It is the further policy of the United States to support Morocco's legitimate defense needs

and to discourage aggression by any country in North Africa against another.]

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[SEC. 812. FAILURE OF THE ETHIOPIAN GOVERNMENT TO RESPONSIBLY AMELIORATE FAMINE CONDITIONS. * * * [Repealed—1991]

[SEC. 813. ASSISTANCE FOR THE PEOPLE'S REPUBLIC OF MOZAMBIQUE.

[(a) ECONOMIC ASSISTANCE.—The funds authorized to be appropriated for fiscal years 1986 and 1987 to carry out chapter 1 of part I (relating to development assistance) and chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 that are allocated for bilateral assistance to the People's Republic of Mozambique shall be used solely for assistance to the private sector of the economy of Mozambique to the maximum extent practicable. To the maximum extent practicable, such funds shall be channeled to non-governmental entities in Mozambique.

[(b) MILITARY ASSISTANCE.—(1) None of the funds authorized to be appropriated for fiscal year 1986 or fiscal year 1987 to carry out chapter 2 of part II (relating to grant military assistance) or chapter 5 of part II (relating to international military education and training) of the Foreign Assistance Act of 1961 shall be used to provide assistance to the People's Republic of Mozambique unless the President makes the certification described in paragraph (2) before providing any such assistance for that fiscal year.

[(2) The certification required by paragraph (1) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate that the Government of the People's Republic of Mozambique—

[(A) is making a concerted and significant effort to comply with internationally recognized human rights;

[(B) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy;

[(C) has implemented a plan by September 30, 1986, to reduce the number of foreign military personnel to no more than 55; and

[(D)(i) in the case of a certification with respect to assistance for fiscal year 1986, is committed to holding free elections at a date no later than September 30, 1986, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

[(I) the electoral process with internationally recognized observers; and

[(II) the elimination of all restrictions on the formation and activities of opposition political parties; and

[(ii) in the case of a certification with respect to assistance for fiscal year 1987, held free elections by September 30, 1986.]

TITLE IX—ASIA

[SEC. 901. THE PHILIPPINES.

[(a) DEMOCRACY IN THE PHILIPPINES.—It is the sense of the Congress that the United States should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the Government of the Philippines in—

[(1) guaranteeing free, fair, and honest elections in 1986 and 1987, or sooner should any such elections occur;

[(2) ensuring the full, fair, and open prosecution of those responsible for the murder of Benigno Aquino, including those involved in the cover-up;

[(3) ensuring freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the local and provincial elections of 1986 and the Presidential election of 1987;

[(4) establishing the writ of habeas corpus and the termination of the Presidential Detention Action and all other forms of detention without charge or trial;

[(5) releasing all individuals detained or imprisoned for peaceful political activities;

[(6) making substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past;

[(7) implementing structural economic reforms and a strengthening of the private sector, including elimination of corruption and monopolies; and

[(8) enhancing the professional capability of the Philippine armed forces and security forces (including the Philippine Constabulary and the Civilian House Defense Forces).

[(b) PRIMARY PURPOSE OF UNITED STATES ASSISTANCE.—The Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States and to encourage the restoration of internal security, both of which goals can be best served by the achievement of an open and stable democracy.

[(c) CONGRESSIONAL OVERSIGHT.—The Congress, in determining future aid levels for the Philippines, will take into account not only our military bases agreement with that country, but also the extent to which the objectives and goals specified in subsections (a) and (b) have been implemented. The Congress may defer assistance for the Philippines under both chapter 2 of part II of the Foreign Assistance Act of 1961 and the Arms Export Control Act if—

[(1) significant progress is not achieved with respect to the objectives and goals specified in subsections (a) and (b), or

[(2) the Congress finds that such assistance is used to violate the internationally recognized human rights of the Filipino people.

[(d) * * * [Repealed—1986]

[(e) NONLETHAL ASSISTANCE.—Assistance provided for the Philippines for fiscal year 1986 under the Arms Export Control Act or under chapter 2, of part II of the Foreign Assistance Act of 1961 shall be nonlethal in character.]

* * * * * * *

[SEC. 903. DISADVANTAGED CHILDREN IN ASIA.

[(a) * * *

[(b) ADDITIONAL STEPS TO HELP AMERASIAN CHILDREN.—The Congress finds that Amerasian children are currently the object of discrimination in the countries in Asia where they now reside. Therefore, the President shall report to the Congress on the quality of life of these children and on what additional steps, such as facilitating adoptions, the United States could take to enhance the lives of these children.

[SEC. 904. ASSISTANCE FOR AFGHANISTAN.

[(a) AUTHORIZATION.—The President may make available funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law.

[(b) EARMARKING OF FUNDS.—Each fiscal year, not less than $15,000,000 of the aggregate amount of funds available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 shall be available only for humanitarian assistance to the Afghan people pursuant to subsection (a) of this section.

[(c) EFFECTIVE DATES.—This section shall take effect on the date of enactment of this Act, except that subsection (b) shall not apply to fiscal year 1985.

[SEC. 905. ASSISTANCE FOR THE CAMBODIAN PEOPLE.

[The President may make available to the noncommunist resistance forces in Cambodia up to $5,000,000 for fiscal year 1986, and up to $5,000,000 for fiscal year 1987, of the funds authorized to be appropriated to carry out chapter 2 (relating to grant military assistance) or chapter 4 (relating to the economic support fund) of part II of the Foreign Assistance Act of 1961, notwithstanding any other provision of law.]

* * * * * * *

[SEC. 907. POLITICAL SETTLEMENT IN SRI LANKA.

[(a) FINDINGS.—The Congress finds that—

[(1) the Government and people of Sri Lanka and the Government and people of the United States share a common devotion to independence, democracy, and human rights;

[(2) the United States is concerned over the armed clashes between the security forces of the Government of Sri Lanka and some Sri Lankans who seek through violent means, including terrorist attacks, to divide that nation;

[(3) there have been acts of terrorism committed against members of the Sri Lankan security forces, as well as against civilians, and there have been human rights abuses by members of the security forces against civilians, particularly Tamils, despite the efforts of the Government, which the Congress believes must be intensified, to put an end to those abuses;

[(4) the differences and grievances in Sri Lanka cannot be resolved through the use of force; and

[(5) the United States is a proud participant through its economic assistance programs in Sri Lanka's highly regarded development efforts and looks forward to enhanced cooperation and assistance in the context of a political settlement in Sri Lanka leading to the kind of peaceful climate in which additional aid could be effectively utilized.

[(b) POLITICAL SETTLEMENT.—It is, therefore, the sense of the Congress that—

[(1) all parties in Sri Lanka, from all communities in and out of government, should renew their efforts to achieve a joint political settlement which meets the legitimate concerns of all the people of Sri Lanka, while preserving the territorial integrity of Sri Lanka; and

[(2) all parties outside Sri Lanka should do nothing which would impede progress toward such a settlement.

[SEC. 908. UNITED STATES POLICY TOWARD THE REPUBLIC OF KOREA.

[(a) FINDINGS.—The Congress finds that—

[(1) the Government of the Republic of Korea has taken several significant and encouraging steps in liberalizing the political system in that country;

[(2) among the steps which have facilitated a more democratic environment are the release of hundreds of student demonstrators, the lifting of a political ban on more than 300 opposition leaders, and the holding of a vigorously contested election for the National Assembly in which the opposition made substantial gains;

[(3) despite these steps, the people of the Republic of Korea, who have become increasingly better educated and prosperous as a result of Korea's extraordinarily rapid economic development, have the desire and the capability to participate more fully and effectively in the government of their own country; and

[(4) while internationally recognized human rights are clearly respected much more in the Republic of Korea than in the Democratic People's Republic of Korea, continued progress toward democratization in the south is in the interests of both the Republic of Korea and the United States, inasmuch as long-term political stability cannot be assured in the absence of further progress towards democratic government.

[(b) UNITED STATES POLICY.—It is the policy of the United States to provide assistance to the Republic of Korea in order to help that country defend itself against external aggression. It is the hope of the United States that the continuing close relations between our two countries, including such assistance, will encourage the estab-

lishment of a genuinely democratic system in the Republic of Korea, in which internationally recognized human rights, including freedom of the press, freedom of association, and freedom of assembly are observed.

[TITLE X—FOOD AND AGRICULTURAL ASSISTANCE]

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[SEC. 1008. LONG-TERM AGRICULTURAL COMMODITY AGREEMENTS WITH FOOD DEFICIT COUNTRIES.

[As part of the United States foreign assistance program, the President should explore the possibility of concluding long-term agricultural commodity agreements to help stabilize and increase the flow of concessional and commercial foodstuffs with food deficit countries. The President shall prepare and transmit to the Congress a report on his efforts to achieve such long-term agreements by June 1, 1986.

[TITLE XI—PEACE CORPS]

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[SEC. 1103. LIMITATION ON LENGTH OF PEACE CORPS EMPLOYMENT.

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[SEC. 1104. PEACE CORPS NATIONAL ADVISORY COUNCIL.]

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[TITLE XII—MISCELLANEOUS PROVISIONS RELATING TO FOREIGN ASSISTANCE]

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[SEC. 1205. REPORTS ON ECONOMIC CONDITIONS IN CERTAIN COUNTRIES.

[(a) EXTERNAL DEBT BURDEN OF CERTAIN COUNTRIES RECEIVING UNITED STATES ASSISTANCE.—The Congress finds that the Governments of Egypt, Israel, Turkey, and Portugal each have an enormous external debt burden which may be made more difficult by virtue of financing provided for those governments under various United States assistance programs.

[(b) ANNUAL REPORTS ON ECONOMIC CONDITIONS.—In order to assist the Congress in examining United States assistance for those countries, the President shall report to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, not later than January 15 of each year, regarding economic conditions prevailing in Egypt, Israel, Turkey, and Portugal which may affect their respective ability to meet their international debt obligations and to stabilize their economies.

[SEC. 1206. EGYPTIAN-ISRAELI RELATIONS.

[The Congress notes the recent effort of Egypt to move the peace process forward. However, the Congress continues to be concerned about the less than normal relations between Egypt and Israel. It is the sense of the Congress that all United States foreign assistance to Egypt is provided in the expectation that the Egyptian Government will continue in its efforts to bring peace to the region and

that it will continue to support and fulfill the provisions of the Camp David Accords and the Egyptian-Israeli Peace Treaty.]

* * * * * * *

[SEC. 1210. REPORT ON UNITED STATES ASSISTANCE TO COAL EXPORTING NATIONS.

[Not later then 30 days after the date of enactment of this Act, the President shall submit to the appropriate committees of the Congress a report describing the status and terms of, and containing all other pertinent information relating to, any United States Government assistance which is provided to foreign nations that produce or export coal for the purpose of financing or assisting in the development of coal production, transportation, export, or other coal-related activities or operations.]

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TITLE XIII—MISCELLANEOUS PROVISIONS

[SEC. 1301. EFFECTIVE DATE.

[Except as otherwise provided in this Act, this Act shall take effect on October 1, 1985.]

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The Jordan Supplemental Economic Assistance Authorization Act of 1985

[TITLE IV—AUTHORIZATION OF ECONOMIC SUPPORT FUND ASSISTANCE FOR JORDAN

[SHORT TITLE

[SEC. 401. This title may be cited as the "Jordan Supplemental Economic Assistance Authorization Act of 1985".

[ECONOMIC SUPPORT FUND

[SEC. 402. (a)(1) In addition to funds otherwise available for such purposes for such fiscal year, there are authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $250,000,000 for the fiscal year 1985, which amount shall be available only for Jordan.

[(2) Of the funds authorized to be appropriated by paragraph (1)—

[(A) for the fiscal year 1985, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance;

[(B) for the fiscal year 1986, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance; and

[(C) for the fiscal year 1987, $60,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance.

[(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1987.

[POLICY

[SEC. 403. (a) SENSE OF CONGRESS.—It is the sense of Congress that no foreign military sales financing authorized by this Act may be used to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new advanced military weapons systems, and no notification may be made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons systems, unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

[(b) CERTIFICATION.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems or other new advanced military weapons, must be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.]

African Famine Relief and Recovery Act of 1985

[SECTION 1. SHORT TITLE.

[This Act may be cited as the "African Famine Relief and Recovery Act of 1985".]

* * * * * * *

[SEC. 3. MIGRATION AND REFUGEE ASSISTANCE.

[(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise available for such purpose, there are authorized to be appropriated to the Department of State for "Migration and Refugee Assistance" for the fiscal year 1985, $37,500,000 for assisting refugees and displaced persons in Africa.

[(b) USE OF FUNDS.—

[(1) PROJECTS FOR IMMEDIATE DEVELOPMENT NEEDS.—Up to 54 percent of the funds authorized to be appropriated by this section may be made available to the United Nations Office of Emergency Operations in Africa for projects such as those proposed at the second International Conference on Assistance to Refugees in Africa (ICARA II) to address the immediate development needs created by refugees and displaced persons in Africa.

[(2) EMERGENCY RELIEF AND RECOVERY EFFORTS.—The remaining funds authorized to be appropriated by this section shall be used by the Bureau for Refugee Programs of the Department of State for emergency relief and recovery efforts in Africa.

[SEC. 4. DEPARTMENT OF DEFENSE ASSISTANCE.

[(a) SPECIAL RULE ON REIMBURSEMENT.—If the Department of Defense furnishes goods or services for African supplemental famine assistance activities, the Department of Defense shall be reim-

bursed for not more than the costs which it incurs in providing those goods or services. These costs do not include military pay and allowances, amortization and depreciation, and fixed facility costs.

[(b) DEFINITION OF AFRICAN SUPPLEMENTAL FAMINE ASSISTANCE ACTIVITIES.—For purposes of this section, the term "African supplemental famine assistance activities" means the provision of the following fiscal year 1985 supplemental assistance for Africa:

[(1) Famine assistance pursuant to section 2 of this Act.

[(2) Migration and refugee assistance pursuant to section 3 of this Act.

[(3) Assistance pursuant to supplemental appropriations for title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721–1726).

[(4) Assistance with funds appropriated during fiscal year 1985 for the Emergency Refugee and Migration Assistance Fund (22 U.S.C. 2601(c)).

[SEC. 5. GENERAL PROVISIONS RELATING TO ASSISTANCE.

[(a) COUNTRIES TO BE ASSISTED.—Amounts authorized to be appropriated by this Act shall be available only for assistance in those countries in Africa which have suffered during calendar years 1984 and 1985 from exceptional food supply problems due to drought and other calamities.

[(b) "HICKENLOOPER AMENDMENT".—Assistance may be provided with funds authorized to be appropriated by this Act without regard to section 620(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(e)(1)).

[(c) ENSURING THAT ASSISTANCE REACHES INTENDED RECIPIENTS.—The President shall ensure that adequate procedures have been established so that assistance pursuant to this Act is provided to the famine victims for whom it is intended.

[SEC. 6. REPORTS ON AFRICAN FAMINE ASSISTANCE.

[(a) REPORT ON UNITED STATES CONTRIBUTION TO MEET EMERGENCY NEEDS.—

[(1) REQUIREMENT FOR REPORT.—Not later than June 30, 1985, the President shall report to the Congress with respect to the United States contribution to meet emergency needs, including food needs, for African famine assistance.

[(2) INFORMATION TO BE INCLUDED IN REPORT.—The report required by this subsection shall describe—

[(A) the emergency needs, including food needs, for African famine assistance that are identified by the President's Interagency Task Force on the African Food Emergency, private and voluntary organizations active in famine relief, the United Nations Office for Emergency Operations in Africa, the United Nations Food and Agriculture Organization, the World Food Program, and such other organizations as the President considers appropriate; and

[(B) the projected fiscal year 1985 contribution by the United States Government to meet an appropriate share of those needs referred to in subparagraph (A).

[(b) REPORT ON ASSISTANCE PROVIDED PURSUANT TO THIS ACT.—

[(1) REQUIREMENT FOR REPORT.—Not later than September 30, 1985, the President shall report to the Congress on the assistance provided pursuant to this Act.

[(2) INFORMATION TO BE INCLUDED IN REPORT.—

[(A) USE OF FUNDS.—The report pursuant to this subsection shall describe the uses, by the Agency for International Development and by the Department of State, of the funds authorized to be appropriated by this Act, including—

[(i) a description of each project or program supported with any of those funds, and the amount allocated to it;

[(ii) the identity of each private and voluntary organization or international organization receiving any of those funds, and the amount of funds each received;

[(iii) the amount of those funds used for assistance to each country;

[(iv) the amount of those funds, if any, which will not have been obligated as of September 30, 1985; and

[(v) a list of any projects or programs supported with those funds which are not expected to be completed as of December 31, 1985.]

The International Security and Development Assistance Authorizations Act of 1983

[SEC. 101. (a) * * *

[(b)(1) * * *

[(2) Section 101(b)(2) of this joint resolution may be cited as the "International Security and Development Assistance Authorizations Act of 1983".

[AUTHORIZATIONS OF APPROPRIATIONS

[There is authorized to be appropriated to the President $1,315,000,000 for the fiscal year 1984 to carry out section 23 of the Arms Export Control Act. The total principal amount of loans guaranteed under section 24(a) of the Arms Export Control Act shall not exceed $4,446,500,000 for the fiscal year 1984.

[There are authorized to be appropriated for the fiscal year 1984 the following amounts to carry out the following provisions of the Foreign Assistance Act of 1961:

[(1) $725,213,000 to carry out section 103.

[(2) $244,600,000 to carry out section 104(b).

[(3) $133,400,000 to carry out section 104(c).

[(4) $121,477,000 to carry out section 105.

[(5) $160,000,000 to carry out section 106.

[(6) $103,000,000 to carry out section 121.

[(7) $30,000,000 to carry out section 214.

[(8) $266,214,000 to carry out chapter 3 of part I.

[(9) $47,000,000 to carry out section 481.

[(10) $25,000,000 to carry out section 491.

[(11) $3,074,000,000 to carry out chapter 4 of part II.

[(12) $639,700,000 to carry out section 503.

[(13) $56,452,000 to carry out chapter 5 of part II.

[(14) $46,200,000 to carry out chapter 6 of part II.

[(15) $22,000,000 to carry out section 661.

[(16) $370,000,000 to carry out section 667.

[There is authorized to be appropriated to the President to carry out the African Development Foundation Act $3,000,000 for the fiscal year 1984.

[There is authorized to be appropriated to carry out the Peace Corps Act $116,000,000 of the fiscal year 1984.

[Section 10 of Public Law 91–672 and section 15(a) of the State Department Basic Authorities Act of 1956 shall not apply with respect to funds appropriated for "Migration and Refugee Assistance" or for the Inter-American Foundation by the joint resolution of October 1, 1983 (Public Law 98–107), as amended by this joint resolution.

[ASSISTANCE FOR ISRAEL AND EGYPT]

* * * * * * *

[CONDITIONS ON MILITARY ASSISTANCE FOR EL SALVADOR

[Not more than 70 percent of the amount available for the fiscal year 1984 for military assistance for El Salvador under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 and under the Arms Export Control Act may be expended until—

[(1) Salvadoran authorities have substantially concluded all investigative actions in the case of the National Guardsmen charged with murder in the deaths of the four United States churchwomen in December 1980 that were set forth in communications from the Department of State (including the letters dated July 8 and September 23, 1983); and

[(2) Salvadoran authorities have brought the accused to trial and have obtained a verdict.

Not more than 90 percent of the amount made available for the fiscal year 1984 for military assistance for El Salvador under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 and under the Arms Export Control Act may be expended until the President has determined and certified to the Congress that—

[(1) the Government of El Salvador has not taken any action which would alter, suspend, or terminate the land reform program for phase I or phase III promulgated under Decree 154 (dated March 5, 1980) or Decree 207 (dated April 28, 1980) in a manner detrimental to the rights of the beneficiaries or the potential beneficiaries under those decrees; and

[(2) the Government of El Salvador continues to make documented progress on implementing the land reform program.

[MINORITY SET-ASIDE

[Except to the extent that the Administrator of the Agency for International Development determines otherwise, not less than 10 percent of the aggregate of the funds made available for the fiscal year 1984 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be made available only for activities of economically and socially disadvantaged enterprises (within the meaning of section 133(c)(5) of the International Development and Food Assist-

ance Act of 1977), historically Black colleges and universities, and private and voluntary organizations which are controlled by individuals who are Black Americans, Hispanic Americans, or Native Americans, or who are economically and socially disadvantaged (within the meaning of section 133(c)(5) (B) and (C) of the International Development and Food Assistance Act of 1977). For purposes of this section, economically and socially disadvantaged individuals shall be deemed to include women.

[MINORITY RESOURCE CENTER

[None of the funds authorized to be appropriated for the fiscal year 1984 to carry out the Foreign Assistance Act of 1961 may be used to eliminate the Minority Resource Center as a separate and distinct entity within the Agency for International Development, including implementation of a consolidation of the Minority Resource Center with the Office of Small and Disadvantaged Business Utilization under section 133(c)(8) of the International Development and Food Assistance Act of 1977.

[PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI

[It is the sense of the Congress that for the fiscal year 1984 up to $24,000,000 of the funds available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, and up to $10,000,000 of the funds available to carry out chapter 4 of part II of such Act, should be made available for development assistance for Haiti, subject to the limitation contained in the third paragraph of this heading.

[To the maximum extent practicable, assistance for Haiti under chapter 1 of part I and under chapter 4 of part II of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

[Funds available for fiscal year 1984 to carry out chapter 1 of part I or chapter 2, 4, or 5 of part II of the Foreign Assistance Act of 1961 may be obligated for Haiti, and credits may be extended and guarantees may be issued under the Arms Export Control Act for Haiti, only if the President determines that the Government of Haiti—

[(1) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti;

[(2) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years); and

[(3) is making a concerted and significant effort to improve the human rights situation in Haiti by implementing the political reforms which are essential to the development of democracy in Haiti, including the establishment of political parties, free elections, and freedom of the press.

[Six months after the date of enactment of this section, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each numbered provision contained in the third paragraph of this heading.

[Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961, funds made available under such Act for the fiscal year 1984 may be used for programs with Haiti, which shall be consistent with prevailing United States refugee policies, to assist in halting significant illegal emigration from Haiti to the United States.

[PRIVATE SECTOR REVOLVING FUND

[The amendment contained in section 407 of H.R. 2992, as reported by the Committee on Foreign Affairs of the House of Representatives on May 17, 1983, is hereby enacted.

[ANTITERRORISM ASSISTANCE PROGRAM

[The amendments contained in title II of H.R. 2992, as reported by the Committee on Foreign Affairs of the House of Representatives on May 17, 1983, are hereby enacted, except that, for purposes of such enactment, section 575 of the Foreign Assistance Act of 1961 shall read as follows:

[“Sec. 575. APPROPRIATIONS.—There is authorized to be appropriated to the President to carry out this chapter $5,000,000 for the fiscal year 1984. Amounts appropriated under this section are authorized to remain available until expended.”.]

* * * * * * *

The Lebanon Emergency Assistance Act of 1983

[SHORT TITLE

[SECTION 1. This Act may be cited as the “Lebanon Emergency Assistance Act of 1983”.

[ECONOMIC SUPPORT FUND

[SEC. 2. (a) It is hereby determined that the national interests of the United States would be served by the authorization and appropriation of additional funds for economic assistance for Lebanon in order to promote the economic and political stability of that country and to support the international effort to strengthen a sovereign and independent Lebanon.

[(b) Accordingly, in addition to amounts otherwise authorized to be appropriated for the fiscal year 1983 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated $150,000,000 to carry out such provisions with respect to Lebanon.

[(c) Amounts authorized by this section may be appropriated in an appropriation Act for any fiscal year (including a continuing resolution) and shall continue to be available beyond the fiscal year notwithstanding any provision of that appropriation Act to the contrary.

[MILITARY SALES AND RELATED PROGRAMS

[SEC. 3. (a) In order to support the rebuilding of the armed forces of Lebanon, the Congress finds that the national security in-

terests of the United States would be served by the authorization and appropriation of additional funds to provide training for the Lebanese armed forces and by the authorization of additional foreign military sales guaranties to finance procurements by Lebanon of defense articles and defense services for its security requirements.

[(b) In addition to amounts otherwise made available for the fiscal year 1983 to carry out the provisions of chapter 5 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated for the fiscal year 1983 $1,000,000 to carry out such provisions with respect to Lebanon.

[(c) In addition to amounts otherwise made available for the fiscal year 1983 for loan guaranties under section 24(a) of the Arms Export Control Act, $100,000,000 of loan principal are authorized to be so guaranteed during such fiscal year for Lebanon.

[UNITED STATES ARMED FORCES IN LEBANON

[SEC. 4. (a) The President shall obtain statutory authorization from the Congress with respect to any substantial expansion in the number or role in Lebanon of United States Armed Forces, including any introduction of United States Armed Forces into Lebanon in conjunction with agreements providing for the withdrawal of all foreign troops from Lebanon and for the creation of a new multinational peace-keeping force in Lebanon.

(b) Nothing in this section is intended to modify, limit, or suspend any of the standards and procedures prescribed by the War Powers Resolution of 1973.]

The International Security and Development Cooperation Act of 1981

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security and Development Cooperation Act of 1981".

[TITLE I—MILITARY SALES AND RELATED PROGRAMS]

* * * * * * *

[SPECIAL DEFENSE ACQUISITION FUND

[SEC. 108. (a) * * *

[(b) Section 138 of title 10, United States Code, is amended by adding immediately following subsection (f) the following new subsection:

["(g) The size of the Special Defense Acquisition Fund established pursuant to chapter 5 of the Arms Export Control Act may not exceed $300,000,000 in fiscal year 1982, may not exceed $600,000,000 in fiscal year 1983, and may not exceed $900,000,000 in fiscal year 1984 or any fiscal year thereafter.".]

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[TITLE II—ECONOMIC SUPPORT FUND]

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[ACQUISITION OF AGRICULTURAL COMMODITIES AND RELATED PRODUCTS UNDER COMMODITY IMPORT PROGRAMS

[SEC. 203. The Congress directs the President to allocate at least 15 percent of the funds which are made available each fiscal year under this title for commodity import programs for use in financing the purchase of agricultural commodities and agricultural related products which are of United States-origin.

[TITLE III—DEVELOPMENT ASSISTANCE

[AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

[SEC. 301. (a) * * *

[(b)(1) It is the sense of the Congress that the United States should strongly support the efforts of developing countries to improve infant feeding practices, in particular through the promotion of breast feeding. As a demonstration of that support, the President is authorized to use up to $5,000,000 of the funds made available for the fiscal year 1982 to carry out the purposes of sections 103 and 104(c) of the Foreign Assistance Act of 1961 in order to assist developing countries establish or improve programs to encourage improved infant feeding practices. In carrying out this paragraph, the Agency for International Development should provide funds for necessary research to obtain better information on the precise nature and magnitude of problems relating to infant feeding practices, including the use of infant formula, in developing countries.

[(2) The President shall, as part of the congressional presentation documentation for the fiscal years 1983 and 1984, include information relevant to the implementation of this subsection, including—

[(A) a description of actions taken by the Agency for International Development to promote breast feeding and to improve supplemental infant feeding practices in developing countries through funds made available in this subsection and through its regular programs in the fields of health, nutrition, and population activities;

[(B) a summary of the results of studies authorized by this subsection on the nature and magnitude of problems in developing countries related to infant feeding practices; and

[(C) a summary of reports by member countries of the World Health Organization on their actions to implement the International Code of Marketing of Breast Milk Substitutes.]

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[TITLE IV—FOOD FOR PEACE PROGRAMS]

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[SELF-HELP MEASURES TO INCREASE AGRICULTURAL PRODUCTION; VERIFICATION OF SELF-HELP PROVISIONS

[SEC. 403. (a) * * *

[(b) * * *

[(c) The amendments made by this section shall not be effective if the Agriculture and Food Act of 1981 is enacted (either before or after the enactment of this Act) and contains the same amendments.]

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[TITLE V—OTHER ASSISTANCE PROGRAMS]

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[INTERNATIONAL NARCOTICS CONTROL

[SEC. 502. (a)(1) * * *

[(2) Assistance provided from funds appropriated, before the enactment of this Act, to carry out section 481 of the Foreign Assistance Act of 1961 may be made available for purposes prohibited by subsection (d) of such section as in effect immediately before the enactment of this subsection.

[(3) Funds appropriated for the fiscal year 1980 to carry out section 481 of the Foreign Assistance Act of 1961 which were obligated for assistance for the Republic of Colombia may be used for purposes other than those set forth in section 482(a)(2) of that Act as in effect immediately before the enactment of the International Security and Development Cooperation Act of 1980.

[(4) Paragraphs (2) and (3) of this subsection shall apply only to the extent provided in advance in an appropriations Act. For such purpose, the funds described in those paragraphs are authorized to be made available for the purposes specified in those paragraphs.]

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[TITLE VI—PEACE CORPS

[ESTABLISHMENT AS AN INDEPENDENT AGENCY]

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[RESTORATION OF CERTAIN AUTHORITIES FORMERLY CONTAINED IN THE FOREIGN SERVICE ACT

[SEC. 604. (a) * * *

[(b) * * *

[(c) * * *

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[TITLE VII—MISCELLANEOUS PROVISIONS]

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[INSPECTOR GENERAL

[SEC. 705. * * *

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[EMERGENCY HUMANITARIAN HELP FOR THE PEOPLE OF POLAND

[Sec. 708. (a) The people of Poland, with whom the people of the United States have a longstanding friendship, now face serious domestic food shortages which will be worsened by large-scale loss of their livestock this winter if feed supplies do not arrive quickly. Therefore, the President is urged, for urgent humanitarian reasons, to use existing authorities promptly in order to provide to the people of Poland, under as favorable terms as possible, feed grains from Commodity Credit Corporation stocks or other appropriate commodities.

[(b) For the longer term, the President is encouraged to pursue discussions with other Western countries about a multilateral effort to help the people of Poland achieve self-sustaining economic recovery in the years ahead.

[(c) * * *]

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[FINDINGS REGARDING GLOBAL SECURITY

[SEC. 710. (a) The Congress finds that the security of the United States and other countries is increasingly affected by a broad range of global problems including shortages or potential shortages of food, oil, water, wood, and other basic mineral and natural resources; desperate poverty; sickness; population pressures; environmental deterioration, including soil erosion and water pollution; and large-scale and destabilizing refugee problems.

[(b) The Congress finds that hunger, disease, and extreme poverty are among the most critical of these global problems. As ever greater numbers of people perceive the disparity between their own continuing deprivation and the prosperity of others, and judge their predicament to be neither just nor inevitable, it becomes increasingly likely that there will be unrest and violence with consequent disruption of the flow of essential materials, adverse effects on the world economy, decreased likelihood of cooperative efforts toward meeting the other critical problems threatening national and global security, and increased likelihood of confrontation between nations which possess nuclear arms.

[(c) Therefore, the Congress finds that the Nation's understanding of global and national security must be broad enough to include the problems cited in this section, and that adequate protection of the security of the United States requires effective action on these global problems, and in particular on the problems of hunger, disease, and extreme poverty.

[WORLD FOOD SECURITY RESERVES

[SEC. 711. (a) The Congress finds that—

[(1) the Congress recently passed and the President signed into law an Act which provides for establishment of a United States food security reserve of up to four million metric tons of wheat to be used for emergency food assistance;

[(2) the food import needs of developing countries will increase over the next ten years; and

[(3) other grain exporting countries could take additional steps to assure continuity of food assistance during food crisis years.

[(b) The President shall encourage other grain exporting countries to establish their own food security reserves or take other measures that complement the United States food security reserve.

[(c) The President shall report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate within one year after the enactment of this Act on the actions he has taken and the response of other countries to these proposals.

[FINDINGS AND DECLARATION OF POLICY REGARDING WORLD HUNGER

[SEC. 712. The Congress, affirming the value of human life, finds and declares that the elimination of hunger and its causes is of fundamental moral significance and, further, that it is in the political, economic, and security interests of the United States. Therefore, the Congress declares that the elimination of hunger and its causes shall be a primary objective of United States relations with the developing countries.

[REAFFIRMATION OF SUPPORT FOR HUMAN RIGHTS PROVISIONS

[SEC. 713. (a) The Congress reaffirms its support for the various statutory provisions which have been enacted in order to promote internationally recognized human rights.

[(b) It is the sense of the Congress that a strong commitment to the defense of human rights should continue to be a central feature of United States foreign policy.]

* * * * * * *

[LEBANON

[SEC. 715. It is the sense of the Congress that the Government of the United States should continue to support diplomatic efforts to resolve the current crisis in Lebanon, and to pursue a comprehensive and coordinated policy in Lebanon guided by the following principles:

[(1) maintenance of an effective cease-fire throughout Lebanon;

[(2) resolution of the issue of the Syrian missiles deployed in Lebanon;

[(3) freedom, security, and opportunity for the Christian and all other Lebanese communities, including the Moslem, Druze, Armenian, and Jewish communities in Lebanon;

[(4) reaffirmation of the historic United States-Lebanon relationship and strengthening the longstanding commitment of the United States to the independence, sovereignty, and territorial integrity of Lebanon, without partition, free from terrorism and violence, and free to determine its future without Soviet or other outside interference;

[(5) generous international support for relief, rehabilitation, and humanitarian assistance for Lebanon, particularly for

those Lebanese citizens who have suffered from the terrorism and violence of recent events;

[(6) restoration of Lebanon's sovereignty free from outside domination or occupation; and

[(7) support for a free and open national election.

[USE OF CHEMICAL AND TOXIN WEAPONS

[SEC. 716. (a) The Congress condemns the use of, and the provision for use of, chemical agents and toxin weapons against the peoples of Laos, Kampuchea, or Afghanistan.

[(b) It is the sense of the Congress that the President should, acting through the Permanent Representative of the United States to the United Nations and all other appropriate diplomatic agents, seek definite measures to bring to an end actions by any party or government in using, and providing for use, chemical agents or toxin weapons against the peoples of Laos, Kampuchea, and Afghanistan, in violation of the spirit and the provisions of—

[(1) the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (done at Washington, London, and Moscow on April 10, 1972);

[(2) the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (signed at Geneva on June 17, 1925); and

[(3) customary international law.

[(c) It is further the sense of Congress that the President should—

[(1) allocate the highest possible priority to the development of further evidence clarifying the nature and origins of the chemical agents and toxin weapons being used against the peoples of Laos, Kampuchea, and Afghanistan; and

[(2) vigorously seek a satisfactory explanation from the Government of the Soviet Union regarding the strong circumstantial and presumptive evidence of its role in the use, or provision for use, of such weapons.

[(d) The Congress reiterates the concern expressed in House Resolution 644 (96th Congress), adopted by the House of Representatives on May 19, 1980, regarding the outbreak of pulmonary anthrax near Sverdlosk on April 3, 1979, and expresses its disappointment that the Soviet Union has failed adequately to respond to requests for data explaining this incident as provided in the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

[(e) It is further the sense of Congress that the negotiation of a treaty prohibiting the development, production, and stockpiling of chemical weapons, with reliable verification provisions, should be given a high priority by the United States Government and by all foreign governments.

[FINANCIAL OBLIGATIONS TO THE UNITED NATIONS

[SEC. 717. (a) The Congress finds and declares that—

[(1) the financing of the United Nations is the collective responsibility of all member nations;

[(2) the International Court of Justice has determined that the expenses of the United Nations incurred in its peacekeeping operations are properly included as a part of the regular expenses of the United Nations; and

[(3) peacekeeping operations are vital to the mission of the United Nations and must be adequately financed if such operations are to continue.

[(b) It is the sense of the Congress that the President, acting through the Permanent Representative of the United States to the United Nations, should undertake appropriate diplomatic initiatives to ensure that members of the United Nations make payments of all their outstanding financial obligations to the United Nations, including their assessments with respect to the peacekeeping operations of the United Nations.

[CONDEMNATION OF LIBYA FOR ITS SUPPORT OF INTERNATIONAL TERRORIST MOVEMENTS

[SEC. 718. (a) The Congress condemns the Libyan Government for its support of international terrorist movements, its efforts to obstruct positive movement toward the peaceful resolution of problems in the Middle East region, and its actions to destabilize and control governments of neighboring states in Africa.

[(b) The Congress believes that the President should conduct an immediate review of concrete steps the United States could take, individually and in concert with its allies, to bring economic and political pressure on Libya to cease such activities, and should submit a report on that review to the Congress within one hundred and eighty days after the date of enactment of this Act. Such a review should include the possibility of tariffs on or prohibitions against the import of crude oil from Libya.

[UNITED STATES CITIZENS ACTING IN THE SERVICE OF INTERNATIONAL TERRORISM

[SEC. 719. (a) It is the sense of the Congress that the spread of international terrorism poses a grave and growing danger for world peace and for the national security of the United States. As a part of its vigorous opposition to the activities of international terrorist leaders and the increase of international terrorism, the United States should take all steps necessary to ensure that no United States citizen is acting in the service of terrorism or of the proponents of terrorism.

[(b) Not later than six months after the enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report which includes—

[(1) a description of all legislation, currently in force, and of all administrative remedies, presently available, which can be employed to prevent the involvement, service, or participation by United States citizens in activities in support of international terrorism or terrorist leaders;

[(2) an assessment of the adequacy of such legislation and remedies, and of the enforcement resources available to carry out such measures, to prevent the involvement, service, or participation by United States citizens in activities in support of international terrorism or terrorist leaders; and

[(3) a description of available legislative and administrative alternatives, together with an assessment of their potential impact and effectiveness, which could be enacted or employed to put an end to the participation of United States citizens in activities in support of international terrorism or terrorist leaders.

[NONALIGNED COUNTRIES

[SEC. 720. (a) In considering whether to provide assistance, make sales, extend credits, or guarantee loans under the provisions of the Foreign Assistance Act of 1961, as amended, or the Arms Export Control Act, to any country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Session of the General Assembly of the United Nations on September 25 and 28, 1981, the President shall take into account whether such country has dissociated itself from the communique issued following the meeting.

[(b) Within thirty days after the date of enactment of this section, the President shall submit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the countries which have dissociated themselves from the nonaligned countries communique and on their methods of dissociation.

[PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI

[SEC. 721. (a)(1) It is the sense of the Congress that up to $15,000,000 of the funds available for the fiscal year 1982 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 should be made available for development assistance for Haiti, subject to the limitation in subsection (b) of this section.

[(2) To the maximum extent practicable, assistance for Haiti for the fiscal year 1982 under chapter 1 of part I of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

[(b) Funds available for the fiscal year 1982 to carry out chapter 1 of part I or chapter 2 or chapter 5 of part II of the Foreign Assistance Act of 1961 may be expended for Haiti, and credits and guarantees extended for the fiscal year 1982 under the Arms Export Control Act may be approved for use for Haiti, only if the President determines that the Government of Haiti—

[(1) is cooperating with the United States in halting illegal emigration from Haiti:

[(2) is not aiding, abetting, or otherwise supporting illegal emigration from Haiti;

[(3) has provided assurances that it will cooperate fully in implementing United States development assistance programs in Haiti (including programs for prior fiscal years); and

[(4) is not engaged in a consistent pattern of gross violations of internationally recognized human rights.

[(c) Six months after the date of enactment of this Act, the President shall prepare and transmit to the Congress a report on the extent to which the actions of the Government of Haiti are consistent with paragraphs (1), (2), (3), and (4) of subsection (b) of this section.

[(d) Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961, funds made available under such Act for the fiscal year 1982 and for the fiscal year 1983 may be used for programs with Haiti to assist in halting significant illegal emigration from Haiti to the United States.

[COMPREHENSIVE ANALYSIS OF FOREIGN ASSISTANCE

[SEC. 722. (a) It is the sense of Congress that at a time when major retrenchments and reappraisals are being made in domestic programs, it is also logical that, while maintaining past international commitments, the magnitude and direction of future foreign assistance programs should also be reviewed. As part of such a review process, the President is requested to provide a comprehensive report to the Congress on his approach to foreign assistance. Such report shall include an analysis and recommendations on the following issues:

[(1) the relationship between foreign assistance and defense expenditures as means of conducting foreign policy;

[(2) the appropriate mix between military and economic assistance;

[(3) the strengths and weaknesses, and appropriate mix, of bilateral and multilateral assistance programs;

[(4) the relevance of the basic human needs approach to current aid policy;

[(5) the performance of other aid donors, and the benefits they derive from their programs;

[(6) criteria for determining the appropriate size and composition of country programs;

[(7) the appropriateness of the current mix of grants and loans, and the possibility of combining them with new or existing guarantee, insurance, and export credit programs;

[(8) specific means to more actively engage the private sector in assistance programs; and

[(9) the usefulness of current functional categories in constructing the development assistance budget.

[(b) The Congress requests that the President provide to the Congress a preliminary report by March 31, 1982, and a final report by June 30, 1982, with respect to the issues referred to in subsection (a).

[EXTERNAL DEBT BURDENS OF EGYPT, ISRAEL, AND TURKEY

[SEC. 723. The Congress finds that the Governments of Egypt, Israel, and Turkey each have an enormous external debt burden which may be made more difficult by virtue of financing provided for those governments under various United States assistance programs. In order to assist the Congress in examining United States

assistance for these countries, the President shall report to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, not later than one hundred and twenty days after the date of enactment of this Act and not later than one year after the date of enactment of this Act, regarding economic conditions prevailing in Egypt, Israel, and Turkey which may affect their respective ability to meet their international debt obligations and to stabilize their economies. These reports shall also analyze the impact on Egypt's economy of Arab sanctions against Egypt.

[NICARAGUA

[SEC. 724. (a) In furnishing assistance under this Act to the Government of Nicaragua, the President shall take into account the extent to which that Government has engaged in violations of internationally recognized human rights (including the right to organize and operate labor unions free from political oppression, the right to freedom of the press, and the right to freedom of religion) and shall encourage the Government of Nicaragua to respect those rights.

[(b) In furnishing assistance under this Act to the Government of Nicaragua, the President shall take into account the extent to which that Government has fulfilled its pledge of July 1979 to the member states of the Organization of American States—

[(1) to establish full respect for human rights in Nicaragua in accordance with the United Nations Universal Declaration of the Rights and Duties of Man and the Charter on Human Rights of the Organization of American States;

[(2) to allow the free movement in Nicaragua of the Inter-American Commission on Human Rights; and

[(3) to establish the framework for free and democratic elections so that the people of Nicaragua may elect their representatives to city councils, to constitutional assembly, and to Nicaragua's highest-ranking authorities, with such framework to include, but not be limited to, the full and complete opportunity for political activity of the Nicaraguan people.

[(c) Assistance to the Government of Nicaragua under this Act shall be terminated if the President determines and reports to the Congress that the Government of Nicaragua cooperates with or harbors any international terrorist organization or is aiding, abetting, or supporting acts of violence or terrorism in other countries, or that Soviet, Cuban, or other foreign combat military forces are stationed or situated within the borders of Nicaragua and the presence of such forces constitutes a threat to the national security of the United States or to any Latin American ally of the United States.

[(d) Any agreement between the United States and the Government of Nicaragua regarding the use of funds appropriated to carry out this Act, which are to be made available in the form of loans, shall specifically require that to the maximum extent possible such loan funds, and any local currency generated in conjunction therewith, shall be used for assistance to the private sector. Local currency loan programs in Nicaragua shall be monitored and audited

in accordance with section 624(g) of the Foreign Assistance Act of 1961.

[(e) For each six-month period in which any funds are expended under this Act for Nicaragua, the President shall submit to the Speaker of the House of Representatives, and the chairman of the Committee on Foreign Relations of the Senate, a report accounting fully and in itemized detail for the amounts obligated and actually expended in Nicaragua.]

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[REPEAL OF LIMITATIONS ON ASSISTANCE, SALES, AND SALES CREDITS FOR CHILE

[SEC. 726. (a) Section 406 of the International Security Assistance and Arms Export Control Act of 1976 (22 U.S.C. 2370 note) is repealed.

[(b) Notwithstanding any other provision of law—

[(1) no assistance may be furnished under chapter 2, 4, 5, or 6 of part II of the Foreign Assistance Act of 1961 to Chile;

[(2) no sale of defense articles or services may be made under the Arms Export Control Act to Chile:

[(3) no credits (including participation in credits) may be extended and no loan may be guaranteed under the Arms Export Control Act with respect to Chile; and

[(4) no export licenses may be issued under section 38 of the Arms Export Control Act to or for the Government of Chile;

[unless and until the President submits to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a detailed report certifying—

[(A) that the Government of Chile has made significant progress in complying with internationally recognized principles of human rights;

[(B) that the provision of such assistance, articles or services is in the national interest of the United States; and

[(C) that the Government of Chile is not aiding or abetting international terrorism and has taken appropriate steps to cooperate to bring to justice by all legal means available in the United States or Chile those indicted by a United States grand jury in connection with the murders of Orlando Letelier and Ronni Moffitt.

[(c) The prohibition contained in subsection (b) does not prohibit the sale, or the licensing for export, of cartridge actuated devices, propellant actuated devices, components, parts, tools, technical manuals, time compliance to technical orders (TCTOs), or TCTO retrofits for aircraft of the F–5E/F, A/T–37, or C–130E/H type owned by the Chilean Air Force, so long as the items are provided only for purposes of enhancing the safety of the aircraft crew.

[ASSISTANCE FOR EL SALVADOR

[SEC. 727. (a) It is the sense of the Congress that assistance furnished to the Government of El Salvador, both economic and military, should be used to encourage—

[(1) full observance of internationally recognized human rights in accordance with sections 116 and 502B of the Foreign Assistance Act of 1961;

[(2) full respect for all other fundamental human rights, including the right of freedom of speech and of the press, the right to organize and operate free labor unions, and the right to freedom of religion;

[(3) continued progress in implementing essential economic and political reforms, including land reform and support for the private sector;

[(4) a complete and timely investigation of the deaths of all United States citizens killed in El Salvador since October 1979;

[(5) an end to extremist violence and the establishment of a unified command and control of all government security forces in this effort;

[(6) free, fair, and open elections at the earliest date; and

[(7) increased professional capability of the Salvadoran Armed Forces in order to establish a peaceful and secure environment in which economic development and reform and the democratic processes can be fully implemented, thereby permitting a phased withdrawal of United States military training and advisory personnel at the earliest possible date.

[(b) It is the sense of the Congress that the United States economic assistance to El Salvador should put emphasis on revitalizing the private sector and supporting the free market system. The Congress recognizes that the lack of foreign exchange to buy imported raw materials and intermediate goods is a major impediment to the ability of the Salvadoran economy to provide jobs. The Congress also recognizes that the funds budgeted for economic assistance are only a fraction of the foreign exchange needed, and United States economic aid should be used, wherever possible, to stimulate private sector lending. Therefore, the Congress urges the President to set aside a portion of the economic support funds to provide guarantees to private United States banks willing to give credits to the Salvadoran private sector.

[RESTRICTIONS ON MILITARY ASSISTANCE AND SALES TO EL SALVADOR

[SEC. 728. (a)(1) The Congress finds that peaceful and democratic development in Central America is in the interest of the United States and of the community of American States generally, that the recent civil strife in El Salvador has caused great human suffering and disruption to the economy of that country, and that substantial assistance to El Salvador is necessary to help alleviate that suffering and to promote economic recovery within a peaceful and democratic process. Moreover, the Congress recognizes that the efforts of the Government of El Salvador to achieve these goals are affected by the activities of forces beyond its control.

[(2) Taking note of the substantial progress made by the Government of El Salvador in land and banking reforms, the Congress declares it should be the policy of the United States to encourage and support the Government of El Salvador in the implementation of these reforms.

[(3) The United States also welcomes the continuing efforts of President Duarte and his supporters in the Government of El Sal-

vador to establish greater control over the activities of members of the armed forces and government security forces. The Congress finds that it is in the interest of the United States to cooperate with the Duarte government in putting an end to violence in El Salvador by extremist elements among both the insurgents and the security forces, and in establishing a unified command and control of all government forces.

[(4) The United States supports the holding of free, fair, and open elections in El Salvador at the earliest date. The Congress notes the progress being made by the Duarte government in this area, as evidenced by the appointment of an electoral commission.

[(b) In fiscal years 1982 and 1983, funds may be obligated for assistance for El Salvador under chapter 2 or 5 of part II of the Foreign Assistance Act of 1961, letters of offer may be issued and credits and guarantees may be extended for El Salvador under the Arms Export Control Act, and members of the Armed Forces may be assigned or detailed to El Salvador to carry out functions under the Foreign Assistance Act of 1961 or the Arms Export Control Act, only if not later than thirty days after the date of enactment of this Act and every one hundred and eighty days thereafter, the President makes a certification in accordance with subsection (d).

[(c) If the President does not make such a certification at any of the specified times then the President shall immediately—

[(1) suspend all expenditures of funds and other deliveries of assistance for El Salvador which were obligated under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 after the date of enactment of this Act;

[(2) withhold all approvals for use of credits and guarantees for El Salvador which were extended under the Arms Export Control Act after the date of enactment of this Act;

[(3) suspend all deliveries of defense articles, defense services, and design and construction services to El Salvador which were sold under the Arms Export Control Act after the date of enactment of this Act; and

[(4) order the prompt withdrawal from El Salvador of all members of the Armed Forces performing defense services, conducting international military education and training activities, or performing management functions under section 515 of the Foreign Assistance Act of 1961.

[Any suspension of assistance pursuant to paragraphs (1) through (4) of this subsection shall remain in effect during fiscal year 1982 and during fiscal year 1983 until such time as the President makes a certification in accordance with subsection (d).

[(d) The certification required by subsection (b) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate of a determination that the Government of El Salvador—

[(1) is making a concerted and significant effort to comply with internationally recognized human rights;

[(2) is achieving substantial control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces:

[(3) is making continued progress in implementing essential economic and political reforms, including the land reform program;

[(4) is committed to the holding of free elections at an early date and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in El Salvador which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

[(A) a renouncement of further military or paramilitary activity; and

[(B) the electoral process with internationally recognized observers.

[Each such certification shall discuss fully and completely the justification for making each of the determinations required by paragraphs (1) through (4).

[(e) On making the first certification under subsection (b) of this section, the President shall also certify to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that he has determined that the Government of El Salvador has made good faith efforts both to investigate the murders of the six United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice those responsible for those murders. The second certification required under this section may be made only if it includes a determination by the President that the Government of El Salvador (1) has made good faith efforts since the first such certification was made to investigate the murders of those six United States citizens and to bring to justice those responsible for those murders, and (2) has taken all reasonable steps to investigate the disappearance of journalist John Sullivan in El Salvador in January 1981. The fourth certification required under this section may be made only if it includes a determination by the President that, since the third such certification was made, the Government of El Salvador (1) has made good faith efforts both to investigate the murders of the seven United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice all those responsible for those murders, and (2) has taken all reasonable steps to investigate the killing of Michael Kline in El Salvador in October 1982.

[REPORTING REQUIREMENT RELATING TO EL SALVADOR

[SEC. 729. (a) Not later than ninety days after the date of enactment of this section, the President shall prepare and transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a report setting forth—

[(1) the viewpoints of all major parties to the conflict in El Salvador and of the influential actors in the Salvadoran political system regarding the potential for and interest in negotiations, elections, and a settlement of the conflict; and

[(2) the views of democratic Latin American nations, Canada, the Organization of American States, and European allies of the United States regarding a negotiated settlement to such conflict.

[(b) It is the sense of the Congress that the President shall, as soon as possible, send a special envoy or use other appropriate means to consult with and gather information from appropriate representatives of the parties to the Salvadoran conflict, democratic governments of Latin America, Canada, and European allies of the United States regarding the attainment of a negotiated settlement in El Salvador.

[RESTRICTIONS ON AID TO EL SALVADOR

[SEC. 730. None of the funds authorized to be appropriated by this Act may be made available for the provision of assistance to El Salvador for the purpose of planning for compensation, or for the purpose of compensation, for the confiscation, nationalization, acquisition, or expropriation of any agricultural or banking enterprise, or of the properties or stock shares which may be pertaining thereto.

[EL SALVADORAN REFUGEES

[SEC. 731. It is the sense of the Congress that the administration should continue to review, on a case-by-case basis, petitions for extended voluntary departure made by citizens of El Salvador who claim that they are subject to persecution in their homeland, and should take full account of the civil strife in El Salvador in making decisions on such petitions.]

* * * * * * *

[REPEALS

[SEC. 734. (a) * * *

[(b) * * *

[(c) Except as otherwise explicitly provided by their terms, amendments to the Foreign Assistance Act of 1961 and the Arms Export Control Act which are applicable only to a single fiscal or calendar year or which require reports or other actions on a nonrecurring basis shall be deemed to have expired and shall be removed from law upon the expiration of the applicable time periods for the fulfillment of the required actions.

[REPORT ON NUCLEAR ACTIVITIES

[SEC. 735. Beginning with the fiscal year 1983 and for each fiscal year thereafter, the President shall prepare and transmit to the Congress, as part of the presentation materials for foreign assistance programs proposed for the fiscal year, a classified report describing the nuclear programs and related activities of any country for which a waiver of section 669 or 670 of the Foreign Assistance Act of 1961 is in effect, including an assessment of—

[(1) the extent and effectiveness of International Atomic Energy Agency safeguards at that country's nuclear facilities; and

[(2) the capability, actions, and intentions of the government of that country with respect to the manufacture or acquisition of a nuclear explosive device.]

* * * * * * *

[PROHIBITIONS RELATING TO NUCLEAR TRANSFERS AND NUCLEAR DETONATIONS

[SEC. 737. (a) The Congress finds that any transfer of a nuclear explosive device to a non-nuclear-weapon state or, in the case of a non-nuclear-weapon state, any receipt or detonation of a nuclear explosive device would cause grave damage to bilateral relations between the United States and that country.]

Overseas Private Investment Corporation Amendments Act of 1981

[SHORT TITLE

[SECTION. 1. This Act may be cited as the "Overseas Private Investment Corporation Amendments Act of 1981".]

* * * * * * *

[ISSUING AUTHORITY, DIRECT INVESTMENT FUND AND RESERVE

[SEC. 5. (a) * * *
[(b)(1) * * *
[(2) The authority of the Overseas Private Investment Corporation to enter into contracts under section 234(a) of the Foreign Assistance Act of 1961 shall be effective for any fiscal year beginning after September 30, 1981, only to such extent or in such amounts as are provided in appropriation Acts.]

* * * * * * *

[REPORTS

[SEC. 9. (a) * * *
[(b) The Overseas Private Investment Corporation shall prepare and submit to the Congress, not later than June 30, 1982, a report on methods for estimating the probability that particular investments or types of investments will nor will not be made if insurance or other support by the Corporation is not provided. The report should review methods of taking into consideration the availability of insurance in the private sector as well as the self-insurance capabilities of investors. The report shall include recommendations on how the Corporation can incorporate consideration of such estimates when deciding which investments to support, particularly if not all applications of eligible investors can be approved. The report shall be based on studies conducted by persons who are not officers or employees of the Corporation as well as on studies conducted by the Corporation.]

* * * * * * *

The International Security and Development Cooperation Act of 1980

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security and Development Cooperation Act of 1980".

TITLE I—MILITARY AND RELATED ASSISTANCE AND SALES PROGRAMS

* * * * * * *

FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

[SEC. 106. (a) * * *

[(b) * * *

[(c) * * *

[(d) The principal amount of the loans guaranteed under section 24(a) of such Act for the fiscal year 1981 with respect to Egypt, the Sudan, Greece, and Turkey shall be repaid, and with respect to Somalia may be repaid, in not less than twenty years, following a grace period of ten years on repayment of principal.]

* * * * * * *

[PROHIBITION ON MILITARY ASSISTANCE TO NICARAGUA

[Sec. 119. None of the funds authorized to be appropriated by this title shall be made available for any aid or assistance to Nicaragua.]

[TITLE II—ECONOMIC SUPPORT FUND]

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[TITLE III—DEVELOPMENT ASSISTANCE PROGRAMS]

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[ASSISTANCE TO THE EASTERN CARIBBEAN

[SEC. 313. (a) The Congress urges the President to use up to $7,000,000 for the fiscal year 1981 for bilateral development assistance for the countries of the eastern Caribbean.

[ASSISTANCE FOR EQUATORIAL GUINEA

[SEC. 314. The President is urged to provide up to $3,000,000 of the funds authorized to be appropriated for the fiscal year 1981 by this title for assistance to Equatorial Guinea if he deems that conditions in that country warrant such assistance.]

* * * * * * *

[REDUCTION OF POSTHARVEST LOSSES OF FOOD

[SEC. 317. It is the sense of the Congress that—

[(1) the President should reaffirm the policy of the United States Government to support the goal established by the United Nations General Assembly of reducing by 50 percent postharvest losses of food in developing countries; and

[(2) the President, acting through the Agency for International Development, should increase substantially the proportion of funds made available under the Foreign Assistance Act of 1961 for the purpose of assisting, together with other donor countries and with developing countries, in the reduction of postharvest losses of food in developing countries.

[TITLE IV—OTHER ASSISTANCE PROGRAMS]

* * * * * * *

[INTERNATIONAL NARCOTICS CONTROL

[SEC. 402. (a) * * *

[(b) * * *

[(c) Notwithstanding the provisions of section 482(a)(2) of the Foreign Assistance Act of 1961 as in effect immediately prior to the enactment of this Act, funds appropriated for the fiscal year 1980 to carry out the purposes of section 481 of that Act which were obligated for assistance for Colombia may be used for fixed-wing aircraft, communications equipment, and such other equipment and operational support, including aviation services, as are essential to the Colombian anti-narcotics enforcement program.]

* * * * * * *

[EAST TIMOR

[SEC. 408. It is the sense of the Congress that the President should take all appropriate measures to—

[(1) continue to support and encourage relief operations by the Government of Indonesia and by international relief agencies in East Timor;

[(2) assist the Government of Indonesia to facilitate the reuniting of families separated because of developments in recent years in East Timor; and

[(3) encourage the Government of Indonesia to allow access to East Timor by international journalists.]

* * * * * * *

[TITLE VI—PEACE CORPS]

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[TITLE VII—MISCELLANEOUS PROVISIONS]

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[INTERAGENCY GROUP ON HUMAN RIGHTS AND FOREIGN ASSISTANCE

[SEC. 710. It is the sense of the Congress that—

[(1) the Interagency Group on Human Rights and Foreign Assistance has been an effective mechanism for coordinating and implementing United States human rights policies;

[(2) the President should consider establishing the Interagency Group on a more permanent basis;

[(3) the Interagency Group should examine proposals for not only economic assistance but also for security assistance; and

[(4) the President should report his recommendations for strengthening the Interagency Group to the Congress no later than July 1, 1981.

[PEACE IN THE MIDDLE EAST

[SEC. 711. (a) It is the sense of the Congress that all parties to the Arab-Israeli conflict need to reaffirm their unequivocal commitment to the peace process in order to achieve further progress toward a comprehensive settlement, to reinforce the principles of the Camp David accords, and to take actions to encourage parties not currently involved in the peace process to become active participants in peace efforts.

[(b) It is further the sense of the Congress that to further these goals (1) all parties to the conflict should accept Israel's unequivocal right to exist within secure and recognized borders; (2) the Governments of Israel and Egypt should maintain and strengthen their commitment to the process of normalization of relations and continue actions to support that commitment; (3) the Governments of Israel and Egypt should reaffirm their commitment to United Nations Resolution 242 and its applicability, in all its aspects, to territories under negotiations; and (4) the governments of countries in the Middle East should assure that their policies and actions are consistent with the objectives of achieving peace and of involving other parties in the peace process.

[ASSISTANCE FOR JORDAN

[SEC. 712. It is the sense of the Congress that for Jordan to receive any funds authorized to be appropriated by this Act, it should be judged by the President that Jordan is acting in good faith to achieve peace in the Middle East and that the expenditure of such funds for Jordan will serve to further peace in the Middle East.

[CUBAN REFUGEES

[SEC. 715. (a) The Congress finds that—

[(1) the flow of refugees for political, economic, or other compelling reasons is a growing and world-wide phenomenon;

[(2) the United States represents freedom of thought and action and economic opportunity and has historically played a major role in providing a home to the refugees of the world;

[(3) an orderly and lawful refugee process is necessary for the furtherance of United States domestic well-being;

[(4) continuation of the traditional compassionate and humanitarian policy of the United States regarding entry to its shores of refugees and other victims of oppression is threatened by the precipitate influx of large numbers of Cubans fleeing their country;

[(5) the United States has sought to negotiate with the Government of Cuba to establish a lawful, safe, and orderly process by which Cubans may be allowed to leave their country; and

[(6) the Cuban refugee crisis is a problem of international concern and other nations should contribute to its resolution.

[(b)(1) The Congress urges the President to take the necessary steps to encourage and secure greater international cooperation with respect to the large number of Cuban natives who have recently fled or are attempting to flee Cuba. Such steps should include seeking the agreement of other countries to admit some of

those persons into their respective countries and to contribute funds and other assistance for the resettlement of those persons.

[(2) In order to encourage countries throughout the world which are recipients of United States bilateral and multilateral assistance to permit and to help finance the resettlement of Cuban and other refugees within their borders, the President shall, to the maximum extent feasible, attempt to channel such assistance to countries which have demonstrated a willingness to provide assistance to Cuban and other refugees.

[(c) It is the sense of the Congress that, in carrying out subsection (b)(1), the President should seek the discussion, in an appropriate international forum such as the United Nations or the Organization of American States, of the situation involving the flight of large numbers of Cuban natives from Cuba, of the resettlement of Cuban refugees, and of means by which a more orderly process may be established to handle future crises of a similar nature.

[INCARCERATION AND DEPORTATION OF CERTAIN CUBANS

[SEC. 716. The Congress finds that the United States Government has already incarcerated recently arrived Cubans who are admitted criminals, are security threats, or have incited civil disturbances in Federal processing facilities. The Congress urges the Executive branch, consistent with United States law, to seek the deportation of such individuals.

[PROHIBITION ON ASSISTANCE TO THE GOVERNMENTS OF CUBA, VIETNAM, AND CAMBODIA

[SEC. 717. None of the funds authorized to be appropriated by this Act may be used to provide assistance to the Governments of Cuba, Vietnam, or Cambodia. Nothing in this section shall be construed to prohibit food assistance or humanitarian assistance which is distributed directly to the people of Cambodia.

[COOPERATION OF OTHER GOVERNMENTS IN THE BOYCOTT OF THE 1980 SUMMER OLYMPIC GAMES IN MOSCOW

[SEC. 718. In determining the levels of assistance to be provided to a foreign government with funds authorized to be appropriated by this Act, the President shall take into account the position of that government with respect to the United States proposed boycott of the 1980 summer Olympic games in Moscow.

[ELECTIONS IN UGANDA

[SEC. 719. The President shall encourage the holding of free, open elections in Uganda and shall, in considering assistance for Uganda with funds authorized to be appropriated by this Act, take into account whether such elections are held.]

The International Development Cooperation Act of 1979

[SHORT TITLE

[SECTION 1. This Act may be cited as the "International Development Cooperation Act of 1979".

[TITLE I—DEVELOPMENT ASSISTANCE]

* * * * * * *

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 114. (a) * * *

[(b) Notwithstanding any other provision of law, funds appropriated for the fiscal year 1979 to meet the annual obligations of membership of the United States in the United Nations and its specialized agencies may be made available for the furnishing of technical assistance by the United Nations and its specialized agencies.]

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[SEC. 124. PROHIBITION ON ASSISTANCE TO PANAMA * * * [Repealed—1981]

[ASSISTANCE TO LATIN AMERICAN AND CARIBBEAN COUNTRIES

[SEC. 125. It is the sense of the Congress that the United States should place greater emphasis on public and private resources for development programs in Latin America and the Caribbean which address problems common to the Western Hemisphere. It is further the sense of the Congress that provision of such assistance to Latin American and Caribbean countries, including transitional developing countries, is consistent with the purposes of part I of the Foreign Assistance Act of 1961.

[INCREASED CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE

[SEC. 126. In recognition of the rapidly growing economic strength and ability to contribute to international development and security efforts of other nations, it is the sense of the Congress that the President should take all appropriate steps to negotiate with those nations with adequate financial resources to provide assistance to increase their contributions for development assistance through multilateral programs as well as through bilateral efforts.

[TITLE II—FOOD FOR PEACE]

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[TITLE III—PEACE CORPS]

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[TITLE IV—INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

[STATEMENT OF POLICY

[SEC. 401. As declared by Congress in the Foreign Assistance Act of 1961, a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives. The Congress reaffirms the profound humanitarian and foreign policy concerns of the United States in the economic and social progress of the developing countries and in the alleviation of the worst physical manifestations of poverty in these countries.

[In furtherance of that objective, the Congress recognizes that developing countries require extensive scientific and technological capacity in order to deal effectively with their development problems, relate to the industrialized nations, and constructively participate in the shaping of a stable world order.

[It is therefore in the mutual interest of the United States and the developing countries to increase scientific and technological cooperation and jointly to support long-term research on critical problems that impede development and limit the efficient use of the world's human, natural, and capital resources.

[PURPOSES AND ESTABLISHMENT OF THE INSTITUTE

[SEC. 402. (a) To strengthen the capacity of the people of developing countries to solve their development problems through scientific and technological innovation, to foster research on problems of development, and to facilitate scientific and technological cooperation with developing countries, the President is authorized to establish an Institute for Scientific and Technological Cooperation (hereafter in this title referred to as the "Institute"), which shall be subject to the foreign policy guidance of the Secretary of State.

[(b) The Institute shall be guided by the policies set forth in sections 101 and 102 of the Foreign Assistance Act of 1961 and shall direct a substantial share of its resources to those objectives.

[FUNCTIONS OF THE INSTITUTE

[SEC. 403. (a) In carrying out its purposes, the Institute shall—

[(1) assist developing countries to strengthen their own scientific and technological capacity in order for them to undertake the research and experimentation necessary for development;

[(2) support research, in the United States and in developing countries, on critical development problems, with emphasis on research relating to technologies which are labor-intensive or which do not generate additional unemployment or underemployment and with emphasis on those problems which are the greatest impediment to improvement in the lives of the majority of the poor;

[(3) foster the exchange of scientists and other technological experts with developing countries, and other forms of exchange

and communication to promote the joint solution of problems of mutual concern to the United States and developing countries;

[(4) advise and assist other agencies of the United States Government in planning and executing policies and programs of scientific and technological cooperation with developing countries;

[(5) facilitate the participation of private United States institutions, businesses, and individuals in scientific and technological cooperation with developing countries; and

[(6) gather, analyze, and disseminate information relevant to the scientific and technological needs of developing countries.

[(b) In carrying out the functions specified in subsection (a), the Institute shall take particular care to review all of its programs, projects, and other activities to ensure that technologies which are developed, utilized, or promoted are assessed with regard to minimizing any new problems and that participants in such programs, projects, and activities are fully aware of the need for such review with respect to any technology-related activities for which they are responsible.

[(c) For purposes of carrying out the functions of the Institute, the President may utilize, in addition to authorities conferred by this title, such authority contained in the Foreign Assistance Act of 1961, the Foreign Service Act of 1980, title V of the Foreign Relations Authorization Act, Fiscal Year 1979, and title IV of the International Development and Food Assistance Act of 1978, as the President deems necessary.

[(d) The Institute shall carry out its functions in consultation and cooperation with the agencies of the United States Government, international organizations, and agencies of other governments engaged in promoting economic, social, and technological development in developing countries.

[(e) The President shall prescribe appropriate procedures to assure coordination of the activities of the Institute with other activities of the United States Government in furthering the use of science and technology in the cause of development.

[GENERAL AUTHORITIES

[SEC. 404. (a) To carry out the purposes and functions of the Institute, the President may—

[(1) make and perform contracts and other agreements with any individual, institution, corporation, or other body of persons however designated, within or outside the United States, and with governments or government agencies, domestic or foreign;

[(2) make advances, grants, and loans to any individual, institution, corporation, or other body of persons however designated, within or outside the United States, and to governments or government agencies, domestic or foreign;

[(3) employ such personnel as necessary and fix their compensation;

[(4) make provision for compensation, transportation, housing, subsistence (or per diem in lieu thereof), and health care or health and accident insurance for foreign nationals engaged

in activities authorized by this title while they are away from their homes, without regard to the provisions of any other law;

[(5) accept and use money, funds, property, and services of any kind by gift, devise, bequest, grant, or otherwise in furtherance of the purposes of the Institute;

[(6) acquire by purchase, lease, loan, bequest, or gift and hold and dispose of by sale, lease, loan, or grant, real and personal property of all kinds;

[(7) prescribe, amend, and repeal such rules and regulations as may be necessary to the conduct of the business of the Institute;

[(8) utilize information, services, facilities, officers, and employees of any agency of the United States Government;

[(9) establish a principal office in the United States and such other offices within or outside the United States, as may be necessary;

[(10) make such expenditures as may be necessary for administering the provisions of this title;

[(11) adopt, alter, and use an official seal for the Institute, which shall be judicially noticed; and

[(12) take such other actions as may be necessary and incidental to carrying out the functions of the Institute.

[(b) Any authority provided by this section involving the expenditures of appropriated funds shall be effective for a fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

[DIRECTOR OF THE INSTITUTE

[SEC. 405. (a) There shall be a Director of the Institute (hereafter in this title referred to as the "Director") who shall be the chief executive officer of the Institute. The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate payable for level III of the Executive Schedule under section 5314 of title 5 of the United States Code.

[(b) The President may exercise any authorities conferred upon him by this title through the Director or any other agency or officer of the United States Government as he shall direct. The Director or head of any such agency or any such officer may delegate to any of his subordinates authority to perform any of such functions.

[DEPUTY DIRECTOR AND OTHER STATUTORY OFFICERS

[SEC. 406. (a) A Deputy Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director shall receive compensation at the rate payable for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code.

[(b) The Deputy Director shall perform such duties and exercise such powers as the Director may prescribe.

[(c) The President may establish up to two additional positions in the Institute to be compensated at the rate payable for level V of the Executive Schedule under section 5316 of title 5 of the United States Code.

[COUNCIL ON INTERNATIONAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION

[SEC. 407. (a) In order to further the purposes of the Institute, the President is authorized to establish a Council on International Scientific and Technological Cooperation (hereafter in this title referred to as the "Council").

[(b)(1) The Council shall—

[(A) advise the Director with respect to the policies, programs, planning, and procedures of the Institute;

[(B) make recommendations to the Director on the use of the resources available to the Institute; and

[(C) advise the Director on matters involving the activities of the Institute overseas and appropriate relationship with the private sector, within and outside the United States.

[(2) The Council shall prepare an annual report setting forth the major recommendations made and advice given pursuant to paragraph (1) of this subsection.

[(c) The Director shall seek the advice of the Council before making any decision with respect to the selection or termination of, or any significant change in, the areas and issues in which the Institute conducts its activities, and with respect to the transfer of specific programs and projects from any other Government agency to the Institute. The Council shall have the authority to review all new programs and initiatives before their implementation and to make recommendations with regard to the approval or disapproval of new programs and initiatives having a cost in excess of $500,000 or a duration greater than two years.

[(d) The Council shall consist of up to twenty-five members appointed by the President, one of whom the President shall designate as Chairman. The members of the Council shall be appointed for terms of four years, except that the members first appointed shall be appointed for terms of one, two, three, or four years, as designated by the President at the time of their appointment, so that the terms of approximately one-fourth of the members of the Council expire in any year. The members of the Council shall be selected from among—

[(1) citizens of the United States who are widely recognized for their broad knowledge of, or expertise in, science and technology, or their interest in the scientific and technological problems of developing countries;

[(2) citizens of foreign countries who by their knowledge and expertise are capable of providing advice and guidance to the Institute on the application of science and technology to the problems of developing countries, except that not more than one-third of the membership of the Council shall consist of members who are citizens of foreign countries; and

[(3) officials of the United States Government, except that not to exceed five members of the Council may be appointed under this paragraph, one of whom shall be the Secretary of State or his designee.

[(e) Members of the Council who are not officials of the United States Government shall be entitled to compensation, not to exceed the daily equivalent of the highest rate which may be paid to an

employee under the General Schedule established by section 5332 of title 5 of the United States Code, while in the performance of their duties under this title, and to reimbursement for expenses and per diem in lieu of subsistence while away from their homes or regular places of business in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code. Members of the Council who are not officials of the United States Government shall not be deemed officers, employees, or otherwise in the service or employment of the United States Government for any purpose, except that members of the Council who are United States citizens shall be deemed Government employees for the purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

[(f) The Council may appoint from among its members an Executive Committee, and such other committees it deems necessary, to assist it in exercising its powers and functions. The Executive Committee shall consist of seven members, one of whom shall be the Chairman of the Council and not more than three of whom shall be employees of the United States Government. The Executive Committee shall exercise such powers and functions as are delegated to it by the Council.

[INSTITUTE FELLOWSHIPS

[SEC. 408. (a) The President is authorized to award up to twenty fellowships annually for periods up to two years, such awards to be renewable for an additional period not to exceed two years, to individuals who have demonstrated exceptional competence and ability in the fields of scientific, technological, economic, or social endeavor selected by the Institute for concentration. The awards shall be made so as to encompass a wide diversity of disciplines and backgrounds, and shall be made on the basis of criteria established by the President upon the advice of the Council. Up to ten of the awards in any year may be made to citizens of countries other than the United States. Individuals awarded fellowships shall be designated as Institute Fellows.

[(b) The President may assign Institute Fellows to undertake such activities, in the United States or abroad, as will further the purposes of the Institute.

[(c) The amount of the awards made pursuant to this section shall be established by the President, but shall not in any case exceed the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code. In addition, where appropriate, the President may make provisions for transportation, housing (when assigned outside country of residence), subsistence (or per diem in lieu thereof), and health care or health or accident insurance for Institute Fellows and their dependents while engaged in activities authorized by this title.

[(d) Except as provided otherwise in this section, Institute Fellows shall not be deemed employees or otherwise in the service or employment of the United States Government. Institute Fellows shall be considered employees for purposes of compensation of injuries under chapter 81 of title 5 of the United States Code and the

tort claim provisions of chapter 171 of title 28 of the United States Code. In addition, Institute Fellows who are United States citizens shall be considered Government employees for purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

[(e) Alien participants in any program of the Institute, including Institute Fellows and their dependents, may be admitted to the United States, if otherwise qualified as non-immigrants under section 101(a)(15) of the Immigration and Nationality Act, for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

[CONFLICT OF INTEREST

[SEC. 409. Members of the Council and Institute Fellows shall avoid any action, in their activities with respect to the Institute, which might result in, or create the appearance of, a conflict of interest, including but not limited to—

[(1) using their office or position for private gain;

[(2) giving preferential treatment to any person;

[(3) making recommendations or decisions relating to any activity authorized by this title in other than an impartial and independent manner;

[(4) misusing Government property or official information obtained through their office or position which has not been made available to the general public; or

[(5) affecting adversely the confidence of the public in the integrity of the Institute.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 410. There are authorized to be appropriated to the President to carry out this title, in addition to funds otherwise available for such purpose, $12,000,000 for the fiscal year 1981. Funds appropriated under this section are authorized to remain available until expended.

[SEC. 411. ANNUAL REPORT * * * [Repealed—1983]

[CONFORMING AMENDMENTS

[SEC. 412. (a) Section 5314 of title 5 of the United States Code, relating to level III of the Executive Schedule, is amended by adding at the end thereof the following:

["(70) Director, Institute for Scientific and Technological Cooperation."

[(b) Section 5315 of title 5 of the United States Code, relating to level IV of the Executive Schedule, is amended by adding at the end thereof the following:

["(128) Deputy Director, Institute for Scientific and Technological Cooperation.".

[(c) Section 5316 of title 5 of the United States Code, relating to level V of the Executive Schedule, is amended by adding at the end thereof the following:

["(152) Additional officers, Institute for Scientific and Technological Cooperation (2).".

[SEC. 413. ESTABLISHMENT IN INTERNATIONAL DEVELOPMENT COOPERATION AGENCY * * * [Repealed—1998]

[EXPIRATION OF AUTHORITIES

[SEC. 414. The authorities contained in this title shall expire on September 30, 1984.

[TITLE V—MISCELLANEOUS PROVISIONS

[EARMARKING FOR LEBANON OF UNOBLIGATED BALANCES IN THE MIDDLE EAST SPECIAL REQUIREMENTS FUND

[SEC. 501. Of the funds continued available for the fiscal year 1979 for the Middle East Special Requirements Fund by section 103 of the Foreign Assistance and Related Programs Appropriations Act, 1979, which are unobligated on the date of enactment of this Act, $5,000,000 shall be available only for Lebanon and may hereafter be continued available only for such country.

[MILITARY ASSISTANCE TO SUDAN

[SEC. 502. In addition to the amount authorized to be appropriated for grant military assistance for the fiscal year 1980 by section 504(a)(1) of the Foreign Assistance Act of 1961, there is authorized to be appropriated to carry out the purposes of chapter 2 of part II of that Act for the fiscal year 1980 $1,700,000. Not more than $1,700,000 of the funds available to carry out that chapter for the fiscal year 1980 may be allocated and made available for assistance for Sudan. For purposes of the last sentence of section 504(a)(1) and for purposes of section 515(b)(1) of the Foreign Assistance Act of 1961, this section shall be deemed to be part of such section 504(a)(1).]

* * * * * * *

[NONPROLIFERATION OF NUCLEAR WEAPONS

[SEC. 507. (a) In accordance with the Nuclear Non-Proliferation Act of 1978, the Congress strongly urges all nations which are not parties to the Treaty on Non-Proliferation of Nuclear Weapons to become parties to that treaty.

[REFUGEE CRISIS IN SOUTHEAST ASIA

[SEC. 509. (a)(1) The refugee crisis in Indochina is unfolding as one of the great human tragedies of our time.

[(2) At least seven hundred and fifty thousand human beings have fled Vietnam, Kampuchea, and Laos since the spring of 1975.

[(3) Approximately three hundred thousand human beings currently remain in refugee camps throughout Southeast Asia.

[SEC. 510. Section 5924(4)(B) of title 5, United States Code, is amended by striking out "one annual trip each way for each dependent of an employee of the Department of State or the United States Information Agency, or" and inserting in lieu thereof "(i) in the case of dependents traveling to obtain secondary education, one annual trip, or in the case of dependents traveling to obtain undergraduate college education, two annual trips, each way for each de-

pendent of an employee of the Department of State, of the International Communication Agency, or of the Agency for International Development, or (ii)".]

* * * * * * *

[EFFECTIVE DATES

[SEC. 512. (a) Except as provided in subsection (b) of this section and in section 503(b), this Act shall take effect on October 1, 1979.

[(b) Sections 114(b), 123, 501, and 509 of this Act shall take effect on the date of enactment of this Act.]

The International Security Assistance Act of 1979

[SHORT TITLE

[SECTION 1. This Act may be cited as the "International Security Assistance Act of 1979".]

* * * * * * *

[AUTHORIZATION AND AGGREGATE CEILING FOR FOREIGN MILITARY SALES CREDITS

[SEC. 17. (a) * * *

[(b) Of the principal amount of loans guaranteed for the fiscal year 1980 under section 24 of the Arms Export Control Act—

[(1) with respect to Turkey, not to exceed $50,000,000,

[(2) with respect to Greece, not to exceed $42,000,000, and

[(3) with respect to Sudan, not to exceed $25,000,000,

[shall be repaid in not less than 20 years, following a grace period of 10 years on repayment of principal.]

* * * * * * *

[NATIONAL DISCLOSURE POLICY FOR SENSITIVE WEAPONS TECHNOLOGY]

* * * * * * *

[TRANSFER OF WAR RESERVE MATERIEL AND OTHER PROPERTY TO TAIWAN

[SEC. 23. (a) Notwithstanding any other provision of law, during the calendar year 1980 the President is authorized to transfer to Taiwan under such terms and conditions as he may deem appropriate, such United States war reserve materiel that was located on Taiwan on January 1, 1979, as he may determine.

[(b) Notwithstanding any other provision of law, during the calendar years 1979 and 1980 the President is authorized to transfer to Taiwan, under such terms and conditions as he may deem appropriate, such rights of the United States in property (other than war reserve materiel) that was located on Taiwan on January 1, 1979, as he may determine.

[AMMUNITION SOLD TO THAILAND

[SEC. 24. The Royal Thai Government shall be released from its contractual obligation to pay to the United States Government such amount as is due on or before October 30, 1979, as a condition precedent under the letter of offer accepted by the Royal Thai Government on April 12, 1977, to the transfer of title to the last increment of United States ammunition stocks sold to the Royal Thai Government under such letter of offer pursuant to the Memorandum of Agreement of March 22, 1977, relating to the storage of ammunition in Thailand.]

* * * * * * *

[SHABA AIRLIFT

[SEC. 26. Notwithstanding any other provision of law, the President is authorized to make available the services of the Department of Defense for the purpose of facilitating the removal from Zaire of those foreign armed forces which were transported to Zaire by the United States at the time of the crisis in Shaba Province in 1978.

[FISCAL YEAR 1979 SUPPLEMENTAL AUTHORIZATION FOR TURKEY

[SEC. 27. (a) It is hereby determined that the national interests of the United States would be served by the furnishing of additional economic support fund assistance to Turkey in order to promote the economic and political stability of that country, and to strengthen its ability to fulfill its responsibilities as a member of the North Atlantic Treaty Organization.

[(b) In furtherance of subsection (a) of this section, and in addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President to carry out the purposes of chapter 4 of part II of the Foreign Assistance Act of 1961 $100,000,000 for the fiscal year 1979, which amount shall be available only for Turkey.

[(c) Amounts appropriated under this section may be made available until expended.

[(d) Notwithstanding any assistance authorized for Turkey under this Act, it remains the policy of the United States that all foreign troops in Cyprus, except those stationed in Cyprus under the auspices of the United Nations, should be withdrawn from Cyprus.

[(e) It is the sense of the Congress that the recent announcement by the leaders of the Greek Cypriots and the Turkish Cypriots to resume intercommunal negotiations is an encouraging recognition by the parties that the human rights and fundamental freedoms of all the citizens of the Republic of Cyprus will be respected. The Congress urges all parties to the negotiations to demonstrate good faith in the negotiations and to move promptly toward a full, just, and lasting settlement.]

The Special International Security Assistance Act of 1979

[SHORT TITLE

[SECTION 1. This Act may be cited as the "Special International Security Assistance Act of 1979".

[STATEMENT OF POLICY AND FINDINGS

[SEC. 2. (a) It is the policy of the United States to support the peace treaty concluded between the Government of Egypt and the Government of Israel on March 26, 1979. This treaty is a significant step toward a full and comprehensive peace in the Middle East. The Congress urges the President to continue to exert every effort to bring about a comprehensive peace and to seek an end by all parties to the violence which could jeopardize this peace.

[(b) The peace treaty between Egypt and Israel having been ratified, the Congress finds that the national interests of the United States are served—

[(1) by authorizing the President to construct air bases in Israel to replace the Israeli air bases on the Sinai peninsula that are to be evacuated;

[(2) by authorizing additional funds to finance procurements by Egypt and Israel through the fiscal year 1982 of defense articles and defense services for their respective security requirements; and

[(3) by authorizing additional funds for economic assistance for Egypt in order to promote the economic stability and development of that country and to support the peace process in the Middle East.

[(c) The authorities contained in this Act to implement certain arrangements in support of the peace treaty between Egypt and Israel do not signify approval by the Congress of any other agreement, understanding, or commitment made by the executive branch.

[CONSTRUCTION OF AIR BASES IN ISRAEL

[SEC. 3. * * *

[SUPPLEMENTAL AUTHORIZATION OF FOREIGN MILITARY SALES LOAN GUARANTIES FOR EGYPT AND ISRAEL

[SEC. 4. (a) The Congress finds that the legitimate defense interests of Israel and Egypt require a one time extraordinary assistance package due to Israel's phased withdrawal from the Sinai and Egypt's shift from reliance on Soviet weaponry. The authorizations contained in this section do not, however, constitute Congressional approval of the sale of any particular weapons system to either country. These sales will be reviewed under the normal procedures set forth in section 36(b) of the Arms Export Control Act.

[(b) In addition to amounts authorized to be appropriated for the fiscal year 1979 by section 31(a) of the Arms Export Control Act, there is authorized to be appropriated to the President to carry out that Act $370,000,000 for the fiscal year 1979.

[(c) Funds made available pursuant to subsection (b) of this section may be used only for guaranties for Egypt and Israel pursuant to section 24(a) of the Arms Export Control Act. The principal amount of loans guaranteed with such funds may not exceed $3,700,000,000 of which $2,200,000,000 shall be available only for Israel and $1,500,000,000 shall be available only for Egypt. The principal amount of such guaranteed loans shall be in addition to the aggregate ceiling authorized for the fiscal year 1979 by section 31(b) of the Arms Export Control Act.

[(d) Loans guaranteed with funds made available pursuant to subsection (b) of this section shall be on terms calling for repayment within a period of not less than thirty years, including an initial grace period of ten years on repayment of principal.

[(e)(1) The Congress finds that the Governments of Israel and Egypt each have an enormous external debt burden which may be made more difficult by virtue of the financing authorized by this section. The Congress further finds that, as a consequence of the impact of the debt burdens incurred by Israel and Egypt under such financing, it may become necessary in future years to modify the terms of the loans guaranteed with funds made available pursuant to this section.

[SUPPLEMENTAL AUTHORIZATION OF ECONOMIC SUPPORT FOR EGYPT

[SEC. 5. There is authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $300,000,000 for the fiscal year 1979 for Egypt, in addition to amounts otherwise authorized to be appropriated for such chapter for the fiscal year 1979. The amounts appropriated pursuant to this section may be made available until expended.

[TRANSFER OF FACILITIES OF THE SINAI FIELD MISSION TO EGYPT

[SEC. 6. The President is authorized to transfer to Egypt, on such terms and conditions as he may determine, such of the facilities and related property of the United States Sinai Field Mission as he may determine, upon the termination of the activities of the Sinai Field Mission in accordance with the terms of the peace treaty between Egypt and Israel.

[CONTRIBUTIONS BY OTHER COUNTRIES TO SUPPORT PEACE IN THE MIDDLE EAST

[SEC. 7. (a) It is the sense of the Congress that other countries should give favorable consideration to providing support for the implementation of the peace treaty between Egypt and Israel. Therefore, the Congress requests that the President consult with other countries in order to (1) promote and develop an agreement for the establishment of a peace development fund whose purpose would be to underwrite the costs of implementing a Middle East peace, and (2) encourage investments in Israel and Egypt and other countries in the region should they join in Middle East peace agreements.

[PLANNING FOR TRILATERAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION BY EGYPT, ISRAEL, AND THE UNITED STATES

[SEC. 8. (a) It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should be prepared to participate, at an appropriate time, in trilateral cooperative projects of a scientific and technological nature involving Egypt, Israel, and the United States.

[(b) Therefore, the President shall develop a plan to guide the participation of both United States Government agencies and private institutions in such projects. This plan shall identify—

[(1) potential projects in a variety of areas appropriate for scientific and technological cooperation by the three countries, including agriculture, health, energy, the environment, education, and water resources;

[(2) the resources which are available or which would be needed to implement such projects; and

[(3) the means by which such projects would be implemented.

[NON-PROLIFERATION OF NUCLEAR WEAPONS

[SEC. 10. In accordance with the Nuclear Non-Proliferation Act of 1978, the Congress strongly encourages all countries in the Middle East which are not parties to the Treaty on the Non-Proliferation of Nuclear Weapons to become parties to that Treaty.

The International Development and Food Assistance Act of 1978

SHORT TITLE

SECTION 1. This Act may be cited as the "International Development and Food Assistance Act of 1978".

[TITLE I—DEVELOPMENT ASSISTANCE]

* * * * * * *

[INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[SEC. 117.—(a) * * *

[(b)(1) * * *

* * * * * * *

[(c) * * *

[(d) * * *

[(e) In addition to amounts otherwise available for such purpose, there are authorized to be appropriated to the President not to exceed $1,000,000 for contributions to the World Assembly on Aging to be convened under the auspices of the United Nations, except that the amount so contributed may not exceed 25 percent of the expenditures of such Assembly. Amounts appropriated under this subsection are authorized to remain available until expended.]

* * * * * * *

[LOCUST PLAGUES CONTROL IN AFRICA

[SEC. 120. In order to assist in attempts to control locust plagues in Africa, especially in the Horn of Africa, there is authorized to be appropriated to the President, in addition to amounts otherwise authorized for disaster relief purposes, $2,000,000, which amount is authorized to remain available until expended.]

* * * * * * *

[AFRICAN DEVELOPMENT FOUNDATION

[SEC. 122. (a) The Congress declares that the United States should place higher priority on the formulation and implementation of policies and programs to enable the people of African nations to develop their potential, fulfill their aspirations, and enjoy better, more productive lives. In furtherance of these objectives, the Congress finds that additional support is needed for community-based self-help activities in Africa and that an African Development Foundation, organized to further the purposes set forth in section 123 of the Foreign Assistance Act of 1961, can complement current United States development programs in Africa.]

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[TITLE II—FOOD FOR PEACE]

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[TITLE III—COORDINATION AND ADMINISTRATION OF THE DEVELOPMENT-RELATED PROGRAMS AND POLICIES OF THE UNITED STATES

[DECLARATION OF OBJECTIVES

[SEC. 301. The Congress declares that the United States Government should place higher priority, in the formulation and implementation of governmental policies, on efforts to help meet the legitimate needs of poor countries for improving the quality of the lives of their populations. The Congress also declares that greater effectiveness and efficiency of United States assistance to such countries can be achieved through improved coordination and administrative consolidation.

[IMPLEMENTATION OF OBJECTIVES

[SEC. 302. In furtherance of the objectives set forth in section 301 the Congress directs the President to institute a strengthened system of coordination of all United States economic policies which impact on the developing countries of the world, including but not limited to policies concerning international trade, commodity agreements, investment, debt, international financial institutions, international and multilateral development agencies and programs, and concessional and grant food assistance, in addition to policies concerning United States bilateral economic development assistance.

[TITLE IV—UNIFIED PERSONNEL SYSTEM

[ESTABLISHMENT OF A UNIFIED PERSONNEL SYSTEM

[SEC. 401. (a) Not later than May 1, 1979, the President shall submit to the Congress, and publish in the Federal Register, regulations establishing a unified personnel system for all employees of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961. In preparing such regulations, the President shall keep the appropriate committees of the Congress fully and currently informed, and shall consult with them on a regular basis, concerning the nature of the unified personnel system to be established.

[(b) The regulations submitted to the Congress pursuant to subsection (a)—

[(1) may not become effective until after the end of the 90-day period beginning on the date of such submission in order to provide the appropriate committees of the Congress an opportunity to review them; and

[(2) shall not become effective then if, during such 90-day period, either House of Congress adopts a resolution stating in substance that it disapproves the personnel system proposed to be established by the regulations.

[(c) Regulations which take effect pursuant to this section shall have the force and effect of law and shall apply with respect to the personnel of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, notwithstanding any inconsistent provision of law unless that provision of law specifically states that it supersedes regulations issued under this section.]

* * * * * * *

TITLE VI—MISCELLANEOUS PROVISIONS

[REDUCTION OF AUTHORIZATION

[SEC. 601. The total funds authorized to be appropriated in this Act (excluding funds authorized to be appropriated to carry out section 214 of the Foreign Assistance Act of 1961) shall be reduced by 5 percent.

[PROHIBITION ON ASSISTANCE TO VIETNAM, CAMBODIA, AND CUBA

[SEC. 602. Notwithstanding any other provision of law or of this Act, funds authorized to be appropriated in this Act shall not be used for any form of aid, either by monetary payment or by the sale or transfer of any goods of any nature, to the Socialist Republic of Vietnam, Cambodia, or Cuba.]

* * * * * * *

[(b) Section 4 of the Foreign Disaster Assistance Act of 1974 is repealed.

[MISCELLANEOUS REPEALS

[SEC. 604. Sections 302(d), 302(e), 302(f), 302(g), 302(h), 304, 494A, 495A, 618, 619, 637(a), 649, 651, 655, 656, 658, and 665, and

chapters 6 and 7 of part I, of the Foreign Assistance Act of 1961 are repealed.

[EFFECTIVE DATE

[SEC. 605. The amendments made by this Act shall take effect on October 1, 1978.]

The International Security Assistance Act of 1978

[SHORT TITLE

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

* * * * * * *

[UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN

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

* * * * * * *

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

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

[(A) to transfer, without reimbursement, to the Republic of Korea, only in conjunction with the withdrawal of the 2d Infantry Division and support forces from Korea, such United States Government-owned defense articles as he may determine which are located in Korea in the custody of units of the United States Army scheduled to depart from Korea; and

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

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

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

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

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

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

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

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

* * * * * * *

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

* * * * * * *

[UNITED STATES-REPUBLIC OF CHINA MUTUAL DEFENSE TREATY

[SEC. 26. (a) The Congress finds that—

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

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

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

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

[(b) It is the sense of the Congress that there should be prior consultation between the Congress and the executive branch on

any proposed policy changes affecting the continuation in force of the Mutual Defense Treaty of 1954.]

* * * * * * *

[NEGOTIATIONS BETWEEN ISRAEL AND EGYPT

[SEC. 28. (a) The Congress finds that—

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

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

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

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

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

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

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

* * * * * * *

[SAVINGS PROVISION

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

The International Development and Food Assistance Act of 1977

SHORT TITLE

SECTION 1. This Act may be cited as the "International Development and Food Assistance Act of 1977."

TITLE I—INTERNATIONAL DEVELOPMENT ASSISTANCE

* * * * * * *

[INSPECTOR GENERAL, FOREIGN ASSISTANCE

[SEC. 124. (a)(1) * * *

[(b) Section 5315 of title 5, United States Code, is amended by repealing paragraphs (52) and (53).

[(c) The amendments made by this section shall take effect on July 1, 1978.]

* * * * * * *

[FUTURE UNITED STATES DEVELOPMENT ASSISTANCE

[SEC. 131. It is the sense of the Congress that the United States should increase substantially its assistance for self-help development among the world's poorest people. Such assistance should be provided in accordance with the general policies and principles of chapter 1 of part I of the Foreign Assistance Act of 1961, with particular emphasis on encouraging and supporting more equitable patterns of economic growth, especially in the poorest countries, and should be coordinated with similar expanded efforts by international organizations, donor nations, and the recipient countries themselves.]

[TITLE II—FOOD FOR PEACE]

* * * * * * *

[EFFECTIVE DATE

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

The International Security Assistance Act of 1977

[SHORT TITLE

SECTION 1. This Act may be cited as the "International Security Assistance Act of 1977".]

* * * * * * *

[SECURITY SUPPORTING ASSISTANCE PROGRAM FOR EGYPT

[Sec. 9. It is the sense of the Congress that the security supporting assistance program for Egypt plays an important role in the Middle East peace effort and that the Executive branch should concentrate its efforts in order to make the program a success.]

* * * * * * *

[FISCAL YEAR 1977 AUTHORIZATIONS AND LIMITATIONS

[SEC. 21. Authorizations of appropriations and limitations of authority applicable to the fiscal year 1977 contained in provisions of law amended by this Act shall not be affected by enactment of this Act.]

* * * * * * *

[STUDY OF TECHNOLOGY TRANSFERS

[SEC. 24. (a) The President shall conduct a comprehensive study of the policies and practices of the United States Government with respect to the national security and military implications of international transfers of technology in order to determine whether such policies and practices should be changed. Such study shall examine—

[(1) the nature of technology transfer;

[(2) the effect of technology transfers on United States technological superiority;

[(3) the rationale for transfers of technology from the United States to foreign countries;

[(4) the benefits and risks of such transfers;

[(5) trends in technology transfers by the United States and other countries;

[(6) the need for controls on transfers of technology, including controls on the use of transferred technology, the effectiveness of existing end-use controls, and possible unilateral sanctions if end-use restrictions are violated;

[(7) the effectiveness of existing organizational arrangements in the Executive branch in regulating technology transfers from the United States;

[(8) the adequacy of existing legislation and regulations with respect to transfers of technology from the United States; and

[(9) the possibilities for international agreements with respect to transfers of technology.

[(b) In conducting the study required by subsection (a), the President shall utilize the resources and expertise of the Arms Control and Disarmament Agency, the Department of State, the Department of Defense, the Department of Commerce, the National Science Foundation, the Office of Science and Technology Policy, and such other entities within the Executive branch as he deems necessary.]

* * * * * * *

[POLICY STATEMENT ON UNITED STATES ARMS SALES TO ISRAEL

[SEC. 26. In accordance with the historic special relationship between the United States and Israel and previous agreements and continuing understandings, the Congress joins with the President in reaffirming that a policy of restraint in United States arms transfers, including arms sales ceilings, shall not impair Israel's deterrent strength or undermine the military balance in the Middle East.

[REVIEW OF ARMS SALES CONTROLS ON NON-LETHAL ITEMS

[SEC. 27. The President shall undertake a review of all regulations relating to arms control for the purpose of defining and categorizing lethal and non-lethal products and establishing the appropriate level of control for each category.

[REPUBLIC OF KOREA

[SEC. 28. (a)(1) It is the sense of the Congress that the President should take all effective measures to assure that the Republic of Korea is cooperating fully with the investigation (including any resulting prosecutions) being conducted by the Department of Justice with respect to allegations of improper activity in the United States by agents of the Republic of Korea.]

* * * * * * *

[(b) It is the further sense of the Congress that the President should take all effective measures to assure that the Republic of Korea is cooperating fully with the investigations being conducted by committees of Congress.

[PIASTER CONVERSION

[SEC. 29. No provision of law shall be construed to prevent payment of claims of former and present Vietnamese employees of the Agency for International Development, who presently reside in the United States, for the conversion of Vietnamese piasters to dollars because such conversion cannot take place in the territory of the former Republic of Vietnam or because the official with whom such piasters were deposited was not a United States disbursing officer.]

The International Security Assistance and Arms Export Control Act of 1976

* * * * * * *

[INTERNATIONAL MILITARY EDUCATION AND TRAINING

[SEC. 106. (a) * * *

[(b) * * *

[(c) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law amended or repealed by this section shall continue in full force and effect until modified, revoked, or superseded by appropriate authority.

[(d) Funds made available pursuant to other provisions of law for foreign military educational and training activities shall remain available for obligation and expenditure for their original purposes in accordance with the provisions of law originally applicable to those purposes or in accordance with the provisions of law currently applicable to those purposes.]

* * * * * * *

[CONTROL OF MILITARY FORCES IN THE INDIAN OCEAN

[SEC. 407. (a) It is the sense of Congress that the President should undertake to enter into negotiations with the Soviet Union intended to achieve an agreement limiting the deployment of naval, air, and land forces of the Soviet Union and the United States in the Indian Ocean and littoral countries. Such negotiations should

be convened as soon as possible and should consider, among other things, limitations with respect to—

[(1) the establishment or use of facilities for naval, air, or land forces in the Indian Ocean and littoral countries;

[(2) the number of naval vessels which may be deployed in the Indian Ocean, or the number of "shipdays" allowed therein; and

[(3) the type and number of military forces and facilities allowed therein.]

* * * * * * *

[UNITED STATES CITIZENS IMPRISONED IN MEXICO

[SEC. 408. (a) The Congress, while sharing the concern of the President over the urgent need for international cooperation to restrict traffic in dangerous drugs, is convinced that such efforts must be consistent with respect for fundamental human rights. The Congress, therefore, calls upon the President to take steps to insure that United States efforts to secure stringent international law enforcement measures are combined with efforts to secure fair and humane treatment for citizens of all countries.

[(b) The Congress requests that the President communicate directly to the President and Government of the Republic of Mexico, a nation with which we have friendly and cooperative relations, the continuing desire of the United States for such relations between our two countries and the concern of the United States over treatment of United States citizens arrested in Mexico.]

* * * * * * *

[EMERGENCY FOOD NEEDS OF PORTUGAL

[SEC. 409. It is the sense of the Congress that the President should undertake immediately an evaluation of the emergency food needs of Portugal. It is further the sense of the Congress that the President should take timely action to alleviate such emergency by providing Portugal with food commodities under the provisions of pertinent statutes.

[STRIFE IN LEBANON

[SEC. 410. It is the sense of the Congress that the situation in Lebanon, a nation traditionally friendly to the United States, poses a danger to peace in the Middle East. The Congress deplores the armed civil strife and continuing erosion of national institutions which threaten to destroy the political and economic fabric of Lebanon with such tragic impact on all its people. The Congress views with grave concern any outside efforts to exploit the current strife with the purpose of transforming Lebanon into a radical state in confrontation with Israel. The Congress requests that the President use his good offices to secure an end to the civil strife and national discord in Lebanon and to preserve the traditional friendly attitude of Lebanon toward the United States.]

* * * * * * *

[KOREA

[SEC. 412. The Congress views with distress the erosion of important civil liberties in the Republic of Korea and requests that the President communicate this concern in forceful terms to the Government of the Republic of Korea within sixty days after enactment.

[REPEAL OF INDOCHINA ASSISTANCE

[SEC. 413. (a) Part V of the Foreign Assistance Act of 1961 and sections 34, 35, 36, 37, 38, 39, and 40 of the Foreign Assistance Act of 1974 are repealed. All determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by this section shall continue in full force and effect until modified, revoked, or superseded by appropriate authority.

[(b) Subject to the availability of appropriations therefore, the President is authorized to adopt as a contract of the United States Government, and assume any liabilities arising thereunder (in whole or in part), any contract which had been funded or approved for funding by the Agency for International Development prior to June 30, 1975, for financing with funds made available under the Foreign Assistance Act of 1961 or the Foreign Assistance Act of 1974, or any equitable claim based upon a letter of intent issued prior to April 30, 1975, in which the Agency had expressed its intention to finance a transaction subject to the availability of funds, between the former Governments of Vietnam or Cambodia (including any of their agencies) or the Government of Laos (or any of its agencies) and any person and to apply with respect to any such contract the authorities of the Foreign Assistance Act of 1961.

[(c) Funds made available for the purposes of part V of the Foreign Assistance Act of 1961 and of section 36 of the Foreign Assistance Act of 1974 (including amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200), as having been obligated against appropriations heretofore made) are authorized to be appropriated, and thereafter, to remain available until expended, to meet necessary expenses arising from the actions authorized by subsection (b) of this section and such funds are authorized to remain available until expended to meet necessary expenses arising from the termination of assistance programs authorized by such part and such section 36, which expenses may include but need not be limited to the settlement of claims and associated personnel costs]

* * * * * * *

[INTERIM QUARTER AUTHORIZATIONS

[SEC. 506. (a) Any authorization of appropriations in this Act, or in any amendment to any other law made by this Act, for the fiscal year 1976, shall be deemed to include an additional authorization of appropriations for the period beginning July 1, 1976, and ending September 30, 1976, in amounts which equal one-fourth of any amount authorized for the fiscal year 1976 and in accordance with the authorities applicable to operations and activities authorized

under this Act or such other law, unless appropriations for the same purpose are specifically authorized in a law hereinafter enacted.

[(b) The aggregate total of credits, including participations in credits, extended pursuant to the Arms Export Control Act and of the principal amount of loans guaranteed pursuant to section 24(a) of such Act during the period beginning July 1, 1976, and ending September 30, 1976, may not exceed an amount equal to one-fourth of the amount authorized by section 31(b) of such Act to be extended and guaranteed for the fiscal year 1976.]

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TITLE VI—MISCELLANEOUS PROVISIONS

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[PROCUREMENTS FROM SMALL BUSINESSES

[SEC. 602. In order to encourage procurements from small business concerns under chapter 4 of the Foreign Assistance Act of 1961, the Administrator of the Agency for International Development shall report to the Congress every six months on the extent to which small businesses have participated in procurements under such chapter and on what efforts the Agency has made to foster such procurements from small business concerns. The Small Business Administration shall lend all available assistance to the Agency for the purpose of carrying out this section.]

* * * * * * *

[USE OF PERSONNEL

[SEC. 605. (a) Nothing in this Act is intended to authorize any additional military or civilian personnel for the Department of Defense for the purposes of this Act, the Foreign Assistance Act of 1961, or the Arms Export Control Act. Personnel levels authorized in statutes authorizing appropriations for military and civilian personnel of the Department of Defense shall be controlling over all military and civilian personnel of the Department of Defense assigned to carry out functions under the Arms Export Control Act and the Foreign Assistance Act of 1961.]

* * * * * * *

[EXTORTION AND ILLEGAL PAYMENTS

[SEC. 607. Within 60 days after receiving information which substantiates that officials of a foreign country receiving international security assistance have (1) received illegal or otherwise improper payments from a United States corporation in return for a contract to purchase defense articles or services from such corporation, or (2) extorted, or attempted to extort, money or other things of value in return for actions by officials of that country that permit a United States citizen or corporation to conduct business in that country, the President shall submit to Congress a report outlining the circumstances of such payment or extortion. The report shall contain a recommendation from the President as to whether the

United States should continue a security assistance program for that country.]

The International Development and Food Assistance Act of 1975

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[LIMITATION ON ASSISTANCE TO CHILE

[SEC. 320. Notwithstanding any other provision of law, the total amount of economic assistance (including but not limited to housing guaranties and sales under title I of the Agricultural Trade Development and Assistance Act of 1954) that may be made available to Chile may not exceed $90,000,000 during the fiscal year 1976.

[SETTLEMENT OF DEBT OWED THE UNITED STATES

[SEC. 321. No debt owed to the United States by any foreign country with respect to the payment of any loan made under any program funded under this Act may be settled in an amount less than the full amount of such debt unless the Congress by concurrent resolution approves of such settlement.

[PARTICIPATION BY OTHER COUNTRIES IN PROVIDING ASSISTANCE TO ISRAEL OR EGYPT

[SEC. 322. It is the sense of the Senate that the President should attempt to negotiate an equitable share of participation by the countries of Western Europe, Japan, and the United Nations in providing assistance to Israel or Egypt.]

The Foreign Assistance Act of 1974

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[REPAYMENT OF LOANS IN DEFAULT

[SEC. 56. It is the sense of the Congress that any country receiving assistance under the Foreign Assistance Act of 1961 which is in default, at least 90 days prior to the date of enactment of this Act, of any payment of principal or interest due on any loan or credit received from the United States shall promptly pay all such principal and interest. It is further the sense of the Congress that the President shall promptly enter into negotiations with each such country to help effectuate the payment of such principal and interest, or to effectuate the transfer by such country to the United States of goods, services, concessions, or actions beneficial to the United States, in lieu of the payment of such principal and interest.]

The Emergency Security Assistance Act of 1973

[SEC. 2. In addition to such amounts as may be otherwise authorized to be appropriated to the President for security assistance for the fiscal year 1974, there are hereby authorized to be appropriated to the President not to exceed $2,200,000,000 for emer-

gency military assistance or foreign military sales credits, or for both as the President may determine, for Israel, of which sum amounts in excess of $1,500,000,000 may be used pursuant to this section or section 4 of this Act only if the President (1) determines it to be important to our national interest that Israel receive assistance hereunder exceeding $1,500,000,000, and (2) reports to Congress each such determination (if more than one) at least twenty days prior to date on which funds are obligated or expended under this Act in excess of such $1,500,000,000 limitation. The twenty-day requirement contained in the preceding sentence shall not apply if hostilities are renewed in the Middle East. The President shall include in his report the amount of funds to be used pursuant to the determination, the terms of the additional assistance under section 2 or section 4, and the justification for the determination. All information contained in the justification shall be public information except to the extent that the President concludes that publication would be incompatible with the security interests of the United States.

[SEC. 3. Military assistance furnished out of funds appropriated under section 2 of this Act shall be furnished in accordance with all of the provisions applicable to military assistance under the Foreign Assistance Act of 1961 (75 Stat. 424; Public Law 87–195), as amended. Foreign military sales credits extended to Israel out of such funds shall be provided on such terms and conditions as the President may determine and without regard to the provisions of the Foreign Military Sales Act (82 Stat. 1320; Public Law 90–629), as amended.

[SEC. 4. At any time prior to June 30, 1974, the President is hereby authorized, within the limits of funds appropriated under section 2 of this Act for Israel, to release Israel from its contractual liability to pay for defense articles and defense services purchased or financed under the said Foreign Military Sales Act or under this Act during the period beginning October 6, 1973, and ending June 30, 1974, and such funds shall be used to reimburse current applicable appropriations, funds, and accounts of the Department of Defense for the value of such defense articles and defense services.]

* * * * * * *

[SEC. 6. Of the funds appropriated pursuant to section 2, the President may use such sums as may be necessary from time to time for payment by the United States of its share of the expenses of the United Nations Emergency Force in the Middle East, as apportioned by the United Nations in accordance with article 17 of the United Nations Charter.]

The Foreign Assistance Act of 1973

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[ASIAN DEVELOPMENT BANK

[SEC. 28. Section 17 of the Asian Development Bank Act is amended by striking out "$60,000,000 for fiscal year 1972 and $40,000,000 for fiscal year 1973" and inserting in lieu thereof "$100,000,000".

[SEC. 29. * * * [Repealed—1974]

[TERMINATION OF INDOCHINA WAR

[SEC. 30. No funds authorized or appropriated under this or any other law may be expended to finance military or paramilitary operations by the United States in or over Vietnam, Laos, or Cambodia.

[LIMITATION ON USE OF FUNDS

[SEC. 31. No funds authorized or appropriated under any provision of law shall be made available for the purpose of financing directly or indirectly any military or paramilitary combat operations by foreign forces in Laos, Cambodia, North Vietnam, South Vietnam, or Thailand unless (1) such operations are conducted by the forces of that government receiving such funds within the borders of that country, or (2) specifically authorized by law enacted after the date of enactment of this Act.

[POLITICAL PRISONERS

[SEC. 32. It is the sense of Congress that the President should deny any economic or military assistance to the government of any foreign country which practices the internment or imprisonment of that country's citizens for political purposes.

[ALBERT SCHWEITZER HOSPITAL

[SEC. 33. There is authorized to be appropriated to the President for fiscal year 1974 $1,000,000 to make grants, on such terms and conditions as he may specify, to the Albert Schweitzer Hospital in Gabon.

[PRISONERS OF WAR AND INDIVIDUALS MISSING IN ACTION

[SEC. 34. (a) The Congress declares that—

[(1) the families of those one thousand three hundred individuals missing in action during the Indochina conflict have suffered extraordinary torment in ascertaining the full and complete information about their loved ones who are formally classified as missing in action;

[(2) United States involvement in the Indochina conflict has come to a negotiated end with the signing of the Vietnam Agreement in Paris on January 27, 1973, and section 307 of the Second Supplemental Appropriations Act, 1973, requires that "None of the funds herein appropriated under this Act may be expended to support directly or indirectly combat activities in or over Cambodia, Laos, North Vietnam and South Vietnam or off the shores of Cambodia, Laos, North Vietnam and South Vietnam by United States forces, and after August 15, 1973, no other funds heretofore appropriated under any other Act may be expended for such purpose.";

[(3) the question of the return of prisoners of war and accounting for individuals missing in action and dead in Laos is covered by article 18 of the Protocol signed by representatives of the Lao Patriotic Front (Pathet Lao) and the Royal Laotian

Government in Vientiane on September 14, 1973 (which implements article 5 of the Agreement signed by the Pathet Lao and that government in Vientiane on February 21, 1973, requiring the release of all prisoners "regardless of nationality" captured and held in Laos), and paragraph C of such article 18 provides that, within "15 to 30 days" from the date of the signing of the Protocol, each side is to report the number of those prisoners and individuals still held, with an indication of their nationality and status, together with a list of names and any who died in captivity; and

[(4) few of the United States men lost in Laos during the military engagements in Indochina have been returned, and with knowledge about many of these men not yet being fully disclosed, and the North Vietnam cease-fire provisions calling for inspection of crash and grave sites and for other forms of cooperation have not been fully complied with.

[(b) It is, therefore, the sense of the Congress that—

[(1) the provisions for the release of prisoners and an accounting of individuals missing and dead, as provided for in article 18 of the Protocol signed on September 14, 1973, by the Pathet Lao and the Royal Laotian Government, be adhered to in spirit and in deed; and

[(2) the faithful compliance with the spirit of the Laotian Agreement and Protocol on the question of individuals missing in action will encourage all parties in Indochina to cooperate in providing complete information on all nationals of any nation who may be captured or missing at any place in Indochina.

[RIGHTS IN CHILE

[SEC. 35. It is the sense of the Congress that (1) the President should request the Government of Chile to protect the human rights of all individuals, Chilean and foreign, as provided in the Universal Declaration of Human Rights, the Convention and Protocol Relating the Status of Refugees, and other relevant international legal instruments guaranteeing the granting of asylum, safe conduct, and the humane treatment or release of prisoners; (2) the President should support international humanitarian initiatives by the United Nations High Commissioner for Refugees and the International Committee of the Red Cross to insure the protection and safe conduct and resettlement of political refugees, the humane treatment of political prisoners, and the full inspection of detention facilities under international auspices; (3) the President should support and facilitate efforts by voluntary agencies to meet emergency relief needs; and (4) the President should request of the Inter-American Commission on Human Rights to undertake an immediate inquiry into recent events occurring in Chile.]

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[WORLD FOOD SHORTAGES

[SEC. 39. (a) It is the sense of the Congress that the United States should participate fully in efforts to alleviate current and fu-

ture food shortages which threaten the world. To this end, the President shall—

[(1) encourage, support, and expedite studies relating to the long-range implications of the world food situation (including studies of national and world production, distribution, and utilization of agricultural commodities and other foodstuffs) and support the organizing of a world food conference under United Nations auspices in 1974;

[(2) request the member nations of the General Agreement on Tariffs and Trade to explore the means of assuring equitable access by all nations to national markets and mineral and agricultural resources;

[(3) Consult and cooperate with appropriate international agencies, such as the Food and Agricultural Organization of the United Nations, in determining the need for, the feasibility of, and cost of an equitably-shared basis of, establishing an international system of strategic food reserves; and

[(4) report his findings and recommendations to the Congress on the implementation of this section no later than December 31, 1974.

[(b) It is further the sense of the Congress that—

[(1) in making assessments which would affect or relate to the level of domestic production, the Executive Branch should include in the estimates of overall utilization the expected demands for humanitarian food assistance through such programs as are carried out under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480); and

[(2) legislation providing increased flexibility for responding to emergency and humanitarian requirements for food assistance should be considered as promptly as possible to the end that the last sentence of section 401 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), may be amended by striking the period and inserting in lieu thereof a comma and the following: "unless the Secretary determines that some part of the exportable supply should be used to carry out the national interest and humanitarian objectives of this Act."

[USE OF LOCAL CURRENCIES

[SEC. 40. Effective July 1, 1974, no amount of any foreign currency (including principal and interest from loan repayments) which accrues in connection with any sale for foreign currency under any provision of law may be used under any agreement entered into after the date of the enactment of this Act, or any revision or extension entered into after such date of any prior or subsequent agreement, to provide any assistance to any foreign country to procure equipment, materials, facilities, or services for the common defense, including internal security unless such agreement is specifically authorized by legislation enacted after such date.]

The Foreign Assistance Act of 1971

[FOOD-FOR-PEACE PROGRAM

[SEC. 2. It is the sense of the Congress that funds to administer the food-for-peace program should not be reduced as the result of any reduction in the authorizations provided to carry out the Foreign Assistance Act of 1961.]

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[SEC. 304. * * *

[(c) * * *

[(3) The provisions of this subsection and section 657 of such Act, as added by subsection (b) of this Act, shall apply with respect to each fiscal year commencing on or after July 1, 1971.

[PART IV—MISCELLANEOUS PROVISIONS]

* * * * * * *

[SEC. 403. Paragraph (9) of section 5314 of title 5, United States Code, relating to level III of the Executive Schedule, is amended by inserting before the period at the end thereof the following: "and an Under Secretary of State for Coordinating Security Assistance Programs".]

* * * * * * *

[SEC. 407. (a) It is the purpose of this section to enable the Congress generally, and the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives in particular, to carry out the purposes and intent of the Legislative Reorganization Acts of 1946 and 1970, with respect to—

[(1) the analysis, appraisal, and evaluation of the application, administration, and execution of the laws relating to the Department of State and the United States Information Agency and of matters relating to the foreign relations of the United States; and

[(2) providing periodic authorizations of appropriations for that Department and Agency.]

* * * * * * *

[SEC. 410. The Congress strongly urges the President to undertake such negotiations as may be necessary to implement that portion of the recommendations of the Report of the President's Commission for the Observance of the Twenty-fifth Anniversary of the United Nations (known as the "Lodge Commission") which proposes that the portion of the regular assessed costs to be paid by the United States to the United Nations be reduced so that the United States is assessed in each year not more than 25 per centum of such costs assessed all members of the United Nations for that year.]

The Special Foreign Assistance Act of 1971, as amended

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[SEC. 2. There are authorized to be appropriated to the President for the fiscal year 1971 not to exceed—

[(1) $85,000,000 for additional military assistance and $70,000,000 for special economic assistance for Cambodia;

[(2) $100,000,000 for economic and military assistance programs to replace funds which were transferred by the President for use in Cambodia;

[(3) $150,000,000 for additional military assistance for the Republic of Korea;

[(4) $30,000,000 for additional military assistance for Jordan;

[(5) $3,000,000 for additional military assistance for Indonesia and $10,000,000 to replace funds transferred from other programs for use in Indonesia;

[(6) $5,000,000 for additional military assistance for Lebanon;

[(7) $65,000,000 for additional supporting assistance for Vietnam; and

[(8) $17,000,000 for additional general military assistance to compensate for a shortage in anticipated recovery of funds from past years' programs.

[SEC. 3. The President is authorized, until June 30, 1972, to transfer to the Republic of Korea such defense articles located in Korea and belonging to the Armed Forces of the United States on July 1, 1970, as he may determine, except that no funds heretofore or hereafter appropriated under this Act or the Foreign Assistance Act of 1961 shall be available for reimbursement to any agency of the United States Government for any transfer made pursuant to this section.

[SEC. 4. Except as otherwise provided in this Act, any assistance furnished out of funds appropriated under section 2 of this Act and any transfer made under section 3 of this Act shall be furnished or transferred, as the case may be, in accordance with all of the purposes and limitations applicable by statute to that type of assistance or transfer under the Foreign Assistance Act of 1961 (including the provisions of section 652 of such Act, as added by section 8 of this Act).]

* * * * * * *

[SEC. 6. (a) * * *

[(b) Excess foreign currencies held in Pakistan not allocated on the date of enactment of this section are authorized to be appropriated for a period of one year from such date of enactment to help Pakistan withstand the disaster which has occurred.

[SEC. 7. (a) In line with the expressed intention of the President of the United States, none of the funds authorized or appropriated pursuant to this or any other Act may be used to finance the introduction of United States ground combat troops into Cambodia, or to provide United States advisers to or for military, paramilitary, police, or other security or intelligence forces in Cambodia.

[(b) Military and economic assistance provided by the United States to Cambodia and authorized or appropriated pursuant to this or any other Act shall not be construed as a commitment by the United States to Cambodia for its defense.]

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The Foreign Military Sales Act Amendments, 1971, as amended

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[SEC. 5. It is the sense of Congress that (1) the President should continue to press forward urgently with his efforts to negotiate with the Soviet Union and other powers a limitation on arms shipments to the Middle East, (2) the President should be supported in his position that arms will be made available and credits provided to Israel and other friendly states, to the extent that the President determines such assistance to be needed in order to meet threats to the security and independence of such states, and (3) if the authorization provided in the Foreign Military Sales Act, as amended, should prove to be insufficient to effectuate this stated policy, the President should promptly submit to the Congress requests for an appropriate supplementary authorization and appropriation.

[SEC. 6. It is the sense of the Congress that—

[(1) the President should immediately institute a thorough and comprehensive review of the military aid programs of the United States, particularly with respect to the military assistance and sales operations of the Department of Defense, and

[(2) the President should take such actions as may be appropriate—

[(A) to initiate multilateral discussions among the United States, the Union of Soviet Socialist Republics, Great Britain, France, West Germany, Italy and other countries on the control of the worldwide trade in armaments,

[(B) to commence a general debate in the United Nations with respect to the control of the conventional arms trade, and

[(C) to use the power and prestige of his office to signify the intention of the United States to work actively with all nations to check and control the international sales and distribution of conventional weapons of death and destruction.]

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[SEC. 7. * * *

[(d) The President shall promptly and fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate of each decision to furnish on a grant basis to any country excess defense articles which are major weapons systems to the extent such major weapons system was not included in the presentation material previously submitted to the Congress. The annual presentation materials for security assistance programs shall include a table listing by country the total value of all deliveries of excess defense articles, disclosing both the aggregate original acquisition cost and the aggregate value at the time of delivery.]

* * * * * * *

[SEC. 11. For purposes of sections 8 and 9—

[(1) "defense article" and "excess defense articles" have the same meanings as given them in section 644 (d) and (g), respectively, of the Foreign Assistance Act of 1961; and

[(2) "foreign country" includes any department, agency, or independent establishment of the foreign country.

[SEC. 12. The joint resolution entitled "Joint resolution to promote the maintenance of international peace and security in Southeast Asia" approved August 10, 1964 (78 Stat. 384; Public Law 88–408), is terminated effective upon the day that the second session of the Ninety-first Congress is last adjourned.

[SEC. 13. No funds authorized or appropriated pursuant to this or any other law may be used to transport chemical munitions from the Island of Okinawa to the United States. Such funds as are necessary for the detoxification or destruction of the above described chemical munitions are hereby authorized and shall be used for the detoxification or destruction of chemical munitions only outside the United States. For purposes of this section, the term "United States" means the several States and the District of Columbia.]

The Foreign Assistance Act of 1968

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[PART V—REAPPRAISAL OF FOREIGN ASSISTANCE PROGRAMS

[DECLARATION OF POLICY

[SEC. 501. The Congress declares that, in view of changing world conditions and the continued need to make United States foreign assistance programs an effective implement of United States foreign policy, there should be a comprehensive review and reorganization of all United States foreign assistance programs, including economic development and technical assistance programs, military assistance and sales programs, and programs involving contributions and payments by the United States to international lending institutions and other international organizations concerned with the development of friendly foreign countries and areas.

[REAPPRAISAL BY THE PRESIDENT

[SEC. 502. (a) In furtherance of the policy of this part, the President is requested to make a thorough and comprehensive reappraisal of United States foreign assistance programs, as described in section 501, and to submit to the Congress, on or before March 31, 1970, his recommendations for achieving such reforms in any reorganization of future foreign assistance programs as he determines to be necessary and appropriate in the national interest in the light of such reappraisal. The President is requested to submit to the Congress, on or before July 1, 1969, an interim report presenting any preliminary recommendations formulated by him pursuant to this section.

[(b) It is the sense of the Congress that the reappraisal provided for in subsection (a) should include, but not be limited to, an analysis and consideration of proposals concerning the establishment of a Government corporation or a federally chartered private corpora-

tion designed to mobilize and facilitate the use of United States private capital and skills in less developed friendly countries and areas, including whether such corporation should be authorized to—

[(1) utilize Government guarantees and funds as well as private funds;

[(2) seek, develop, promote, and underwrite new investment projects;

[(3) assist in transferring skills and technology to less developed friendly countries and areas; and

[(4) invest in the securities of development financing institutions and assist in the formation and expansion of local capital markets.]

The Foreign Assistance Act of 1964

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[PART V—RELIGIOUS PERSECUTION

[SEC. 501. It is the sense of the Congress that the United States deeply believes in the freedom of religion for all people and is opposed to infringement of this freedom anywhere in the world. The Congress condemns the persecution of any persons because of their religion. It is further the sense of Congress that all persons should be permitted the free exercise of religion and the pursuit of their culture.]

The Latin American Development Act

[STATEMENT OF POLICY

[SEC. 1. (a) It is the sense of the Congress that—

[(1) the historic, economic, political, and geographic relationships among the American Republics are unique and of special significance and, as appropriate, should be so recognized in future legislation;

[(2) although governmental forms differ among the American Republics, the peoples of all the Americas are dedicated to the creation and maintenance of governments which will promote individual freedom;

[(3) the interests of the American Republics are so interrelated that sound social and economic progress in each is of importance to all and that lack of it in any American Republic may have serious repercussions in others;

[(4) for the peoples of Latin America to continue to progress within the framework of our common heritage of democratic ideals, there is a compelling need for the achievement of social and economic advance adequate to meet the legitimate aspirations of the individual citizens of the countries of Latin America for a better way of life;

[(5) there is a need for a plan of hemispheric development, open to all American Republics which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial sta-

bility, the growth of free economic and social institutions, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers;

[(6) mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to all countries, it is the hope of the people of the United States that all American Republics will jointly exert sustained common efforts which will speedily achieve that economic cooperation in the Western Hemisphere which is essential for lasting peace and prosperity; and

[(7) accordingly, it is declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, private enterprise, and genuine independence in the Western Hemisphere through cooperation with all American Republics which participate in a joint development program based upon self-help and mutual efforts.

[(b) In order to carry forward the above policy, the Congress hereby—

[(1) urges the President through our constitutional processes to develop cooperative programs on a bilateral or multilateral basis which will set forth specific plans of action designed to foster economic progress and improvements in the welfare and level of living of all the peoples of the American Republics on the basis of joint aid, mutual effort, and common sacrifice;

[(2) proposes the development of workable procedures to expand hemispheric trade and to moderate extreme price fluctuations in commodities which are of exceptional importance in the economies of the American Republics, and encourages the development of regional economic cooperation among the American Republics;

[(3) supports the development of a more accurate and sympathetic understanding among the peoples of the American Republics through a greater interchange of persons, ideas, techniques, and educational, scientific, and cultural achievements;

[(4) supports the strengthening of free democratic trade unions to raise standards of living through improved management-labor relations;

[(5) favors the progressive development of common standards with respect to the rights and the responsibilities of private investment with flows across national boundaries within the Western Hemisphere;

[(6) supports the consolidation of the public institutions and agencies of inter-American cooperation, insofar as feasible, within the structure of the Organization of American States and the strengthening of the personnel resources and authority of the Organization in order that it may play a role of increasing importance in all aspects of hemispheric cooperation; and

[(7) declares that it is prepared to give careful and sympathetic consideration to programs which the President may develop for the purpose of promoting these policies.

[AUTHORIZATION

[SEC. 2. In order to carry out the purposes of section 1 of this Act, there is hereby authorized to be appropriated to the President not to exceed $680,000,000, which shall remain available until expended, and which the President may use, subject to such further legislative provisions as may be enacted, in addition to other funds available for such purposes, on such terms and conditions as he may specify: *Provided,* That none of the funds made available pursuant to this section shall be used to furnish assistance to any country in Latin America being subjected to economic or diplomatic sanctions by the Organization of American States. The Secretary of State shall keep the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House currently informed about plans and programs for the utilization of such funds.

[SPECIAL AUTHORIZATION FOR CHILEAN RECONSTRUCTION

[SEC. 3. There is hereby authorized to be appropriated to the President not to exceed $100,000,000, which shall remain available until expended, for use, in addition to other funds available for such purposes, in the reconstruction and rehabilitation of Chile on such terms and conditions as the President may specify.

[GENERAL PROVISIONS

[SEC. 4. (a) Funds appropriated under sections 2 and 3 of this Act may be used for assistance under this Act pursuant to such provisions applicable to the furnishing of such assistance contained in any successor Act to the Mutual Security Act of 1954, as amended, as the President determines to be necessary to carry out the purposes for which such funds are appropriated.

[(b) Of the funds appropriated under section 2 of this Act not more than $800,000 shall be available only for assisting in transporting to and settling in Latin America selected immigrants from that portion of the Ryukyuan Archipelago under United States administration.]

The Mutual Security Act of 1959

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[CHAPTER V—INTERNATIONAL COOPERATION IN HEALTH; COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION]

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[COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION

[SEC. 502. To enable the United States to maintain membership in the Colombo Plan Council for Technical Cooperation, there is hereby authorized to be appropriated from time to time to the Department of State such sums as may be necessary for the payment by the United States of its share of the expenses of the Colombo Plan Council for Technical Cooperation.]

Mutual Security Act of 1954

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[SEC. 402. * * * [Repealed—1996]

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[SEC. 417. IRISH COUNTERPART.—Pursuant to section 115(b)(6) of the Economic Cooperation Act of 1948, as amended, the disposition within Ireland of the unencumbered balance, in the amount of approximately 6,000,000 Irish pounds, of the special account of Irish funds established under article IV of the Economic Cooperation Agreement between the United States of America and Ireland, dated June 28, 1948, for the purposes of—

[(1) scholarship exchange between the United States and Ireland;

[(2) other programs and projects (including the establishment of an Agricultural Institute) to improve and develop the agricultural production and marketing potential of Ireland and to increase the production and efficiency of Irish industry; and

[(3) development programs and projects in aid of the foregoing objectives, is hereby approved, as provided in the agreement between the Government of the United States of America and the Government of Ireland, dated June 17, 1954.]

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