

Sec. 202

98D CONGRESS } HOUSE OF REPRESENTATIVES } REPORT  
1st Session } } No. 93-664

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LEGISLATIVE COUNCIL  
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FOREIGN ASSISTANCE ACT OF 1973

NOVEMBER 27, 1973.—Ordered to be printed

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with next office

Mr. MORGAN, from the committee of conference, submitted the following

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CONFERENCE REPORT

[To accompany S. 1443]

def of letters

defense articles

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The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1443) to authorize the furnishing of defense articles and services to foreign countries and international organizations, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Foreign Assistance Act of 1973".

POLICY; DEVELOPMENT ASSISTANCE AUTHORIZATIONS

SEC. 2. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(1) In the chapter heading, immediately after "CHAPTER 1—POLICY", insert "; DEVELOPMENT ASSISTANCE AUTHORIZATIONS".

(2) In section 102—

(A) insert "(a)" immediately after "STATEMENT OF POLICY.—"; and

(B) add at the end thereof the following:

"(b) The Congress further finds and declares that, with the help of United States economic assistance, progress has been made in creating a base for the economic progress of the less developed countries. At the same time, the conditions which shaped the United States foreign assistance program in the past have changed. While the United States must continue to seek increased cooperation and mutually beneficial

*relations with other nations, our relations with the less developed countries must be revised to reflect the new realities. In restructuring our relationships with these countries, the President should place appropriate emphasis on the following criteria:*

*"(1) Bilateral development aid should concentrate increasingly on sharing American technical expertise, farm commodities, and industrial goods to meet critical development problems, and less on large-scale capital transfers, which when made should be in association with contributions from other industrialized countries working together in a multilateral framework.*

*"(2) Future United States bilateral support for development should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries: food production; rural development and nutrition; population planning and health; and education, public administration, and human resource development.*

*"(3) United States cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, and voluntary agencies.*

*"(4) Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.*

*"(5) United States bilateral development assistance should give the highest priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.*

*"(6) The economic and social development programs to which the United States lends support should reflect, to the maximum extent practicable, the role of United States private investment in such economic and social development programs.*

*"(7) Under the policy guidance of the Secretary of State, the agency primarily responsible for administering this part should have the responsibility for coordinating all United States development-related activities."*

*(3) At the end thereof, add the following new sections:*

*"SEC. 103. FOOD AND NUTRITION.—In order to alleviate starvation, hunger, and malnutrition, and to provide basic services to poor people, enhancing their capacity for self-help, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$291,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.*

*"SEC. 104. POPULATION PLANNING AND HEALTH.—In order to increase the opportunities and motivation for family planning, to reduce the rate of population growth, to prevent and combat disease, and to help provide health services for the great majority, the President is authorized to furnish assistance on such terms and conditions as he may determine, for population planning and health. There are authorized to be appropriated to the President for the purposes of this section, in addition to the funds otherwise available for such purposes, \$145,000,000*

for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"SEC. 105. EDUCATION AND HUMAN RESOURCES DEVELOPMENT.—In order to reduce illiteracy, to extend basic education and to increase manpower training in skills related to development, the President is authorized to furnish assistance on such terms and conditions as he may determine, for education, public administration, and human resource development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$90,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"SEC. 106. SELECTED DEVELOPMENT PROBLEMS.—The President is authorized to furnish assistance on such terms and conditions as he may determine, to help solve economic and social development problems in fields such as transportation, power, industry, urban development, and export development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$53,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"SEC. 107. SELECTED COUNTRIES AND ORGANIZATIONS.—The President is authorized to furnish assistance on such terms and conditions as he may determine, in support of the general economy of recipient countries or for development programs conducted by private or international organizations. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$39,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"SEC. 108. APPLICATION OF EXISTING PROVISIONS.—Assistance under this chapter shall be furnished in accordance with the provisions of titles I, II, or X of chapter 2 of this part, and nothing in this chapter shall be construed to make inapplicable the restrictions, criteria, authorities, or other provisions of this or any other Act in accordance with which assistance furnished under this chapter would otherwise have been provided.

"SEC. 109. TRANSFER OF FUNDS.—Notwithstanding section 108 of this Act, whenever the President determines it to be necessary for the purposes of this chapter, not to exceed 15 per centum of the funds made available for any provision of this chapter may be transferred to, and consolidated with, the funds made available for any other provision of this chapter, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 25 per centum of the amount of funds made available for such provision. The authority of sections 610(a) and 614(a) of this Act may not be used to transfer funds made available under this chapter for use for purposes of any other provision of this Act.

"SEC. 110. COST-SHARING AND FUNDING LIMITS.—(a) No assistance shall be furnished by the United States Government to a country under sections 103 through 107 of this Act until the country provides assurances to the President, and the President is satisfied, that such country will provide at least 25 per centum of the costs of the entire program,

project, or activity with respect to which such assistance is to be furnished, except that such costs borne by such country may be provided on an 'in-kind' basis.

"(b) No grant assistance shall be disbursed by the United States Government under sections 103 through 107 of this Act for a project, for a period exceeding thirty-six consecutive months, without further justification satisfactory to the Congress and efforts being made to obtain sources of financing within that country and from other foreign countries and multilateral organizations.

"SEC. 111. DEVELOPMENT AND USE OF COOPERATIVES.—In order to strengthen the participation of the urban and rural poor in their country's development, not less than \$20,000,000 of the funds made available for the purposes of this chapter shall be available during the fiscal years 1974 and 1975 only for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life.

"SEC. 112. PROHIBITING POLICE TRAINING.—(a) No part of any appropriation made available to carry out this Act shall be used to conduct any police training or related program in a foreign country.

"(b) Subsection (a) of this section shall not apply—

"(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, or with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States; or

"(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.

Notwithstanding paragraph (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment.

"SEC. 113. INTEGRATING WOMEN INTO NATIONAL ECONOMIES.—Sections 103 through 107 of this Act shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort.

"SEC. 114. LIMITING USE OF FUNDS FOR ABORTIONS.—None of the funds made available to carry out this part shall be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions."

#### DEVELOPMENT LOAN FUND

SEC. 3. (a) Section 203 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 203. FISCAL PROVISIONS.—Not more than 50 per centum of dollar receipts scheduled to be paid during each of the fiscal years 1974 and 1975 from loans made pursuant to this part and from loans made under predecessor foreign assistance legislation are authorized to be made available for each such fiscal year for use for purposes of making loans under chapter 1 of this part. Such receipts shall remain available until expended."

(b) *Effective July 1, 1975, such section 203 is repealed.*

TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

*SEC. 4. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:*

*(1) In section 211 (a), in the last sentence immediately after the word "assistance", insert the word "directly".*

*(2) In section 214, strike out subsections (c) and (d) and insert in lieu thereof the following:*

*"(c) To carry out the purposes of this section, there are authorized to be appropriated to the President for each of the fiscal years 1974 and 1975 \$19,000,000, which amounts are authorized to remain available until expended.*

*"(d) There are authorized to be appropriated to the President to carry out the purposes of this section, in addition to funds otherwise available for such purposes, for each of the fiscal years 1974 and 1975 \$6,500,000 in foreign currencies which the Secretary of the Treasury determines to be excess to the normal requirements of the United States.*

*"(e) Not later than June 30, 1974, the Secretary of State shall submit to the Congress such recommendations (including recommendations concerning which agency of the United States Government should administer such assistance) as he considers desirable for assistance to schools, libraries, and hospital centers for medical education and research, outside the United States, founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States."*

HOUSING GUARANTIES

*SEC. 5. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:*

*(1) In section 221, strike out "\$205,000,000" and insert in lieu thereof "\$305,000,000".*

*(2) In section 223(i), strike out "June 30, 1974" and insert in lieu thereof "June 30, 1975".*

OVERSEAS PRIVATE INVESTMENT CORPORATION

*SEC. 6. Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:*

*(1) In section 235(a)(4), strike out "June 30, 1974" and insert in lieu thereof "December 31, 1974".*

*(2) In section 240(h), strike out "June 30, 1973" and insert in lieu thereof "December 31, 1974".*

ALLIANCE FOR PROGRESS

*SEC. 7. Section 252(b) of the Foreign Assistance Act of 1961 is amended to read as follows:*

*"(b) There are authorized to be appropriated to the President for the fiscal year 1974, \$934,000, and for the fiscal year 1975, \$934,000, for grants to the National Association of the Partners of the Alliance, Inc., in accordance with the purposes of this title."*

PROGRAMS RELATING TO POPULATION GROWTH

*Sec. 8. Section 292 of the Foreign Assistance Act of 1961 is amended by striking out "for each of the fiscal years 1972 and 1973, \$125,000,000" and inserting in lieu thereof "for the fiscal year 1974, \$125,000,000, and for the fiscal year 1975, \$130,000,000".*

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

*Sec. 9. Chapter 3 of part I of the Foreign Assistance Act of 1961 is amended as follows:*

*(1) At the end of section 301 add the following new subsection:*

*"(e)(1) In the case of the United Nations and its affiliated organizations, including the International Atomic Energy Agency, the President shall, acting through the United States representative to such organizations, propose and actively seek the establishment by the governing authorities of such organizations a single professionally qualified group of appropriate size for the purpose of providing an independent and continuous program of selective examination, review, and evaluation of the programs and activities of such organizations. Such proposal shall provide that such group shall be established in accordance with such terms of reference as such governing authority may prescribe and that the reports of such group on each examination, review, and evaluation shall be submitted directly to such governing authority for transmittal to the representative of each individual member nation. Such proposal shall further include a statement of auditing and reporting standards, as prepared by the Comptroller General of the United States, for the consideration of the governing authority of the international organization concerned to assist in formulating terms of reference for such review and evaluation group.*

*"(2) In the case of the International Bank for Reconstruction and Development and the Asian Development Bank, the President shall, acting through the United States representative to such organizations, propose and actively seek the establishment by the governing authorities of such organizations professionally qualified groups of appropriate size for the purpose of providing an independent and continuous program of selective examination, review, and evaluation of the programs and activities of such organizations. Such proposal shall provide that such groups shall be established in accordance with such terms of reference as such governing authorities may prescribe, and that the reports of such groups on each examination, review, and evaluation shall be submitted directly to such governing authority for transmittal to the representative of each individual member nation. Such proposal shall further include a statement of auditing and reporting standards, as prepared by the Comptroller General of the United States, for the consideration of the governing authority of the international organization concerned to assist in formulating terms of reference for such review and evaluation groups.*

*"(3) Reports received by the United States representatives to these international organizations under this subsection and related information on actions taken as a result of recommendations made therein shall be submitted promptly to the President for transmittal to the Congress and to the Comptroller General. The Comptroller General shall periodically review such reports and related information and shall report simultaneously to the Congress and to the President any suggestions the Comptroller General may deem appropriate concerning auditing and reporting stand-*

ards followed by such groups, the recommendations made and actions taken as a result of such recommendations."

(2) In section 302(a), strike out "for the fiscal year 1972, \$138,000,000 and for the fiscal year 1973, \$138,000,000" and insert in lieu thereof "for the fiscal year 1974, \$127,822,000 and for the fiscal year 1975, \$150,000,000".

(3) In section 302(b)(2), strike out "for use in the fiscal year 1972, \$15,000,000, and for use in the fiscal year 1973, \$15,000,000" and insert in lieu thereof "for use in the fiscal year 1974, \$14,500,000, and for use in the fiscal year 1975, \$14,500,000".

(4) Section 302(d) is amended to read as follows:

"(d) Of the funds made available to carry out this chapter for each of the fiscal years 1974 and 1975, \$18,000,000 shall be available in each such fiscal year only for contributions to the United Nations Children's Fund."

(5) In section 302(e), strike out "\$1,000,000 for the fiscal year 1972 and \$1,000,000 for the fiscal year 1973" and insert in lieu thereof "\$2,000,000 for the fiscal year 1974 and \$2,000,000 for the fiscal year 1975".

#### CONTINGENCY FUND

SEC. 10. Section 451(a) of the Foreign Assistance Act of 1961 is amended to read as follows: "(a) There is authorized to be appropriated to the President for each of the fiscal years 1974 and 1975 not to exceed \$30,000,000, to provide assistance authorized by this part primarily for disaster relief purposes, in accordance with the provisions applicable to the furnishing of such assistance."

#### INTERNATIONAL NARCOTICS CONTROL

SEC. 11. (a) Section 481 of the Foreign Assistance Act of 1961 is amended by inserting "(a)" immediately after "INTERNATIONAL NARCOTICS CONTROL.—" and by adding at the end thereof the following new subsection:

"(b)(1) Not later than forty-five days after the date on which each calendar quarter of each year ends, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the programming and obligation, on a calendar quarter basis, of funds under this chapter prior to such date.

"(2) Not later than forty-five days after the date on which the second calendar quarter of each year ends and not later than forty-five days after the date on which the fourth calendar quarter of each year ends, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed semiannual report on the activities and operations carried out under this chapter prior to such date. Such semiannual report shall include, but shall not be limited to—

"(A) the status of each agreement concluded prior to such date with other countries to carry out the purposes of this chapter; and

"(B) the aggregate of obligations and expenditures made, and the types and quantity of equipment provided, on a calendar quarter basis, prior to such date—

"(i) to carry out the purposes of this chapter with respect to each country and each international organization receiving

assistance under this chapter, including the cost of United States personnel engaged in carrying out such purposes in each such country and with each such international organization;

“(ii) to carry out each program conducted under this chapter in each country and by each international organization, including the cost of United States personnel engaged in carrying out each such program; and

“(iii) for administrative support services within the United States to carry out the purposes of this chapter, including the cost of United States personnel engaged in carrying out such purposes in the United States.”

(b) Section 482 of the Foreign Assistance Act of 1961 is amended by striking out “\$42,500,000” and all that follows down through the period at the end of such section and inserting in lieu thereof “\$42,500,000 for each of the fiscal years 1974 and 1975. Amounts appropriated under this section are authorized to remain available until expended.”

#### MILITARY ASSISTANCE

SEC. 12. (a) Chapter 1 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

“SEC. 502A. EXCESS DEFENSE ARTICLES.—Excess defense articles shall be provided whenever possible rather than providing such articles by the procurement of new items.”

(b) Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended as follows:

(1) Section 503 is amended to read as follows:

“SEC. 503. GENERAL AUTHORITY.—(a) The President is authorized to furnish military assistance, on such terms and conditions as he may determine, to any friendly country or international organization, the assisting of which the President finds will strengthen the security of the United States and promote world peace and which is otherwise eligible to receive such assistance, by—

“(1) acquiring from any source and providing (by loan or grant) any defense article or defense service; or

“(2) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to perform duties of a noncombatant nature.

“(b) In addition to such other terms and conditions as the President may determine pursuant to subsection (a), defense articles may be loaned thereunder only if—

“(1) there is a bona fide reason, other than the shortage of funds, for providing such articles on a loan basis rather than on a grant basis;

“(2) there is a reasonable expectation that such articles will be returned to the agency making the loan at the end of the loan period, unless the loan is then renewed;

“(3) the loan period is of fixed duration not exceeding five years, during which such article may be recalled for any reason by the United States;

“(4) the agency making the loan is reimbursed for the loan based on the amount charged to the appropriation for military assistance under subsection (c); and



*"(5) arrangements are made with the agency making the loan to be reimbursed in the event such article is lost or destroyed while on loan, such reimbursement being made first out of any funds available to carry out this chapter and based on the depreciated value of the article at the time of loss or destruction.*

*"(c)(1) In the case of any loan of a defense article or defense service made under this section, there shall be a charge to the appropriation for military assistance for any fiscal year while the article or service is on loan in an amount based on—*

*"(A) the out-of-pocket expenses authorized to be incurred in connection with such loan during such fiscal year; and*

*"(B) the depreciation which occurs during such year while such article is on loan.*

*"(2) The provisions of this subsection shall not apply—*

*"(A) to any particular defense article or defense service which the United States Government agreed, prior to the date of enactment of this subsection, to lend; and*

*"(B) to any defense article or defense service, or portion thereof, acquired with funds appropriated for military assistance under this Act."*

*(2) In section 504(a)—*

*(A) strike out "\$500,000,000 for the fiscal year 1972" and insert in lieu thereof "\$512,500,000 for the fiscal year 1974"; and*

*(B) strike out "forty countries" and insert in lieu thereof "thirty-one countries".*

*(3) Section 505 is amended by adding the following new subsections at the end thereof:*

*"(e) In considering a request for approval of any transfer of any weapon, weapons system, munitions, aircraft, military boat, military vessel, or other implement of war to another country, the President shall not give his consent under subsection (a)(1) or (a)(4) to the transfer unless the United States itself would transfer the defense article under consideration to that country, and prior to the date he intends to give his consent to the transfer, the President notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended consent, the justification for giving such consent, the defense article for which he intends to give his consent to be so transferred, and the foreign country to which that defense article is to be transferred. In addition, the President shall not give his consent under subsection (a)(1) or (a)(4) to the transfer of any significant defense articles on the United States Munitions List unless the foreign country requesting consent to transfer agrees to demilitarize such defense articles prior to transfer, or the proposed recipient foreign country provides a commitment in writing to the United States Government that it will not transfer such defense articles, if not demilitarized, to any other foreign country or person without first obtaining the consent of the President.*

*"(f) Effective July 1, 1974, no defense article shall be furnished to any country on a grant basis unless such country shall have agreed that the net proceeds of sale received by such country in disposing of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other implement of war received under this chapter will be paid to the United States Government and shall be available to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational*

and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961."

(4) In section 506(a)—

(A) strike out "the fiscal year 1972" in each place it appears and insert in lieu thereof "the fiscal year 1974";

(B) strike out "vital to the security" and insert in lieu thereof "in the security interests"; and

(C) strike out "\$300,000,000" and insert in lieu thereof "\$250,000,000".

(5) Sections 507, 508, 509, 512, and 514 are repealed.

(6) Section 513 is amended—

(A) by striking out "THAILAND.—" in the section heading and inserting in lieu thereof "THAILAND AND LAOS.—(a)"; and

(B) by adding at the end thereof the following new subsection:

"(b) After June 30, 1974, no military assistance shall be furnished by the United States to Laos directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act."

(c) Section 655(c) shall not apply to assistance authorized to be furnished under any provision of law for fiscal year 1974.

#### SECURITY SUPPORTING ASSISTANCE

SEC. 13. Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended—

(1) in section 532 by striking out "for the fiscal year 1972 not to exceed \$618,000,000, of which not less than \$50,000,000 shall be available solely for Israel" and inserting in lieu thereof "for the fiscal year 1974 not to exceed \$125,000,000, of which not less than \$50,000,000 shall be available solely for Israel"; and

(2) by striking out section 533.

#### TERMINATION OF ASSISTANCE

SEC. 14. Section 617 of the Foreign Assistance Act of 1961 is amended by striking out "twelve" and inserting in lieu thereof "eight".

#### PROHIBITIONS

SEC. 15. The first full paragraph of section 620(e)(1) of the Foreign Assistance Act of 1961 is amended by striking out "no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection." and inserting in lieu thereof "the provisions of this subsection shall not be waived with respect to any country unless the President determines and certifies that such a waiver is important to the national interests of the United States. Such certification shall be reported immediately to Congress."

#### EMPLOYMENT OF PERSONNEL

SEC. 16. Section 625 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(k)(1) In accordance with such regulations as the President may prescribe, the following categories of personnel who serve in the agency

*primarily responsible for administering part I of this Act shall become participants in the Foreign Service Retirement and Disability System:*

*“(A) persons serving under unlimited appointments in employment subject to subsection (d)(2) of this section as Foreign Service Reserve officers and as Foreign Service staff officers and employees; and*

*“(B) a person serving in a position to which he was appointed by the President, whether with or without the advice and consent of the Senate, if (i) such person shall have served previously under an unlimited appointment pursuant to such subsection (d)(2) or a comparable provision of predecessor legislation to this Act, and (ii) following service specified in clause (i) of this subparagraph, such person shall have served continuously with such agency or its predecessor agencies only in positions established under the authority of sections 624(a) and 631(b) or comparable provisions of predecessor legislation to this Act.*

*“(2) Upon becoming a participant in the Foreign Service Retirement and Disability System, any such officer or employee shall make a special contribution to the Foreign Service Retirement and Disability Fund in accordance with the provisions of section 852 of the Foreign Service Act of 1946, as amended. Thereafter, compulsory contributions will be made with respect to each such participating officer or employee in accordance with the provisions of section 811 of the Foreign Service Act of 1946, as amended.*

*“(3) The provisions of section 636 and title VIII of the Foreign Service Act of 1946, as amended, shall apply to participation in the Foreign Service Retirement and Disability System by any such officer or employee.*

*“(4) If an officer who becomes a participant in the Foreign Service Retirement and Disability System under paragraph (1) of this subsection is appointed by the President, by and with the advice and consent of the Senate, or by the President alone, to a position in any agency of the United States Government, any United States delegation or mission to any international organization, in any international commission, or in any international body, such officer shall not, by virtue of the acceptance of such an appointment, lose his status as a participant in the system.*

*“(5) Any such officer or employee who becomes a participant in the Foreign Service Retirement and Disability System under paragraph (1) of this subsection shall be mandatorily retired (A) at the end of the month in which he reaches age seventy, or (B) earlier if, during the third year after the effective date of this subsection, he attains age sixty-four or if he is over age sixty-four; during the fourth year at age sixty-three; during the fifth year at age sixty-two; during the sixth year at age sixty-one; and thereafter at the end of the month in which he reaches age sixty. However, no participant shall be mandatorily retired under this paragraph while serving in a position to which appointed by the President, by and with the advice and consent of the Senate. Any participant who completes a period of authorized service after reaching the mandatory retirement age specified in this paragraph shall be retired at the end of the month in which such service is completed.*

*“(6) Whenever the President deems it to be in the public interest, he may extend any participant's service for a period not to exceed five years after the mandatory retirement date of such officer or employee.*

*"(7) This subsection shall become effective on the first day of the first month which begins more than one year after the date of its enactment, except that any officer or employee who, before such effective date, meets the requirements for participation in the Foreign Service Retirement and Disability System under paragraph (1) of this subsection may elect to become a participant before the effective date of this subsection. Such officer or employee shall become a participant on the first day of the second month following the date of his application for earlier participation. Any officer or employee who becomes a participant in the system under the provisions of paragraph (1) of this subsection, who is age fifty-seven or over on the effective date of this subsection, may retire voluntarily at any time before mandatory retirement under paragraph (5) of this subsection and receive retirement benefits under section 821 of the Foreign Service Act of 1946, as amended.*

*"(8) Any officer or employee who is separated for cause while a participant in the Foreign Service Retirement and Disability System pursuant to this subsection, shall be entitled to benefits in accordance with section 637 (b) and (d) of the Foreign Service Act of 1946, as amended. The provisions of subsection (e) of this section shall apply to participants in lieu of the provisions of sections 633 and 634 of the Foreign Service Act of 1946, as amended."*

#### REPORTS AND INFORMATION

*SEC. 17. Section 634 of the Foreign Assistance Act of 1961 is amended by striking out subsection (f) and inserting in lieu thereof the following new subsections:*

*"(f) The President shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate a comprehensive report showing, as of June 30 and December 31 of each year, the status of each loan and each contract of guarantee or insurance theretofore made under this Act, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each sale of defense articles or defense services on credit terms, and each contract of guarantee in connection with any such sale, theretofore made under the Foreign Military Sales Act, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each sale of agriculture commodities on credit terms theretofore made under the Agricultural Trade Development and Assistance Act of 1954, with respect to which there remains outstanding any unpaid obligation; and the status of each transaction in which a loan, contract of guarantee or insurance, or extension of credit (or participation therein) was theretofore made under the Export-Import Bank Act of 1945, with respect to which there remains outstanding any unpaid obligation or potential liability. Such report shall include individually only any loan, contract, sale, extension of credit, or other transaction listed in this subsection in excess of \$1,000,000.*

*"(g) The President shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate, not later than January 31 of each year, a comprehensive report, based upon the latest data available, showing—*

*"(1) a summary of the worldwide dimensions of debt-servicing problems among such countries, together with a detailed statement of the debt-servicing problems of each such country;*

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

"(3) a summary of the worldwide effect of the debt relief granted by the United States on the availability of funds, authority, or other resources of the United States to make any such loan, sale, contract of guarantee or insurance, or extension of credit, together with a detailed statement of the effect of such debt relief with respect to each such country; and

"(4) a summary of the net aid flow from the United States to such countries, taking into consideration the debt relief granted by the United States, together with a detailed analysis of such net aid flow with respect to each such country."

#### ADMINISTRATIVE EXPENSES

SEC. 18. Section 637(a) of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1972, \$50,000,000, and for the fiscal year 1973, \$50,000,000" and inserting in lieu thereof "for each of the fiscal years 1974 and 1975, \$45,000,000".

#### TECHNICAL AMENDMENT

SEC. 19. Section 638 of the Foreign Assistance Act of 1961 is amended by striking out "PEACE CORPS ASSISTANCE" and inserting in lieu thereof "EXCLUSIONS".

#### AFRICAN SAHEL FAMINE AND DISASTER RELIEF AND DEVELOPMENT PROGRAM

SEC. 20. Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended by inserting after section 639 the following new sections:

"SEC. 639A. FAMINE AND DISASTER RELIEF TO THE AFRICAN SAHEL.—(a) The Congress affirms the response of the United States Government in providing famine and disaster relief and related assistance in connection with the drought in the Sahelian nations of Africa. The President shall report to Congress as soon as possible on solutions to this problem of famine and further propose how any of these solutions may be carried out by multilateral organizations.

"(b) Notwithstanding any prohibitions or restrictions contained in this or any other Act, there is authorized to be appropriated to the President, in addition to funds otherwise available for such purposes, \$25,000,000 to remain available until expended, for use by the President, under such terms and conditions as he may determine, for emergency and recovery needs, including drought, famine, and disaster relief, and rehabilitation and related assistance, for the drought-stricken Sahelian nations of Africa.

"SEC. 639B. AFRICAN SAHEL DEVELOPMENT PROGRAM.—The Congress supports the initiative of the United States Government in undertaking consultations and planning with the countries concerned, with other nations providing assistance, with the United Nations, and with other concerned international and regional organizations, toward the development and support of a comprehensive long-term African Sahel development program."

**COORDINATION; SHIPPING DIFFERENTIAL**

*SEC. 21. Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sections:*

*"SEC. 640B. COORDINATION.—(a) The President shall establish a system for coordination of United States policies and programs which affect United States interests in the development of low-income countries. To that end, the President shall establish a Development Coordination Committee which shall advise him with respect to coordination of United States policies and programs affecting the development of the developing countries, including programs of bilateral and multilateral development assistance. The Committee shall include the head of the agency primarily responsible for administering part I, Chairman, and representatives of the Departments of State, Treasury, Commerce, Agriculture, and Labor, the Executive Office of the President, and other executive departments and agencies, as the President shall designate.*

*"(b) The President shall prescribe appropriate procedures to assure coordination among—*

*"(1) the various departments and agencies of the United States Government having representatives in diplomatic missions abroad; and*

*"(2) representatives of the United States Government in each country, under the direction of the Chief of the United States Diplomatic Mission.*

*The President shall keep the Congress advised of his actions under this subsection.*

*"(c) Programs authorized by this Act shall be undertaken with the foreign policy guidance of the Secretary of State.*

*"(d) The President shall report to the Congress during the first quarter of each calendar year on United States actions affecting the development of the low-income countries and on the impact of those undertakings upon the national income, employment, wages, and working conditions in the United States.*

*"SEC. 640C. SHIPPING DIFFERENTIAL.—For the purpose of facilitating implementation of section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)), funds made available for the purposes of chapter 1 of part I or for purposes of part V may be used to make grants to recipients to pay all or any portion of such differential as is determined by the Secretary of Commerce to exist between United States and foreign-flag vessel charter or freight rates. Grants made under this section shall be paid with United States-owned foreign currencies wherever feasible."*

**DEFINITIONS**

*SEC. 22. Section 644 of the Foreign Assistance Act of 1961 is amended as follows:*

*(1) Subsection (g) is amended to read as follows:*

*"(g) 'Excess defense articles' means the quantity of defense articles owned by the United States Government, and not procured in anticipation of military assistance or sales requirements, or pursuant to a military assistance or sales order, which is in excess of the Approved Force Acquisition Objective and Approved Force Retention Stock of all Department of Defense Components at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations under this Act."*

*(2) Subsection (i) is repealed.*

(3) Subsection (m) is amended to read as follows:

"(m) 'Value' means—

"(1) with respect to an excess defense article, the actual value of the article plus the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying the article, except that for purposes of section 632(d) such actual value shall not be taken into account;

"(2) with respect to a nonexcess defense article delivered from inventory to foreign countries or international organizations under this Act, the acquisition cost to the United States Government, adjusted as appropriate for condition and market value;

"(3) with respect to a nonexcess defense article delivered from new procurement to foreign countries or international organizations under this Act, the contract or production costs of such article; and

"(4) with respect to a defense service, the cost to the United States Government of such service."

ANNUAL FOREIGN ASSISTANCE REPORT

SEC. 23. Section 657 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 657. ANNUAL FOREIGN ASSISTANCE REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding the volume and cost of assistance extended by the United States Government to foreign countries and international organizations, and in order that the Congress and the American people may be better informed regarding the sale of arms to foreign countries and international organizations by private industry of the United States, not later than December 31 of each year the President shall transmit to the Congress an annual report, for the fiscal year ending prior to the fiscal year in which the report is transmitted, showing—

"(1) the aggregate dollar value of all foreign assistance provided by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance by category provided by the United States Government to each such country and organization, during that fiscal year;

"(2) the total amounts of foreign currency paid by each foreign country or international organization to the United States Government in such fiscal year, what each payment was made for, whether any portion of such payment was returned by the United States Government to the country or organization from which the payment was obtained or whether any such portion was transferred by the United States Government to another foreign country or international organization, and, if so returned or transferred, the kind of assistance obtained by that country or organization with those foreign currencies and the dollar value of such kind of assistance;

"(3) the aggregate dollar value of all weapons, weapons systems, munitions, aircraft, military boats, military vessels, and other implements of war, and the aggregate dollar value of each category of such implements of war, exported under any export license, to all foreign countries and international organizations, and to each such country and organization, during that fiscal year;

"(4) all exports of significant defense articles on the United States Munitions List to any foreign government, international organiza-

tion, or other foreign recipient or purchaser, by the United States under this Act or any other authority, or by any individual, corporation, partnership, or other association doing business in the United States, including but not limited to, full information as to the particular defense articles so exported, the particular recipient or purchaser, the terms of the export, including its selling price, if any, and such other information as may be appropriate to enable the Congress to evaluate the distribution of United States defense articles abroad; and

“(5) such other matters relating to foreign assistance provided by the United States Government as the President considers appropriate, including explanations of the information required under clauses (1) through (4) of this subsection.

“(b) All information contained in any report transmitted under this section shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplemental report shall be transmitted to the Congress at the same time that the report is transmitted.

“(c) If the Congress is not in session at the time a report or supplemental report is transmitted to the Congress, the Secretary of the Senate and the Clerk of the House of Representatives shall accept the report or supplemental report on behalf of their respective Houses of Congress and present the report or supplemental report to the two Houses immediately upon their convening.

“(d) For the purposes of this section—

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

“(2) ‘provided by the United States Government’ includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit, or guaranty.”

#### INDOCHINA POSTWAR RECONSTRUCTION

Sec. 24. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

#### “PART V

“SEC. 801. GENERAL AUTHORITY.—The President is authorized to furnish, on such terms and conditions as he may determine, assistance for relief and reconstruction of South Vietnam, Cambodia, and Laos, including especially humanitarian assistance to refugees, civilian war casualties, and other persons disadvantaged by hostilities or conditions related to those hostilities in South Vietnam, Cambodia, and Laos. No assistance shall be furnished under this section to South Vietnam unless the President receives assurances satisfactory to him that no assistance furnished under this part, and no local currencies generated as a result of assistance furnished under this part, will be used for support



of police, or prison construction and administration, within South Vietnam.

"SEC. 802. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to funds otherwise available for such purposes, for the fiscal year 1974 not to exceed \$504,000,000, which amount is authorized to remain available until expended.

"SEC. 803. ASSISTANCE TO SOUTH VIETNAMESE CHILDREN.—(a) It is the sense of the Congress that inadequate provision has been made (1) for the establishment, expansion, and improvement of day care centers, orphanages, hostels, school feeding programs, health and welfare programs, and training related to these programs which are designed for the benefit of South Vietnamese children, disadvantaged by hostilities in Vietnam or conditions related to those hostilities, and (2) for the adoption by United States citizens of South Vietnamese children who are orphaned or abandoned, or whose parents or sole surviving parent, as the case may be, has irrevocably relinquished all parental rights, particularly children fathered by United States citizens.

"(b) The President is, therefore, authorized to provide assistance, on terms and conditions he considers appropriate, for the purposes described in clauses (1) and (2) of subsection (a) of this section. Of the funds appropriated pursuant to section 802 for fiscal year 1974, \$5,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section. Not more than 10 per centum of the funds made available to carry out this section may be expended for the purposes referred to in clause (2) of subsection (a). Assistance provided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies.

"SEC. 804. CENTER FOR PLASTIC AND RECONSTRUCTIVE SURGERY IN SAIGON.—Of the funds appropriated pursuant to section 802 for the fiscal year 1974, not less than \$712,000 shall be available solely for furnishing assistance to the Center for Plastic and Reconstructive Surgery in Saigon.

"SEC. 805. AUTHORITY.—All references to part I, whether heretofore or hereafter enacted, shall be deemed to be references also to this part unless otherwise specifically provided. The authorities available to administer part I of this Act shall be available to administer programs authorized in this part."

#### FOREIGN MILITARY SALES ACT AMENDMENTS

SEC. 25. The Foreign Military Sales Act is amended as follows:

(1) Section 1 is amended by adding at the end thereof the following new paragraph:

"In order to reduce the role of the United States Government in the furnishing of defense articles and defense services to foreign countries and international organizations, and return such transactions to commercial channels, the United States Government shall reduce its sales, credit sales, and guaranties of such articles and defense services as soon as, and to the maximum extent, practicable."

(2) Section 3 is amended—

(A) by striking out "and" at the end of paragraph (2) of subsection (a) and inserting before "unless" the following: "and not to use or permit the use of such article for purposes other than those for which furnished";

(B) by redesignating paragraph (3) of subsection (a) as paragraph (4) and inserting after paragraph (2) the following new paragraph:

"(3) the country or international organization shall have agreed that it will maintain the security of such article and will provide substantially the same degree of security protection afforded to such article by the United States Government; and";

(C) by inserting the following immediately before the last sentence of subsection (a):

"In considering a request for approval of any transfer of any weapon, weapons system, munitions, aircraft, military boat, military vessel, or other implement of war to another country, the President shall not give his consent under paragraph (2) to the transfer unless the United States itself would transfer the defense article under consideration to that country, and prior to the date he intends to give his consent to the transfer, the President notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended consent, the justification for giving such consent, the defense article for which he intends to give his consent to be so transferred, and the foreign country to which that defense article is to be transferred. In addition, the President shall not give his consent under paragraph (2) to the transfer of any significant defense articles on the United States Munitions List unless the foreign country requesting consent to transfer agrees to demilitarize such defense articles prior to transfer, or the proposed recipient foreign country provides a commitment in writing to the United States Government that it will not transfer such defense articles, if not demilitarized, to any other foreign country or person without first obtaining the consent of the President."; and

(D) by adding at the end thereof the following new subsections:

"(c) Except as otherwise provided in subsection (d), any foreign country which hereafter uses defense articles or defense services furnished such country under this Act, in substantial violation of any provision of this Act or any agreement entered into under this Act, shall be immediately ineligible for further cash sales, credits, or guarantees.

"(d) No sophisticated weapons, including sophisticated jet aircraft or spare parts and associated ground equipment for such aircraft, shall be furnished under this or any other Act to any foreign country on or after the date that the President determines that such country has violated any agreement it has made in accordance with paragraph (2) of subsection (a) of this section or section 505(a) of the Foreign Assistance Act of 1961 or any other provision of law requiring similar agreements. Such country shall remain ineligible in accordance with this subsection until such time as the President determines that such violation has ceased, that the country concerned has given assurances satisfactory to the President that such violation will not reoccur, and that, if such violation involved the transfer of sophisticated weapons without the consent of the President, such weapons have been returned to the country concerned."

(3) Section 22 is amended to read as follows:

"SEC. 22. PROCUREMENT FOR CASH SALES.—(a) Except as otherwise provided in this section, the President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of defense articles or defense services for sale for United States dollars to any foreign country or international organization if such country or international organization

provides the United States Government with a dependable undertaking (1) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (2) to make funds available in such amounts and at such times as may be required to meet the payments required by the contract, and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.

"(b) The President may, when he determines it to be in the national interest, accept a dependable undertaking of a foreign country or international organization with respect to any such sale, to make full payment within 120 days after delivery of the defense articles or the rendering of the defense services. Appropriations available to the Department of Defense may be used to meet the payments required by the contracts for the procurement of defense articles and defense services and shall be reimbursed by the amounts subsequently received from the country or international organization to whom articles or services are sold."

(4) In section 24(c)—

(A) strike out "pursuant to section 31" and insert in lieu thereof "to carry out this Act"; and

(B) insert "principal amount of" immediately before the words "contractual liability" wherever they appear.

(5) In section 31(a), strike out "\$400,000,000 for the fiscal year 1972" and insert in lieu thereof "\$325,000,000 for fiscal year 1974".

(6) In section 31(b), strike out "(excluding credits covered by guaranties issued pursuant to section 24(b), (and the face amount of guaranties issued pursuant to sections 24(a) and (b) shall not exceed \$550,000,000 for the fiscal year 1972, of which amount not less than \$300,000,000 shall be available to Israel only)" and insert in lieu thereof "and of the principal amount of loans guaranteed pursuant to section 24(a) shall not exceed \$730,000,000 for the fiscal year 1974, of which amount not less than \$300,000,000 shall be available to Israel only".

(7) In section 33(a)—

(A) strike out "of cash sales pursuant to sections 21 and 22,";

(B) strike out "(excluding credits covered by guaranties issued pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sections 24 (a) and (b)" and insert in lieu thereof "of the principal amount of loans guaranteed pursuant to section 24(a)"; and

(C) strike out "\$100,000,000" and insert in lieu thereof "\$150,000,000".

(8) In section 33(b)—

(A) strike out "of cash sales pursuant to sections 21 and 22,"; and

(B) strike out "(excluding credits covered by guaranties issued pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sections 24 (a) and (b)" and insert in lieu thereof "of the principal amount of loans guaranteed pursuant to section 24(a)".

(9) Section 33(c) is repealed.

(10) In section 36, strike out subsections (a) and (b).

(11) In section 37(b), insert after "indebtedness" the following: "under section 24(b) (excluding such portion of the sales proceeds as may be required at the time of disposition to be obligated as a reserve for payment of claims under guaranties issued pursuant to section 24(b), which sums are made available for such obligations)".

(12) Add at the end thereof the following new section:

- “SEC. 47. DEFINITIONS.—For purposes of this Act, the term—*
- “(1) ‘excess defense article’ has the meaning provided by section 644(g) of the Foreign Assistance Act of 1961; and*
  - “(2) ‘value’ means, in the case of an excess defense article, not less than the greater of—*
- “(A) the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying such article, plus the scrap value; or*
  - “(B) the market value, if ascertainable.”*

**AMENDMENTS TO FOREIGN MILITARY SALES ACT AMENDMENTS OF 1971**

*SEC. 26. The Act entitled “An Act to amend the Foreign Military Sales Act, and for other purposes”, approved January 12, 1971 (84 Stat. 2053), is amended as follows:*

- (1) Section 8(a) is amended by inserting immediately before clause (1) the following: “(less amounts to be transferred under section 632(d) of the Foreign Assistance Act of 1961)”.*
- (2) Section 8(b) is amended—*
  - (A) by striking out “The provisions” and inserting in lieu thereof “In the case of excess defense articles which are generated abroad, the provisions”; and*
  - (B) by striking out “\$185,000,000” and inserting in lieu thereof “\$150,000,000”.*
- (3) Section 8(c) is amended to read as follows:*
  - “(c) For purposes of this section, the term ‘value’ has the same meaning as given it in section 644(m) of the Foreign Assistance Act of 1961.”*
- (4) Section 9 is repealed.*

**PUBLIC DISCLOSURE OF CERTAIN MUNITIONS CONTROL LICENSES**

*SEC. 27. Section 414 of the Mutual Security Act of 1954 is amended by adding at the end thereof the following new subsection:*

*“(e) Licenses issued for the export of articles on the United States Munitions List in excess of \$100,000 shall be reported promptly to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, which report shall contain—*

- “(1) the items to be exported under the license;*
- “(2) the quantity of each such item to be furnished;*
- “(3) the name and address of the consignee and of the ultimate user of each such item; and*
- “(4) an injunction whenever appropriate, concerning the necessity to protect the confidentiality of the information provided.”*

**ASIAN DEVELOPMENT BANK**

*SEC. 28. Section 17 of the Asian Development Bank Act is amended by striking out “\$60,000,000 for fiscal year 1972 and \$40,000,000 for fiscal year 1973” and inserting in lieu thereof “\$100,000,000”.*

**ACCESS TO CERTAIN MILITARY BASES ABROAD**

*SEC. 29. None of the funds authorized to be appropriated by this Act may be used to provide any kind of assistance to any foreign country in which a military base is located if—*

(1) such base was constructed or is being maintained or operated with funds furnished by the United States; and  
(2) personnel of the United States carry out military operations from such base;  
unless and until the President has determined that the government of such country has, consistent with security, authorized access, on a regular basis, to bona fide news media correspondents of the United States to such military base.

#### 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.

#### REVISION OF SOCIAL PROGRESS TRUST FUND AGREEMENT

SEC. 36. (a) The President or his delegate shall seek, as soon as possible, a revision of the Social Progress Trust Fund Agreement (dated June 19, 1961) between the United States and the Inter-American Development Bank. Such revision should provide for the—

(1) periodic transfer of unencumbered capital resources of such trust fund, and of any future repayments or other accruals otherwise payable to such trust fund, to the Inter-American Foundation, to be administered by the Foundation for purposes of part IV of the Foreign Assistance Act of 1969 (22 U.S.C. 290f and following);

(2) utilization of such unencumbered capital resources, future repayments, and other accruals by the Inter-American Development Bank for purposes of sections 1 and 2 of the Latin American Development Act (22 U.S.C. 1942 and 1943) in such a way that the resources received in the currencies of the more developed member countries are utilized to the extent possible for the benefit of the lesser developed member countries; or

(3) both the transfer described in paragraph (1) and the utilization described in paragraph (2).

(b) Any transfer or utilization under this section shall be in such proportions as may be agreed to between the United States and the Inter-American Development Bank.

(c) Any transfer under subsection (a)(1) shall be in the amounts, and in available currencies, determined in consultation with the Inter-American Foundation, to be required for its program purposes.

(d) The revision of the Social Progress Trust Fund Agreement pursuant to this section shall provide that the President or his delegate shall specify, from time to time, after consultation with the Inter-American Development Bank, the particular currencies to be used in making the transfer or utilization described in this section.

(e) Not later than January 1, 1974, the President shall report to Congress on his action taken pursuant to this section.

#### PROHIBITION ON ASSISTANCE TO NORTH VIETNAM

Sec. 37. Notwithstanding any other provision of law, no funds authorized by this Act shall be expended to aid or assist in the reconstruction of the Democratic Republic of Vietnam (North Vietnam), unless by an Act of Congress assistance to North Vietnam is specifically authorized.

#### REPORT CONCERNING CERTAIN USE OF MILITARY ASSISTANCE IN AFRICA

Sec. 38. The President of the United States shall, as soon as practicable following the date of the enactment of this Act, make a determination and report to Congress with respect to the use, if any, by any non-African country in support of its military activities in its African territories of—

(1) assistance furnished under the Foreign Assistance Act of 1961 after the date of the enactment of this Act;

(2) defense articles or services furnished after such date under the Foreign Military Sales Act; or

(3) agricultural commodities furnished after such date under the Agricultural Trade Development and Assistance Act of 1954.

#### WORLD FOOD SHORTAGES

Sec. 39. (a) It is the sense of the Congress that the United States should participate fully in efforts to alleviate current and future food shortages which threaten the world. To this end, the President shall—

(1) encourage, support, and expedite studies relating to the long-range implications of the world food situation (including studies of national and world production, distribution, and utilization of agricultural commodities and other foodstuffs) and sup-

*port 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 for 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 Agriculture Organization of the United Nations, in determining the need for, the feasibility of, and cost on 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.*

*And the House agree to the same.*

*That the Senate recede from its disagreement to the amendment of the House to the title of the Senate bill and agree to the same.*

THOMAS E. MORGAN,  
CLEMENT J. ZABLOCKI,  
DANTE B. FASCELL,  
W. S. MAILLIARD,  
PETER H. B. FRELINGHUYSEN,  
WM. BROOMFIELD,  
*Managers on the Part of the House.*

H. H. HUMPHREY,  
GEORGE D. AIKEN,  
CLIFFORD P. CASE,



JOINT EXPLANATORY STATEMENT OF THE  
COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1443) to authorize the furnishing of defense articles and services to foreign countries and international organization, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The House also amended the title of the bill.

The committee of conference recommends a substitute for both the Senate bill and the House amendment to the text of the Senate bill. The committee of conference also recommends that the Senate recede from its disagreement to the amendment of the House to the title of the bill.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below:

The Senate passed two foreign aid authorization bills.

S. 1443 authorized \$770,000,000 for grant military assistance, military training, supporting assistance other than for Indochina, and foreign military credit sales for fiscal year 1974.

S. 2335 authorized economic assistance of \$1,218,222,000, plus \$6,500,000 in foreign currencies, for fiscal year 1974 and \$812,722,000 for fiscal year 1975.

In each of the Senate bills the House struck out all after the enacting clause and inserted a substitute amendment.

The substance of the House amendments to each bill was identical and contained authorizations for economic assistance in the amount of \$1,610,868,000 for fiscal year 1974 and \$821,068,000 for fiscal year 1975, plus \$7 million in foreign currencies for each of the fiscal years 1974 and 1975.

Each House amendment also provided an authorization of \$1,155,000,000 for grant military assistance, military training, supporting assistance other than for Indochina, and foreign military credit sales for fiscal year 1974 only.

Neither of the Senate bills nor the House amendment contained authorizations for military assistance for fiscal year 1975.

The committee of conference agreed to a single bill (S. 1443) containing authorizations for economic and military assistance for fiscal year 1974 of \$2,392,234,000, which represents a reduction of \$373,634,000 in the House figure, an increase of \$404,012,000 in the Senate figure, and a reduction of \$395,266,000 below the amount requested by the Executive and authorizations for economic assistance for fiscal 1975.

The amounts recommended by the committee of conference compared to the amounts requested by the executive and recommended by the House and Senate follow:

[In millions of dollars]

	Executive request	House <sup>1</sup>	Senate <sup>2</sup>	Conference agreement <sup>3</sup>
<b>Economic assistance:</b>				
Indochina postwar reconstruction for South Vietnam, Laos, and Cambodia.....	632.0	632.0	376.0	504.000
International organizations.....	124.8	127.8	127.822	127.800
Indus Basin grants.....	15.0	15.0	14.0	14.500
<b>Old development loan/grant categories:</b>				
Loans (including Alliance for Progress).....	351.4			
Grants (including Alliance for Progress).....	251.8			
Population.....	(116.0)	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
<b>New development assistance categories:<sup>5</sup></b>				
Food and nutrition.....		300.0	282.0	291.000
Population planning and health.....		150.0	141.0	143.000
Education and human resources.....		90.0	94.0	90.000
Selected development problems.....		60.0	47.0	53.000
Selected countries and organizations.....		50.0	28.0	33.000
<b>Miscellaneous categories:</b>				
American schools and hospitals abroad.....	10.0	<sup>6</sup> 20.0	<sup>6</sup> 19.0	<sup>6</sup> 19.000
International narcotics control program.....	42.5	50.0	40.0	42.500
Contingency fund.....	30.0	30.0	23.5	30.000
Partners of the Alliance.....		968	9	934
Administrative expenses (AID).....	53.1	53.1	24.0	45.000
Arab refugees.....		2.0		2.000
African famine relief.....		730.0		725.000
Albert Schweitzer Hospital.....			1.0	1.000
<b>Total economic assistance.....</b>	<b>1,510.6</b>	<b>1,610.868</b>	<b>1,218.222</b>	<b>1,429.734</b>
<b>Military assistance:</b>				
Grant military assistance.....	652.0	550.0	420.0	<sup>8</sup> 512.500
Security supporting assistance (outside Indochina).....	100.0	125.0	125.0	<sup>9</sup> 125.0
Military credit sales.....	525.0	450.0	200.0	<sup>10</sup> 325.0
Military training.....	( <sup>7</sup> )	30.0	25.0	( <sup>7</sup> )
<b>Total military assistance.....</b>	<b>1,277.0</b>	<b>1,155.0</b>	<b>770.0</b>	<b>962.5</b>
<b>Total economic and military assistance.....</b>	<b>2,787.6</b>	<b>2,765.868</b>	<b>1,988.222</b>	<b>2,352.234</b>

<sup>1</sup> Economic aid authorizations are for fiscal year 1975 also except for African famine relief, Indochina assistance, and international organizations (open ended authorization for fiscal year 1975).

<sup>2</sup> The same amounts are authorized for fiscal year 1975 for all economic aid programs with the exception of: (1) the international narcotics control program for which \$30,500,000 is authorized for fiscal year 1975, and (2) American schools and hospitals abroad, the Albert Schweitzer Hospital, and Indochina postwar reconstruction, for which funds are authorized only for fiscal year 1974. The amounts for military assistance are for fiscal year 1974 only.

<sup>3</sup> The same amounts are authorized for fiscal year 1975 for all economic aid programs with the exception of the Albert Schweitzer Hospital, Indochina postwar reconstruction assistance, and African famine relief. For fiscal year 1975, the amount authorized for international organizations is \$150,000,000. The amounts authorized for military assistance are for fiscal year 1974 only.

<sup>4</sup> A separate appropriation of \$116,000,000 was requested by the executive branch. The Senate earmarked \$125,000,000 out of economic assistance funds for population programs in fiscal year 1974 and \$150,000,000 in fiscal year 1975. The House earmarked \$125,000,000 for each of fiscal years 1974 and 1975. The conferees approved \$125,000,000 for fiscal year 1974 and \$130,000,000 for fiscal year 1975.

<sup>5</sup> Not more than 50 percent of the amounts appropriated for these categories would be used for grants under the Senate bill. In addition, repayments on outstanding foreign assistance loans would be available for new loans in fiscal year 1974 under the House bill.

<sup>6</sup> In addition, excess foreign currencies are authorized (\$6,500,000 in the Senate bill; \$7,000,000 in the House bill). The bill authorizes \$6,500,000 in excess foreign currencies for each of the fiscal years 1974 and 1975.

<sup>7</sup> To remain available until expended.

<sup>8</sup> \$27,500,000 of this approved for military training. The Executive requested an open end authorization for this purpose. The Executive appropriations request was \$33,000,000.

<sup>9</sup> \$50,000,000 earmarked for Israel.

<sup>10</sup> A ceiling of \$730,000,000 established, of which \$300,000,000 earmarked for Israel.

#### CHANGE OF TITLE OF ACT AND NAME OF AGENCY

The House amendment changed the name of the Foreign Assistance Act to the Mutual Development and Cooperation Act and of the Agency for International Development to the Mutual Development and Cooperation Agency.

The Senate bill did not contain a comparable provision.  
The House receded.

**POLICY—DEVELOPMENT ASSISTANCE AUTHORIZATION**

The committee of conference reconciled four differences between the Senate bill and the House amendment that dealt with section 102 of the Foreign Assistance Act relating to statement of policy.

*Development of employment-intensive technologies*

The Senate bill included a provision that the President should place appropriate emphasis on a requirement that the "United States should concentrate in particular on the development of employment-intensive technologies suitable to the less developed countries."

The House amendment did not contain a comparable provision.  
The Senate receded.

*Multilateral approaches to development*

The Senate bill included new language that urged a shift to multilateral approaches to development and required a report from the Secretary of State on consultations, negotiations, and recommendations regarding such a shift.

The House amendment included in its statement of policy a declaration that U.S. development assistance should continue to be available through bilateral channels until it is clear that multilateral channels exist which can do the job with no loss of development momentum.

The House and Senate receded.

*Role of U.S. private investment*

The House amendment contained a statement that emphasized the role of U.S. private investment to the maximum extent practicable in economic and social development programs, specifying that arrangements should be continually sought to provide stability and protection for such investment.

The Senate bill did not contain a comparable provision.

The Senate receded with an amendment which deleted the requirement to continually seek arrangements for the protection of such investment.

*Coordination of U.S. development-related activities*

The Senate bill provided for the coordination of all United States development-related activities by the administering agency under the policy guidance of the Secretary of State, and required the head of the agency to advise the President of actions affecting development and to inform the Congress about the progress of the less developed countries.

The House amendment simply specified the Mutual Development and Cooperation Agency as the agency responsible for the coordination, without spelling out any specific requirement to advise the President or inform the Congress.

The Senate receded, with a technical amendment to substitute "the agency primarily responsible for administering this part" for the name of the agency.

## DEVELOPMENT ASSISTANCE

### CATEGORIES

#### *Food and nutrition*

The Senate bill added a new section 103 to the Foreign Assistance Act to provide development assistance for food and nutrition. It authorized an appropriation of \$282 million for each of the fiscal years 1974 and 1975 for this purpose.

The House amendment contained a similar provision that authorized an appropriation of \$300 million for each of the fiscal years 1974 and 1975.

The committee of conference agreed to an authorization for each of the fiscal years 1974 and 1975 in the amount of \$291 million.

#### *Population planning and health*

The Senate bill added a new section 104 to the Foreign Assistance Act that authorized an appropriation of \$141 million for each of the fiscal years 1974 and 1975 for population planning and health assistance.

The House amendment authorized an appropriation of \$150 million for each of the fiscal years 1974 and 1975 for this purpose.

The committee of conference agreed to an authorization of \$145 million for each of the fiscal years 1974 and 1975 for population planning and health.

#### *Education and human resources development*

The Senate bill added a new section 105 to the Foreign Assistance Act that authorized an appropriation of \$94 million for each of the fiscal years 1974 and 1975 for education and human resources development.

The House amendment authorized an appropriation of \$90 million for each of the fiscal years 1974 and 1975 for these purposes.

The Senate receded.

#### *Selected development problems*

The Senate bill added a new section 106 to the Foreign Assistance Act that authorized an appropriation of \$47 million for each of the fiscal years 1974 and 1975 for selected development problems.

The House amendment authorized an appropriation of \$60 million for each of the fiscal years 1974 and 1975 for this purpose.

The committee of conference agreed to an authorization of \$53 million for each of the fiscal years 1974 and 1975.

#### *Selected countries and organizations*

The Senate bill added a new section 107 to the Foreign Assistance Act that authorized an appropriation of \$28 million for each of the fiscal years 1974 and 1975 for development assistance to selected countries and organizations.

The House amendment authorized an appropriation of \$50 million for each of the fiscal years for this purpose.

The committee of conference agreed to an authorization of \$39 million for each of the fiscal years 1974 and 1975.

#### TRANSFER OF FUNDS

The Senate bill authorized a limited transfer of funds from one sector to another under new sections 103-107 of chapter I but prohibited the use of sections 610(a) and 614(a) of the Foreign Assistance Act with respect to transactions involving sector funds.

The House amendment provided similar authority for the transfer of funds without the restrictive language.

The House receded with an amendment which permitted the transfer of funds under the authority of sections 610(a) and 614(a) into but not out of the funds for development assistance under chapter I.

#### COST SHARING AND FUNDING LIMITS

The Senate bill required the host country to participate in the financing of bilateral projects to the extent of at least 25 percent of the entire costs, in any fiscal year, of the program, project, or activity. It also provided that disbursements for a bilateral capital project under all five functional categories of development assistance would be limited to 36 consecutive months and that efforts should be made before, during, and after the period of disbursement to find local and external sources of funding for such project.

The House amendment did not contain a comparable provision.

The House receded with an amendment striking "in any fiscal year" and making the limitation applicable to grant assistance only. Any extension of the expenditure period beyond 36 months is subject to further justification satisfactory to the Congress. It was also agreed that the 36-month disbursement period will not begin until project disbursements start in-country, excluding preliminary disbursements for planning and preparation costs outside the recipient country.

#### FUNDING OF FOLLOW-ON PROJECTS

The Senate bill provided that no amounts available under sections 103 through 107 of the act could be obligated for any follow-on project which links that project with any other project without further congressional authorization.

The House did not contain a comparable provision.

The Senate receded.

#### USE OF RECEIPTS

The Senate bill limited the use to not more than one-third of prior years loan reflows for any one of the functional categories of development assistance in any fiscal year.

The House amendment did not contain a comparable provision.

The Senate receded.

#### LIMITATION ON GRANTS

The Senate bill limited grants under the functional sectors to not more than 50 percent of the funds appropriated each fiscal year for sections 103-107.

The House amendment did not contain a comparable provision.  
The Senate receded.

#### DEVELOPMENT AND USE OF COOPERATIVES

The Senate bill provided that not less than \$20 million made available during fiscal years 1974 and 1975 should be available only for assistance in the development of cooperatives in less developed countries.

The House amendment did not contain a comparable provision.  
The House receded.

#### PROHIBITING POLICE TRAINING

The Senate bill prohibited police training and related programs for any foreign country under any law except those relating to certain crimes and administered by the Law Enforcement Assistance Administration, or with respect to any authority of the Drug Enforcement Administration, or the Federal Bureau of Investigation.

The House bill did not contain a comparable provision.

The House receded with an amendment applying the prohibition to programs in a foreign country and to funds made available under the Foreign Assistance Act. The prohibition is not applicable to any contract entered into prior to the date of enactment of this act that provides personnel to conduct, or assist in conducting, any such program but it prohibits extension of those contracts. Further, it is the intent of Congress that present programs being conducted by the Agency for International Development in foreign countries should not be transferred to some other agency of the Government in order to avoid this prohibition. The new language is meant to phase out such programs financed hereunder and the objective should not be circumvented by using other funds for this purpose.

#### INTEGRATION OF WOMEN INTO NATIONAL ECONOMIES

The Senate bill provided that development assistance programs should be administered with particular attention to the integration of women into the national economies of foreign countries.

The House amendment did not contain a comparable provision.  
The House receded.

#### LIMITING USE OF FUNDS FOR ABORTIONS

The Senate bill prohibited the use of funds in any manner, directly or indirectly, to pay for abortions, abortifacient drugs or devices, the promotion of the practice of abortion, or support of research to develop methods of abortion.

The House amendment did not contain a comparable provision.

The House receded with an amendment prohibiting the use of funds to pay for the performance of abortions or to motivate or coerce any person to practice abortion.

This provision is not intended to interfere with or curtail support for preventive maternal and child health and family planning services and related research which are provided on a voluntary basis and in accord-

ance with the prevailing local customs and medical practice and it is not intended to apply to funds obligated prior to the date of enactment of this bill.

#### DEVELOPMENT LOAN FUND, FISCAL PROVISIONS

The Senate bill repealed section 203 of the Foreign Assistance Act which makes dollar receipts from previous loans available for new loans for development assistance.

The House amendment extended the authority of section 203 to fiscal years 1974 and 1975 and expanded the authority to include dollar receipts from loans made prior to 1954.

The Senate receded with amendments that delayed the repeal of section 203 until July 1, 1975, and provided that not more than 50 percent of the dollar receipts scheduled for repayment would be available. The committee of conference intended, based on AID's congressional presentation, that, under this limitation, approximately \$161.5 million and \$184 million in new loan authority would become available in fiscal years 1974 and 1975, respectively.

#### COUNTRY LIMITATION

The House amendment added the word "directly" to the forty-country limitation on technical assistance and development grants contained in the act to make clear that the limitation applies only to bilateral assistance furnished directly by the United States Government to governments of less developed countries.

The Senate bill did not contain a comparable provision.

The Senate receded.

#### AMERICAN SCHOOLS AND HOSPITALS ABROAD

The Senate bill authorized an appropriation of \$19 million and \$6.5 million in excess currencies for fiscal year 1974 for assistance to American schools and hospitals abroad. It did not authorize assistance for fiscal year 1975 but requested a study and report including recommendations by the Secretary of State with respect to future assistance for schools and hospitals outside the United States.

The House amendment authorized \$20 million and \$7 million in excess local currencies for each of the fiscal years 1974 and 1975. The House amendment also contained a limitation on assistance in any fiscal year to no more than four institutions in the same country, of which not more than one shall be a university and not more than one a hospital.

The committee of conference agreed to the authorization of an appropriation of \$19 million and \$6.5 million in excess local currencies for each of the fiscal years 1974 and 1975.

The House receded on its limitation but the committee of conference agreed that the agency which administers this program should make every effort to administer this program so as to achieve a more equitable geographic distribution of assistance and to limit financial support for operations and maintenance activities. The committee of conference also agreed that the report and recommendation by the Secretary of State should be made by June 30, 1974.

It is the intent of the committee of conference that the report shall include recommendations for equitable geographical distribution of U.S. assistance and such possible solutions to the problems relating to long term commitments to institutions as the Secretary of State deems desirable.

#### HOUSING GUARANTIES

The Senate bill increased the worldwide ceiling for housing guaranties which may be outstanding at any one time from \$205 million to \$349.9 million, and extended the program to June 30, 1975.

The House amendment increased the worldwide ceiling to \$305 million, an increase of \$100 million, and extended the program to June 30, 1976.

The committee of conference accepted the House ceiling of \$305 million and the Senate date of June 30, 1975.

#### OVERSEAS PRIVATE INVESTMENT CORPORATION

The House amendment extended the issuing authorities of the Overseas Private Investment Corporation for investment and guaranty activities from June 30, 1974 to June 30, 1975. It also renewed the agriculture credit and self-help community development pilot project authority from June 30, 1973 to June 30, 1975.

The Senate bill did not contain any comparable provision.

The Senate receded with an amendment extending the authorities to December 31, 1974.

#### PARTNERS OF THE ALLIANCE

The Senate bill authorized an appropriation of \$900,000 for grants to the National Association of the Partners of the Alliance for each of the fiscal years 1974 and 1975.

The House amendment authorized an appropriation of \$968,000 for each of the fiscal years 1974 and 1975 for such grants.

The committee of conference agreed to an authorization of an appropriation of \$934,000 for each of the fiscal years 1974 and 1975.

#### PROGRAMS RELATING TO POPULATION PROGRAMS

The Senate bill provided that not less than \$125 million in fiscal year 1974 and \$150 million in fiscal year 1975 of part I funds shall be available for programs relating to population growth.

The House amendment earmarked \$125 million of part I funds in each of the fiscal years 1974 and 1975 for this purpose.

The committee of conference agreed to earmark \$125 million in fiscal year 1974 and \$130 million in fiscal year 1975 for programs relating to population growth.

#### INDEPENDENT REVIEW GROUPS FOR INTERNATIONAL ASSISTANCE INSTITUTIONS

The House amendment added a new subsection which required the President to actively seek the establishment of independent groups within the United Nations and its affiliated organizations to review



and evaluate their programs. It further required the President to transmit to the Congress and the Comptroller General reports prepared by such units.

The Senate bill did not contain a comparable provision.  
The Senate receded.

#### INTERNATIONAL ORGANIZATIONS AND PROGRAMS AUTHORIZATION

The Senate bill authorized an appropriation of \$127,822,000 for each of the fiscal years 1974 and 1975.

The House amendment authorized an appropriation of \$127,800,000 for fiscal year 1974 and "such sums as may be necessary" for fiscal year 1975.

The committee of conference agreed to \$127,800,000 for fiscal year 1974 and \$150 million for fiscal year 1975.

#### INDUS BASIN AUTHORIZATION

The Senate bill authorized an appropriation of \$14 million for each of the fiscal years 1974 and 1975 for grants for the Indus Basin development.

The House amendment authorized an appropriation of \$15 million for each of the two fiscal years.

The committee of conference agreed to an authorization of an appropriation of \$14,500,000 for each of the fiscal years 1974 and 1975.

#### UNICEF CONTRIBUTION

The House amendment earmarked \$18 million of international organizations funds for each of fiscal years 1974 and 1975 for contributions to the United Nations Children's Fund (UNICEF).

The Senate bill did not contain a comparable provision.  
The Senate receded.

#### ARAB REFUGEE TRAINING

The House amendment authorized an appropriation of \$2 million for each of the fiscal years 1974 and 1975 for contributions to the United Nations Relief and Works Agency for technical and vocational training of Arab refugees.

The Senate bill did not contain a comparable provision.  
The Senate receded.

#### CONTINGENCY FUND AND DISASTER RELIEF AUTHORITY

The Senate bill authorized an appropriation of \$23.5 million for each of the fiscal years 1974 and 1975 for assistance primarily for disaster relief purposes.

The House amendment authorized an appropriation of \$30 million for each of the fiscal years 1974 and 1975 for contingencies and authorized such amounts as may be required from time to time to provide extraordinary disaster relief.

The committee of conference accepted the House authorization of an appropriation of \$30 million for each of the fiscal years 1974 and 1975, and accepted the purpose language of the Senate bill.

#### COUNTRY NARCOTICS CONTROL PERFORMANCE

The Senate bill amended the Act to require the President to make an affirmative finding, to be transmitted to the Congress, that a country has taken adequate steps to control the production, distribution, transportation, and manufacture of opium and its derivatives. The Senate bill further required the President to suspend all aid, except narcotics control programs, to any country if the Congress passed a concurrent resolution rejecting the findings.

The House amendment did not contain a comparable provision.  
The Senate receded.

#### REPORTS TO CONGRESS ON NARCOTICS CONTROL PROGRAM

The House amendment added a new requirement for quarterly reports to Congress on the programing and obligation of foreign assistance funds for narcotics control programs, and semiannual reports on the activities and operations carried out under this program.

The Senate bill did not contain a comparable provision.  
The Senate receded.

#### INTERNATIONAL NARCOTICS CONTROL AUTHORIZATION

The Senate bill authorized an appropriation of \$40 million for fiscal year 1974 and \$30,500,000 for fiscal year 1975 for the international narcotics control program.

The House amendment authorized an appropriation of \$50 million for each of fiscal years 1974 and 1975.

The committee of conference agreed to the authorization of an appropriation of \$42,500,000 for each of the fiscal years 1974 and 1975 for this purpose.

#### COOPERATIVE ECONOMIC EXPANSION

The House amendment added a new chapter 10 authorizing the use of \$2 million of part I funds for each of the fiscal years 1974 and 1975 for cooperative economic expansion.

The Senate bill did not contain a comparable provision.  
The House receded.

#### STATEMENT OF POLICY—MILITARY ASSISTANCE

The Senate bill repealed sections 501 and 502 of the Foreign Assistance Act, relating to policy and purposes for which military assistance can be furnished.

The House amendment did not contain comparable provisions.  
The Senate receded.

#### EXCESS DEFENSE ARTICLES

The Senate bill provided that excess defense articles should be furnished whenever possible in preference to the procurement of new items.

The House amendment did not contain a comparable provision.  
The House receded.

#### MILITARY ASSISTANCE—GENERAL AUTHORITY

The Senate bill repealed section 503 relating to general authority and provided general authority to furnish grant military assistance to any foreign country otherwise eligible to receive assistance. The Senate language eliminated the requirement that the aid-receiving country be "friendly," as well as the President's authority to furnish military assistance to international organizations, and to loan defense articles and defense services. It also struck out the authority in section 503(b) to make financial contributions to multilateral programs to acquire or construct facilities for collective defense and in section 503(c) to provide financial assistance incidental to the U.S. Government's participation in regional or collective defense organizations.

The House amendment did not contain a comparable provision.

The Senate receded with an amendment which authorized the loan of defense articles and defense services but specified conditions under which loans could be made and provided that "out of pocket" expenses incidental to making the loan and the cost of "depreciation" shall be charged to the appropriation for military assistance for each fiscal year or part thereof that the item is on loan.

It is the intention of the committee of conference that the provisions of this section shall not apply when short term loans are made in connection with disaster relief efforts in response to earthquakes, floods, or other natural disasters.

The House receded with respect to the repeal of subsections (b) and (c) of section 503.

#### MILITARY ASSISTANCE AUTHORIZATION

The Senate bill repealed section 504(a) of the Foreign Assistance Act relating to authorization for military assistance, and provided separate authorizations for eight countries totaling \$270 million. It also authorized up to \$25 million of the funds to be used to furnish excess defense articles to any foreign country or international organization not specifically identified. The Senate bill further provided a separate authorization for such sums as may be necessary, as well as a special drawdown authority subject to future reimbursement, for furnishing defense articles to South Vietnam and Laos, and authorized \$150 million to be appropriated for military assistance to Cambodia.

The House amendment provided an authorization of an appropriation of \$550 million for fiscal year 1974.

The Senate receded from its provisions and the committee of conference agreed to an authorization of \$512.5 million, including military training, for fiscal year 1974. The number of countries eligible to receive military grant assistance, other than training in the United States, was reduced from forty to thirty-one.

#### SOPHISTICATED WEAPONS

The Senate bill repealed the proviso clause and subsection (b) of section 504 of the Foreign Assistance Act but included a similar provision which prohibited the furnishing by grant, credit sale, or guaranty of sophisticated weapons systems to underdeveloped countries unless

the President determines that furnishing such weapons systems is important to United States national security.

The House amendment did not contain any comparable provisions. The committee of conference agreed to retain existing law.

#### CONDITIONS OF ELIGIBILITY

The Senate bill repealed section 505 of the Foreign Assistance Act relating to conditions of eligibility but provided similar conditions of eligibility with one new requirement. The new eligibility condition required that funds received by a foreign country in disposing of U.S.-furnished weapons should be paid to the United States Government for use in meeting its local currency expenses, including international educational and cultural exchange activities.

The House amendment did not contain a comparable provision.

The Senate receded on the repeal of section 505 and the House accepted the additional condition of eligibility beginning July 1, 1974.

#### TRANSFER OF DEFENSE ARTICLES TO THIRD COUNTRIES

The Senate bill contained a provision relating to conditions of eligibility that would require Presidential approval for the transfer of U.S.-furnished defense articles from one country to another under specified conditions. This provision was similar to the provisions of section 9, Foreign Military Sales Act Amendments, 1971, which the Senate bill repealed.

The House amendment did not contain a comparable provision.

The committee of conference agreed to include a similar provision in both section 505 of the Foreign Assistance Act relating to grant military assistance and section 3 of the Foreign Military Sales Act, relating to the sale of defense articles.

#### SPECIAL DRAWDOWN AUTHORITY

The House amendment contained a provision which renewed the President's special authority to draw down defense articles from the stocks of the Department of Defense and defense services up to \$300 million in fiscal year 1974 when he determines it to be vital to the security of the United States, subject to subsequent reimbursement from military assistance program funds.

The Senate bill did not contain a comparable provision.

The Senate receded with an amendment authorizing a draw down ceiling of \$250 million. The drawdown authority may be used when it is in the security interests of the United States. This authority is not to be used to supplement MAP funds routinely to meet foreseen, non-emergency requirements for military assistance.

It is the intent of the committee of conference that up to \$200 million of the emergency military assistance requirements for Cambodia be furnished pursuant to the authority contained in this section.

#### RESTRICTIONS ON MILITARY AID TO LATIN AMERICA AND AFRICA

The Senate bill repealed sections 507 and 508 of the Foreign Assistance Act relating to restrictions on military assistance for Latin America and Africa.

The House amendment did not contain a comparable provision.

The House receded. A ceiling on the amount of military assistance and sales that can be made or furnished to Latin America and Africa in any fiscal year is provided in section 33 of the Foreign Military Sales Act, as amended.

#### CERTIFICATION OF RECIPIENTS CAPABILITY

The Senate bill repealed section 509 of the Foreign Assistance Act which requires the chief of the appropriate military assistance advisory group representing the United States to certify in writing that the recipient country has the capability to effectively utilize defense articles furnished by the United States.

The House amendment did not contain a comparable provision.  
The House receded.

#### RESTRICTIONS ON TRAINING FOREIGN MILITARY STUDENTS

The Senate bill repealed section 510 of the Foreign Assistance Act but placed an identical limit on the number of foreign military students to be trained in the United States in any fiscal year.

The House amendment repealed section 510.

The committee of conference agreed to retain section 510 of the law.

#### MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

The Senate bill repealed section 512 of the Foreign Assistance Act which required certain reductions in military assistance advisory groups and military groups by September 30, 1972.

The House amendment did not contain a comparable provision.  
The House receded.

#### MILITARY ASSISTANCE AUTHORIZATION FOR LAOS

The Senate bill contained a provision which required the transfer of authorizations for military assistance and sales programs for Laos and South Vietnam from the Department of Defense to the Foreign Assistance and Military Sales Acts effective June 30, 1973.

The House amendment provided for the transfer of such military assistance and sales authorizations effective June 30, 1974.

The committee of conference agreed to transfer military assistance and sales authorizations for Laos effective June 30, 1974, with the understanding that funds obligated for assistance to Laos prior to the date specified in section 513 which are in the "pipeline" at that time may be provided regardless of when the defense articles are actually delivered or the defense services actually rendered.

#### SPECIAL FOREIGN CURRENCY ACCOUNTS

The Senate bill repealed section 514 of the Foreign Assistance Act but included a similar provision which required the establishment of special foreign currency accounts in which any government receiving grant military defense articles, including excess defense articles, and military training would deposit local currencies to meet official costs of the United States Government in the recipient country.

The House amendment repealed section 514 of the Foreign Assistance Act.

The Senate receded.

It is the intent of the committee of conference that billings for foreign currency payments under section 514 shall end with deliveries for the quarter ending December 31, 1973.

#### LIQUIDATION ACCOUNT FOR PRE-FISCAL YEAR 1969 FOREIGN MILITARY SALES CREDITS

The Senate bill repealed section 524 of the Foreign Assistance Act which established a special liquidation account in the Treasury for pre-fiscal year 1969 sales credits and guaranties.

The House amendment did not contain a comparable provision.

The Senate receded.

#### INTERNATIONAL MILITARY EDUCATION AND TRAINING

The Senate bill separated grant military training from the material assistance program and authorized the appropriation of \$25 million to the Secretary of State for military training in fiscal year 1974.

The House amendment also provided under separate authority \$30 million for an international military education and training program for fiscal year 1974.

The committee of conference agreed to retain the grant military training program as an integral part of the military assistance program and added \$27,500,000 to the authorization for grant military assistance in section 504 (a) for fiscal year 1974. The House receded on numerous technical conforming amendments contained in the House amendment which would have been necessary separately to authorize funds for military education and training.

#### CAMBODIA CEILING WAIVER

The Senate bill included a provision as a technical amendment to perfect the bill in such a way that the Cambodia ceiling of section 655(c) would not apply to assistance furnished under the act.

The House amendment did not contain a comparable provision.

The House receded.

#### SECURITY SUPPORTING ASSISTANCE

The Senate bill repealed the provisions of existing law relating to security supporting assistance, but included similar authority to furnish security supporting assistance and authorized an appropriation of \$125 million for fiscal year 1974, of which \$65 million was to be available solely for Jordan and \$50 million solely for Israel.

The House amendment authorized \$125 million for security supporting assistance, of which not less than \$50 million was to be available solely for Israel.

The committee of conference agreed to retain the general authority language of existing law for security supporting assistance and to repeal section 533 relating to United States Refund Claims.

The Senate receded and accepted the House authorization and earmarking provision.

#### SMALL BUSINESS

The Senate bill contained a provision rewriting section 602 of the Foreign Assistance Act, which required that insofar as practicable the President should assist American small business to participate equitably in the furnishing of commodities, defense articles, and services (including defense services) financed with funds made available for grant military assistance.

The House amendment did not contain a comparable provision. The committee of conference agreed to retain existing law.

#### SHIPPING ON U.S. VESSELS

The Senate bill contained a provision similar to section 603 of the Foreign Assistance Act, which provided that ocean transportation between foreign countries of commodities and defense articles purchased with foreign currencies made available or derived from appropriations under this act should not be governed by the provisions of section 901 (b) of the Merchant Marine Act of 1936, or any other law relating to the ocean transportation of commodities on U.S.-flag vessels.

The House amendment did not contain a comparable provision. The committee of conference agreed to retain existing law.

#### PROCUREMENT

The Senate bill contained a provision similar to section 604 of the Foreign Assistance Act, relating to procurement of commodities outside the United States.

The House amendment did not contain a comparable provision. The committee of conference agreed to retain existing law.

#### TERMINATION OF ASSISTANCE

The Senate bill provided that military assistance and sales could, if not sooner terminated by the President, be terminated by concurrent resolution of the Congress.

The House amendment retained existing law which permits the termination by concurrent resolution of assistance furnished under the Foreign Assistance Act and allows funds to remain available for 12 months from the termination date for the necessary expenses of winding up programs.

The Senate receded with an amendment reducing the windup period from 12 to 8 months.

#### EXPROPRIATION POLICY

The Senate bill modified section 620(e) (1) of the Foreign Assistance Act—the Hickenlooper amendment—by permitting the President to waive its sanctions when he determined that such a waiver was “important to the national interests of the United States.” Any waiver was to be reported promptly to the Congress.

The House amendment deleted section 620(e) (1) and added a new section requiring termination of assistance to any country which, after the enactment of this section, expropriated property that was at least 50 percent beneficially owned by U.S. citizens, unless

one of three conditions was met: (1) prompt, adequate, and effective compensation had been paid; (2) the dispute was submitted to arbitration under the rules of the Convention for the Settlement of Investment Disputes; or (3) good faith negotiations were in progress aimed at providing prompt, adequate, and effective compensation. The amendment did not permit the President to waive its application in the national interest.

The House receded.

#### ASSISTANCE TO COUNTRIES WHICH TRADE WITH NORTH VIETNAM

The House amendment contained a provision which permitted the President to waive the prohibition against assistance to countries trading with North Vietnam or permit vessels or aircraft under their registry to transport goods to North Vietnam. Each waiver required a Presidential finding that it was in the national interest. Each finding had to be reported to the Congress, together with assurances that North Vietnam was cooperating fully in providing for a full accounting of any remaining prisoners of war and all missing in action.

The Senate bill did not contain a comparable provision.

The House receded.

#### AID TO GREECE

The Senate bill contained a provision that would terminate all military assistance, sales, credit sales, or guaranties to Greece pending completion of a Presidential study and report which concluded that the Government of Greece is in full compliance with its political and military obligations under the North Atlantic Treaty.

The House amendment did not contain a comparable provision.

The Senate receded.

#### COORDINATION WITH FOREIGN POLICY

The Senate bill contained a provision similar to section 622(b) of the Foreign Assistance Act emphasizing the responsibility of the Chief of each diplomatic mission to submit recommendations concerning security assistance from personnel in his mission.

The House amendment did not contain a comparable provision.

The committee of conference agreed to retain existing law.

#### STATUTORY FUNCTIONS OF THE SECRETARY OF STATE

The Senate bill changed the responsibility of the Secretary of State for the "general direction" of military assistance activities, as currently set forth in section 622(c) of the Foreign Assistance Act, to responsibility for "direction" of those activities.

The House amendment did not contain a comparable provision.

The Senate receded.

#### ACCESS TO AND FAILURE TO PROVIDE INFORMATION

The Senate bill included a provision to assure the General Accounting Office or any committee of Congress access to information in the



possession of any agency carrying out provisions of law with funds made available under the Foreign Assistance Act. After the expiration of any 35-day period following a written request by the General Accounting Office or a congressional committee for any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody of such agency, none of the funds available to such agency could be obligated unless and until the request had been honored. Communications between the President and any officer or employee of the agencies concerned were expressly excluded from the operations of this section.

The Senate bill also amended section 634 of the Foreign Assistance Act and provided for a similar exclusion of Presidential communications.

The House amendment did not contain a comparable provision.

The Senate receded.

#### MILITARY ASSISTANCE INFORMATION

The Senate bill contained a provision requiring that there be made public that portion of any record showing the name of any recipient of military assistance and the amount of such assistance intended to be provided or the amount that has been provided by the United States.

The House amendment did not contain a comparable provision.

The Senate receded.

The committee of conference agreed that the provisions of section 634(b) of the Foreign Assistance Act, requiring the President to make public all information concerning operations under the Act, should be construed as calling for full public disclosure of military assistance information, except during periods of critical international developments when classifying such data is in the national security interest. In any case, such information should be fully available to appropriate congressional committees.

#### REPORTS AND INFORMATION

The House amendment repealed section 634(f) of the Foreign Assistance Act and replaced it with two new subsections. New subsection (f) required the submission of semiannual reports on the status of each outstanding loan, contract of guaranty or insurance, credit sale of defense articles, defense services, or agricultural commodities, and each Export-Import Bank loan, guaranty, or insurance. Only transactions in excess of \$1 million would be reported individually. New subsection (g) required annual reports showing the debt-servicing problems of foreign countries, debt relief granted by the United States, and the consequences thereof.

The Senate bill repealed section 634(f) of the law.

The Senate receded.

The committee of conference understands that a delay of 90 to 180 days may occur in providing the first semiannual report under the new subsection (f); however, all subsequent reports should be forwarded as promptly as possible but no later than 60 days after the report is due.

#### ADMINISTRATIVE EXPENSES

The Senate bill authorized an appropriation of \$24 million for administrative expenses for each of the fiscal years 1974 and 1975.

The House amendment authorized an appropriation of \$53,100,000 for each of the fiscal years 1974 and 1975 for such expenses.

The committee of conference agreed to an authorization of an appropriation of \$45 million for each of the fiscal years 1974 and 1975, with the understanding that program funds available under part I and part V may be used to defray additional administrative expenses up to the level provided in the House amendment.

#### PEACE CORPS ASSISTANCE

The Senate bill amended section 638 of the Foreign Assistance Act by changing its title from "Peace Corps Assistance" to "Exclusions".

The House amendment did not contain a comparable provision.

The House receded to this technical amendment.

#### FAMINE AND DISASTER RELIEF

The House amendment contained a provision which would have amended section 639 of the Foreign Assistance Act to permit the furnishing of disaster relief assistance notwithstanding any provision of law.

The Senate bill did not contain a comparable provision.

The House receded.

#### FAMINE AND DISASTER RELIEF TO THE AFRICAN SAHEL

The House amendment contained an authorization of an appropriation of \$30 million for relief and rehabilitation of African Sahel and gave congressional endorsement for long-term planning for the preservation and development of the Sahel region in cooperation with the United Nations and other international and regional organizations.

The Senate bill contained a provision which asked the President to consult with international organizations on how to solve the West African famine problem, but did not authorize any funds.

The Senate receded with an amendment to authorize an appropriation of \$25 million for these purposes.

#### DEVELOPMENT COORDINATION COMMITTEE

The Senate bill amended the Foreign Assistance Act by adding a new section providing for coordination of United States development policies and programs. It provided for the establishment of a Development Coordination Committee, named members thereof by their positions in the government, required the Chief of the U.S. mission in a country to be the development coordinator, and required reports to the Congress and the President by both the Committee and the country coordinator.

The House amendment contained a comparable provision which named as members of the Committee representatives of designated

agencies and required the President to develop appropriate procedures for coordinating overseas activities and to report to Congress.

The Senate receded with an amendment that the President prescribe appropriate procedures to assure coordination among both (1) departments and agencies of the U.S. having representatives in diplomatic missions abroad, and (2) U.S. representatives in each country under the direction of the Chief of the U.S. diplomatic mission.

#### SHIPPING DIFFERENTIAL

The House amendment provided for the payment of the differential in shipping costs between U.S.- and foreign-flag vessels.

The Senate bill did not contain a comparable provision.

The Senate receded.

#### DEFINITION OF EXCESS DEFENSE ARTICLES

The Senate bill redefined excess defense articles in such a way as to restrict them to those items which are excess to the needs of the Department of Defense for other than military assistance purposes, thereby transferring items in "long supply" from the category of excess defense articles to the category of nonexcess defense articles.

The House amendment did not contain a comparable provision.

The House receded.

The purpose of the new definition is to require that a defense article must not be treated as "excess" for purposes of the Foreign Assistance Act of 1961 or the Foreign Military Sales Act unless it has been screened against the requirements of all the military departments and Defense agencies, thus correcting a problem cited in a recent study by the General Accounting Office of the use of "excess" defense articles in the military assistance program. The Department of Defense states that the current administrative practice is consistent with the new definition.

#### DEFINITION OF VALUE

The Senate bill defined the "value" of excess defense articles as "actual value" but not less than one-third of acquisition cost. It also defined the "value" of nonexcess defense articles and defense services to include "a proportional share of the administrative expenses incurred by the United States Government in supplying" such articles and services, except that personnel pay and allowances would be excluded from the computation of "administrative expenses" for this purpose as it relates to military assistance (excluding grant military training).

The House amendment did not contain a comparable provision.

The committee of conference agreed that "value" means (1) in the case of excess defense articles, the actual value of the article plus the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying the article, except that only such gross costs shall be taken into consideration for purposes of reimbursement to the supplying agency; (2) with respect to nonexcess defense articles delivered from inventory, the acquisition cost to the United States Government adjusted as appropriate for condition and market value; (3) with respect to nonexcess defense articles delivered from new procurement, the contract or production costs; and (4) with respect to a defense service, the cost to the United States of such service.

#### PRESIDENTIAL FINDINGS AND DETERMINATIONS

The Senate bill repealed section 654 of the Foreign Assistance Act, relating to Presidential findings and determinations, and included language similar in purpose.

The House amendment did not contain a comparable provision.  
The Senate receded.

#### USE OF U.S. ARMED FORCES

The Senate bill rewrote section 650 of the Foreign Assistance Act which provides that the furnishing of economic, military, or other assistance under the act shall not be construed as a commitment to use Armed Forces of the United States for the defense of any foreign country.

The House amendment did not contain a comparable provision.

The Senate receded and existing law, containing a similar provision, is retained.

#### ANNUAL FOREIGN ASSISTANCE REPORT

The Senate bill repealed section 657 of the Foreign Assistance Act and included language requiring essentially the same information to be submitted annually to the Congress, together with data on all exports of significant defense articles on the United States munitions list.

The House amendment did not contain a comparable provision.  
The House receded.

#### QUARTERLY REPORTS

The Senate bill contained a provision requiring the submission of quarterly reports on the sale or guaranty of defense articles and services, grant of excess defense articles, defense articles and defense services, and the number of U.S. Government personnel detailed to military assistance advisory groups or organizations.

The House amendment did not contain a comparable provision.  
The Senate receded.

#### SPECIAL REPORT ON MAP AGREEMENTS

The Senate bill contained a provision calling for a report from the President by January 31, 1974, listing all military assistance agreements entered into prior to that date and recommending which should be continued.

The House amendment did not contain a comparable provision.  
The Senate receded.

#### ANNUAL NATO REPORT

The House amendment contained a provision requiring the Secretaries of State and Defense to report annually on or before January 15 to the Speaker of the House and to the Senate Committees on Appropriations, Armed Services, and Foreign Relations on the direct, indirect, and unallocated costs to the United States of its partici-

tion in NATO in the immediately prior fiscal year, in the current fiscal year (estimated), and in the budget fiscal year (budget request).

The Senate bill did not contain a comparable provision.  
The House receded.

#### INDOCHINA POSTWAR RECONSTRUCTION

The Senate bill amended the Foreign Assistance Act by adding at the end thereof a new part V, authorizing an appropriation of \$376 million for fiscal year 1974 for postwar relief, rehabilitation, and reconstruction in South Vietnam, Cambodia, and Laos, of which not less than \$10 million was to support humanitarian programs of the Indochina Operations Group of the International Red Cross in South Vietnam, Cambodia, and Laos.

The House amendment contained a comparable provision, authorizing an appropriation of \$632 million for fiscal year 1974 and providing that no funds could be used for police support or prison construction and administration within South Vietnam.

The committee of conference agreed to a \$504 million authorization for the fiscal year 1974. The House receded on its statement of policy and the Senate receded on the earmarking of funds for the Indochina Operations Group and on the prohibition on the use of funds for police support or prison construction and administration within South Vietnam.

#### REDUCTION IN GOVERNMENT PARTICIPATION

The Senate bill contained a provision calling for a reduction in the role of the United States Government in the furnishing or sale of defense articles and defense services to foreign countries and international organizations by reducing its sales, credit sales, and guaranty of such articles and defense services to the maximum extent practicable.

The House amendment did not contain a comparable provision.  
The House receded.

#### ILLEGAL SEIZURE OF U.S. PRIVATE FISHING VESSELS

The Senate bill repealed section 3 of the Foreign Military Sales Act which prohibits the sale (cash, credits or guarantees) to any country within a year's period after such country seizes, or takes into custody, or fines an American fishing vessel for fishing more than 12 miles from the country's coast, unless the President waives the prohibition on the basis that it is important to U.S. security or that he has received reasonable assurances from the country that similar seizures will not occur in the future.

The House amendment did not contain a comparable provision.  
The Senate receded.

#### PENALTY FOR UNAUTHORIZED TRANSFER OF SOPHISTICATED WEAPONS TO A THIRD COUNTRY

The Senate bill contained a provision which prohibited the furnishing of sophisticated weapons, including sophisticated jet aircraft, to any foreign country which transferred defense articles provided by

the United States in violation of an agreement requiring U.S. consent to such a transfer.

The House amendment contained a similar provision, but permitted restoration of eligibility when the President determines that the violation has ceased and he has received satisfactory assurances that the violation will not reoccur, and provided that in the case of unauthorized transfer of sophisticated weapons, such weapons have been returned to the original recipient.

The Senate receded.

#### CASH SALES FROM STOCK

The Senate bill repealed section 21 of the Foreign Military Sales Act and included a provision authorizing cash sale of defense articles and services from the stocks of the Department of Defense.

The House amendment did not contain a comparable provision.

The Senate receded.

#### PROCUREMENT FOR CASH SALES

The Senate bill repealed section 22 of the Foreign Military Sales Act and included language to require purchasers of defense articles or defense services to pay to the United States Government, in addition to the cost of such items, an amount equal to the administrative costs incurred in procuring such articles and services. The Senate bill also eliminated the President's authority to sell defense articles on a fixed price basis and prohibited cash sales of defense articles and services by the U.S. Government to a developed country if such articles are generally available from commercial sources in the United States.

The House amendment did not contain a comparable provision.

The House receded with an amendment deleting the prohibition on the sale of defense articles to economically developed countries, and the requirement to pay administrative costs.

It is the intent of the committee of conference that the current administrative practice of charging an appropriate amount to cover overhead expenses, when feasible, be maintained.

#### CREDIT SALES

The Senate bill repealed section 23 of the Foreign Military Sales Act and included a similar provision authorizing credit sales of defense articles and defense services to economically less developed countries. Repayment would be required within 10 years after delivery.

The House amendment increased the repayment period from 10 to 20 years.

The committee of conference agreed to retain existing law.

#### SALES CREDITS AT CONCESSIONAL RATES AND REPAYABLE IN LOCAL CURRENCY

The Senate bill contained a provision which authorized credit sales on concessional terms to countries that received grant military assistance in fiscal year 1973 in amounts not exceeding the level of grant assistance provided during that fiscal year. During fiscal years 1974

and 1975, sales could be made which were repayable in local currency and without interest. In fiscal years 1976 through 1978 sales could be made at interest rates not less than 3 percent a year to the extent the local currencies were needed for U.S. Government requirements.

The House amendment did not contain a comparable provision.

The Senate receded.

#### GUARANTY AUTHORITY

The Senate bill repealed section 24 of the Foreign Military Sales Act and included a similar provision.

The House amendment amended section 24 to authorize the President to issue guaranties to persons doing business outside the United States. It also permitted funds made available under the Act to be obligated for the 25 percent guaranty reserve, and amended the Act to allow the calculation for the purposes of the guaranty reserve, the aggregate ceiling on Foreign Military Sales credits, and the regional ceiling on military sales on the basis of the principal amount of the contractual liability which would preclude guaranteed interest from counting against the ceilings.

The committee of conference agreed to the House amendment with the exception of the provision which would have allowed guaranties to be issued to persons doing business outside the United States.

#### FOREIGN MILITARY CREDIT SALES

The Senate bill authorized an appropriation of \$200 million to the Secretary of State for military sales credits for fiscal year 1974 and set an aggregate ceiling on military credit sales at \$700 million for fiscal year 1974, of which \$300 million was to be available only for Israel.

The House amendment authorized \$450 million for military sales credits for fiscal year 1974, provided an aggregate ceiling of \$760 million for fiscal year 1974, and earmarked \$300 million for Israel.

The committee of conference agreed to authorize the appropriation of \$325 million and established an aggregate ceiling of \$730 million for fiscal year 1974, of which \$300 million shall be available only for Israel.

#### PROHIBITION ON EXPORT-IMPORT BANK

The Senate bill repealed section 32 of the Foreign Military Sales Act which prohibited the Export-Import Bank of the United States from participating in any new extension of credit in connection with the purchase of defense articles or defense services to any economically less developed country.

The House amendment did not contain a comparable provision.

The Senate receded.

#### AGGREGATE LATIN AMERICA AND AFRICA REGIONAL CEILING

The Senate bill repealed section 33 of the Foreign Military Sales Act and included a similar provision which established an aggregate ceiling of \$150 million on the total amount of military assistance and sales that can be made to Latin America in any fiscal year and a correspond-

ing ceiling of \$40 million for Africa. It also eliminated the President's authority to waive an amount equal to 50 percent of such regional ceilings.

The House amendment increased the ceiling for Latin America to \$150 million and excluded cash sales from counting against the aggregate ceiling for both Latin America and Africa.

The committee of conference agreed to retain existing law with the changes proposed in the House amendment and to eliminate the Presidential waiver authority as provided in the Senate bill.

#### PRIOR CONGRESSIONAL APPROVAL OF MILITARY SALES

The Senate bill contained a provision requiring the President to submit to the Congress, prior to entering into any relevant sales or guaranty agreement, written information on any cash sale, credit sale, or guaranty of over \$25 million to any country under the Foreign Military Sales Act. The President could not complete such an agreement if either House of the Congress adopted a resolution disapproving it. The same procedure applied to every sale, in whatever amount, to a country that had purchased more than \$50 million in a fiscal year.

The House amendment did not contain a comparable provision.  
The Senate receded.

#### REPORTS ON COMMERCIAL AND GOVERNMENTAL MILITARY EXPORTS

The Senate bill repealed section 36 of the Foreign Military Sales Act and included a similar provision relating to reports of the export of significant defense articles on the U.S. munitions list.

The House amendment repealed section 36(a) of the Foreign Military Sales Act relating to the export of significant defense articles.

The committee of conference agreed to the repeal of subsections 36 (a) and (b) of the act.

#### DEPOSITS IN THE GUARANTY RESERVE

The House amendment amended section 37(b) of the Foreign Military Sales Act to authorize a portion of the proceeds from the sale of notes generated by credit extended under section 23, to be obligated as a reserve for the guaranty of the payment of such notes without additional charge against current appropriations.

The Senate bill did not contain a comparable provision.  
The Senate receded.

#### GENERAL, ADMINISTRATIVE, AND MISCELLANEOUS PROVISIONS—FOREIGN MILITARY SALES ACT

The Senate bill repealed chapter 4 of the Foreign Military Sales Act, relating to general, administrative, and miscellaneous provisions.

The House amendment did not contain a comparable provision.  
The Senate receded.



REPEAL OF MUTUAL SECURITY APPROPRIATION ACT, 1956

The Senate bill repealed section 108 of the Mutual Security Appropriation Act, 1956, as amended, thereby placing future military assistance programs on an obligation, direct-citation-of-funds basis.

The House amendment did not contain a comparable provision.  
The Senate receded.

SPECIAL FOREIGN ASSISTANCE ACT OF 1971

The Senate bill repealed the Special Foreign Assistance Act of 1971 with the exception of section 7 which prohibits the introduction of United States ground combat troops into Cambodia.

The House amendment did not contain a comparable provision.  
The Senate receded.

FOREIGN MILITARY SALES ACT AMENDMENTS, 1971

The Senate bill repealed the Foreign Military Sales Act Amendments, 1971 with the exception of section 12 which repealed the "Joint resolution to promote the maintenance of international peace and security in Southeast Asia".

The House amendment did not contain a comparable provision.  
The Senate receded.

*2/10/71*  
The committee of conference agreed to amend section 8 with respect to excess defense articles and included the provisions of section 9 as an amendment to the Foreign Assistance Act and the Foreign Military Sales Act.

INTERNATIONAL CONFERENCE ON CONVENTIONAL ARMS

The Senate bill repealed section 5 of the Foreign Military Sales Act Amendment, 1971 which expresses the sense of the Congress that the President should negotiate with the Soviet Union and other powers a limitation on arms shipments to the Middle East; and section 6 of the same act which expresses the sense of the Congress that the President initiate a thorough and comprehensive review of military assistance and sales programs of the Department of Defense. In lieu thereof, the Senate bill included a provision which directed the President to make a concerted effort to convene an international conference of major arms suppliers within 18 months to negotiate an agreement placing a workable ceiling on arms transfers.

The House amendment did not contain a comparable provision.  
The Senate receded.

The committee of conference agreed that the President should make every effort to negotiate with the Soviet Union and other powers an agreement which would bring about workable controls over the transfer of conventional arms.

EXCESS DEFENSE ARTICLES

The Senate bill repealed section 8 of the Foreign Military Sales Act Amendments, 1971 and included a provision that excess defense

articles furnished under MAP authority by any agency of the United States Government should be considered to be an expenditure made from funds appropriated for military assistance.

The House amendment continued the exemption of \$185 million on the value of excess defense articles, regardless of where generated, which might be ordered under any authority during any fiscal year before the value of those articles is chargeable against funds appropriated under part II of the Foreign Assistance Act of 1961.

The Senate receded with an amendment reducing the exemption from \$185 million to \$150 million of the value of excess defense articles which may be furnished before being charged against funds appropriated under part II of the Foreign Assistance Act, provided that such excess articles are generated outside of the United States. The value of any excess defense articles generated within the United States and furnished as military assistance shall be charged off against funds appropriated for military grant assistance. The committee of conference expects that no action will be taken which would have the effect of circumventing the purpose of this new restriction.

#### PRIOR AUTHORIZATION

The Senate bill repealed section 10 of the Foreign Military Sales Act Amendments, 1971, and included a similar provision requiring an authorization before appropriated funds may be obligated or expended.

The House amendment did not contain a comparable provision.

The Senate receded.

#### PUBLIC DISCLOSURE OF EXPORT OF MUNITIONS LIST ITEMS VALUED IN EXCESS OF \$100,000

The Senate bill contained a provision which required that the Congress be notified of licenses issued for the export of items on the Munitions List valued in excess of \$100,000.

The House amendment did not contain a comparable provision.

The House receded.

#### TRANSFER OF MILITARY VESSELS AND BOATS

The Senate bill contained a provision which prohibited the transfer of any vessel or boat of the United States, to any foreign country or international organization except in accordance with foreign assistance, sales, or other specific legislation.

The House amendment did not contain a comparable provision.

The Senate receded.

#### LIMITATION ON ASSISTANCE TO SOUTH VIETNAM, LAOS, AND CAMBODIA

The Senate bill contained a provision which:

- (1) limited assistance to South Vietnam and Laos to that permitted by the respective cease-fire agreements. A similar provision related to a limitation on military assistance to Cambodia if and when a cease-fire agreement is reached;

(2) authorized the President to furnish emergency military assistance to South Vietnam if the President found and reported to the Congress that the cease-fire agreement was no longer in effect; and

(3) required the President to submit a quarterly report to the Congress on the nature and quantity of all types of foreign assistance provided to South Vietnam, Laos, and Cambodia and the number and types of United States personnel present in those countries, involved in providing such assistance.

The House amendment did not contain a comparable provision. The Senate receded.

#### MEDIA ACCESS TO U.S.-FINANCED BASES

The Senate bill contained a provision which prohibited the programing of assistance to any country in which a military base is located if the base had been constructed, maintained, or operated with United States funds and used by United States personnel to carry out military operations, unless the President determines and reports in writing to the Congress that the government of such country has, consistent with its own security, authorized access to those military bases on a regular basis, to bona fide news media correspondents of the United States.

The House amendment did not contain a comparable provision.

The House receded with an amendment deleting the requirement that the President report in writing to the Congress.

#### TERMINATION OF INDOCHINA WAR

The Senate bill contained a provision which prohibited the use of funds authorized or appropriated under this or any other law to finance military or paramilitary operations by the United States in or over Cambodia, Laos, or South Vietnam.

The House amendment did not contain a comparable provision.

The House receded.

There are similar prohibitions on the use of funds contained in Public Law 93-50 (The Second Supplemental Appropriations Act) enacted July 1, 1973; Public Law 93-52 (The Continuing Resolution Authority for fiscal year 1973) enacted July 1, 1973; Public Law 93-126 (The Department of State Appropriations Authorization) enacted October 18, 1973; and Public Law 93-155 (Military Procurement Authorization Act), enacted November 16, 1973.

#### LIMITATION ON USE OF FUNDS

The Senate bill contained a provision prohibiting the use of funds to finance directly or indirectly "military or paramilitary operations" by third country forces in Laos, Cambodia, North Vietnam, South Vietnam, or Thailand, unless specifically authorized by legislation.

The House amendment did not contain a comparable provision.

The House receded with an amendment adding the word "combat" after "paramilitary" and before "operations".

#### POLITICAL PRISONERS

The Senate bill contained a provision expressing the sense of the Congress that the President should deny economic and military assistance to any country which interns or imprisons that country's citizens for political purposes.

The House amendment did not contain a comparable provision.  
The House receded.

#### ALBERT SCHWEITZER HOSPITAL

The Senate bill authorized an appropriation of \$1 million for fiscal year 1974 for grants to the Albert Schweitzer Hospital in Gabon.

The House amendment did not contain a comparable provision.  
The House receded.

#### PRISONERS OF WAR AND INDIVIDUALS MISSING IN ACTION

The Senate bill expressed the sense of the Congress that the provisions of article 18 of the Protocol signed on September 14, 1973, by representatives of the Lao Patriotic Front (Pathet Lao) and the Royal Laotian Government, relating to prisoners of war and individuals missing in action, be adhered to in spirit and in deed.

The House amendment did not contain a comparable provision.  
The House receded.

#### PROHIBITIONS TO FURNISHING ASSISTANCE TO NORTH VIETNAM

The House amendment contained a provision prohibiting assistance to the Government of North Vietnam unless that assistance is specifically authorized by legislation.

The Senate bill did not contain a comparable provision.  
The Senate receded.

#### REVISION OF SOCIAL PROGRESS TRUST FUND AGREEMENT

The House amendment directed the President to seek a revision of the Social Progress Trust Fund Agreement to provide that its funds might be transferred to or utilized by the Inter-American Foundation, the Inter-American Development Bank, and the Department of State and/or the U.S. Treasury.

The Senate bill did not contain a comparable provision.

The Senate receded with an amendment, striking subsection (1) (B) and (C) which called for periodic transfer of trust funds to the U.S. Department of State and the U.S. Treasury.

#### USE OF MILITARY ASSISTANCE IN AFRICA

The Senate bill amended the Foreign Assistance Act by adding a new section which prohibited the use of any U.S. military or economic aid or other U.S. exports to maintain the status of the African territories of Portugal and required termination of aid and military sales and military exports requiring a validated license if the President

determined that those items were being used by Portugal in support of its military activities in its African territories.

The House amendment provided that assistance to Portugal should be suspended when the President makes a determination and reports to Congress that Portugal has used U.S. assistance in support of its military activities in its African colonies. The restoration of such assistance was made contingent on appropriate corrective action by Portugal.

The Senate receded with amendments (1) making the provision applicable to "any non-African country," (2) striking the parenthetical reference in the House amendment to sales "whether for cash or by credit, guarantee or any other means," and (3) striking the requirement to suspend assistance.

#### ENTRY OF SOVIET JEWS INTO AUSTRIA

The Senate bill contained a sense of the Senate resolution asking the President to urge the Austrian Government to take whatever action is necessary to permit and facilitate travel of Soviet Union emigrants through Austria.

The House amendment did not contain a comparable provision.  
The Senate receded.

#### GOVERNMENT OF INDIA LOAN SETTLEMENT

The Senate bill provided that any settlement of the debt owed to the United States by India that is less than the full amount owed must be authorized by the Congress.

The House amendment did not contain a comparable provision.  
The Senate receded.

It is the intent of the committee of conference, however, that the administration report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, as well as to the Senate and House Agriculture Committees, the terms of any proposed settlement with India, with the right to review, 30 days prior to entering into such settlement.

The Committee on Foreign Relations has asked the General Accounting Office for a detailed study of the entire situation concerning U.S.-owned foreign currencies.

#### HUMAN RIGHTS IN CHILE

The Senate bill contained a sense of the Congress provision that the President should deny any military or economic assistance to Chile until he finds that the Government of Chile is protecting human rights of all individuals, Chilean and foreign; support certain other steps to insure the protection of human rights; be prepared to provide asylum and resettlement opportunities for a reasonable number of political refugees; support and facilitate efforts by voluntary agencies to meet emergency relief needs; and request the Inter-American Commission on Human Rights to undertake an immediate inquiry into recent events in Chile.

The House amendment did not contain a comparable provision.

The House receded with an amendment striking out the language which would deny aid and substituting the expression of Congress that the President should request the Government of Chile to protect human rights in Chile. The committee of conference also agreed to delete the reference to providing asylum and resettlement opportunities for political refugees.

#### BUREAU OF HUMANITARIAN AND SOCIAL SERVICES

The Senate bill expressed the sense of Congress that there should be created a new Bureau of Humanitarian and Social Services in the Department of State, to be headed by a new Assistant Secretary of State, with responsibility for continuing guidance and coordination of U.S. Government efforts related to refugee relief assistance, victims of international disasters, migration and visa affairs, the field of international human rights, overall government liaison with the United Nations and other appropriate international agencies and nongovernmental organizations.

The House amendment did not contain a comparable provision. The Senate receded.

#### HUMANITARIAN ASSISTANCE IN SOUTH ASIA

The Senate bill authorized the President to use \$6 million of funds appropriated to carry out the Foreign Assistance Act to furnish humanitarian assistance to the U.N. High Commissioner for Refugees in support of the repatriation and exchange of minority populations between Pakistan and Bangladesh.

The House amendment did not contain a comparable provision.

The Senate receded. Existing law (section 2(c) of the Migration and Refugee Assistance Act of 1962 (Public Law 87-510)) already authorizes the President to transfer up to \$10 million of Foreign Assistance Act funds in any fiscal year to meet unexpected urgent refugee and migration needs.

#### WORLD FOOD SHORTAGES

The Senate bill contained language urging full participation by the United States in efforts to alleviate current and future food shortages, the establishment of a high level commission to study and report on the world food situation, consultation with various international organizations involved in this field, and proposing revision of Public Law 480 to permit greater utilization of United States food production in meeting emergency and humanitarian requirements for food assistance.

The House amendment did not contain a comparable provision.

The House receded with amendments expressing the sense of the Congress with respect to the world food situation and steps deemed necessary to deal with it.

#### LOCAL CURRENCIES USED FOR MILITARY ASSISTANCE

The Senate bill amended section 104(c) of Public Law 480, which authorizes the President to enter into agreements with foreign gov-

ernments to use foreign currencies generated under the Act to procure articles for the common defense, by requiring that any such agreement must be specifically authorized by statute.

The House amendment did not contain a comparable provision.

The committee of conference agreed that 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 or any revision or extension of any prior or subsequent agreement, entered into after the date of the enactment of this act, 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.

#### ASIAN DEVELOPMENT BANK

The Senate bill amended the Asian Development Bank Act (Public Law 92-245) to carry forward authorizations from fiscal year 1972 and fiscal year 1973 totaling \$100 million.

The House amendment did not contain a comparable provision.

The House receded.

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CLEMENT J. ZABLOCKI,  
DANTE B. FASCELL,  
W. S. MAILLIARD,  
PETER H. B. FRELINGHUYSEN,  
WM. BROOMFIELD,  
*Managers on the Part of the House.*  
H. H. HUMPHREY,  
GEORGE D. AIKEN,  
CLIFFORD P. CASE,  
*Managers on the Part of the Senate.*

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