

Union Calendar No. 706

93^d CONGRESS
2^d SESSION

H. R. 17234

[Report No. 93-1471]

LEGISLATIVE COUNSEL
THE COPY

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 10, 1974

Mr. MORGAN (for himself, Mr. ZABLOCKI, Mr. FASCELL, Mr. HAMILTON, Mr. WOLFF, Mr. BINGHAM, Mr. FRELINGHUYSEN, Mr. WHALEN, Mr. BIESTER, and Mr. WINN) introduced the following bill; which was referred to the Committee on Foreign Affairs

OCTOBER 25, 1974

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Foreign Assistance Act of 1961, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Foreign Assistance Act
4 of 1974".

5 TITLE I—MIDDLE EAST PEACE

6 ASSISTANCE TO THE MIDDLE EAST

7 SEC. 2. The Foreign Assistance Act of 1961 is
8 amended by adding at the end thereof the following new
9 part:

I—O

1 "PART VI

2 "SEC. 901. STATEMENT OF POLICY.—The Congress
3 recognizes that a peaceful and lasting resolution of the divi-
4 sive issues that have contributed to tension and conflict
5 between nations in the Middle East is essential to the security
6 of the United States and the cause of world peace. The Con-
7 gress declares and finds that the United States can and
8 should play a constructive role in securing a just and durable
9 peace in the Middle East by facilitating increased under-
10 standing between the Arab nations and Israel, and by as-
11 sisting the nations in the area in their efforts to achieve
12 economic progress and political stability, which are the es-
13 sential foundations for a just and durable peace. It is the
14 sense of Congress that United States assistance programs in
15 the Middle East should be designed to promote mutual re-
16 spect and security among the nations in the area and to
17 foster a climate conducive to increased economic develop-
18 ment, thereby contributing to a community of free, secure,
19 and prospering nations in the Middle East.

20 "It is further the sense of Congress that none of the
21 funds authorized by this Act should be provided to any
22 nation which denies its citizens the right or opportunity to
23 emigrate.

24 "SEC. 902. ALLOCATIONS.—(a) Of the funds appro-
25 priated to carry out chapter 2 of part II of this Act, during

3

1 the fiscal year 1975 up to \$200,000,000 may be made avail-
2 able for military assistance in the Middle East, of which not
3 less than \$100,000,000 shall be made available for Israel.

4 “(b) Of the funds appropriated to carry out chapter 4
5 of part II of this Act, during the fiscal year 1975 up to
6 \$577,500,000 may be made available for security support-
7 ing assistance in the Middle East, of which not less than
8 \$250,000,000 shall be made available for Israel and not less
9 than \$250,000,000 shall be made available for Egypt.

10 “(c) Of the aggregate ceiling on credits and guaranties
11 established by section 31 (b) of the Foreign Military Sales
12 Act, during the fiscal year 1975 up to \$230,000,000 shall
13 be available for countries in the Middle East, of which not
14 less than \$200,000,000 shall be made available for Israel.

15 “SEC. 903. (a) SPECIAL REQUIREMENTS FUND.—
16 There are authorized to be appropriated to the President for
17 the fiscal year 1975 not to exceed \$100,000,000 to furnish
18 assistance under part I of this Act to meet special require-
19 ments arising from time to time in carrying out the purposes
20 of this part, in addition to funds otherwise available for such
21 purposes. The funds authorized to be appropriated by this
22 section shall be available for use by the President for assist-
23 ance authorized by such part in accordance with the pro-
24 visions applicable to the furnishing of such assistance. Such
25 funds are authorized to remain available until expended.

1 “(b) The President may only obligate or expend, for
2 each foreign country or international organization, funds
3 authorized under this section—

4 “(1) after he reports to the Speaker of the House
5 of Representatives and the Committee on Foreign Rela-
6 tions and the Committee on Appropriations of the Senate
7 concerning (A) the name of such foreign country or
8 international organization, (B) the amount of such funds
9 to be made available to such country or organization,
10 and (C) the purpose for which such funds are to be
11 made available to such country or organization; and

12 “(2) unless the Congress, within thirty legislative
13 days after receiving any report under paragraph (1),
14 adopts a concurrent resolution stating in substance that
15 it does not favor the provisions of the report provided
16 by clauses (A), (B), and (C) of paragraph (1).

17 “(c) Of the amount authorized under subsection (a),
18 not less than \$6,000,000 shall constitute a contribution by
19 the United States toward the settlement of the deficit of the
20 United Nations Relief and Works Agency for Palestine
21 Refugees in the Middle East, if the President determines
22 that a reasonable number of other countries will contribute
23 a fair share toward the settlement of such deficit within a
24 reasonable period of time after the date of enactment of the
25 Foreign Assistance Act of 1974. In determining such fair

1 share, the President shall take into consideration the eco-
2 nomic position of each such country. Such \$6,000,000 shall
3 be in addition to any other contribution to such Agency by
4 the United States pursuant to any other provision of law.”

5 PROHIBITIONS AGAINST FURNISHING ASSISTANCE

6 SEC. 3. Section 620 (p) of the Foreign Assistance Act
7 of 1961 is repealed.

8 NUCLEAR POWERPLANTS

9 SEC. 4. None of the funds authorized by this Act may
10 be used to finance the construction of, the operation or
11 maintenance of, or the supply of fuel for any nuclear power-
12 plant in Israel or Egypt, which has been approved under
13 an agreement for cooperation between the United States and
14 either such country.

15 TITLE II—INDOCHINA AID

16 ASSISTANCE TO INDOCHINA

17 SEC. 5. Section 802 of the Foreign Assistance Act of
18 1961 is amended to read as follows:

19 “SEC. 802. AUTHORIZATION.—(a) There are author-
20 ized to be appropriated to the President to furnish assistance
21 for relief and reconstruction of South Vietnam, Cambodia,
22 and Laos as authorized by this part for the fiscal year 1974
23 not to exceed \$504,000,000, and for the fiscal year 1975
24 not to exceed \$573,400,000, which amounts are authorized
25 to remain available until expended.

26 “(b) No assistance may be provided to South Vietnam,

1 Cambodia, or Laos under part I (including chapter 4 of part
2 II) of this Act. This prohibition may not be waived under sec-
3 tion 614 (a) of this Act or any other provision of law unless
4 (1) the President, at least thirty days prior to the proposed
5 waiver, submits to the Congress a statement containing the
6 amount and source of the funds to be used under part I
7 (including chapter 4 of part II), the use to which the funds
8 are to be put, and his reasons for the use of the funds, and
9 (2) during such thirty-day period the Congress does not by
10 concurrent resolution disapprove the provision of such
11 assistance.

12 “(c) The authority of section 610 (a) of this Act may
13 not be used to transfer funds into this part unless (1) the
14 President, at least thirty days prior to the proposed transfer,
15 determines and reports to the Congress that the transfer is
16 important to the security of the United States and includes in
17 his report the amount and source of the funds to be trans-
18 ferred, the use to which the funds are to be put, and his rea-
19 sons why the transfer is important to the security of the
20 United States, and (2) during such thirty-day period the
21 Congress does not by concurrent resolution disapprove the
22 transfer.

23 “(d) In addition to whatever funds may be made avail-
24 able under subsection (a) for the purposes of this subsection,
25 there is also authorized to be appropriated \$27,700,000 for
26 United States contributions to the International Commis-

1 sion of Control and Supervision of the Vietnam Peace Agree-
2 ment.”

3 ASSISTANCE TO VIETNAMESE CHILDREN

4 SEC. 6. Section 803 (b) of the Foreign Assistance Act of
5 1961 is amended by inserting after “fiscal year 1974,
6 \$5,000,000,” the following: “and for fiscal year 1975,
7 \$10,000,000.”

8 CEILING ON FERTILIZERS TO SOUTH VIETNAM

9 SEC. 7. (a) Not more than \$85,000,000 made avail-
10 able under the Foreign Assistance Act of 1961 may be used
11 during fiscal year 1975 to procure agricultural fertilizers for,
12 or to provide such fertilizers to, South Vietnam.

13 (b) During each fiscal year after fiscal year 1975, of
14 the total amount obligated or expended for such fiscal year
15 under the Foreign Assistance Act of 1961 to procure agri-
16 cultural fertilizers for, or to provide such fertilizers to, foreign
17 countries, not more than one-third of such amount may be
18 obligated or expended to procure such fertilizers for, or
19 provide such fertilizers to, South Vietnam.

20 TITLE III—OTHER FOREIGN ASSISTANCE ACT

21 AMENDMENTS

22 FOOD AND NUTRITION AUTHORIZATION

23 SEC. 8. Section 103 of the Foreign Assistance Act of
24 1961 is amended by striking out “\$291,000,000 for each
25 of the fiscal years 1974 and 1975” and inserting “\$291,000,-

1 000 for the fiscal year 1974, and \$471,300,000 for the
2 fiscal year 1975" in lieu thereof.

3 **POPULATION PLANNING AND HEALTH AUTHORIZATION**

4 **SEC. 9.** Section 104 of the Foreign Assistance Act of
5 1961 is amended by striking out "\$145,000,000 for each of
6 the fiscal years 1974 and 1975" and inserting "\$145,000,000
7 for the fiscal year 1974 and \$165,000,000 for the fiscal
8 year 1975" in lieu thereof.

9 **LIMITATION ON USE OF FUNDS**

10 **SEC. 10.** Chapter 1 of part I of the Foreign Assistance
11 Act of 1961 is amended by adding at the end thereof the
12 following new section:

13 **"SEC. 115. PROHIBITING USE OF FUNDS FOR CERTAIN**
14 **COUNTRIES.—**(a) None of the funds made available to carry
15 out this chapter may be used in any fiscal year for any
16 country to which assistance is furnished in such fiscal year
17 under chapter 4 of part II (security supporting assistance),
18 part V (assistance for relief and reconstruction of South
19 Vietnam, Cambodia, and Laos), or part VI (assistance for
20 Middle East peace) of this Act.

21 "(b) The prohibition contained in subsection (a) may
22 only be waived under section 614 (a) of this Act or under
23 any other provision of law—

24 "(1) if the President submits to the Speaker of the
25 House of Representatives and the Committee on Foreign
26 Relations of the Senate a statement containing (A)

1 the amount of funds under this chapter to be made avail-
2 able which, but for such waiver, would have been pro-
3 hibited from being made available, (B) the country
4 for which such funds are to be made available, (C) the
5 purpose for which such funds are to be made available
6 for such country, and (D) the reason that funds from
7 this chapter must be made available for such purpose;
8 and

9 “(2) during the thirty-day period after the Presi-
10 dent submits such report, Congress does not pass a con-
11 current resolution stating in substance that it does not
12 favor the proposed use of such funds.

13 “(c) This section shall not apply to funds made avail-
14 able under section 104 for purposes of title X of chapter 2 of
15 this part (programs relating to population growth).”

16 AGRICULTURAL CREDIT PROGRAMS

17 SEC. 11. (a) Title III of chapter 2 of part I of the
18 Foreign Assistance Act of 1961 is amended—

19 (1) by deleting the title heading and inserting in
20 lieu thereof the following:

21 “TITLE III--HOUSING AND OTHER CREDIT
22 GUARANTY PROGRAMS”;

23 (2) by inserting at the end of section 222 the
24 following new section:

25 “SEC. 222A. AGRICULTURAL AND PRODUCTIVE CREDIT
26 AND SELF-HELP COMMUNITY DEVELOPMENT PRO-
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1 GRAMS.—(a) It is the sense of the Congress that in order
2 to stimulate the participation of the private sector in the
3 economic development of less-developed countries in Latin
4 America, the authority conferred by this section should be
5 used to establish pilot programs in not more than five Latin
6 American countries to encourage private banks, credit in-
7 stitutions, similar private lending organizations, cooperatives,
8 and private nonprofit development organizations to make
9 loans on reasonable terms to organized groups and individ-
10 uals residing in a community for the purpose of enabling such
11 groups and individuals to carry out agricultural credit and
12 self-help community development projects for which they
13 are unable to obtain financial assistance on reasonable terms.
14 Agricultural credit and assistance for self-help community
15 development projects should include, but not be limited to,
16 material and such projects as wells, pumps, farm machinery,
17 improved seed, fertilizer, pesticides, vocational training, food
18 industry development, nutrition projects, improved breeding
19 stock for farm animals, sanitation facilities, and looms and
20 other handicraft aids.

21 “(b) To carry out the purposes of subsection (a), the
22 agency primarily responsible for administering part I is au-
23 thorized to issue guaranties, on such terms and conditions as it
24 shall determine, to private lending institutions, cooperatives,
25 and private nonprofit development organizations in not more

1 than five Latin American countries assuring against loss of
2 not to exceed 50 per centum of the portfolio of such loans
3 made by any lender to organized groups or individuals resid-
4 ing in a community to enable such groups or individuals to
5 carry out agricultural credit and self-help community devel-
6 opment projects for which they are unable to obtain financial
7 assistance on reasonable terms. In no event shall the liability
8 of the United States exceed 75 per centum of any one loan.

9 “(c) The total face amount of guaranties issued under
10 this section outstanding at any one time shall not exceed
11 \$15,000,000. Not more than 10 per centum of such sum shall
12 be provided for any one institution, cooperative, or orga-
13 nization.

14 “(d) The Inter-American Foundation shall be con-
15 sulted in developing criteria for making loans eligible for
16 guaranty coverage in Latin America under this section.

17 “(e) Not to exceed \$3,000,000 of the guaranty re-
18 serve established under section 223 (b) shall be available to
19 make such payments as may be necessary to discharge lia-
20 bilities under guaranties issued under this section or any
21 guaranties previously issued under section 240 of this Act.

22 “(f) Funds held by the Overseas Private Investment
23 Corporation pursuant to section 236 may be available for
24 meeting necessary administrative and operating expenses for

1 carrying out the provisions of this section through June 30,
2 1976.

3 “(g) The Overseas Private Investment Corporation
4 shall, upon enactment of this subsection, transfer to the
5 agency primarily responsible for administering part I all
6 obligations, assets, and related rights and responsibilities
7 arising out of, or related to the predecessor program pro-
8 vided for in section 240 of this Act.

9 “(h) The authority of this section shall continue until
10 December 31, 1977.

11 “(i) Notwithstanding the limitation in subsection (c)
12 of this section, foreign currencies owned by the United States
13 and determined by the Secretary of the Treasury to be excess
14 to the needs of the United States may be utilized to carry
15 out the purposes of this section, including the discharge of
16 liabilities under this subsection. The authority conferred by
17 this subsection shall be in addition to authority conferred by
18 any other provision of law to implement guaranty programs
19 utilizing excess local currency.

20 “(j) The President shall, on or before January 15,
21 1976, make a detailed report to the Congress on the results
22 of the programs established under this section, together with
23 such recommendations as he may deem appropriate.”;

24 (3) by deleting “section 221 or section 222” in
25 section 223 (a) and inserting “section 221, 222, or
26 222A” in lieu thereof;

1 (4) by deleting "this title" in section 223 (b) and
2 inserting "section 221 and section 222" in lieu thereof;
3 and

4 (5) by deleting "section 221 or section 222" in
5 section 223 (d) and inserting "section 221, 222, or
6 222A" in lieu thereof.

7 (b) Title IV of chapter 2 of part I of the Foreign As-
8 sistance Act of 1961 is amended by striking out section 240.

9 HOUSING GUARANTIES

10 SEC. 12. Section 223 (i) of the Foreign Assistance Act
11 of 1961 is amended by striking out "June 30, 1975" and
12 inserting "June 30, 1976" in lieu thereof.

13 POPULATION GROWTH EARMARKING

14 SEC. 13. Section 292 of the Foreign Assistance Act of
15 1961 is amended by striking out "\$130,000,000" and in-
16 serting "\$150,000,000" in lieu thereof.

17 INTERNATIONAL ORGANIZATIONS AND PROGRAMS

18 SEC. 14. (a) Section 302 (a) of the Foreign Assist-
19 ance Act of 1961 is amended by striking out the words "for
20 the fiscal year 1975, \$150,000,000" and inserting in lieu
21 thereof "for the fiscal year 1975, \$154,400,000".

22 (b) Section 302 of the Foreign Assistance Act of 1961
23 is further amended by adding at the end thereof the follow-
24 ing new subsection:

25 "(g) Of the funds made available to carry out this
26 chapter for fiscal year 1975, in addition to any other such

1 funds to be made available for contributions to the Inter-
2 national Atomic Energy Agency, not less than \$500,000
3 shall be made available to such Agency as technical assist-
4 ance in kind.”

5 SECURITY ASSISTANCE AND HUMAN RIGHTS

6 SEC. 15. Chapter 1 of part II of the Foreign Assist-
7 ance Act of 1961 is amended by adding at the end thereof
8 the following new section:

9 “SEC. 502B. HUMAN RIGHTS.—(a) It is the sense of
10 Congress that, except in extraordinary circumstances, the
11 President shall substantially reduce or terminate security
12 assistance to any government which engages in a consistent
13 pattern of gross violations of internationally recognized
14 human rights, including torture or cruel, inhuman or de-
15 grading treatment or punishment; prolonged detention with-
16 out charges; or other flagrant denials of the right to life,
17 liberty, and the security of the person.

18 “(b) Whenever proposing or furnishing security assist-
19 ance to any government falling within the provisions of para-
20 graph (a), the President shall advise the Congress of the
21 extraordinary circumstances necessitating the assistance.

22 “(c) In determining whether or not a government falls
23 within the provisions of subsection (a), consideration shall
24 be given to the extent of cooperation by such government in
25 permitting an unimpeded investigation of alleged violations

1 of internationally recognized human rights by appropriate
2 international organizations, including the International Com-
3 mittee of the Red Cross and any body acting under the au-
4 thority of the United Nations or of the Organization of
5 American States.

6 “(d) For purposes of this section, ‘security assistance’
7 means assistance under chapter 2 (military assistance) or
8 chapter 4 (security supporting assistance) of this part, as-
9 sistance under part V (Indochina Postwar Reconstruction)
10 or part VI (Middle East Peace) of this Act, sales under the
11 Foreign Military Sales Act, or assistance for public safety
12 under this or any other Act.”

13 MILITARY ASSISTANCE

14 SEC. 16. (a) Chapter 2 of part II of the Foreign As-
15 sistance Act of 1961 is amended as follows:

16 (1) In section 504 (a), strike out \$512,500,000 for
17 the fiscal year 1974” and insert in lieu thereof “\$745,-
18 000,000 for the fiscal year 1975, of which not less than
19 \$100,000,000 shall be made available for Israel”.

20 (2) In section 504 (a), strike out “(other than
21 training in the United States)” and insert in lieu thereof
22 “(other than (1) training in the United States, or (2)
23 for Western Hemisphere countries, training in the United
24 States or in the Canal Zone)”.

25 (3) In section 506 (a), strike out “the fiscal year

1 1974" in each place it appears and insert in lieu thereof
2 "the fiscal year 1975".

3 (4) In section 513—

4 (A) Strike out "AND LAOS" in the section
5 heading and insert ", LAOS, AND VIETNAM" in lieu
6 thereof; and

7 (B) Add at the end thereof the following new
8 subsection:

9 " (c) After June 30, 1975, no military assistance shall
10 be furnished by the United States to Vietnam directly or
11 through any other foreign country unless that assistance is
12 authorized under this Act or the Foreign Military Sales
13 Act."

14 (b) Section 655 (c) of the Foreign Assistance Act of
15 1961 shall not apply to assistance authorized under any pro-
16 vision of law for the fiscal year 1975.

17 **CONVENTIONAL WEAPONS TRANSFER**

18 SEC. 17. Section 511 of the Foreign Assistance Act of
19 1961 is amended by adding at the end thereof the following:

20 "It is the sense of Congress that the President should
21 develop and propose as soon as possible at the appropriate
22 international forum a United States draft international agree-
23 ment for regulating the transfer of conventional weapons
24 among the governments of the world."

17

1 **SECURITY SUPPORTING ASSISTANCE**

2 SEC. 18. Section 532 of the Foreign Assistance Act of
3 1961 is amended by striking out "for the fiscal year 1974
4 not to exceed \$125,000,000, of which not less than \$50,-
5 000,000 shall be available solely for Israel and inserting in
6 lieu thereof "for the fiscal year 1975 not to exceed
7 \$585,000,000.

8 **PROHIBITIONS ON AID TO NATIONS TRADING WITH NORTH**

9 **VIETNAM**

10 SEC. 19. Section 620 of the Foreign Assistance Act of
11 1961 is amended by inserting before the period in subsection
12 (n) the following: ", unless the President determines that
13 such loans, credits, guaranties, grants, other assistance, or
14 sales are in the national interest of the United States".

15 **ASSISTANCE TO GREECE**

16 SEC. 20. Section 620 (v) of the Foreign Assistance Act
17 of 1961 is repealed.

18 **SUSPENSION OF MILITARY ASSISTANCE TO TURKEY**

19 SEC. 21. Section 620 of the Foreign Assistance Act of
20 1961 is amended by adding at the end thereof the following
21 new subsection:

22 “(x) All military assistance, all sales of defense articles
23 and services (whether for cash or by credit, guaranty, or
24 any other means), and all licenses with respect to the trans-
25 portation of arms, ammunitions, and implements of war (in-

1 cluding technical data relating thereto) to the Government
2 of Turkey shall be suspended on the date of enactment of this
3 subsection unless and until the President determines and
4 certifies to the Congress that the Government of Turkey
5 is making a substantial good faith effort to achieve a nego-
6 tiated settlement with respect to Cyprus.”

7 SUSPENSION OF MILITARY ASSISTANCE TO CHILE

8 SEC. 22. Section 620 of the Foreign Assistance Act
9 of 1961 is amended by adding at the end thereof the follow-
10 ing new subsection:

11 “(y) (1) Except as provided in paragraph (2), all
12 military assistance, all sales of defense articles and services
13 (whether for cash or by credit, guaranty, or any other
14 means), and all licenses with respect to the transportation
15 of arms, ammunition, and implements of war (including
16 technical data relating thereto) to the Government of Chile
17 under this or any other law shall be suspended for the period
18 from the date of enactment of this subsection through the
19 end of fiscal year 1975.

20 “(2) Notwithstanding the provisions of paragraph (1),
21 training may be furnished pursuant to the Foreign Assistance
22 Act of 1961 in the United States or the Canal Zone to
23 members of the armed forces of Chile in an amount not to
24 exceed \$800,000 for fiscal year 1975.

25 “(3) The provisions of subsection (y) (1) shall cease

1 to apply when the President reports to the Congress that
2 the Government of Chile has made and is continuing to make
3 fundamental improvements in the observance and enforce-
4 ment of internationally recognized human rights: *Provided,*
5 That the total amount of credits furnished or guaranteed
6 under the Foreign Military Sales Act, and of any disposal
7 of vessels made in accordance with section 7307 of title X
8 of the United States Code, to Chile during fiscal year 1975
9 shall not exceed \$10,000,000.”

10 **EXCESS DEFENSE ARTICLE VALUE IN ANNUAL REPORT**

11 **SEC. 23.** Section 634 (d) of the Foreign Assistance Act
12 of 1961 is amended by striking out “including economic as-
13 sistance and military grants and sales” and inserting in lieu
14 thereof the following: “including economic assistance, mili-
15 tary grants (and including for any such grant of any excess
16 defense article, the value of such article expressed in terms
17 of its acquisition cost to the United States), and military
18 sales”.

19 **FAMINE OR DISASTER RELIEF**

20 **SEC. 24.** (a) Section 639 of the Foreign Assistance
21 Act of 1961, dealing with famine or disaster relief, is
22 amended to read as follows:

23 **“SEC. 639. FAMINE OR DISASTER RELIEF.—Notwith-**
24 **standing any other provision of this or any other Act, the**
25 **President may provide famine or disaster relief assistance to**

1 any foreign country on such terms and conditions as he may
2 determine. For fiscal year 1975 there is authorized to be ap-
3 propriated not to exceed \$15,000,000, to provide such as-
4 sistance. The President shall submit quarterly reports during
5 such fiscal year to the Committee on Foreign Relations and
6 the Committee on Appropriations of the Senate and to the
7 Speaker of the House of Representatives on the programing
8 and obligation of funds under this section.”

9 (b) Section 451 of the Foreign Assistance Act of 1961,
10 dealing with the contingency fund, is amended to read as
11 follows:

12 “SEC. 451. CONTINGENCY FUND.—(a) There is au-
13 thorized to be appropriated to the President for the fiscal
14 year 1975 not to exceed \$5,000,000, to provide assistance
15 authorized by this part or by section 639 for any emergency
16 purpose only in accordance with the provisions applicable to
17 the furnishing of such assistance.

18 “(b) The President shall submit quarterly reports to
19 the Committee on Foreign Relations and the Committee on
20 Appropriations of the Senate and the Speaker of the House
21 of Representatives on the programing and obligation of
22 funds under this section.

23 “(c) No part of this fund shall be used to pay for any
24 gifts to any officials of any foreign government made here-
25 tofore or hereafter.”

1 CHANGE IN ALLOCATION OF FOREIGN ASSISTANCE

2 SEC. 25. Section 653 of the Foreign Assistance Act of
3 1961 is amended—

4 (1) by striking out all after the period at the end of
5 the first sentence of subsection (a); and

6 (2) by redesignating subsection (b) as subsection
7 (c) and by inserting immediately after subsection (a)
8 the following new subsection:

9 “(b) Notwithstanding any other provision of law, no
10 military grant assistance, security supporting assistance, as-
11 sistance under chapter 1 of part I of this Act, or assistance
12 under part V of this Act, may be furnished to any country or
13 international organization in any fiscal year, if such assistance
14 exceeds by 10 percent or more the amount of such military
15 grant assistance, security supporting assistance, assistance
16 under chapter 1 of part I of this Act, or assistance under part
17 V of this Act, as the case may be, set forth in the report
18 required by subsection (a) of this section, unless—

19 “(1) the President reports to the Congress, at
20 least thirty days prior to the date on which such excess
21 funds are provided, the country or organization to be
22 provided the excess funds, the amount and category of
23 the excess funds, and the justification for providing the
24 excess funds; and

25 “(2) in the case of military grant assistance or

1 security supporting assistance, the President includes in
2 the report under paragraph (1) his determination that
3 it is in the security interests of the United States to
4 provide the excess funds.

5 This subsection shall not apply if the excess funds provided
6 in any fiscal year to any country or international organization
7 for any category of assistance are less than \$1,000,000.”

8 **VOLUNTARY PERSONNEL IN CAMBODIA**

9 SEC. 26. Section 656 of the Foreign Assistance Act of
10 1961 is amended by adding at the end thereof the following
11 sentence: “This section shall not be construed to apply to
12 employees of United States voluntary nonprofit relief agen-
13 cies registered with and approved by the Advisory Commit-
14 tee on Voluntary Foreign Aid or to employees of the Inter-
15 national Committee of the Red Cross.”

16 **REIMBURSABLE DEVELOPMENT PROGRAMS AND LIMITING**
17 **INTELLIGENCE ACTIVITIES**

18 SEC. 27. The Foreign Assistance Act of 1961 is
19 amended by adding at the end of part III the following new
20 sections:

21 “SEC. 659. **REIMBURSABLE DEVELOPMENT PRO-**
22 **GRAMS.**—The President is authorized to use up to \$2,000,-
23 000 of the funds made available for the purposes of this Act
24 in each of the fiscal years 1975 and 1976 to work with
25 friendly countries, especially those in which United States

1 development programs have been concluded or those not re-
 2 ceiving assistance under part I of this Act, in (1) facilitating
 3 open and fair access to natural resources of interest to the
 4 United States and (2) stimulation of reimbursable aid pro-
 5 grams consistent with part I of this Act. Any funds used for
 6 purposes of this section may be used notwithstanding any
 7 other provision of this Act.

8 "SEC. 660. LIMITATION ON INTELLIGENCE ACTIVI-
 9 TIES.— (a) No funds appropriated under the authority of this
 10 or any other Act may be expended by or on behalf of the Cen-
 11 tral Intelligence Agency for operations ^{Conducted pursuant to section} in foreign countries,
 12 other than activities intended solely for obtaining necessary
 13 intelligence, unless the President finds that each such opera-

14 tion is important to the national security of the United States

15 ^{Appropriately} and reports, in a timely fashion, a description and scope of
 16 such operation to the appropriate committees of the Con-

17 gress, including the Committee on Foreign Relations of the
 18 United States Senate and the Committee on Foreign Affairs
 19 of the United States House of Representatives. ^{presently having jurisdiction to review}
 20 ^{and monitor the intelligence}

21 " (b) The provisions of subsection (a) of this section
 22 shall not apply during military operations initiated by the
 23 United States under a declaration of war approved by the
 24 Congress or an exercise of powers by the President under
 the War Powers Resolution. " (Public Law 93-148) "

1 LIMITATION ON MILITARY ASSISTANCE AND EXCESS

2 DEFENSE ARTICLES TO KOREA

3 SEC. 28. Notwithstanding any other provision of the
4 Foreign Assistance Act of 1961—

5 (1) not more than \$100,000,000 shall be used in
6 fiscal year 1975 to carry out any program of military
7 assistance to Korea under such Act of 1961; and

8 (2) not more than \$15,000,000 shall be used in
9 fiscal year 1975 to provide excess defense articles to
10 Korea under such Act of 1961.

11 LIMITATION ON ASSISTANCE FOR INDIA

12 SEC. 29. The total amount of assistance provided under
13 the Foreign Assistance Act of 1961 and of credit sales made
14 or guaranteed under the Foreign Military Sales Act for India
15 shall not exceed \$50,000,000 in fiscal year 1975.

16 TITLE IV—FOREIGN MILITARY SALES ACT

17 AMENDMENTS

18 SEC. 30. The Foreign Military Sales Act is amended
19 as follows:

20 (1) Section 3 (d) is amended to read as follows:

21 “(d) A country shall remain ineligible in accordance
22 with subsection (c) of this section until such time as the
23 President determines that such violation has ceased, that the
24 country concerned has given assurances satisfactory to the
25 President that such violation will not recur, and that, if such

25

1 violation involved the transfer of sophisticated weapons with-
2 out the consent of the President, such weapons have been
3 returned to the country concerned.”

4 (2) In section 24 (a) and section 24 (b) the paren-
5 thetical phrase in each is amended to read: “(excluding
6 United States Government agencies other than the Federal
7 Financing Bank)”.

8 (3) In section 31—

9 (A) Subsection (a) is amended by striking out
10 “\$325,000,000 for the fiscal year 1974” and inserting in
11 lieu thereof “\$405,000,000 for the fiscal year 1975”;
12 and

13 (B) Subsection (b) is amended by striking out
14 “\$730,000,000 for the fiscal year 1974, of which amount
15 not less than \$300,000,000 shall be available to Israel
16 only” and inserting in lieu thereof “\$772,500,000 for the
17 fiscal year 1975, of which not less than \$200,000,000
18 shall be made available for Israel”.

19 (4) In section 33—

20 (A) subsection (a) is repealed;

21 (B) subsection (b) is redesignated as subsection
22 (a); and

23 (C) a new subsection (b) is added as follows:

24 “(b) The President may waive the limitations of this
25 section when he determines it to be important to the security

1 of the United States and promptly so reports to the Speaker
2 of the House of Representatives and the Committee on For-
3 eign Relations of the Senate.”

4 (5) Section 35 (b) is repealed, and section 36 is
5 amended by inserting before subsection (c) the following
6 new subsections:

7 “(a) The President shall submit to the Speaker of
8 the House of Representatives and to the chairman of the
9 Committee on Foreign Relations of the Senate quarterly
10 reports containing—

11 “(1) a listing of all letters of offer to sell any de-
12 fense article or services under this Act, if such offer has
13 not been accepted or canceled;

14 “(2) a cumulative listing of all such letters of offer
15 to sell that have been accepted during the fiscal year in
16 which such report is submitted;

17 “(3) the cumulative dollar amounts, by foreign
18 country and international organization, of credit sales
19 under section 23 and guaranty agreements under sec-
20 tion 24 made before the submission of such quarterly
21 report and during the fiscal year in which such report is
22 submitted; and

23 “(4) projections of the cumulative dollar amounts,
24 by foreign country and international organization, of
25 credit sales under section 23 and guaranty agreements

1 under section 24 to be made in the quarter of the fiscal
2 year immediately following the quarter for which such
3 report is submitted.

4 For each letter of offer to sell under paragraphs (1) and
5 (2), the report shall specify (A) the foreign country or
6 international organization to which the defense article or
7 service is offered, (B) the dollar amount of the offer to sell
8 under paragraph (1) or of the completed sale under para-
9 graph (2), (C) a brief description of the defense article
10 or service offered, (D) the United States armed force which
11 is making the offer to sell, (E) the date of such offer, and
12 (F) the date of any acceptance under paragraph (2).

13 “(b) In the case of any letter of offer to sell any defense
14 articles or services under this Act for \$25,000,000 or more,
15 before issuing such letter of offer the President shall submit
16 to the Speaker of the House of Representatives and to the
17 Chairman of the Committee on Foreign Relations of the
18 Senate a statement with respect to such offer to sell contain-
19 ing the information specified in subparagraphs (A) through
20 (E) in subsection (a). The letter of offer shall not be issued
21 if the Congress, within twenty legislative days after receiv-
22 ing any such statement, adopts a concurrent resolution stat-
23 ing in effect that it objects to such proposed sale, unless the
24 President in his statement certifies that an emergency exists
25 which requires such sale in the national security interests of
26 the United States.”

1 DEFINITION OF "VALUE" FOR FOREIGN MILITARY SALES

2 SEC. 31. Section 8 (c) of the Act entitled "An Act to
3 amend the Foreign Military Sales Act, and for other pur-
4 poses", approved January 12, 1971 (22 U.S.C. 2321b),
5 is amended by inserting immediately before the period the
6 following: "; except that for any excess defense article such
7 term shall not include a value for any such article which is
8 less than $33\frac{1}{3}$ percent of the amount the United States
9 paid for such article when the United States acquired it".

10 TITLE V—AMENDMENTS TO OTHER LAWS AND

11 MISCELLANEOUS

12 FEASIBILITY STUDY OF ACCESS TO RAW MATERIALS

13 SEC. 32. It is the sense of the Congress that open access
14 should be assured for all nations to the world's fossil fuel,
15 metal, and mineral resources so that such resources may be
16 made available to all nations at a reasonable cost. For this
17 purpose, the President shall—

18 (1) study the feasibility of using, through a barter
19 arrangement or any other means, United States foreign
20 assistance, foreign credits, or investment guaranties
21 (through such United States Government organizations
22 as the Agency for International Development, the Over-
23 seas Private Investment Corporation, and the Export-
24 Import Bank), or international financing, to develop

1 open access for all nations to necessary or strategic raw
2 materials throughout the world at a reasonable cost; and
3 (2) submit his findings and recommendations result-
4 ing from the study under paragraph (1) to the Congress
5 no later than March 31, 1975.

6 For the purposes of this section, the term "necessary or
7 strategic raw material" includes any fossil fuels, metals, or
8 minerals the United States requirements of which are not,
9 or will not be in the foreseeable future, produced in the
10 United States or located in the United States in natural form.

11 GORGAS MEMORIAL INSTITUTE

12 SEC. 33. The first section of the Act entitled "An Act
13 to authorize a permanent annual appropriation for the main-
14 tenance and operation of the Gorgas Memorial", approved
15 May 7, 1928, is amended by striking out "\$500,000" and
16 inserting "\$2,000,000" in lieu thereof.

17 INVOLVEMENT OF PUERTO RICO IN THE CARIBBEAN 18 DEVELOPMENT BANK

19 SEC. 34. (a) The President may transmit to the Carib-
20 bean Development Bank an instrument stating that the
21 Commonwealth of Puerto Rico has the authority to con-
22 clude an agreement of accession with such Bank and to
23 assume rights and obligations pursuant to such agreement.
24 However, such agreement may only be concluded after

1 it has been approved by the United States Secretary of State.

2 (b) The instrument transmitted by the President to the
3 Caribbean Development Bank under subsection (a) shall
4 state that the United States shall not assume any financial
5 or other responsibility for the performance of any obligation
6 incurred by the Commonwealth of Puerto Rico pursuant to
7 such agreement of accession or pursuant to any other aspect
8 of its membership or participation in such Bank.

9 (c) Such agreement of accession shall provide that the
10 Commonwealth of Puerto Rico may not receive from the
11 Caribbean Development Bank any funds provided to the
12 Bank by the United States.

Union Calendar No. 706

98th CONGRESS
2d Session

H. R. 17234

[Report No. 93-1471]

A BILL

To amend the Foreign Assistance Act of 1961,
and for other purposes.

By Mr. MORGAN, Mr. ZABLOCKI, Mr. FASCELL,
Mr. HAMILTON, Mr. WOLFE, Mr. BINGHAM,
Mr. FRILINGHUYSEN, Mr. WEALEN, Mr.
BIBBSTER, and Mr. WINN

October 10, 1974

Referred to the Committee on Foreign Affairs

October 25, 1974

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed