

(4)

[Redacted]

(b)(3)

MEMORANDUM FOR: General Counsel

[Redacted]

(b)(3)

FROM:

Legislation Division
Office of Legislative Liaison

STAT

SUBJECT: Final Congressional Action on
"Terrorism Czar Provision"

1. As is reflected on the attached pages from the Congressional Record, the Conferees on the foreign aid bill adopted the House "anti-terrorism czar" provision.

2. As you recall, we were able to have Representative Hyde engage in a colloquy on the House floor concerning the import of this provision. The colloquy, together with the language of the provision itself and the accompanying report, make it clear that the Agency's programmatic and reporting equities are to be protected in the implementation of the legislation.

[Redacted]

STAT)(3)

Attachment
as stated

[Redacted]

(b)(3)

STAT

H 6702

CONGRESSIONAL RECORD — HOUSE

July 29, 1985

Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 1985	+ 139,399,100
House bill, fiscal year 1985	- 405,763,000
Senate bill, fiscal year 1985	- 920,395,000

* Includes \$316,153,900 of budget estimates not considered by the House.

JAMIE L. WHITTEN,
EDWARD P. BOLAND,
(except amendment No. 154 language),
WILLIAM H. NATCHER,
NEAL SMITH,
JOSEPH P. ADDABRO,
(except amendment No. 154 language),
SIDNEY R. YATES,
(except amendment No. 154 language),
EDWARD R. ROYBAL,
(except amendment No. 154 language),
TOM BEVILL,
WILLIAM LEHMAN,
JULIAN C. DIXON,
(except amendment No. 154 language),
VIC FAZIO,
(except amendment No. 154 language),
SILVIO O. CONTE,
(except amendment No. 154 language),
JOSEPH M. MCDADE,
JOHN T. MYERS,
LAWRENCE COUGHLIN,
JACK F. KEMP,
RALPH REGULA,
GEORGE M. O'BRIEN,

Managers on the Part of the House.

MARK O. HATFIELD,
(except amendment No. 154),
TED STEVENS,
LOWELL P. WEICKER,
JAMES A. McCLURE,
PAUL LAXALT,
JAKE GARN,
THAD COCHRAN,
MARK ANDREWS,
JAMES ABDNOR,
BOB KASTEN,
ALFONSE M. D'AMATO,
MACK MATTINGLY,
WARREN RUDMAN,
JOHN C. STENNIS,
ROBERT C. BYRD,
WILLIAM PROXMIRE,
DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
LAWTON CHILES,
J. BENNETT JOHNSTON,
QUENTIN N. BURDICK,
PATRICK J. LEAHY,
JIM SASSER,
DENNIS DeCONCINI,
DALE BUMPERS,
FRANK R. LAUTENBERG,

Managers on the Part of the Senate.

CONFERENCE REPORT ON S. 960

Mr. FASCELL submitted the following conference report and statement on the bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other Acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, the African Development Foundation, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 99-237)
The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other Acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, the African Development Foundation, and for other purposes, 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:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "International Security and Development Cooperation Act of 1985".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—MILITARY ASSISTANCE AND SALES AND RELATED PROGRAMS

- Sec. 101. Foreign military sales credits.
Sec. 102. Terms of foreign military sales credits.
Sec. 103. Military assistance.
Sec. 104. International military education and training.
Sec. 105. Peacekeeping operations.
Sec. 106. Guaranty Reserve Fund.
Sec. 107. Valuation of certain defense articles.
Sec. 108. Full costing of FMS sales of training.
Sec. 109. Administrative surcharge.
Sec. 110. Contract administration services.
Sec. 111. Catalog data and services.
Sec. 112. Reports on cash flow financing.
Sec. 113. Report on international volume of arms traffic.
Sec. 114. Security assistance surveys.
Sec. 115. North Atlantic Treaty Organization cooperative projects.
Sec. 116. Exchange of training and related support.
Sec. 117. Quarterly reports on United States military advisors abroad.
Sec. 118. Sensitive technology.
Sec. 119. Increase in criminal penalties for certain violations of the Arms Export Control Act.
Sec. 120. Official reception and representation expenses.
Sec. 121. Special Defense Acquisition Fund.
Sec. 122. Leasing authority.
Sec. 123. Military assistance costs; waiver of net proceeds for sale of MAP items.
Sec. 124. Stockpiling of defense articles for foreign countries.
Sec. 125. Security assistance organizations.
Sec. 126. Exchange training.
Sec. 127. Training in maritime skills.
Sec. 128. Special waiver authority.
Sec. 129. Conventional arms transfers.
Sec. 130. Foreign military sales for Jordan.
Sec. 131. Certification concerning AWACS sold to Saudi Arabia.
Sec. 132. Cooperative agreements on air defense in Central Europe.

TITLE II—ECONOMIC SUPPORT FUND

- Sec. 201. Purposes and uses of ESF; authorizations of appropriations.
Sec. 202. Assistance for the Middle East.
Sec. 203. Assistance for Cyprus.
Sec. 204. Assistance for Portugal.

- Sec. 205. Acquisition of agricultural commodities under commodity import programs.
Sec. 206. Tied aid credit program.
Sec. 207. Restriction on use of funds for nuclear facilities.
Sec. 208. Fiscal year 1985 supplemental authorization.

TITLE III—DEVELOPMENT ASSISTANCE

- Sec. 301. Development assistance policy.
Sec. 302. Agriculture, rural development, and nutrition.
Sec. 303. Population and health.
Sec. 304. Child Survival Fund.
Sec. 305. Promotion of immunization and oral rehydration.
Sec. 306. Education and human resources development.
Sec. 307. Energy, private voluntary organizations, and selected development activities.
Sec. 308. Private Sector Revolving Fund.
Sec. 309. Private and voluntary organizations and cooperatives in overseas development.
Sec. 310. Promotion of democratic cooperatives.
Sec. 311. Use of private and voluntary organizations, cooperatives, and the private sector.
Sec. 312. Targeted assistance.
Sec. 313. Housing and other guaranty programs.
Sec. 314. Trade credit insurance program.
Sec. 315. Minority set-aside.

TITLE IV—OTHER FOREIGN ASSISTANCE PROGRAMS

- Sec. 401. American schools and hospitals abroad.
Sec. 402. Voluntary contributions to international organizations and programs.
Sec. 403. Withholding of United States proportionate share for certain programs of international organizations.
Sec. 404. International disaster assistance.
Sec. 405. Trade and development program.
Sec. 406. Operating expenses.

TITLE V—INTERNATIONAL TERRORISM AND FOREIGN AIRPORT SECURITY

Part A—International Terrorism Generally

- Sec. 501. Anti-terrorism assistance program.
Sec. 502. Coordination of all United States anti-terrorism assistance to foreign countries.
Sec. 503. Prohibition on assistance to countries supporting international terrorism.
Sec. 504. Prohibition on imports from and exports to Libya.
Sec. 505. Ban on importing goods and services from countries supporting terrorism.
Sec. 506. International anti-terrorism committee.
Sec. 507. International terrorism control treaty.
Sec. 508. State terrorism.

Part B—Foreign Airport Security

- Sec. 551. Security standards for foreign air transportation.
Sec. 552. Travel advisory and suspension of foreign assistance.
Sec. 553. United States airmarshal program.
Sec. 554. Enforcement of International Civil Aviation Organization standards.
Sec. 555. International civil aviation boycott of countries supporting international terrorism.
Sec. 556. Multilateral and bilateral agree-

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ments with respect to aircraft sabotage, aircraft hijacking, and airport security.

- Sec. 557. Research on airport security techniques for detecting explosives.
Sec. 558. Hijacking of TWA flight 847 and other acts of terrorism.

TITLE VI—INTERNATIONAL NARCOTICS CONTROL

- Sec. 601. Short title.
Sec. 602. Authorizations for international narcotics control assistance.
Sec. 603. Development and illicit narcotics production.
Sec. 604. Reports on international narcotics control assistance.
Sec. 605. Exemption from ban on involvement of United States personnel in arrest actions in narcotics control efforts abroad.
Sec. 606. Annual reports on involvement of foreign countries in illicit drug traffic.
Sec. 607. Procurement of weapons to defend aircraft involved in narcotics control efforts.
Sec. 608. Requirement for cost-sharing in international narcotics control assistance programs.
Sec. 609. Prohibition on use of foreign assistance for reimbursements for drug crop eradications.
Sec. 610. Assistance for Jamaica.
Sec. 611. Assistance for Bolivia.
Sec. 612. Assistance to Peru.
Sec. 613. Reallocation of funds if conditions not met.
Sec. 614. Conditions on United States contributions to the United Nations Fund for Drug Abuse Control.
Sec. 615. Latin American regional narcotics control organization.
Sec. 616. Greater effort by United States Armed Forces to support narcotics control efforts abroad.
Sec. 617. Cuban drug trafficking.
Sec. 618. Prohibition on assistance to countries which do not take adequate steps to halt drug trafficking.
Sec. 619. Drug trafficking and the problem of total confidentiality of certain foreign bank accounts.

TITLE VII—WESTERN HEMISPHERE

- Sec. 701. Central America democracy, peace, and development initiative.
Sec. 702. El Salvador.
Sec. 703. Assistance for Guatemala.
Sec. 704. Refugees in Honduras.
Sec. 705. Promoting the development of the Haitian people and providing for orderly emigration from Haiti.
Sec. 706. Military assistance for Paraguay.
Sec. 707. Assistance for Peru.
Sec. 708. Inter-American Foundation.
Sec. 709. Comprehensive reports on assistance for Latin America and the Caribbean.
Sec. 710. Use of private and voluntary organizations.
Sec. 711. Assistance for law enforcement agencies.
Sec. 712. Administration of justice.
Sec. 713. Use of employee stock ownership plans in development efforts.
Sec. 714. International Advisory Commission for the Caribbean Region.
Sec. 715. Exemption of certain safety-related equipment from prohibition on military sales to Chile.
Sec. 716. Rural electrification.
Sec. 717. Facilitating international commerce through Mexico.

- Sec. 718. Condemning human rights violations and the subversion of other governments by the Government of Cuba.

- Sec. 719. Reports on foreign debt in Latin America.
Sec. 720. Economic assistance for Uruguay.
Sec. 721. Canadian exports to the United States.
Sec. 722. Nicaragua.

TITLE VIII—AFRICA

- Sec. 801. Balance-of-payments support for countries in Africa.
Sec. 802. Economic support assistance for Southern Africa.
Sec. 803. Policy toward South African "homelands".
Sec. 804. Assistance for Zaire.
Sec. 805. Assistance for Tunisia.
Sec. 806. Political settlement in Sudan.
Sec. 807. Elections in Liberia.
Sec. 808. Western Sahara.
Sec. 809. Sahel development program.
Sec. 810. African Development Foundation.
Sec. 811. Repeal of Clark amendment.
Sec. 812. Failure of the Ethiopian Government to responsibly ameliorate famine conditions.
Sec. 813. Assistance for the People's Republic of Mozambique.

TITLE IX—ASIA

- Sec. 901. The Philippines.
Sec. 902. Nuclear non-proliferation conditions on assistance for Pakistan.
Sec. 903. Disadvantaged children in Asia.
Sec. 904. Assistance for Afghanistan.
Sec. 905. Assistance for the Cambodian people.
Sec. 906. Prohibition on certain assistance to the Khmer Rouge.
Sec. 907. Political settlement in Sri Lanka.
Sec. 908. United States policy toward the Republic of Korea.

TITLE X—FOOD AND AGRICULTURAL ASSISTANCE

- Sec. 1001. International Fund for Agricultural Development.
Sec. 1002. Public law 480 title II minimums.
Sec. 1003. Express authority for title II direct distribution, sale, and barter.
Sec. 1004. Role of private voluntary organizations and cooperatives.
Sec. 1005. Multiyear agreements with PVOs and cooperatives.
Sec. 1006. Title II programming reports.
Sec. 1007. Eligible commodities under section 416(b).
Sec. 1008. Long-term agricultural commodity agreements with food deficit countries.

TITLE XI—PEACE CORPS

- Sec. 1101. Authorization of appropriations.
Sec. 1102. Number of Peace Corps volunteers.
Sec. 1103. Limitation on length of Peace Corps employment.
Sec. 1104. Peace Corps National Advisory Council.
Sec. 1105. Nonpartisan appointments.

TITLE XII—MISCELLANEOUS PROVISIONS RELATING TO FOREIGN ASSISTANCE

- Sec. 1201. Notice to Congress of use of certain authorities relating to human rights conditions.
Sec. 1202. Prohibitions against assistance.
Sec. 1203. Land reform programs.
Sec. 1204. Suspension of assistance to countries violating U.S. export laws

in order to manufacture a nuclear explosive device.

- Sec. 1205. Reports on economic conditions in certain countries.
Sec. 1206. Egyptian-Israeli relations.
Sec. 1207. Procurement of construction and engineering services.
Sec. 1208. Completion of plans and cost estimates.
Sec. 1209. Reprogramming notifications to Congress.
Sec. 1210. Report on United States assistance to coal exporting nations.
Sec. 1211. Repeal of obsolete provisions and correction of technical references.

TITLE XIII—MISCELLANEOUS PROVISIONS

- Sec. 1301. Effective date.
Sec. 1302. Codification of policy prohibiting negotiations with the Palestine Liberation Organization.
Sec. 1303. Commission for the Preservation of America's Heritage Abroad.
Sec. 1304. Federal Coal Export Commission.

TITLE I—MILITARY ASSISTANCE AND SALES AND RELATED PROGRAMS

SEC. 101. FOREIGN MILITARY SALES CREDITS

(a) AUTHORIZATIONS OF APPROPRIATIONS.—The first sentence of section 311(a) of the Arms Export Control Act is amended to read as follows: "There are authorized to be appropriated to the President to carry out this Act \$5,371,000,000 for fiscal year 1986 and \$5,371,000,000 for fiscal year 1987."

(b) AGGREGATE CEILINGS AND EXTENDED REPAYMENT TERMS.—Sections 31(b) and (c) of such Act are amended to read as follows: "(b)(1) The total amount of credits extended under section 23 of this Act shall not exceed \$5,371,000,000 for fiscal year 1986 and \$5,371,000,000 for fiscal year 1987.

"(2) Of the aggregate amount of financing provided under this section, not more than \$553,900,000 for fiscal year 1986 and not more than \$553,900,000 for fiscal year 1987 may be made available at concessional rates of interest. If a country is released from its contractual liability to repay the United States Government with respect to financing provided under this section, such financing shall not be considered to be financing provided at concessional rates of interest for purposes of the limitation established by this paragraph.

"(c) For fiscal year 1986 and fiscal year 1987, the principal amount of credits provided under section 23 at market rates of interest with respect to Greece, the Republic of Korea, the Philippines, Portugal, Spain, Thailand, and Turkey shall (if and to the extent each country so desires) be repaid in not more than twenty years, following a grace period of ten years on repayment of principal."

(c) FMS FINANCING FOR ISRAEL.—(1) Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than \$1,800,000,000 for fiscal year 1986 and not less than \$1,800,000,000 for fiscal year 1987 shall be available only for Israel.

(2) Israel shall be released from its contractual liability to repay the United States Government with respect to the credits provided pursuant to paragraph (1).

(3) If the Government of Israel requests that funds be used for such purposes—

(A) up to \$150,000,000 of the amount of credits made available for Israel pursuant to paragraph (1) for each of the fiscal years 1986 and 1987 shall be available for research and development in the United States for the Lavi program, and

(B) not less than \$250,000,000 of the amount of credits made available for Israel

pursuant to paragraph (1) for each of the fiscal years 1986 and 1987 shall be available for the procurement in Israel of defense articles and defense services (including research and development) for the Lavi program.

(d) **FMS FINANCING FOR EGYPT.**—(1) Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than \$1,300,000,000 for fiscal year 1986 and not less than \$1,300,000,000 for fiscal year 1987 shall be available only for Egypt.

(2) Egypt shall be released from its contractual liability to repay the United States Government with respect to the credits extended pursuant to paragraph (1).

(e) **FMS FINANCING FOR GREECE.**—(1) Of the total amount of credits extended under section 23 of the Arms Export Control Act, \$500,000,000 for each of the fiscal years 1986 and 1987 shall be available only for Greece.

(2) For each of the fiscal years 1986 and 1987, of the total amount of credits extended for Greece under section 23 of the Arms Export Control Act, Greece shall receive the same proportion of credits extended at concessional rates of interest as the proportion of credits extended at concessional rates of interest which Turkey receives out of the total amount of credits extended for Turkey under that section, and the average annual rate of interest on the credits extended for Greece at concessional rates of interest shall be comparable to the average annual rate of interest on the credits extended for Turkey at concessional rates of interests. Credits extended for Greece for each of the fiscal years 1986 and 1987 at concessional rates of interest shall not be counted toward any ceiling established by law on concessional financing under the Arms Export Control Act.

(f) **FMS FINANCING AND MAP FOR TURKEY.**—For each of the fiscal years 1986 and 1987, the aggregate total of financing under the Arms Export Control Act and assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 provided for Turkey may not exceed \$714,280,000. Of this amount, up to \$215,000,000 may be used for assistance under chapter 2 of part II of the Foreign Assistance Act of 1961, with the understanding that the United States Government is acting with urgency and determination to oppose any actions aimed at effecting a permanent bifurcation of Cyprus.

SEC. 102. TERMS OF FOREIGN MILITARY SALES CREDITS.

Section 23 of the Arms Export Control Act is amended to read as follows:

"SEC. 23. **CREDIT SALES.**—(a) The President is authorized to finance the procurement of defense articles, defense services, and design and construction services by friendly foreign countries and international organizations, on such terms and conditions as he may determine consistent with the requirements of this section.

"(b) The President shall require repayment in United States dollars within a period not to exceed twelve years after the loan agreement with the country or international organization is signed on behalf of the United States Government, unless a longer period is specifically authorized by statute for that country or international organization.

"(c)(1) The President shall charge interest under this section at such rate as he may determine, except that such rate may not be less than 5 percent per year.

"(2) For purposes of financing provided under this section—

"(A) the term 'concessional rate of interest' means any rate of interest which is less than market rates of interest; and

"(B) the term 'market rate of interest' means any rate of interest which is equal to or greater than the current average interest rate (as of the last day of the month preced-

ing the financing of the procurement under this section) that the United States Government pays on outstanding marketable obligations of comparable maturity.

"(d) References in any law to credits extended under this section shall be deemed to include reference to participations in credits."

SEC. 103. MILITARY ASSISTANCE.

Section 504(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter \$805,100,000 for fiscal year 1986 and \$805,100,000 for fiscal year 1987."

SEC. 104. INTERNATIONAL MILITARY EDUCATION AND TRAINING.

Section 542 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 542. **AUTHORIZATIONS OF APPROPRIATIONS.**—There are authorized to be appropriated to the President to carry out the purposes of this chapter \$56,221,000 for fiscal year 1986 and \$56,221,000 for fiscal year 1987."

SEC. 105. PEACEKEEPING OPERATIONS.

(a) **AUTHORIZATIONS.**—Section 552(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, \$37,000,000 for fiscal year 1986 and \$37,000,000 for fiscal year 1987."

(b) **PEACEKEEPING OPERATIONS EMERGENCIES.**—(1) Section 552 of such Act is amended—

(A) by inserting in subsection (c) "(1)" immediately after "the President may";

(B) by inserting in subsection (c) immediately before the period at the end of the subsection "; and (2) in the event the President also determines that such unforeseen emergency requires the immediate provision of assistance under this chapter, direct the drawdown of commodities and services from the inventory and resources of any agency of the United States Government of an aggregate value not to exceed \$25,000,000 in any fiscal year"; and

(C) by inserting at the end thereof the following new subsection:

"(d) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for commodities and services provided under subsection (c)(2)."

(2) Section 652 of such Act is amended by inserting ", 552(c)(2)," immediately after "under section 506(a)".

SEC. 106. GUARANTY RESERVE FUND.

(a) **REPORT ON REPLENISHMENT.**—For the purpose of providing recommendations for improving the security interests of the United States and the friends and allies of the United States, the President shall prepare and transmit to the Congress within 90 days after the date of enactment of this Act a report which sets forth the history of United States foreign military sales financing under the Foreign Assistance Act of 1961 and the Arms Export Control Act. Such report shall include recommendations on replenishing the Guaranty Reserve Fund under section 24 of the Arms Export Control Act and recommendations on other matters agreed to in consultation with the chairman and ranking minority member of the Committee on Foreign Relations of the Senate and of the Committee on Foreign Affairs of the House of Representatives.

(b) **ADDITIONAL FUNDS FOR PAYMENT OF CLAIMS.**—The second sentence of section 24(c) of the Arms Export Control Act is

amended to read as follows: "Funds authorized to be appropriated by section 31(a) to carry out this Act which are allocated for credits at market rates of interest may be used to pay claims under such guarantees to the extent funds in the Guaranty Reserve Fund are inadequate for that purpose."

(c) **DESIGNATION AS GUARANTY RESERVE FUND.**—Such section is further amended by inserting after the first sentence the following new sentence: "That single reserve may, on and after the date of enactment of the International Security and Development Cooperation Act of 1985, be referred to as the 'Guaranty Reserve Fund'."

SEC. 107. VALUATION OF CERTAIN DEFENSE ARTICLES.

(a) **CERTAIN NAVAL VESSELS.**—Section 21(a) of the Arms Export Control Act is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) by inserting "(1)" immediately after "(a)"; and

(3) by adding at the end thereof the following new paragraph:

"(2) For purposes of subparagraph (A) of paragraph (1), the actual value of a naval vessel of 3,000 tons or less and 20 years or more of age shall be considered to be not less than the greater of the scrap value or fair value (including conversion costs) of such vessel, as determined by the Secretary of Defense."

(b) **CONFORMING AMENDMENT.**—Section 47 of such Act is amended in paragraph (2) by inserting ", except as otherwise provided in section 21(a)," after "excess defense article".

SEC. 108. FULL COSTING OF FMS SALES OF TRAINING.

(a) **FMS SALES.**—Section 21(a)(1)(C) of the Arms Export Control Act, as so redesignated by the preceding section of this Act, is amended to read as follows:

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

(b) **NATO STANDARDIZATION AGREEMENTS.**—Section 21 of such Act is amended by inserting the following new subsection after subsection (f):

"(g) The President may enter into North Atlantic Treaty Organization standardization agreements in carrying out section 814 of the Act of October 7, 1975 (Public Law 94-106), and may enter into similar agreements with Japan, Australia, and New Zealand, for the cooperative furnishing of training on bilateral or multilateral basis, if the financial principles of such agreements are based on reciprocity. Such agreements shall include reimbursement for all direct costs but may exclude reimbursement for indirect costs, administrative surcharges, and costs of billeting of trainees (except to the extent that members of the United States Armed Forces occupying comparable accommodations are charged for such accommodations by the United States). Each such agreement shall be transmitted promptly to the Speaker of the House of Representatives and the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate."

SEC. 109. ADMINISTRATIVE SURCHARGE.

Subparagraph (A) of section 21(e)(1) of the Arms Export Control Act is amended by inserting "(excluding a pro rata share of fixed base operation costs)" immediately after "full estimated costs".

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H 6705

SEC. 110. CONTRACT ADMINISTRATION SERVICES.

Section 21(h) of the Arms Export Control Act is amended by inserting "contract administration services," immediately after "inspection," in the text preceding paragraph (1).

SEC. 111. CATALOG DATA AND SERVICES.

Section 21(h) of the Arms Export Control Act is further amended—

(1) by inserting "(1)" immediately after "(h)";

(2) by striking out "(1)" and "(2)" and inserting in lieu thereof "(A)" and "(B)", respectively; and

(3) by adding at the end thereof the following:

"(2) In carrying out the objectives of this section, the President is authorized to provide cataloging data and cataloging services, without charge, to the North Atlantic Treaty Organization or to any member government of that Organization if that Organization or member government provides such data and services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government."

SEC. 112. REPORTS ON CASH FLOW FINANCING.

(a) **ANNUAL REPORTS.**—Section 25 of the Arms Export Control Act is amended in paragraph (5) of subsection (a)—

(1) by inserting "(A)" immediately after "(5)";

(2) by adding "and" after the semicolon at the end of paragraph; and

(3) by adding at the end of the paragraph the following new subparagraph:

"(B) for each country that is proposed to be furnished credits or guaranties under this Act in the next fiscal year and that has been approved for cash flow financing (as defined in subsection (d) of this section) in excess of \$100,000,000 as of October 1 of the current fiscal year—

"(i) the amount of such approved cash flow financing,

"(ii) a description of administrative ceilings and controls applied, and

"(iii) a description of the financial resources otherwise available to such country to pay such approved cash flow financing;"

(b) **DEFINITION OF CASH FLOW FINANCING.**—Such section is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsection (a)(5)(B) of this section, the term 'cash flow financing' means the dollar amount of the difference between the total estimated price of a Letter of Offer and Acceptance or other purchase agreement that has been approved for financing under this Act or under section 503(a)(3) of the Foreign Assistance Act of 1961 and the amount of the financing that has been approved therefor;"

SEC. 113. REPORT ON INTERNATIONAL VOLUME OF ARMS TRAFFIC.

Section 25 of the Arms Export Control Act is amended—

(1) in subsection (a) by striking out "No later than February 1" and inserting in lieu thereof "Except as provided in subsection (d) of this section, no later than February 1"; and

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

"(d) The information required by subsection (a)(4) of this section shall be transmitted to the Congress no later than April 1 of each year."

SEC. 114. SECURITY ASSISTANCE SURVEYS.

(a) **SURVEYS SUBJECT TO REQUIREMENTS.**—Section 26 of the Arms Export Control Act is amended—

(1) in the section caption, by striking out "DEFENSE REQUIREMENT" and inserting in lieu thereof "SECURITY ASSISTANCE";

(2) by striking out "defense requirement" each place it appears in the section and in-

serting in lieu thereof "security assistance"; and

(3) by adding at the end of the section the following new subsection:

"(d) As used in this section, the term 'security assistance surveys' means any survey or study conducted in a foreign country by United States Government personnel for the purpose of assessing the needs of that country for security assistance, and includes defense requirement surveys, site surveys, general surveys or studies, and engineering assessment surveys."

(b) **SUBMISSION OF SURVEYS TO CONGRESS.**—Section 26(c) of such Act is amended by striking out "grant that committee access to" and inserting in lieu thereof "submit to that committee copies of".

SEC. 115. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS.

(a) **REVISION OF AUTHORITY.**—Section 27 of the Arms Export Control Act is amended to read as follows:

"SEC. 27. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS.—(a) The President may enter into a cooperative project agreement with the North Atlantic Treaty Organization or with one or more member countries of that Organization.

"(b) As used in this section—

"(1) the term 'cooperative project' means a jointly managed arrangement, described in a written agreement among the parties, which is undertaken in order to further the objectives of standardization, rationalization, and interoperability of the armed forces of North Atlantic Treaty Organization member countries and which provides—

"(A) for one or more of the other participants to share with the United States the costs of research on and development, testing, evaluation, or joint production (including follow-on support) of certain defense articles;

"(B) for concurrent production in the United States and in another member country of a defense article jointly developed in accordance with subparagraph (A); or

"(C) for procurement by the United States of a defense article or defense service from another member country; and

"(2) the term 'other participant' means a participant in a cooperative project other than the United States.

"(c) Each agreement for a cooperative project shall provide that the United States and each of the other participants will contribute to the cooperative project its equitable share of the full cost of such cooperative project and will receive an equitable share of the results of such cooperative project. The full costs of such cooperative project shall include overhead and administrative costs. The United States and the other participants may contribute their equitable shares of the full cost of such cooperative project in funds or in defense articles or defense services needed for such cooperative project. Military assistance and financing received from the United States Government may not be used by any other participant to provide its share of the cost of such cooperative project. Such agreements shall provide that no requirement shall be imposed by a participant for worksharing or other industrial or commercial compensation in connection with such agreement that is not in accordance with such agreement.

"(d) The President may enter into contracts or incur other obligations for a cooperative project on behalf of the other participants, without charge to any appropriation or contract authorization, if each of the other participants in the cooperative project agrees (1) to pay its equitable share of the contract or other obligation, and (2) to make such funds available in such amounts and at such times as may be required by the

contract or other obligation and to pay any damages and costs that may accrue from the performance of or cancellation of the contract or other obligation in advance of the time such payments, damages, or costs are due.

"(e)(1) For those cooperative projects entered into on or after the effective date of the International Security and Development Cooperation Act of 1985, the President may reduce or waive the charge or charges which would otherwise be considered appropriate under section 21(e) of this Act in connection with sales under sections 21 and 22 of this Act when such sales are made as part of such cooperative project, if the other participants agree to reduce or waive corresponding charges.

"(2) Notwithstanding provisions of section 21(e)(1)(A) and section 43(b) of this Act, administrative surcharges shall not be increased on other sales made under this Act in order to compensate for reductions or waivers of such surcharges under this section. Funds received pursuant to such other sales shall not be available to reimburse the costs incurred by the United States Government for which reduction or waiver is approved by the President under this section.

"(f) Not less than 30 days before a cooperative project agreement is signed on behalf of the United States, the President shall transmit to the Speaker of the House of Representatives, the chairman of the Committee on Foreign Relations of the Senate, and the chairman of the Committee on Armed Services of the Senate, a numbered certification with respect to such proposed agreement, setting forth—

"(1) a detailed description of the cooperative project with respect to which the certification is made;

"(2) an estimate of the quantity of the defense articles expected to be produced in furtherance of such cooperative project;

"(3) an estimate of the full cost of the cooperative project, with an estimate of the part of the full cost to be incurred by the United States Government for its participation in such cooperative project and an estimate of that part of the full costs to be incurred by the other participants;

"(4) an estimate of the dollar value of the funds to be contributed by the United States and each of the other participants on behalf of such cooperative project;

"(5) a description of the defense articles and defense services expected to be contributed by the United States and each of the other participants on behalf of such cooperative project;

"(6) a statement of the foreign policy and national security benefits anticipated to be derived from such cooperative project; and

"(7) to the extent known, whether it is likely that prime contracts will be awarded to particular prime contractors or that subcontracts will be awarded to particular sub-contractors to comply with the proposed agreement.

"(g) Section 36(b) of this Act shall not apply to sales made under section 21 or 22 of this Act and to production and exports made pursuant to cooperative projects under this section, and section 36(c) of this Act shall not apply to the issuance of licenses or other approvals under section 38 of this Act, if such sales are made, such production and exports ensue, or such licenses or approvals are issued, as part of a cooperative project.

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

"(i)(1) With the approval of the Secretary of State and the Secretary of Defense, a co-

operative agreement which was entered into by the United States before the effective date of the amendment to this section made by the International Security and Development Cooperation Act of 1985 and which meets the requirements of this section as so amended may be treated on and after such date as having been made under this section as so amended.

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

(b) CONFORMING AMENDMENTS.—(1) Section 2(b) of such Act is amended to read as follows:

"(b) Under the direction of the President, the Secretary of State (taking into account other United States activities abroad, such as military assistance, economic assistance, and the food for peace program) shall be responsible for the continuous supervision and general direction of sales, leases, financing, cooperative projects, and exports under this Act, including, but not limited to, determining—

"(1) whether there will be a sale to or financing for a country and the amount thereof;

"(2) whether there will be a lease to a country;

"(3) whether there will be a cooperative project and the scope thereof; and

"(4) whether there will be delivery or other performance under such sale, lease, cooperative project, or export,

to the end that sales, financing, leases, cooperative projects, and exports will be integrated with other United States activities and to the end that the foreign policy of the United States would be best served thereby."

(2) Section 3(a) of such Act is amended—

(A) in the text preceding paragraph (1), by inserting ", and no agreement shall be entered into for a cooperative project (as defined in section 27 of this Act)," after "international organization";

(B) in paragraph (2)—

(i) by inserting ", or produced in a cooperative project (as defined in section 27 of this Act)," after "so furnished to it"; and

(ii) by inserting "(or the North Atlantic Treaty Organization or the specified member countries (other than the United States) in the case of a cooperative project)" after "international organization" the second place it appears; and

(C) in paragraph (3), by inserting "or service" after "such article" both places it appears.

(3) Section 42(e) of such Act is amended—

(A) in paragraph (1), by inserting ", and each contract entered into under section 27(d) of this Act," after "of this Act"; and

(B) in paragraph (3), by inserting ", or under contracts entered into under section 27(d) of this Act," after "of this Act".

SEC. 116. EXCHANGE OF TRAINING AND RELATED SUPPORT.

The Arms Export Control Act is amended by inserting the following new chapter after chapter 2B:

"Chapter 2C—Exchange of Training and Related Support

"SEC. 30A. EXCHANGE OF TRAINING AND RELATED SUPPORT.—(a) Subject to subsection (b), the President may provide training and related support to military and civilian defense personnel of a friendly foreign country or an international organization. Such training and related support shall be provided

ed by a Secretary of a military department and may include the provision of transportation, food services, health services, and logistics and the use of facilities and equipment.

"(b) Training and related support may be provided under this section only pursuant to an agreement or other arrangement providing for the provision by the recipient foreign country or international organization, on a reciprocal basis, of comparable training and related support to military and civilian personnel under the jurisdiction of the Secretary of the military department providing the training and related support under this section. Such reciprocal training and related support must be provided within a reasonable period of time (which may not be more than one year) of the provision of training and related support by the United States. To the extent that a foreign country or international organization to which training and related support is provided under this section does not provide such comparable training and related support to the United States within a reasonable period of time; that country or international organization shall be required to reimburse the United States for the full costs of the training and related support provided by the United States.

"(c) Training and related support under this section shall be provided under regulations prescribed by the President.

"(d) Not later than February 1 of each year, the President shall submit to the Congress a report on the activities conducted pursuant to this section during the preceding fiscal year, including the estimated full costs of the training and related support provided by the United States to each country and international organization and the estimated value of the training and related support provided to the United States by that country or international organization."

SEC. 117. QUARTERLY REPORTS ON UNITED STATES MILITARY ADVISORS ABROAD.

Section 36(a)(7) of the Arms Export Control Act is amended to read as follows:

"(7) an estimate of—

"(A) the number of United States military personnel, the number of United States Government civilian personnel, and the number of United States civilian contract personnel, who were in each foreign country at the end of that quarter, and

"(B) the number of members of each such category of personnel who were in each foreign country at any time during that quarter, in implementation of sales and commercial exports under this Act or of assistance under chapter 2, 5, 6, or 8 of part II of the Foreign Assistance Act of 1961, including both personnel assigned to the country and personnel temporarily in the country by detail or otherwise;"

SEC. 118. SENSITIVE TECHNOLOGY.

Section 36(b) of the Arms Export Control Act is amended—

(1) by inserting before the period at the end of the second sentence of paragraph (1) the following: ", and a detailed justification of the reasons necessitating the sale of such articles or services in view of the sensitivity of such technology"; and

(2) by adding at the end thereof the following new paragraph:

"(5)(A) If, before the delivery of any major defense article or major defense equipment, or the furnishing of any defense service or design and construction service, sold pursuant to a letter of offer described in paragraph (1), the sensitivity of technology or the capability of the article, equipment, or service is enhanced or upgraded from the

level of sensitivity or capability described in the numbered certification with respect to an offer to sell such article, equipment, or service, then, at least 45 days before the delivery of such article or equipment or the furnishing of such service, the President shall prepare and transmit to the chairman of the Committee on Foreign Affairs of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report—

"(i) describing the manner in which the technology or capability has been enhanced or upgraded and describing the significance of such enhancement or upgrade; and

"(ii) setting forth a detailed justification for such enhancement or upgrade.

"(B) The provisions of subparagraph (A) apply to an article or equipment delivered, or a service furnished, within ten years after the transmittal to the Congress of a numbered certification with respect to the sale of such article, equipment, or service.

"(C) If the enhancement or upgrade in the sensitivity of technology or the capability of major defense equipment, defense articles, defense services, or design and construction services described in a numbered certification submitted under this subsection costs \$14,000,000 or more in the case of any major defense equipment, \$50,000,000 or more in the case of defense articles or defense services, or \$200,000,000 or more in the case of design or construction services, then the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a new numbered certification which relates to such enhancement or upgrade and which shall be considered for purposes of this subsection as if it were a separate letter of offer to sell defense equipment, articles, or services, subject to all of the requirements, restrictions, and conditions set forth in this subsection. For purposes of this subparagraph, references in this subsection to sales shall be deemed to be references to enhancements or upgrades in the sensitivity of technology or the capability of major defense equipment, articles, or services, as the case may be.

"(D) For the purposes of subparagraph (A), the term 'major defense article' shall be construed to include electronic devices, which if upgraded, would enhance the mission capability of a weapons system."

SEC. 119. INCREASE IN CRIMINAL PENALTIES FOR CERTAIN VIOLATIONS OF THE ARMS EXPORT CONTROL ACT.

(a) CRIMINAL PENALTIES.—Section 38(c) of the Arms Export Control Act is amended by striking out "not more than \$100,000 or imprisoned not more than two years, or both" and inserting in lieu thereof "for each violation not more than \$1,000,000 or imprisoned not more than ten years, or both".

(b) CIVIL PENALTIES.—Section 38(e) of such Act is amended by adding at the end thereof the following: "Notwithstanding section 11(c) of the Export Administration Act of 1979, the civil penalty for each violation involving controls imposed on the export of defense articles and defense services under this section may not exceed \$500,000."

(c) EFFECTIVE DATE.—This section shall take effect upon the date of enactment of this Act or October 1, 1985, whichever is later. The amendments made by this section apply with respect to violations occurring after the effective date of this section.

SEC. 120. OFFICIAL RECEPTION AND REPRESENTATION EXPENSES.

Section 43 of the Arms Export Control Act is amended—

(1) in subsection (b) by inserting "and official reception and representation ex-

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pens" immediately after "administrative expenses"; and

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

"(c) Not more than \$72,500 of the funds derived from charges for administrative services pursuant to section 21(e)(1)(A) of this Act may be used each fiscal year for official reception and representation expenses."

SEC. 121. SPECIAL DEFENSE ACQUISITION FUND.

(a) CONTINUOUS ORDERS FOR CERTAIN ARTICLES AND SERVICES.—Section 51(a) of the Arms Export Control Act is amended by adding at the end thereof the following new paragraph:

"(3) The Fund may be used to keep on continuous order such defense articles and defense services as are assigned by the Department of Defense for integrated management by a single agency thereof for the common use of all military departments in anticipation of the transfer of similar defense articles and defense services to foreign countries and international organizations pursuant to this Act, the Foreign Assistance Act of 1961, or other law."

(b) REVOLVING FUND.—Section 51(b) of such Act is amended to read as follows:

"(b) The Fund shall consist of collections from sales made under letters of offer, or transfers made under the Foreign Assistance Act of 1961, of defense articles and defense services acquired under this chapter (representing the value of such items calculated in accordance with subparagraph (B) or (C) of section 21(a)(1) or section 22 of this Act or section 644(m) of the Foreign Assistance Act of 1961, as appropriate), together with such funds as may be authorized and appropriated or otherwise made available for the purposes of the Fund."

SEC. 122. LEASING AUTHORITY.

Section 7307(b)(1) of title 10, United States Code, is amended by inserting before the period at the end thereof the following: ", except that any lease or loan of such a vessel under such a law shall be made only in accordance with the provisions of chapter 5 of the Arms Export Control Act (22 U.S.C. 2796 et seq.) or chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.)."

SEC. 123. MILITARY ASSISTANCE COSTS: WAIVER OF NET PROCEEDS FOR SALE OF MAP ITEMS.

(a) MILITARY ASSISTANCE COSTS.—Section 503(a) of the Foreign Assistance Act of 1961 is amended by adding the following sentence after paragraph (3): "Sales which are wholly paid from funds transferred under paragraph (3) shall be priced to exclude the costs of salaries of members of the Armed Forces of the United States."

(b) WAIVER OF NET PROCEEDS.—Section 505(f) of such Act is amended by adding at the end thereof the following: "In the case of items which were delivered prior to 1975, the President may waive the requirement that such net proceeds be paid to the United States Government if he determines that to do so is in the national interest of the United States."

SEC. 124. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.

Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(2) The value of such additions to stockpiles in foreign countries shall not exceed \$360,000,000 for fiscal year 1986 and shall not exceed \$125,000,000 for fiscal year 1987."

SEC. 125. SECURITY ASSISTANCE ORGANIZATIONS.

Section 515(c)(1) of the Foreign Assistance Act of 1961 is amended in the last sentence by striking out "For the fiscal year 1982 and the fiscal year 1983," and inserting in lieu thereof "Pakistan, Tunisia, El Salvador, Honduras."

SEC. 126. EXCHANGE TRAINING.

Chapter 5 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 544. EXCHANGE TRAINING.—In carrying out this chapter, the President is authorized to provide for attendance of foreign military personnel at professional military education institutions in the United States (other than service academies) without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one, reciprocal basis each fiscal year between those United States professional military education institutions and comparable institutions of foreign countries and international organizations."

SEC. 127. TRAINING IN MARITIME SKILLS.

(a) AUTHORIZATION.—Chapter 5 of part II of the Foreign Assistance Act of 1961, as amended by the preceding section of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 545. TRAINING IN MARITIME SKILLS.—The President is encouraged to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and training in maritime search and rescue, operation and maintenance of aids to navigation, port security, at-sea law enforcement, international maritime law, and general maritime skills."

(b) EXEMPTION.—Section 660(b) of such Act is amended—

(1) by striking out "or" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; or"; and

(3) by adding the following new clause after clause (2):

"(3) with respect to assistance, including training, in maritime law enforcement and other maritime skills."

SEC. 128. SPECIAL WAIVER AUTHORITY.

Section 614(a)(4) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(4)(A) The authority of this subsection may not be used in any fiscal year to authorize—

"(i) more than \$750,000,000 in sales to be made under the Arms Export Control Act;

"(ii) the use of more than \$250,000,000 of funds made available for use under this Act or the Arms Export Control Act; and

"(iii) the use of more than \$100,000,000 of foreign currencies accruing under this Act or any other law."

"(B) If the authority of this subsection is used both to authorize a sale under the Arms Export Control Act and to authorize funds to be used under the Arms Export Control Act or under this Act with respect to the financing of that sale, then the use of the funds shall be counted against the limitation in subparagraph (A)(ii) and the portion, if any, of the sale which is not so financed shall be counted against the limitation in subparagraph (A)(i).

"(C) Not more than \$50,000,000 of the \$250,000,000 limitation provided in subparagraph (A)(ii) may be allocated to any one country in any fiscal year unless that country is a victim of active Communist or Communist-supported aggression, and not more than \$500,000,000 of the aggregate limitation of \$1,000,000,000 provided in subparagraphs (A)(i) and (A)(ii) may be allocated to any one country in any fiscal year."

SEC. 129. CONVENTIONAL ARMS TRANSFERS.

(a) NEGOTIATIONS.—At the earliest possible date, the President should, in consultation with United States allies, initiate discus-

sions with the Soviet Union and France aimed at beginning multilateral negotiations to limit and control the transfer of conventional arms to less developed countries.

(b) REPORT.—Within one year after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report which specifies steps being taken to fulfill the requirements of subsection (a) and which examines and analyzes United States policies concerning the export of conventional arms, especially sophisticated weapons, and possible approaches to developing multilateral limitations on conventional arms sales. This report shall examine and analyze—

(1) the lessons of earlier efforts to negotiate restraints on the export of conventional arms;

(2) the evolution of supplier practices and policies;

(3) the evolution of recipient country attitudes regarding conventional arms transfers;

(4) the effect upon regional stability and security of conventional arms transfers by the United States and its allies and the Soviet Union and its allies;

(5) the relationship between arms imports and the external debt of recipient countries, the allocation of their internal resources, and their economic well-being;

(6) the relationship between arms exports by Western European countries and the needs of those countries to support their domestic military procurement programs;

(7) the prospects for engaging the Soviet Union in serious discussions concerning arms transfers, both globally and as they relate to regional security problems;

(8) possible measures by the United States and Western European suppliers to control levels of sophisticated weapons sales, both regionally and globally; and

(9) the timing and phasing of international conventional arms control negotiations.

SEC. 130. FOREIGN MILITARY SALES FOR JORDAN.

(a) MIDDLE EAST PEACE.—The foreign military sales financing authorized by this Act for Jordan is provided and increased in the recognition of progress Jordan has made in the search for a just and lasting peace in the Middle East, to encourage further progress, in recognition of the continuing defense needs of Jordan, and in the expectation that Jordan will enter into direct negotiations with Israel based on United Nations Security Council Resolutions 242 and 338 in order to resolve the state of war between those two countries.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that no foreign military sales financing authorized by this Act may be used to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new advanced military weapons systems, and no notification may be made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons systems, unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

(c) CERTIFICATION.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons, shall be accom-

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panied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

SEC. 131. CERTIFICATION CONCERNING AWACS SOLD TO SAUDI ARABIA.

(a) **THE PRESIDENT'S 1981 AWACS COMMUNICATION TO THE SENATE.**—(1) The Congress finds that in his October 28, 1981, communication to the Senate concerning the proposed sale of AWACS aircraft and F-15 enhancement items to Saudi Arabia which was then being reviewed by the Congress (hereafter in this section referred to as the "1981 AWACS communication"), the President stated the following:

"Transfer of the AWACS will take place . . . only after the Congress has received in writing a Presidential certification, containing agreements with Saudi Arabia, that the following conditions have been met:

"1. Security of Technology

"A. That a detailed plan for the security of equipment, technology, information, and supporting documentation has been agreed to by the United States and Saudi Arabia and is in place; and

"B. The security provisions are no less stringent than measures employed by the U.S. for protection and control of its equipment of like kind outside the continental U.S.; and

"C. The U.S. has the right of continual on-site inspection and surveillance by U.S. personnel of security arrangements for all operations during the useful life of the AWACS. It is further provided that security arrangements will be supplemented by additional U.S. personnel if it is deemed necessary by the two parties; and

"D. Saudi Arabia will not permit citizens of third nations either to perform maintenance on the AWACS or to modify any such equipment without prior, explicit mutual consent of the two governments; and

"E. Computer software, as designated by the U.S. Government, will remain the property of the USG.

"2. Access to Information

"That Saudi Arabia has agreed to share with the United States continuously and completely the information that it acquires from use of the AWACS.

"3. Control Over Third-Country Participation

"A. That Saudi Arabia has agreed not to share access to AWACS equipment, technology, documentation, or any information developed from such equipment or technology with any nation other than the U.S. without the prior, explicit mutual consent of both governments; and

"B. There are in place adequate and effective procedures requiring the screening and security clearance of citizens of Saudi Arabia and that only cleared Saudi citizens and cleared U.S. nationals will have access to AWACS equipment, technology, or documentation, or information derived therefrom, without the prior, explicit mutual consent of the two governments.

"4. AWACS Flight Operations

"That the Saudi AWACS will be operated solely within the boundaries of Saudi Arabia, except with the prior, explicit mutual consent of the two governments, and solely for defensive purposes as defined by the United States, in order to maintain security and regional stability.

"5. Command Structure

"That agreements as they concern organizational command and control structure for the operation of AWACS are of such a nature to guarantee that the commitments above will be honored.

"6. Regional Peace and Security

"That the sale contributes directly to the stability and security of the area, enhances the atmosphere and prospects for progress toward peace, and that initiatives toward the peaceful resolution of disputes in the region have either been successfully completed or that significant progress toward that goal has been accomplished with the substantial assistance of Saudi Arabia."

(2) The Congress finds that the President also stated in the 1981 AWACS communication that should circumstances arise that might require changes in the arrangements described in that communication, "they would be made only with Congressional participation".

(b) **REQUIREMENT FOR PRESIDENTIAL CERTIFICATION.**—As provided in the 1981 AWACS communication, before the E-3A airborne warning and control system (AWACS) aircraft which were the subject of that communication are transferred to Saudi Arabia, the President shall submit to the Congress a written Presidential certification, containing agreements with Saudi Arabia, that the conditions set forth in that communication have been met.

(c) **CONGRESSIONAL PARTICIPATION IN CHANGES IN AWACS ARRANGEMENTS.**—In order to facilitate the congressional participation provided for in the 1981 AWACS communication, the President shall notify the Congress promptly of any changes being considered by the United States in the arrangements described in that communication.

SEC. 132. COOPERATIVE AGREEMENTS ON AIR DEFENSE IN CENTRAL EUROPE.

(a) **GENERAL AUTHORITIES.**—The Secretary of Defense may carry out the European air defense agreements. In carrying out those agreements, the Secretary—

(1) may provide without monetary charge to the Federal Republic of Germany articles and services as specified in the agreements; and

(2) may accept from the Federal Republic of Germany (in return for the articles and services provided under paragraph (1)) articles and services as specified in the agreements.

(b) **SPECIAL AUTHORITIES.**—In connection with the administration of the European air defense agreements, the Secretary of Defense may—

(1) waive any surcharge for administrative services otherwise chargeable under section 21(e)(1)(A) of the Arms Export Control Act;

(2) waive any charge not otherwise waived for services associated with contract administration for the sale under the Arms Export Control Act of Patriot air defense missile fire units to the Federal Republic of Germany contemplated in the agreements;

(3) use, to the extent contemplated in the agreements, the NATO Maintenance and Supply Agency—

(A) for the supply of logistical support in Europe for the Patriot missile system, and

(B) for the acquisition of such logistical support,

to the extent that the Secretary determines that the procedures of that Agency governing such supply and acquisition are appropriate;

(4) share, to the extent contemplated in the agreements, the costs of setup charges of facilities for use by that Agency to perform depot-level support of Patriot missile fire units in Europe; and

(5) deliver to the Federal Republic of Germany one Patriot missile fire unit configured for training, to be purchased by the Federal Republic of Germany under the Arms Export Control Act as contemplated in the agreements, without regard to the requirement in section 22 of that Act for pay-

ment in advance of delivery for any purchase under that Act.

(c) **RATE CHARGED FOR CERTAIN SERVICES.**—Notwithstanding the rate required to be charged under section 21 of the Arms Export Control Act for services furnished by the United States, in the case of 14 Patriot missile fire units which the Federal Republic of Germany purchases from the United States under the Arms Export Control Act as contemplated in the European air defense agreements, the rate charged by the Secretary of Defense for packing, crating, handling, and transportation services associated with that purchase may not exceed the established Department of Defense rate for such services.

(d) **LIMITATION ON CONTRACT AUTHORITY.**—The authority of the Secretary of Defense to enter into contracts under the European air defense agreements is available only to the extent that appropriated funds, other than those made available under section 31 of the Arms Export Control Act, are available for that purpose.

(e) **RELATION TO FISCAL YEAR 1985 AUTHORIZATION.**—The authorities provided by this section are an extension of, and not in addition to, the authorities provided by section 1007 of the Department of Defense Authorization Act, 1985 (98 Stat. 2579), relating to the authority of the Secretary of Defense to carry out the European air defense agreements during fiscal year 1985.

(f) **DEFINITION OF EUROPEAN AIR DEFENSE AGREEMENTS.**—For the purposes of this section, the term "European air defense agreements" means—

(1) the agreement entitled "Agreement between the Secretary of Defense of the United States of America and the Minister of Defense of the Federal Republic of Germany on Cooperative Measures for Enhancing Air Defense for Central Europe", signed on December 6, 1983; and

(2) the agreement entitled "Agreement between the Secretary of Defense of the United States of America and the Minister of Defense of the Federal Republic of Germany in implementation of the 6 December 1983 Agreement on Cooperative Measures for Enhancing Air Defense for Central Europe", signed on July 12, 1984.

TITLE II—ECONOMIC SUPPORT FUND

SEC. 201. PURPOSES AND USES OF ESF; AUTHORIZATIONS OF APPROPRIATIONS.

SEC. 201. (a) POLICY REVISIONS AND AUTHORIZATIONS OF APPROPRIATIONS.—Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by striking out sections 531, 532, 533, 534, 536, 537, 538, 539, and 540 and inserting the following new sections after the chapter heading:

"SEC. 531. **AUTHORITY.**—(a) The Congress recognizes that, under special economic, political, or security conditions, the national interests of the United States may require economic support for countries or in amounts which could not be justified solely under chapter 1 of part I. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. To the maximum extent feasible, the President shall provide assistance under this chapter consistent with the policy directions, purposes, and programs of part I of this Act.

"(b) The Secretary of State shall be responsible for policy decisions and justifications for economic support programs under this chapter, including determinations of whether there will be an economic support program for a country and the amount of the program for each country. The Secretary

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shall exercise this responsibility in cooperation with the Administrator of the agency primarily responsible for administering part I of this Act.

"(c) As part of the annual presentation materials for foreign assistance submitted to the Congress, the agency primarily responsible for administering this part shall provide a detailed justification for the uses and the purposes of the funds provided under this chapter. Such material shall include, but not be limited to, information concerning the amounts and kinds of cash grant transfers, the amounts and kinds of budgetary and balance-of-payments support provided, and the amounts and kinds of project assistance provided with funds made available under this chapter.

"(d) To the maximum extent feasible, funds made available pursuant to this chapter for commodity import programs or other program assistance shall be used to generate local currencies, not less than 50 percent of which shall be available to support activities consistent with the objectives of sections 103 through 106 of this Act, and administered by the agency primarily responsible for administering part I of this Act.

"(e) Amounts appropriated to carry out this chapter shall be available for economic programs only and may not be used for military or paramilitary purposes.

"SEC. 532. AUTHORIZATIONS OF APPROPRIATIONS.—(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter—

"(1) \$2,015,000,000 for the fiscal year 1986 and \$2,015,000,000 for the fiscal year 1987 for the following countries signing the Camp David agreement: Israel and Egypt; and

"(2) \$1,785,000,000 for the fiscal year 1986 and \$1,785,000,000 for the fiscal year 1987 for assistance under this chapter for recipients or purposes other than the countries referred to in paragraph (1)."

"(b) Amounts appropriated to carry out this chapter are authorized to remain available until expended."

(b) EMERGENCY ASSISTANCE.—Section 535 of such Act is amended—

(1) by striking out "1982" and "1983" inserting in lieu thereof "1986" and "1987", respectively; and

(2) by redesignating that section as section 533.

SEC. 202. ASSISTANCE FOR THE MIDDLE EAST.

(a) ISRAEL.—(1) Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than \$1,200,000,000 for fiscal year 1986 and not less than \$1,200,000,000 for fiscal year 1987 shall be available only for Israel.

(2) The total amounts of funds allocated for Israel under that chapter for fiscal year 1986 and fiscal year 1987 shall be made available as a cash transfer on a grant basis. Such transfer shall be made on an expedited basis in the first 30 days of the respective fiscal year. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfer made to Israel does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

(b) EGYPT.—(1) Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than \$815,000,000 for fiscal year 1986 and not less than \$815,000,000 for fiscal year 1987 shall be available only for Egypt.

(2) All of the funds made available to Egypt under that chapter for the fiscal years 1986 and 1987 shall be provided on a grant basis.

(3) Up to \$115,000,000 of the amounts provided for Egypt for each of the fiscal years

1986 and 1987 pursuant to paragraph (1) may be provided as a cash transfer with the understanding that Egypt will undertake economic reforms or development activities which are additional to those which would be undertaken in the absence of the cash transfer.

(c) COOPERATIVE SCIENTIFIC AND TECHNOLOGICAL PROJECTS.—It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should finance, and where appropriate participate in, cooperative projects of a scientific and technological nature involving Israel and Egypt and other Middle East countries wishing to participate. These cooperative projects should include projects in the fields of agriculture, health, energy, the environment, education, water resources, and the social sciences.

SEC. 203. ASSISTANCE FOR CYPRUS.

(a) EARMARKS.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than \$15,000,000 for fiscal year 1986 and not less than \$15,000,000 for fiscal year 1987 shall be available only for Cyprus.

(b) CYPRUS PEACE AND RECONSTRUCTION FUND.—It is the sense of the Congress that, at the appropriate time, \$250,000,000 should be authorized to be appropriated to provide assistance for Cyprus under chapter 4 of part II of the Foreign Assistance Act of 1961 if the President certifies to the Congress that an agreement has been concluded by the Greek and Turkish Cypriots which is supported by Greece and Turkey and which achieves substantial progress toward settlement of the Cyprus dispute. Such an agreement should include an agreement on Varosha/Famagusta, foreign troop levels in the Republic of Cyprus, the disposition of the international airport on Cyprus, or other significant steps which are evidence of substantial progress toward an overall settlement of the Cyprus dispute.

SEC. 204. ASSISTANCE FOR PORTUGAL.

Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, \$80,000,000 for fiscal year 1986 and \$80,000,000 for fiscal year 1987 shall be available only for Portugal.

SEC. 205. ACQUISITION OF AGRICULTURAL COMMODITIES UNDER COMMODITY IMPORT PROGRAMS.

The President shall use not less than 18 percent of the funds which are authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for each of the fiscal years 1986 and 1987, and which are made available for commodity import programs, for the purchase of agricultural commodities of United States origin.

SEC. 206. TIED AID CREDIT PROGRAM.

Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated for Commodity Import Programs—

(1) not less than \$50,000,000 for fiscal year 1986, and

(2) an aggregate of not less than \$100,000,000 for both fiscal years 1986 and 1987,

shall be deposited in the fund authorized by subsection (c)(2) of section 645 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635r) and shall be used by the Agency for International Development in carrying out the program of tied aid credits for United States exports which is provided for in that section. Funds that have not been obligated pursuant to the tied aid credit program by the end of the third quarter of the fiscal year for which they were appropriated may be used for other purposes under

chapter 4 of part II of the Foreign Assistance Act of 1961 if the Administrator of the Agency for International Development certifies to the Congress that (A) no trade credit application acceptable and timely under the Trade and Development Enhancement Act of 1983 is pending, or (B) those funds are not needed for that program because other countries are not engaging in predatory financing practices in order to compete with United States exports.

SEC. 207. RESTRICTION ON USE OF FUNDS FOR NUCLEAR FACILITIES.

Funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 or fiscal year 1987 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the International Atomic Energy Agency, and pursues nonproliferation policies consistent with those of the United States.

SEC. 208. FISCAL YEAR 1985 SUPPLEMENTAL AUTHORIZATION.

(a) AUTHORIZATION.—In addition to the amount appropriated for such purpose by Public Law 98-473, there are authorized to be appropriated \$2,008,000,000 for fiscal year 1985 to carry out the purposes of chapter 4 of part II of the Foreign Assistance Act of 1961. Of this amount, \$1,500,000,000 shall be available only for Israel, \$500,000,000 shall be available only for Egypt, and \$8,000,000 shall be available only for the Middle East Regional Program. Amounts appropriated pursuant to this section are authorized to remain available until September 30, 1986.

(b) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act.

TITLE III—DEVELOPMENT ASSISTANCE

SEC. 301. DEVELOPMENT ASSISTANCE POLICY.

Section 102(b) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraphs:

"(13) United States encouragement of policy reforms is necessary if developing countries are to achieve economic growth with equity.

"(14) Development assistance should, as a fundamental objective, promote private sector activity in open and competitive markets in developing countries, recognizing such activity to be a productive and efficient means of achieving equitable and long term economic growth.

"(15) United States cooperation in development should recognize as essential the need of developing countries to have access to appropriate technology in order to improve food and water, health and housing, education and employment, and agriculture and industry.

"(16) United States assistance should focus on establishing and upgrading the institutional capacities of developing countries in order to promote long term development. An important component of institution building involves training to expand the human resource potential of people in developing countries."

SEC. 302. AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION.

Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by striking out the first sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to the President for purposes

of this section, in addition to funds otherwise available for such purposes, \$760,000,000 for fiscal year 1986 and \$760,000,000 for fiscal year 1987. Of these amounts, the President may use such amounts as he deems appropriate to carry out the provisions of section 316 of the International Security and Development Cooperation Act of 1980."

SEC. 302. POPULATION AND HEALTH

Section 104(g) of the Foreign Assistance Act of 1961 is amended to read as follows:

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

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

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

"(2) Funds appropriated under this subsection are authorized to remain available until expended."

SEC. 304. CHILD SURVIVAL FUND.

Section 104(c)(2)(B) of the Foreign Assistance Act of 1961 is amended by striking out "\$25,000,000" and inserting in lieu thereof "\$25,000,000 for fiscal year 1986 and \$25,000,000 for fiscal year 1987".

SEC. 305. PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION.

(a) POLICY AND GOAL.—Section 104(c) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(3) The Congress recognizes that the promotion of primary health care is a major objective of the foreign assistance program. The Congress further recognizes that simple, relatively low cost means already exist to reduce incidence of communicable diseases among children, mothers, and infants. The promotion of vaccines for immunization, and salts for oral rehydration, therefore, is an essential feature of the health assistance program. To this end, the Congress expects the agency primarily responsible for administering this part to set as a goal the protection of not less than 80 percent of all children, in those countries in which such agency has established development programs, from immunizable diseases by January 1, 1991."

(b) ANNUAL REPORTS.—Each annual report required by section 634 of the Foreign Assistance Act of 1961 shall describe the progress achieved during the preceding fiscal year in carrying out section 104(c)(3) of such Act.

SEC. 306. EDUCATION AND HUMAN RESOURCES DEVELOPMENT.

The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$180,000,000 for fiscal year 1986 and \$180,000,000 for fiscal year 1987, which are authorized to remain available until expended."

SEC. 307. ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES.

(a) AUTHORIZATIONS.—Section 106(e)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(e)(1) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, \$207,000,000 for fiscal year 1986 and \$207,000,000 for fiscal year 1987."

(b) COOPERATIVE DEVELOPMENT PROGRAM.—Section 106 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Of the amounts authorized to be appropriated to carry out this chapter, \$5,000,000 for fiscal year 1986 and \$5,000,000 for fiscal year 1987 shall be used to finance cooperative projects among the United States, Israel, and developing countries."

SEC. 308. PRIVATE SECTOR REVOLVING FUND.

Section 108(b) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1984, up to \$20,000,000" in the first sentence and inserting in lieu thereof "each of the fiscal years 1986 and 1987, up to \$18,000,000".

SEC. 309. PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES IN OVERSEAS DEVELOPMENT.

(a) NOTIFICATION DATE.—Section 123(e) of the Foreign Assistance Act of 1961 is amended by striking out "thirty days" in the third sentence and inserting in lieu thereof "one year".

(b) EARMARKING FOR PVOs.—Section 123(f) of such Act is amended—

(1) by striking out "1982, 1983, and 1984" and inserting in lieu thereof "1986 through 1989";

(2) by striking out "twelve" and inserting in lieu thereof "thirteen and one half"; and

(3) by adding at the end thereof the following new sentence: "Funds made available under chapter 4 of part II of this Act for the activities of private and voluntary organizations may be considered in determining compliance with the requirements of this subsection."

SEC. 310. PROMOTION OF DEMOCRATIC COOPERATIVES.

Section 123 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(h) The Congress recognizes that, in addition to their role in social and economic development, cooperatives provide an opportunity for people to participate directly in democratic decisionmaking. Therefore, assistance under this chapter shall be provided to rural and urban cooperatives which offer large numbers of low- and middle-income people in developing countries an opportunity to participate directly in democratic decisionmaking. Such assistance shall be designed to encourage the adoption of self-help, private sector cooperative techniques and practices which have been successful in the United States."

SEC. 311. USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS, COOPERATIVES, AND THE PRIVATE SECTOR.

(a) STUDY.—The Administrator of the Agency for International Development shall undertake a comprehensive study of additional ways to provide development assistance through nongovernmental organizations, including United States and indigenous private and voluntary organizations, cooperatives, the business community, and other private entities. Such study shall include—

(1) an analysis of the percentage of development assistance allocated to governmental and nongovernmental programs;

(2) an analysis of structural impediments, within both the United States and foreign governments, to additional use of nongovernmental programs; and

(3) an analysis of the comparative economic benefits of governmental and nongovernmental programs.

(b) REPORT.—The Administrator shall report the results of this study to the Congress no later than September 30, 1986.

SEC. 312. TARGETED ASSISTANCE.

(a) REQUIREMENTS.—Section 128 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 128. TARGETED ASSISTANCE.—(a) The President shall use poverty measurement

standards, such as those developed by the International Bank for Reconstruction and Development, and other appropriate measurements in determining target populations for United States development assistance, and shall strengthen United States efforts to assure that a substantial percentage of development assistance under this chapter directly improves the lives of the poor majority with special emphasis on those individuals living in absolute poverty.

"(b) To the maximum extent possible, activities under this chapter that attempt to increase the institutional capabilities of private organizations or governments, or that attempt to stimulate scientific and technological research, shall be designed and monitored to ensure that the ultimate beneficiaries of these activities are the poor majority."

(b) ANNUAL REPORTS.—Section 634(a)(1)(B) of such Act is amended by inserting immediately before the semicolon the following: "such assessment to include an evaluation of the extent to which programs under chapter 1 of part I directly benefit the poor majority."

SEC. 313. HOUSING AND OTHER GUARANTY PROGRAMS.

(a) INCREASING AUTHORIZED HIG PROGRAM LEVEL.—Section 222(a) of the Foreign Assistance Act of 1961 is amended by striking out "\$1,956,000,000" in the second sentence and inserting in lieu thereof "\$2,158,000,000".

(b) EXTENDING HIG PROGRAM AUTHORITY.—Such section is further amended by striking out "1986" in the third sentence and inserting in lieu thereof "1988".

(c) MINIMUM ANNUAL HIG PROGRAM LEVELS.—Section 222 of such Act is amended by adding at the end thereof the following:

"(k) The total principal amount of guaranties issued under this section for each of the fiscal years 1986 and 1987 shall be comparable to the total principal amount of such guaranties issued for fiscal year 1984, subject to the dollar limitations on the issuance of guaranties under this section which are contained in subsection (a) and in appropriation Acts."

(d) AGRICULTURAL AND PRODUCTIVE CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROGRAMS.—Section 222A(h) of such Act is amended by striking out "1986" and inserting in lieu thereof "1988".

SEC. 314. TRADE CREDIT INSURANCE PROGRAM.

Section 224(e) of the Foreign Assistance Act of 1961 is amended by striking out "not to exceed \$300,000,000 in the fiscal year 1985" and inserting in lieu thereof "except that the aggregate amount of outstanding commitments under subsection (a) may not exceed \$300,000,000 of contingent liability for loan principal during fiscal year 1986 and may not exceed \$400,000,000 of contingent liability for loan principal during fiscal year 1987".

SEC. 315. MINORITY SET-ASIDE.

Except to the extent that the Administrator of the Agency for International Development determines otherwise, not less than 10 percent of the aggregate of the funds made available for each of the fiscal year 1986 and 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be made available only for activities of economically and socially disadvantaged enterprises (within the meaning of section 133(c)(5) of the International Development and Food Assistance Act of 1977), historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically and socially disadvantaged (within the meaning of section

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133(c)(5)(B) and (C) of the International Development and Food Assistance Act of 1977). For purposes of this section, economically and socially disadvantaged individuals shall be deemed to include women.

TITLE IV—OTHER FOREIGN ASSISTANCE PROGRAMS

SEC. 401. AMERICAN SCHOOLS AND HOSPITALS ABROAD.

Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(c)(1) To carry out the purposes of this section, there are authorized to be appropriated to the President \$35,000,000 for fiscal year 1986 and \$35,000,000 for fiscal year 1987.

"(2) Amounts appropriated under paragraph (1) are authorized to remain available until expended."

SEC. 402. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS.

(a) **AUTHORIZATIONS AND EARMARKINGS.**—Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President \$270,000,000 for fiscal year 1986 and \$270,000,000 for fiscal year 1987 for grants to carry out the purposes of this chapter, in addition to funds available under other Acts for such purposes. Of the amount appropriated for each of the fiscal years 1986 and 1987 pursuant to these authorizations—

"(A) 59.65 percent shall be for the United Nations Development Program;

"(B) 19.30 percent shall be for the United Nations Children's Fund;

"(C) 7.20 percent shall be for the International Atomic Energy Agency, except that these funds may be contributed to that Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency;

"(D) 5.44 percent shall be for Organization of American States development assistance programs;

"(E) 3.51 percent shall be for the United Nations Environment Program;

"(F) 0.70 percent shall be for the World Meteorological Organization;

"(G) 0.70 percent shall be for the United Nations Capital Development Fund;

"(H) 0.35 percent shall be for the United Nations Education and Training Program for Southern Africa;

"(I) 0.18 percent shall be for the United Nations Voluntary Fund for the Decade for Women;

"(J) 0.07 percent shall be for the Convention on International Trade in Endangered Species;

"(K) 0.70 percent shall be for the World Food Program;

"(L) 0.18 percent shall be for the United Nations Institute for Namibia;

"(M) 0.12 percent shall be for the United Nations Trust Fund for South Africa;

"(N) 0.04 percent shall be for the United Nations Voluntary Fund for Victims of Torture;

"(O) 0.07 percent shall be for the United Nations Industrial Development Organization;

"(P) 0.55 percent shall be for the United Nations Development Program Trust Fund to Combat Poverty and Hunger in Africa;

"(Q) 0.97 percent shall be for contributions to international conventions and scientific organizations;

"(R) 0.18 percent for the United Nations Centre on Human Settlements (Habitat); and

"(S) 0.09 percent shall for the World Heritage Fund."

(b) **FISCAL YEAR 1985 CONTRIBUTION TO UNITED NATIONS ENVIRONMENT PROGRAM.**—

Notwithstanding section 614 of the Foreign Assistance Act of 1961 or any other provision of law, \$10,000,000 of the funds appropriated for the fiscal year 1985 to carry out chapter 3 of part I of such Act shall be available only for the United Nations Environment Program. This subsection shall take effect on the date of enactment of this Act.

SEC. 403. WITHHOLDING OF UNITED STATES PROPORTIONATE SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS.

Chapter 3 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 307. WITHHOLDING OF UNITED STATES PROPORTIONATE SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS.—(a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this chapter shall be available for the United States proportionate share for programs for the South-West Africa People's Organization, Libya, Iran, Cuba, or the Palestine Liberation Organization or for projects whose purpose is to provide benefits to the Palestine Liberation Organization or entities associated with it.

"(b) The Secretary of State—

"(1) shall review, at least annually, the budgets and accounts of all international organizations receiving payments of any funds authorized to be appropriated by this chapter; and

"(2) shall report to the appropriate committees of the Congress the amounts of funds expended by each such organization for the purposes described in subsection (a) and the amount contributed by the United States to each such organization."

SEC. 404. INTERNATIONAL DISASTER ASSISTANCE.

The first sentence of section 492(a) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President to carry out section 491, \$25,000,000 for fiscal year 1986 and \$25,000,000 for fiscal year 1987."

SEC. 405. TRADE AND DEVELOPMENT PROGRAM.

The first sentence of section 661(b) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, \$20,000,000 for fiscal year 1986 and \$20,000,000 for fiscal year 1987."

SEC. 406. OPERATING EXPENSES.

Section 667(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) \$387,000,000 for fiscal year 1986 and \$387,000,000 for fiscal year 1987 for necessary operating expenses of the agency primarily responsible for administering part I of this Act; and"

TITLE V—INTERNATIONAL TERRORISM AND FOREIGN AIRPORT SECURITY

Part A—International Terrorism Generally

SEC. 501. ANTI-TERRORISM ASSISTANCE PROGRAM.

(a) **AUTHORIZATIONS.**—Section 575 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 575. AUTHORIZATIONS OF APPROPRIATIONS.—(a) There are authorized to be appropriated to the President to carry out this chapter \$9,840,000 for fiscal year 1986 and \$9,840,000 for fiscal year 1987.

"(b) Amounts appropriated under this section are authorized to remain available until expended."

(b) **ITEMS ON THE MUNITIONS LIST.**—Section 573(d)(4) of such Act is amended to read as follows:

"(4)(A) Except as provided in subparagraph (B), articles on the United States Munitions List established pursuant to the

Arms Export Control Act may not be made available under this chapter.

"(B) For fiscal years 1986 and 1987, articles on the United States Munitions List may be made available under this chapter if—

"(i) they are small arms in category I (relating to firearms), ammunition in category III (relating to ammunition) for small arms in category I, or articles in category X (relating to protective personnel equipment), and they are directly related to anti-terrorism training being provided under this chapter;

"(ii) the recipient country is not prohibited by law from receiving assistance under one or more of the following provisions: chapter 2 of this part, chapter 5 of this part, or the Arms Export Control Act; and

"(iii) at least 15 days before the articles are made available to the foreign country, the President notifies the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate of the proposed transfer, in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

"(C) The value (in terms of original acquisition cost) of all equipment and commodities provided under subsection (a) of this section, including articles described in subparagraph (B)(i) of this paragraph, may not exceed \$325,000 in fiscal year 1986 or \$325,000 in fiscal year 1987."

(c) **RESTRICTION.**—Section 573 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Funds made available to carry out this chapter may not be used for personnel compensation or benefits."

(d) **EXPIRATION OF AUTHORITY.**—Section 577 of such Act is repealed.

SEC. 502. COORDINATION OF ALL UNITED STATES ANTI-TERRORISM ASSISTANCE TO FOREIGN COUNTRIES.

(a) **COORDINATION.**—The Secretary of State shall be responsible for coordinating all anti-terrorism assistance to foreign countries provided by the United States Government.

(b) **REPORTS.**—Not later than February 1 each year, the Secretary of State, in consultation with appropriate United States Government agencies, shall report to the appropriate committees of the Congress on the anti-terrorism assistance provided by the United States Government during the preceding fiscal year. Such reports may be provided on a classified basis to the extent necessary, and shall specify the amount and nature of the assistance provided.

SEC. 503. PROHIBITION ON ASSISTANCE TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

(a) **PROHIBITION.**—Section 620A of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 620A. PROHIBITION ON ASSISTANCE TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—(a) The United States shall not provide any assistance under this Act, the Agricultural Trade Development and Assistance Act of 1954, the Peace Corps Act, or the Arms Export Control Act, to any country which the President determines—

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

"(2) otherwise supports international terrorism.

"(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least

15 days before the waiver takes effect, shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate of the waiver (including the justification for the waiver) in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

"(c) If sanctions are imposed on a country pursuant to subsection (a) because of its support for international terrorism, the President should call upon other countries to impose similar sanctions on that country."

(b) CONFORMING AMENDMENT.—Section 3(f) of the Arms Export Control Act is amended by striking out "; credits, and guaranties" and "; credits, or guaranties" each place they appear.

SEC. 504. PROHIBITION ON IMPORTS FROM AND EXPORTS TO LIBYA.

(a) PROHIBITION ON IMPORTS.—Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya from being imported into the United States.

(b) PROHIBITION ON EXPORTS.—Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from being exported to Libya.

(c) DEFINITION.—For purposes of this section, the term "United States", when used in a geographical sense, includes territories and possessions of the United States.

SEC. 505. BAN ON IMPORTING GOODS AND SERVICES FROM COUNTRIES SUPPORTING TERRORISM.

(a) AUTHORITY.—The President may ban the importation into the United States of any good or service from any country which supports terrorism or terrorist organizations or harbors terrorists or terrorist organizations.

(b) CONSULTATION.—The President, in every possible instance, shall consult with the Congress before exercising the authority granted by this section and shall consult regularly with the Congress so long as that authority is being exercised.

(c) REPORTS.—Whenever the President exercises the authority granted by this section, he shall immediately transmit to the Congress a report specifying—

(1) the country with respect to which the authority is to be exercised and the imports to be prohibited;

(2) the circumstances which necessitate the exercise of such authority;

(3) why the President believes those circumstances justify the exercise of such authority; and

(4) why the President believes the prohibitions are necessary to deal with those circumstances.

At least once during each succeeding 6-month period after transmitting a report pursuant to this subsection, the President shall report to the Congress with respect to the actions taken, since the last such report, pursuant to this section and with respect to any changes which have occurred concerning any information previously furnished pursuant to this subsection.

(d) DEFINITION.—For purposes of this section, the term "United States" includes territories and possessions of the United States.

SEC. 506. INTERNATIONAL ANTI-TERRORISM COMMITTEE.

The Congress calls upon the President to seek the establishment of an international committee, to be known as the International Anti-Terrorism Committee, consisting of

representatives of the member countries of the North Atlantic Treaty Organization, Japan, and such other countries as may be invited and may chose to participate. The purpose of the Committee should be to focus the attention and secure the cooperation of the governments and the public of the participating countries and of other countries on the problems and responses to international terrorism, by serving as a forum at both the political and law enforcement levels.

SEC. 507. INTERNATIONAL TERRORISM CONTROL TREATY.

It is the sense of the Congress that the President should establish a process by which democratic and open societies of the world, which are those most plagued by terrorism, negotiate a viable treaty to effectively prevent and respond to terrorist attacks. Such a treaty should incorporate an operative definition of terrorism, and should establish effective close intelligence-sharing, joint counterterrorist training, and uniform laws on asylum, extradition, and swift punishment for perpetrators of terrorism. Parties to such a treaty should include, but not be limited to, those democratic nations who are most victimized by terrorism.

SEC. 508. STATE TERRORISM.

It is the sense of the Congress that all civilized nations should firmly condemn the increasing use of terrorism by certain states as an official instrument for promoting their policy goals, as evidenced by such examples as the brutal assassination of Major Arthur D. Nicholson, Junior, by a member of the Soviet armed forces.

Part B—Foreign Airport Security

SEC. 551. SECURITY STANDARDS FOR FOREIGN AIR TRANSPORTATION.

(a) SECURITY AT FOREIGN AIRPORTS.—Section 1115 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1515) is amended to read as follows:

"SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION

"ASSESSMENT OF SECURITY MEASURES

"SEC. 1115. (a)(1) The Secretary of Transportation shall conduct at such intervals as the Secretary shall deem necessary an assessment of the effectiveness of the security measures maintained at those foreign airports being served by air carriers, those foreign airports from which foreign air carriers serve the United States, those foreign airports which pose a high risk of introducing danger to international air travel, and at such other foreign airports as the Secretary may deem appropriate.

"(2) Each such assessment shall be made by the Secretary of Transportation in consultation with the appropriate aeronautic authorities of the foreign government concerned and each air carrier serving the foreign airport at which the Secretary is conducting such assessment.

"(3) The assessment shall determine the extent to which an airport effectively maintains and administers security measures. In making an assessment of any airport under this subsection, the Secretary shall use a standard which will result in an analysis of the security measures at such airport based upon, at a minimum, the standards and appropriate recommended practices contained in Annex 17 to the Convention on International Civil Aviation, as those standards and recommended practices are in effect on the date of such assessment.

"CONSULTATION WITH THE SECRETARY OF STATE

"(b) In carrying out subsection (a), the Secretary of Transportation shall consult the Secretary of State with respect to the terrorist threat which exists in each country. The Secretary of Transportation shall also

consult with the Secretary of State in order to determine which foreign airports are not under the de facto control of the government of the country in which they are located and pose a high risk of introducing danger to international air travel.

"REPORT OF ASSESSMENTS

"(c) Each report to the Congress required by section 315 of this Act shall contain a summary of the assessments conducted pursuant to subsection (a).

"NOTIFICATION TO FOREIGN COUNTRY OF DETERMINATION

"(d) Whenever, after an assessment in accordance with subsection (a), the Secretary of Transportation determines that an airport does not maintain and administer effective security measures, the Secretary (after advising the Secretary of State) shall notify the appropriate authorities of such foreign government of such determination, and recommend the steps necessary to bring the security measures in use at that airport up to the standard used by the Secretary in making such assessment.

"NOTICE AND SANCTIONS

"(e)(1) Paragraph (2) of this subsection shall become effective—

"(A) 90 days after notification to the foreign government pursuant to subsection (d), if the Secretary of Transportation finds that the foreign government has failed to bring the security measures at the identified airport up to the standard used by the Secretary in making an assessment of such airport under subsection (a); or

"(B) immediately upon the Secretary of Transportation's determination under subsection (d) if the Secretary of Transportation determines, after consultation with the Secretary of State, that a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from such airport.

The Secretary of Transportation shall immediately notify the Secretary of State of any determination made pursuant to subparagraph (B) so that the Secretary of State may comply with the requirement of section 552(a) of the International Security and Development Cooperation Act of 1985 that a travel advisory be issued.

"(2) Subject to paragraph (1), if the Secretary of Transportation determines pursuant to this section that an airport does not maintain and administer effective security measures—

"(A) the Secretary of Transportation—

"(i) shall publish the identity of such airport in the Federal Register,

"(ii) shall cause the identity of such airport to be posted and prominently displayed at all United States airports regularly being served by scheduled air carrier operations, and

"(iii) shall notify the news media of the identity of such airport;

"(B) each air carrier and foreign air carrier providing service between the United States and such airport shall provide notice of such determination by the Secretary to any passenger purchasing a ticket for transportation between the United States and such airport, with such notice to be made by written material included on or with such ticket;

"(C) the Secretary of Transportation, after consultation with the appropriate aeronautical authorities of the foreign government concerned and each air carrier serving such airport, may, notwithstanding section 1102 of this Act and with the approval of the Secretary of State, withhold, revoke, or impose conditions on the operating authority of any air carrier or foreign air carrier to

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under in foreign air transportation utilizing such airport, and

(d) The President may prohibit air carriers and foreign air carriers from providing service between the United States and any other foreign airport which is directly or indirectly served by aircraft flying to or from the airport with respect to which the determination is made under this section.

(e) The Secretary of Transportation shall promptly submit to the Congress a report (with a classified annex if necessary) on any action taken under this subsection, setting forth information concerning the attempts made to secure the cooperation of the foreign government in meeting the standard used by the Secretary in making the assessment of the airport under subsection (a).

"LIFTING OF SANCTIONS"

(1) The sanctions required to be imposed with respect to an airport pursuant to subsection (e)(2) (A) and (B) may be lifted only if the Secretary of Transportation, in consultation with the Secretary of State, has determined that effective security measures are maintained and administered at that airport.

(2) The Congress shall be notified if any sanction imposed pursuant subsection (e) is lifted.

"AUTHORITY FOR IMMEDIATE SUSPENSION OF AIR SERVICE"

(p) Notwithstanding sections 1102 and 1114 of this Act, whenever the Secretary of Transportation determines that—

(1) a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from a foreign airport, and

(2) the public interest requires an immediate suspension of services between the United States and the identified airport, the Secretary of Transportation shall, without notice or hearing and with the approval of the Secretary of State, suspend the right of any air carrier or foreign air carrier to engage in foreign air transportation to or from that foreign airport and the right of any person to operate aircraft in foreign air commerce to or from that foreign airport.

"CONDITIONS OF AUTHORITY"

(h) The provisions of this section shall be deemed to be a condition to any authority granted under title IV or title VI of this Act to any air carrier or any foreign air carrier, issued under authority vested in the Secretary of Transportation.

(b) CONFORMING AMENDMENTS.—

(1) INFORMATION IN SEMIANNUAL REPORTS.—Section 315(a) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1356(a)) is amended by adding at the end thereof the following new sentence: "Each semiannual report submitted by the Administrator pursuant to the preceding sentence shall include the information described in section 1115(c) of this Act."

(2) CIVIL PENALTIES.—Section 901(a)(1) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1471(a)(1)) is amended by inserting "or 1115(e)(2)(B)" after "1114".

(3) TABLE OF CONTENTS.—That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading

"TITLE XI—MISCELLANEOUS"

is amended by striking out

"Sec. 1115. Security standards in foreign air transportation."

and inserting in lieu thereof

"Sec. 1115. Security standards in foreign air transportation.

"(a) Assessment of security measures.

"(b) Consultation with the Secretary of State.

"(c) Report of assessments.

"(d) Notification to foreign country of de-termination.

"(e) Notice and sanctions.

"(f) Lifting of sanctions.

"(g) Authority for immediate suspension of air service.

"(h) Conditions of authority."

(c) CLOSING OF BEIRUT INTERNATIONAL AIRPORT.—It is the sense of the Congress that the President is urged and encouraged to take all appropriate steps to carry forward his announced policy of seeking the effective closing of the international airport in Beirut, Lebanon, at least until such time as the Government of Lebanon has instituted measures and procedures designed to prevent the use of that airport by aircraft hijackers and other terrorists in attacking civilian airlines or their passengers, hijacking their aircraft, or taking or holding their passengers hostage.

SEC. 552. TRAVEL ADVISORY AND SUSPENSION OF FOREIGN ASSISTANCE.

(a) TRAVEL ADVISORY.—Upon being notified by the Secretary of Transportation that the Secretary has determined, pursuant to subsection (e)(1)(B) of section 1115 of the Federal Aviation Act of 1958 that a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from a foreign airport which the Secretary of Transportation has determined pursuant to that section to be an airport which does not maintain and administer effective security measures, the Secretary of State shall immediately issue a travel advisory with respect to that airport. Any travel advisory issued pursuant to this subsection shall be published in the Federal Register. The Secretary of State shall take the necessary steps to widely publicize that travel advisory.

(b) SUSPENSION OF FOREIGN ASSISTANCE.—The President shall suspend all assistance under the Foreign Assistance Act of 1961 or the Arms Export Control Act to any country in which is located an airport with respect to which section 1115(e)(2) of the Federal Aviation Act of 1958 becomes effective if the Secretary of State determines that such country is a high terrorist threat country. The President may waive the requirements of this subsection if the President determines and reports to the Congress that national security interests or a humanitarian emergency require such waiver.

(c) LIFTING SANCTIONS.—The sanctions required to be imposed pursuant to this section may be lifted only if, pursuant to section 1115(f) of the Federal Aviation Act of 1958, the Secretary of Transportation, in consultation with the Secretary of State, has determined that effective security measures are maintained and administered at the airport with respect to which the Secretary of Transportation had made the determination described in section 1115 of that Act.

(d) NOTIFICATION TO CONGRESS.—The Congress shall be notified if any sanction imposed pursuant to this section is lifted.

SEC. 553. UNITED STATES AIRMARSHAL PROGRAM.

(a) STUDY OF NEED FOR EXPANSION OF PROGRAM.—The Secretary of Transportation, in coordination with the Secretary of State, shall study the need for an expanded air-marshal program on international flights of United States air carriers. The Secretary of Transportation shall report the results of this study to the Congress within 6 months after the date of enactment of this Act.

(b) AUTHORITY TO CARRY FIREARMS AND MAKE ARRESTS.—The Secretary of Transportation, with the approval of the Attorney General and the Secretary of State, may authorize persons, in connection with the performance of their air transportation security duties, to carry firearms and to make ar-

rests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States, if they have reasonable grounds to believe that the person to be arrested has committed or is committing a felony.

SEC. 554. ENFORCEMENT OF INTERNATIONAL CIVIL AVIATION ORGANIZATION STANDARDS.

The Secretary of State and the Secretary of Transportation jointly, shall call on the member countries of the International Civil Aviation Organization to enforce that Organization's existing standards and to support United States actions enforcing such standards.

SEC. 555. INTERNATIONAL CIVIL AVIATION BOYCOTT OF COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

It is the sense of the Congress that the President—

(1) should call for an international civil aviation boycott with respect to those countries which the President determines—

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

(B) otherwise support international terrorism; and

(2) should take steps, both bilateral and multilateral, to achieve a total international civil aviation boycott with respect to those countries.

SEC. 556. MULTILATERAL AND BILATERAL AGREEMENTS WITH RESPECT TO AIRCRAFT SABOTAGE, AIRCRAFT HIJACKING, AND AIRPORT SECURITY.

The Secretary of State shall seek multilateral and bilateral agreement on strengthening enforcement measures and standards for compliance with respect to aircraft sabotage, aircraft hijacking, and airport security.

SEC. 557. RESEARCH ON AIRPORT SECURITY TECHNIQUES FOR DETECTING EXPLOSIVES.

In order to improve security at international airports, there are authorized to be appropriated to the Secretary of Transportation from the Airport and Airway Trust Fund (in addition to amounts otherwise available for such purpose) \$5,000,000, without fiscal year limitation, to be used for research on and the development of airport security devices or techniques for detecting explosives.

SEC. 558. HIJACKING OF TWA FLIGHT 847 AND OTHER ACTS OF TERRORISM.

The Congress joins with all Americans in celebrating the release of the hostages taken from Trans World Airlines flight 847. It is the sense of the Congress that—

(1) purser Uli Derickson, pilot John Teslake, co-pilot Philip Maresca, flight engineer Benjamin Zimmermann, and the rest of the crew of Trans World Airlines flight 847 displayed extraordinary valor and heroism during the hostages' ordeal and therefore should be commended;

(2) the hijackers who murdered United States Navy Petty Officer Stethem should be immediately brought to justice;

(3) all diplomatic means should continue to be employed to obtain the release of the 7 United States citizens previously kidnapped and still held in Lebanon;

(4) acts of international terrorism should be universally condemned; and

(5) the Secretary of State should be supported in his efforts to gain international cooperation to prevent future acts of terrorism.

SEC. 559. EFFECTIVE DATE.

This part shall take effect on the date of enactment of this Act.

TITLE VI—INTERNATIONAL NARCOTICS CONTROL

SEC. 601. SHORT TITLE.

This title may be cited as the "International Narcotics Control Act of 1985".

SEC. 602. AUTHORIZATIONS FOR INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

Subsection (a)(1) of section 482 of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President \$57,529,000 for fiscal year 1986 and \$57,529,000 for fiscal year 1987."

SEC. 603. DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION.

Section 126(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "and under chapter 4 of part II" immediately after "this chapter"; and

(2) by inserting "(1)" after "(b)" and by adding at the end thereof the following new paragraph:

"(2) The agency primarily responsible for administering this part may utilize resources for activities aimed at increasing awareness of the effects of production and trafficking of illicit narcotics on source and transit countries."

SEC. 604. REPORTS ON INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

Section 481(b) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(b)(1) Not later than 45 days after the end of each calendar quarter, 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 basis, of funds under this chapter prior to the end of that quarter. The last such report for each fiscal year shall include the aggregate obligations and expenditures made, and the types and quantity of equipment provided, on a calendar quarter basis, prior to end of that fiscal year—

"(A) 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 the United States personnel engaged in carrying out such purposes in each such country and with each such international organization;

"(B) 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

"(C) 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.

"(2) Not later than August 1 of each year, 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 midyear report on the activities and operations carried out under this chapter prior to such date. Such midyear report shall include, but not be limited to, the status of each agreement concluded prior to such date with other countries to carry out the purposes of this chapter."

SEC. 605. EXEMPTION FROM BAN ON INVOLVEMENT OF UNITED STATES PERSONNEL IN ARREST ACTIONS IN NARCOTICS CONTROL EFFORTS ABROAD.

Section 481(c) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(2) Paragraph (1) of this subsection shall not prohibit officers and employees of the

United States from being present during direct police arrest actions with respect to narcotic control efforts in a foreign country to the extent that the Secretary of State and the government of that country agree to such an exemption. The Secretary of State shall report any such agreement to the Congress before the agreement takes effect."

SEC. 606. ANNUAL REPORTS ON INVOLVEMENT OF FOREIGN COUNTRIES IN ILLICIT DRUG TRAFFIC.

Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(6) Each report pursuant to this subsection shall describe the involvement of any foreign government (including any communist government) in illicit drug trafficking during the preceding fiscal year, including—

"(A) the direct or indirect involvement of such government (or any official thereof) in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, and

"(B) any other activities of such government (or any official thereof) which have facilitated illicit drug trafficking."

SEC. 607. PROCUREMENT OF WEAPONS TO DEFEND AIRCRAFT INVOLVED IN NARCOTICS CONTROL EFFORTS.

Of the funds available to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), \$1,000,000 for each of the fiscal years 1986 and 1987 shall be made available to arm, for defensive purposes, aircraft used in narcotic control eradication or interdiction efforts. The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate shall be notified of the use of any such funds for that purpose at least 15 days in advance in accordance with the reprogramming procedures applicable under section 634A of the Foreign Assistance Act of 1961.

SEC. 608. REQUIREMENT FOR COST-SHARING IN INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAMS.

Section 482 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(d) Assistance may be provided under this chapter to a foreign country only if the country provides assurances to the President, and the President is satisfied, that the country will provide at least 25 percent of the costs of any narcotics control program, project, or activity for which such assistance is to be provided. The costs borne by the country may include 'in-kind' contributions."

SEC. 609. PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS.

Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 483. PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS.—Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated."

SEC. 610. ASSISTANCE FOR JAMAICA.

In allocating assistance for Jamaica for fiscal year 1986 under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), the President shall give major consideration to whether the Government of Jamaica has prepared, presented, and committed itself to a comprehensive plan or strategy for the control and reduction of illicit cultivation, production, processing, transportation, and distribution of marijuana within a specifically stated period of time.

SEC. 611. ASSISTANCE FOR BOLIVIA.

Assistance may be provided to Bolivia for fiscal years 1986 and 1987 under chapter 2 (relating to grant military assistance), chapter 4 (relating to the economic support fund), and chapter 5 (relating to international military education and training) of part II of the Foreign Assistance Act of 1961, and under chapter 2 of the Arms Export Control Act (relating to foreign military sales financing), only under the following conditions:

(1) For fiscal year 1986—

(A) up to 50 percent of the aggregate amount of such assistance allocated for Bolivia may be provided at any time after the President certifies to the Congress that the Government of Bolivia has enacted legislation that will establish its legal coca requirements, provide for the licensing of the number of hectares necessary to produce the legal requirement, and make unlicensed coca production illegal; and

(B) the remaining amount of such assistance may be provided at any time following a certification pursuant to subparagraph (A) if the President certifies to the Congress that the Government of Bolivia achieved the eradication targets for the calendar year 1985 contained in its 1983 narcotics agreements with the United States.

(2) For fiscal year 1987, such assistance may not be provided unless the President certifies to the Congress that the Government of Bolivia has developed a plan to eliminate illicit narcotics production countrywide and is prepared to enter into an agreement with the United States to implement that plan. If that certification is made, then—

(A) up to 50 percent of the aggregate amount of such assistance allocated for Bolivia may be provided at any time after the President certifies to the Congress that the Government of Bolivia has achieved at least half of the eradication target for the calendar year 1986 agreed to by the United States and the Government of Bolivia; and

(B) the remaining amount of such assistance may be provided at any time after the President certifies to the Congress that the Government of Bolivia fully achieved that eradication target.

SEC. 612. ASSISTANCE TO PERU.

(a) **CONDITIONS ON ASSISTANCE.**—United States assistance (as defined by section 481(i)(4) of the Foreign Assistance Act of 1961) may be provided for Peru—

(1) for fiscal year 1986, only if the President reports to the Congress that the Government of Peru has demonstrated substantial progress in developing a plan that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirement, and eliminate illicit and unlicensed coca production; and

(2) for fiscal year 1987, only if the the President reports to the Congress that the Government of Peru has developed such a plan and is implementing it.

(b) **UPPER HUALLAGA VALLEY PROJECT.**—Funds authorized to be appropriated for fiscal year 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) may be made available for the project of the Agency for International Development in the Upper Huallaga Valley of Peru only if the Administrator of that Agency, after consultation with the Congress, determines that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley. The assistance for Peru described in this subsection may be provided only if the

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report required by subsection (a)(2) has been submitted to the Congress.

SEC. 612. REALLOCATION OF FUNDS IF CONDITIONS NOT MET.

If any of the assistance described in section 611 is not provided for Bolivia because the conditions specified in that section are not met, or if any of the assistance described in sections 612(a) is not provided for Peru because the conditions specified in that section are not met, the President shall reprogram such assistance in order to provide additional assistance to countries which have taken significant steps to halt illicit drug production or trafficking.

SEC. 614. CONDITIONS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL.

Section 482(a) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(3) Funds authorized to be appropriated by this section for fiscal year 1986 and for fiscal year 1987 may be used for a contribution to the United Nations Fund for Drug Abuse Control only if that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country."

SEC. 615. LATIN AMERICAN REGIONAL NARCOTICS CONTROL ORGANIZATION.

(a) **FEASIBILITY STUDY.**—The Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall conduct a study of the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information-sharing and a regional enforcement unit.

(b) **REPORT.**—No later than six months after the date of enactment of this Act, a report on the advisability of encouraging the establishment of such an organization shall be submitted to the Committee on Foreign Affairs and the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations and the Committee on the Judiciary of the Senate.

SEC. 616. GREATER EFFORT BY UNITED STATES ARMED FORCES TO SUPPORT NARCOTICS CONTROL EFFORTS ABROAD.

No later than 60 days after the date of enactment of this Act, the President shall report to the Congress on why the United States Armed Forces should not exert greater effort in facilitating and supporting interception of narcotics traffickers, and in gathering narcotics-related intelligence, outside the United States.

SEC. 617. CUBAN DRUG TRAFFICKING.

(a) **FINDINGS.**—The Congress finds that—

(1) the subject of the flow, use, and control of narcotic and psychotropic substances is a matter of great international importance;

(2) the problem of drug abuse and drug trafficking continues to worsen throughout most parts of the world;

(3) the concerns of the governments of many countries have become manifest in several bilateral and multilateral narcotics control projects;

(4) United Nations agencies monitor and apply controls on the flow and use of drugs and coordinate multilateral efforts to control production, trafficking, and abuse of drugs;

(5) the United Nations Fund for Drug Abuse Control funds narcotics projects throughout the world and has been a vehicle since 1971 for multilateral implementation of narcotics control and reduction programs;

(6) the International Narcotics Control Board is charged with monitoring compliance with the Single Convention on Narcotic Drugs, 1954, and the Convention on Psy-

chotropic Substances, and Cuba is a party to both Conventions;

(7) the United Nations Commission on Narcotic Drugs is responsible for formulating policies, coordinating activities, supervising the implementation of international conventions, and making recommendations to governments for international drug control;

(8) the promotion of drug abuse and participation in drug trafficking is universally considered egregious criminal behavior wherever it occurs, whether it occurs locally, nationally, or internationally;

(9) a Federal grand jury of the United States has indicted four prominent Cuban officials on charges of conspiring to smuggle drugs into the United States;

(10) United States Government officials have testified at several congressional hearings that the Government of Cuba is facilitating the flow of illicit drugs into the United States in order to obtain hard currency, support guerrilla/terrorist activities, and undermine United States society; and

(11) such alleged conduct on the part of the Government of Cuba would be injurious to the world community and counter to the general principle of international law that no country has the right to use or permit the use of its territory in such a manner as to injure another country or persons therein.

(b) **RECOMMENDED ACTIONS.**—It is the sense of the Congress that the President should—

(1) acting through the Permanent Representative of the United States to the United Nations, take such steps as may be necessary to place the question of the involvement by the Government of Cuba in illicit drug trafficking on the agenda of the United Nations;

(2) acting through the Representative of the United States to the Organization of American States, request the Organization of American States to consider this question as soon as possible; and

(3) request other appropriate international organizations and international forums to consider this question.

(c) **REPORT.**—The President shall report to the Congress on the actions taken pursuant to this section.

SEC. 618. PROHIBITION ON ASSISTANCE TO COUNTRIES WHICH DO NOT TAKE ADEQUATE STEPS TO HALT DRUG TRAFFICKING.

Section 481(h) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(4) In addition to the requirements applicable to major illicit drug producing countries pursuant to paragraph (1), the President shall not provide any assistance under this Act or the Arms Export Control Act to any other country which the President determines has not taken adequate steps to prevent—

"(A) the processing (in whole or in part) in such country of narcotic and psychotropic drugs or other controlled substances,

"(B) the transportation through such country of narcotic and psychotropic drugs or other controlled substances, and

"(C) the use of such country as a refuge for illegal drug traffickers."

SEC. 619. DRUG TRAFFICKING AND THE PROBLEM OF TOTAL CONFIDENTIALITY OF CERTAIN FOREIGN BANK ACCOUNTS.

(a) **FINDINGS.**—The Congress finds that—

(1) several banks in Latin America and the Caribbean are used by narcotics traffickers as depositories for money obtained in providing illicit drugs to the United States and other countries of the region;

(2) offshore banks which provide total confidentiality provide a service which materially assists the operations of illicit drug traffickers; and

(3) cooperation in gaining access to the bank accounts of such narcotics traffickers

would materially assist United States authorities in controlling the activities of such traffickers.

(b) **POLICY.**—The Congress—

(1) requests the President to negotiate treaties or appropriate international agreements with all countries providing confidential banking services (giving high priority to countries in the Caribbean region) to provide disclosure to the United States Government of information contained in official records, and in records of bank accounts, concerning persons under investigation for violations of United States law, in particular those regarding international drug trafficking;

(2) directs the President to include reports on the results of such efforts in the annual International Narcotics Control Strategy Report; and

(3) reaffirms its intention to obtain maximum cooperation on the part of all governments for the purpose of halting international drug trafficking, and consistently to evaluate the cooperation of those governments receiving assistance from the United States.

TITLE VII—WESTERN HEMISPHERE

SEC. 701. CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE.

Part 1 of the Foreign Assistance Act of 1961 is amended by adding after chapter 5 the following new chapter:

"CHAPTER 6—CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE

"SEC. 461. STATEMENT OF POLICY.—(a) The Congress finds that—

"(1) the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States; and

"(2) the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America.

"(b)(1) The achievement of democracy, respect for human rights, peace, and equitable economic growth depends primarily on the cooperation and the human and economic resources of the people and governments of Central America. The Congress recognizes that the United States can make a significant contribution to such peaceful and democratic development through a consistent and coherent policy which includes a long-term commitment of assistance. This policy should be designed to support actively—

"(A) democracy and political reform, including opening the political process to all members of society;

"(B) full observance of internationally recognized human rights, including free elections, freedom of the press, freedom of association, and the elimination of all human rights abuses;

"(C) leadership development, including training and educational programs to improve public administration and the administration of justice;

"(D) land reform, reform in tax systems, encouragement of private enterprise and individual initiative, creation of favorable investment climates, curbing corruption where it exists, and spurring balanced trade;

"(E) the establishment of the rule of law and an effective judicial system; and

"(F) the termination of extremist violence by both the left and the right as well as vigorous action to prosecute those guilty of

crimes and the prosecution to the extent possible of past offenders.

"(2) The policy described in paragraph (1) should also promote equitable economic growth and development, including controlling the flight of capital and the effective use of foreign assistance and adhering to approved programs for economic stabilization and fiscal responsibility. Finally, this policy should foster dialog and negotiations—

"(A) to achieve peace based upon the objectives of democratization, reduction of armament, an end to subversion, and the withdrawal of foreign military forces and advisers; and

"(B) to provide a security shield against violence and intimidation.

"(3) It is the purpose of this chapter to establish the statutory framework and to authorize the appropriations and financing necessary to carry out the policy described in this section.

"(c) The Congress finds, therefore, that the people of the United States are willing to sustain and expand a program of economic and military assistance in Central America if the recipient countries can demonstrate progress toward and a commitment to these goals.

"SEC. 462. CONDITIONS ON FURNISHING ASSISTANCE.—The President shall ensure that assistance authorized by this Act and the Arms Export Control Act to Central American countries is furnished in a manner which fosters demonstrated progress toward and commitment to the objectives set forth in section 461. Where necessary to achieve this purpose, the President shall impose conditions on the furnishing of such assistance. In carrying out this section, the President shall consult with the Congress in regard to progress toward the objectives set forth in section 461, and any conditions imposed on the furnishing of assistance in furtherance of those objectives.

"SEC. 463. PEACE PROCESS IN CENTRAL AMERICA.—The Congress—

"(1) strongly supports the initiatives taken by the Contadora group and the resulting Document of Objectives which has been agreed to by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua and which sets forth a framework for negotiating a peaceful settlement to the conflict and turmoil in the region; and

"(2) finds that the United States should provide such assistance and support as may be appropriate in helping to reach comprehensive and verifiable final agreements, based on the Document of Objectives, which will ensure peaceful and enduring solutions to the Central American conflicts.

"SEC. 464. ECONOMIC ASSISTANCE COORDINATION.—(a) The Congress finds that participation by Central American countries in an effective forum for dialog on, and the continuous review and advancement of, Central America's political, economic, and social development would foster cooperation between the United States and Central American countries.

"(b) It is the sense of the Congress that—

"(1) the President should enter into negotiations with the countries of Central America to establish a Central American Development Organization (hereafter in this section referred to as the 'Organization') to help provide a continuous and coherent approach to the development of the Central American region; and

"(2) the establishment of the Organization should be based upon the following principles:

"(A) Participation in the Organization should be open to the United States, other donors, and those Central American countries that commit themselves to, among other things, respecting internationally rec-

ognized human rights, building democracy, and encouraging equitable economic growth through policy reforms.

"(B) The Organization should be structured to include representatives from both the public and private sectors, including representatives from the labor, agriculture, and business communities.

"(C) The Organization should meet periodically to carry out the functions described in subparagraphs (D) and (E) of this paragraph and should be supported by a limited professional secretariat.

"(D) The Organization should make recommendations affecting Central American countries on such matters as—

"(i) political, economic, and social development objectives, including the strengthening of democratic pluralism and the safeguarding of international recognized human rights;

"(ii) mobilization of resources and external assistance needs; and

"(iii) reform of economic policies and structures.

"(E) The Organization should have the capacity for monitoring country performance on recommendations issued in accordance with subparagraph (D) of this paragraph and for evaluating progress toward meeting such country objectives.

"(F) To the maximum extent practicable, the United States should follow the recommendations of the Organization in disbursing bilateral economic assistance for any Central American country. No more than 75 percent of such United States assistance in any fiscal year should be disbursed until the recommendations of the Organization for that fiscal year have been made final and communicated to the donor countries. The limitation on disbursements contained in the preceding sentence should apply only to recommendations made final and communicated to donor countries prior to the fourth quarter of such fiscal year. The United States representative to the Organization should urge other donor countries to similarly implement the recommendations of the Organization.

"(G) The administrator of the agency primarily responsible for administering part I of this Act, or his designee, should represent the United States Government in the Organization and should carry out his functions in that capacity under the continuous supervision and general direction of the Secretary of State.

"(c) Subject to subsection (d)(2), the President is authorized to participate in the Organization.

"(d)(1) The administrator of the agency primarily responsible for administering part I of this Act, under the supervision and direction of the Secretary of State, shall prepare a detailed proposal to carry out this section and shall keep the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate fully and currently informed concerning the development of this proposal.

"(2) The President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a copy of the text of any agreement, which he proposes to sign, that would provide for the establishment of and United States participation in the Organization no less than sixty days prior to his signature. During that sixty-day period there shall be full and formal consultations with and review by those committees in accordance with procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

"SEC. 465. AUTHORIZATIONS FOR FISCAL YEARS 1988 AND 1989.—(a) In addition to

amounts otherwise available for such purposes, there are authorized to be appropriated to the President, for the purpose of furnishing nonmilitary assistance for Central American countries, \$1,200,000,000 for each of the fiscal years 1988 and 1989, which are authorized to remain available until expended.

"(b) For the purpose of providing the assistance described in subsection (a), funds appropriated pursuant to the authorizations in that subsection may be transferred by the President for obligation in accordance with the authorities of part I of this Act (including chapter 4 of part II), the Peace Corps Act, the Migration and Refugee Assistance Act of 1962, the United States Information and Education Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, the National Endowment for Democracy Act, and the State Department Basic Authorities Act of 1956.

"SEC. 466. DEFINITIONS.—For the purposes of this chapter, the term 'Central American countries' includes Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and regional programs which benefit such countries."

SEC. 702. EL SALVADOR

(a) SUPPORT FOR EL SALVADOR.—(1) The Congress finds that—

(A) a free and democratic El Salvador is in the security interest of the United States;

(B) Jose Napoleon Duarte was elected President of El Salvador in 1984 in the most democratic election held in El Salvador in many years;

(C) political violence in El Salvador has declined dramatically under President Duarte's leadership;

(D) President Duarte's policies of respect for human rights, political pluralism, dialogue and reconciliation with the Salvadoran guerrilla forces, legal and social reform, and effective defense against the violent overthrow of the Salvadoran government are deserving of praise from all who believe in a democratic form of government;

(E) the March 31, 1985, legislative and municipal elections were successfully carried out, with 64 percent of the electorate defying guerrilla attacks to vote;

(F) the victory of President Duarte's Christian Democratic Party reaffirms the support for these policies by his fellow citizens, the essential test of any government or movement;

(G) in spite of the state of siege technically in effect due to the insurgent threat, observance of free speech, free press, and free assembly are widely enjoyed in El Salvador and permit public airing of opposing political views;

(H) President Duarte is firmly committed to judicial reform and prosecution of cases involving "death squads";

(I) President Duarte's leadership and popular support has notably weakened the popular support given the guerrillas, as evidenced by the high levels of voter participation in the free elections held in El Salvador since 1982, the reduction in territory in which the guerrillas can freely operate, their inability to mount frontal military attacks, and their resort to economic sabotage, ambushes, political assassination, and urban terrorism with blatant disregard for basic human rights; and

(J) President Duarte has succeeded in reversing the decline in his country's economy which, though still weak, has better prospects than in recent years.

(2) Therefore, it is the sense of the Congress that—

(A) President Duarte is to be congratulated for his outstanding leadership under difficult circumstances and for his efforts to

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Foster democratic government and institutions in his country, and he is encouraged to continue his efforts to promote political pluralism, democratic institutions, and respect for human rights in his country; and

(B) the armed services of El Salvador are to be congratulated for their improved performance and professionalism in defending Salvadoran citizens and their democratically elected government from attack by armed insurgents, and especially for their role in helping to protect and uphold the electoral process.

(3) The Congress reaffirms the importance of continued support for democratic principles and institutions and respect for human rights by the various sectors of Salvadoran society, which is a major factor in United States support for El Salvador.

(b) OBJECTIVES.—The Congress expects that—

(1) the Government of El Salvador will be willing to pursue a dialogue with the armed opposition forces and their political representatives for the purposes of achieving an equitable political settlement of the conflict, including free and fair elections;

(2) the elected civilian government will be in control of the Salvadoran military and security forces, and those forces will comply with applicable rules of international law and with Presidential directives pertaining to the protection of civilians during combat operations, including Presidential directive C-111-03-984 (relating to aerial fire support);

(3) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in ending the activities of the death squads;

(4) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in establishing an effective judicial system; and

(5) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in implementing the land reform program.

(c) REPORTS.—On October 1, 1985, April 1, 1986, October 1, 1986, and April 1, 1987, the President shall report to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate on the extent to which the objectives described in subsection (b) are being met. With respect to the objective described in paragraph (4) of that subsection, each report shall discuss whether the commission proposed by the President of El Salvador to investigate human rights cases has been established, funded, and given sufficient investigative powers; whether the evidence that commission collects may be used in the Salvadoran judicial process; whether that commission has issued a comprehensive report with regard to its investigation of all Americans murdered in El Salvador; and whether those responsible for the Las Hojas massacre are being prosecuted.

(d) AIRCRAFT FOR AERIAL WARFARE.—(1) The authorities of part II of the Foreign Assistance Act of 1961 and the Arms Export Control Act may not be used to make available to El Salvador any helicopters or other aircraft, and licenses may not be issued under section 38 of the Arms Export Control Act for the export to El Salvador of any such aircraft, unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

(2) Paragraph (1) shall take effect on the date of enactment of this Act and shall remain in effect until October 1, 1987.

(e) SPECIAL ACCOUNT FOR LOCAL CURRENCIES.—(1) All local currencies, which are generated with the funds provided to El Salvador for balance-of-payments support for fiscal years 1986 and 1987 under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), shall be deposited in accordance with section 609 of that Act in a special account established by the Government of El Salvador.

(2) Local currencies deposited pursuant to paragraph (1) shall be used for projects assisting agrarian reform and the agricultural sector (and particular emphasis shall be placed on projects for these purposes); judicial reform; employment generation; health, education, and other social services; infrastructure repair; and credits and other support for the private sector (principally for small and medium sized businesses).

(3) For purposes of this subsection—

(A) the term "agrarian reform" means projects assisting or enhancing the abilities of agencies, cooperatives, and farms to implement land reform decrees in El Salvador, notwithstanding section 620(g) of the Foreign Assistance Act of 1961; and

(B) the term "judicial reform" means projects assisting or enhancing the abilities of agencies of the Salvadoran Government to investigate and prosecute politically motivated violence.

(f) DEVELOPMENT ASSISTANCE.—Of the amounts available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, \$79,600,000 for fiscal year 1986 and \$79,600,000 for fiscal year 1987 shall be available only for El Salvador.

(g) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance authorized by this Act which is allocated for El Salvador shall be suspended if the elected President of that country is deposed by military coup or decree.

SEC. 702. ASSISTANCE FOR GUATEMALA.

(a) CONDITIONS ON MILITARY ASSISTANCE AND SALES.—For fiscal years 1986 and 1987, assistance may be provided for Guatemala under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) and sales may be made and financing may be provided for Guatemala under the Arms Export Control Act (relating to foreign military sales) only if the President makes the following certifications to the Congress:

(1) For fiscal year 1986, an elected civilian government is in power in Guatemala and has submitted a formal written request to the United States for the assistance, sales, or financing to be provided.

(2) For both fiscal years 1986 and 1987, the Government of Guatemala made demonstrated progress during the preceding year—

(A) in achieving control over its military and security forces,

(B) toward eliminating kidnappings and disappearances, forced recruitment into the civil defense patrols, and other abuses by such forces of internationally recognized human rights, and

(C) in respecting the internationally recognized human rights of its indigenous Indian population.

(b) CONSTRUCTION EQUIPMENT AND MOBILE MEDICAL FACILITIES AND RELATED TRAINING.—If the conditions specified in subsection (a) are met, Guatemala may be provided with the following for fiscal years 1986 and 1987 (in addition to such other assistance, sales, or financing as may be provided for Guatemala):

(1) Sales of construction equipment and mobile medical facilities to assist in devel-

opment programs that will directly assist the poor in Guatemala.

(2) Sales of training, to be provided outside of Guatemala, which is related to the sales described in paragraph (1).

(3) A total for both fiscal years 1986 and 1987 of no more than \$10,000,000 in credits under the Arms Export Control Act for sales described in paragraphs (1) and (2).

Such sales and credits shall be provided only to enable the military forces of Guatemala to obtain equipment and training for civilian engineering and construction projects and mobile medical teams, which would not be used in the rural resettlement program.

(c) PROHIBITION ON FURNISHING WEAPONS.—Funds authorized to be appropriated by title I of this Act may not be used for the procurement by Guatemala of any weapons or ammunition.

(d) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance authorized by this Act which is allocated for Guatemala shall be suspended if the elected civilian government of that country is deposed by military coup or decree.

(e) RURAL RESETTLEMENT PROGRAM.—Assistance provided for Guatemala for the fiscal year 1986 and fiscal year 1987 under chapter 1 of part I (relating to development assistance) or under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961—

(1) may not be provided to the Government of Guatemala for use in its rural resettlement program; and

(2) shall be provided through private and voluntary organizations to the maximum extent possible.

(f) INVITATION FOR ICRC TO VISIT GUATEMALA.—The Congress calls upon the President to urge the Government of Guatemala to allow the International Committee of the Red Cross—

(1) to conduct an unimpeded visit to Guatemala in order to investigate humanitarian needs in that country and to report on human rights abuses in that country; and

(2) to investigate the possibilities of its providing humanitarian services in that country.

(g) RELATIONS BETWEEN BELIZE AND GUATEMALA.—It is the sense of the Congress that the United States should use its good offices and influence to encourage the Government of Guatemala to recognize the independence of Belize and to enter into a mutual non-aggression treaty with Belize.

(h) HUMAN RIGHTS GROUPS IN GUATEMALA.—

(1) The Congress finds that—

(A) the Group for Mutual Support was formed in 1984 to protest the disappearances of Guatemalan civilians;

(B) the Group for Mutual Support has carried out its work in a peaceful, non-ideological manner, and is the only indigenous human rights group operating in Guatemala; and

(C) two of the Group's six steering committee members, Hector Gomez and Maria Rosario Godoyo de Cuevas, were recently killed.

(2) It is the sense of the Congress that—

(A) human rights groups in Guatemala, particularly the Group for Mutual Support, should be allowed to carry out their work against human rights abuses with the full cooperation, protection, and support of the Government of Guatemala; and

(B) whether the Government of Guatemala allows human rights groups, including the Group for Mutual Support, to carry out their work should be taken into account by the United States in determining whether there is human rights progress in Guatemala.

SEC. 704. REFUGEES IN HONDURAS.

Funds authorized to be appropriated by this Act and funds authorized to be appropriated for the "Migration and Refugee Assistance" account for fiscal years 1986 and 1987—

(1) which are to be used for refugee assistance or other assistance for Nicaraguan Indian refugees in Honduras shall be channeled, to the maximum extent possible, through the United Nations High Commissioner for Refugees, the International Committee of the Red Cross, the Intergovernmental Committee for Migration, or other established and recognized international refugee relief organizations; and

(2) may not be used to facilitate the involuntary repatriation of Salvadoran refugees who are in Honduras.

SEC. 705. PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI.

(a) **USE OF PVOs.**—To the maximum extent practicable, assistance for Haiti under chapter 1 of part I (relating to development assistance) and under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

(b) **CONDITIONS ON ASSISTANCE.**—Funds available for fiscal year 1986 and for fiscal year 1987 to carry out chapter 1 of part I (relating to development assistance), chapter 4 of part II (relating to the economic support fund), or chapter 5 of part II (relating to international military education and training) of the Foreign Assistance Act of 1961 may be obligated for Haiti only if the President determines that the Government of Haiti—

(1) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti;

(2) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years); and

(3) is making progress toward improving the human rights situation in Haiti and progress toward implementing political reforms which are essential to the development of democracy in Haiti, such as progress toward the establishment of political parties, free elections, free labor unions, and freedom of the press.

(c) **REPORTS TO THE CONGRESS.**—Not later than one year after the date of the enactment of this Act and one year thereafter, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each paragraph of subsection (b).

(d) **ASSISTANCE IN HALTING ILLEGAL EMIGRATION FROM HAITI.**—Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961 (relating to police training), funds made available under such Act may be used for programs with Haiti, which shall be consistent with prevailing United States refugee policies, to assist in halting significant illegal emigration from Haiti to the United States.

(e) **LIMITATION ON MAP AND FMS FINANCING.**—Assistance may not be provided for Haiti for fiscal year 1986 or fiscal year 1987 under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) or under the Arms Export Control Act (relating to foreign military sales financing), except for necessary transportation, maintenance, communications, and related articles and services to enable the continuation of migrant and narcotics interdiction operations.

(f) **LITERACY AND OTHER EDUCATION PROGRAMS.**—Of the amounts authorized to be appropriated to carry out chapter 1 of part I of

the Foreign Assistance Act of 1961 (relating to development assistance) which are allocated for Haiti, \$1,000,000 for fiscal year 1986 and \$1,000,000 for fiscal year 1987 shall be available only for literacy and other education programs in Haiti.

SEC. 706. MILITARY ASSISTANCE FOR PARAGUAY.

For the fiscal years 1986 and 1987, none of the funds authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) or to carry out the Arms Export Control Act (relating to foreign military sales financing) may be used for assistance for Paraguay unless the President certifies to the Congress that the Government of Paraguay has ended the practice of torture and abuse of individuals held in detention by its military and security forces and has instituted procedures to ensure that those arrested are promptly charged and brought to trial.

SEC. 707. ASSISTANCE FOR PERU.

(a) **HUMAN RIGHTS TRAINING IN IMET PROGRAMS.**—Respect for internationally recognized human rights shall be an important component of the training provided for Peru under chapter 5 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 and for fiscal year 1987.

(b) **STRENGTHENING THE PERUVIAN JUDICIAL SYSTEM.**—Of the amount authorized to be appropriated by this Act to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), \$1,000,000 for fiscal year 1986 and \$1,000,000 for fiscal year 1987 shall be used to strengthen the judicial system in Peru under section 534 of the Foreign Assistance Act of 1961 (relating to administration of justice).

SEC. 708. INTER-AMERICAN FOUNDATION.

The first sentence of section 401(s)(2) of the Foreign Assistance Act of 1969 is amended to read as follows: "There are authorized to be appropriated \$11,969,000 for fiscal year 1986 and \$11,969,000 for fiscal year 1987 to carry out the purposes of this section."

SEC. 709. COMPREHENSIVE REPORTS ON ASSISTANCE FOR LATIN AMERICA AND THE CARIBBEAN.

(a) **REQUIREMENT FOR COMPREHENSIVE ACCOUNTING OF ASSISTANCE.**—In the annual reports required by section 634 of the Foreign Assistance Act of 1961, the President shall provide to the Congress a full, complete, and detailed accounting of all assistance provided during the fiscal years 1986 and 1987 for Latin America and the Caribbean under the Foreign Assistance Act of 1961 and the Arms Export Control Act.

(b) **INFORMATION TO BE INCLUDED.**—The report provided pursuant to subsection (a) shall include for each fiscal year, among other things, the following with respect to each authorization account:

(1) The specific projects and other activities carried out in each country.

(2) The number of persons from each country who were provided with training, and the types of training provided.

(3) The defense articles and defense services provided for each country.

(4) The types of goods and commodities provided to each country for economic stabilization purposes under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), and a copy of each agreement for the furnishing of any assistance under that chapter.

(5) The amounts of local currency generated by United States assistance to each country, the uses of those currencies, and the total amount of those currencies still available for use as of the time of the report.

(6) A report on any transfers or reprogrammings of funds, and a description of

how transferred or reprogrammed funds modified the amounts requested for each account.

(7) A report on the funds which have been obligated but remain unexpended for each country in each account.

(8) An analysis of the amount of funds and programs provided through nongovernmental as contrasted to governmental channels.

SEC. 710. USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS.

To the maximum extent practicable, assistance under chapter 1 of part I (relating to development assistance) and chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 for countries in Latin America and the Caribbean should be provided through private and voluntary organizations which have a proven record of development assistance efforts overseas.

SEC. 711. ASSISTANCE FOR LAW ENFORCEMENT AGENCIES.

Section 660 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

"(c) Subsection (a) shall not apply with respect to a country which has a longstanding democratic tradition, does not have standing armed forces, and does not engage in a consistent pattern of gross violations of internationally recognized human rights.

"(d) Notwithstanding the prohibition contained in subsection (a) assistance may be provided to Honduras or El Salvador for fiscal years 1986 and 1987 if, at least 30 days before providing assistance, the President notifies the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act, that he has determined that the government of the recipient country has made significant progress, during the preceding six months, in eliminating any human rights violations including torture, incommunicado detention, detention of persons solely for the nonviolent expression of their political views, or prolonged detention without trial. Any such notification shall include a full description of the assistance which is proposed to be provided and of the purposes to which it is to be directed."

SEC. 712. ADMINISTRATION OF JUSTICE.

Chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), as amended by title II of this Act, is further amended by adding at the end thereof the following new section:

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

"(b) Assistance under this section may only include—

"(1) support for specialized professional training, scholarships, and exchanges for continuing legal education;

"(2) programs to enhance prosecutorial and judicial capabilities and protection for participants in judicial cases;

"(3) notwithstanding section 660 of this Act, programs to enhance investigative capabilities, conducted under judicial or prosecutorial control;

"(4) strengthening professional organizations in order to promote services to members and the role of the bar in judicial selection, enforcement of ethical standards, and legal reform."

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(15) increasing the availability of legal materials and publications;

(16) seminars, conferences, and training and educational programs to improve the administration of justice and to strengthen respect for the rule of law and internationally recognized human rights; and

(17) revision and modernization of legal codes and procedures.

(1c) Not more than \$20,000,000 of the funds made available to carry out this chapter for any fiscal year shall be available to carry out this section, in addition to amounts otherwise available for such purposes.

(1d) Funds may not be obligated for assistance under this section unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified of the amount and nature of the proposed assistance at least 15 days in advance in accordance with the procedures applicable to reprogrammings pursuant to section 634A of this Act.

(1e) The authority of this section shall expire on September 30, 1987."

SEC. 714. USE OF EMPLOYEE STOCK OWNERSHIP PLANS IN DEVELOPMENT EFFORTS.

(a) FINDINGS.—The Congress declares that—

(1) employee stock ownership plans in industrial, farming, banking, and other enterprises in Central America and the Caribbean can be an important component in achieving United States goals in Central America and the Caribbean; and

(2) employee stock ownership plans should be used as an instrument in financing growth and transfers of equity in the region, in reorganizing state-owned enterprises into viable employee-owned businesses, in expanding political and economic pluralism, and in strengthening democratic institutions in the region.

(b) PLAN FOR EXPANDED USE OF ESOPs.—The President is urged to develop a plan for the expanded use of employee stock ownership plans in development efforts of the United States in Central America and the Caribbean, with an emphasis on policy and infrastructural changes needed to encourage voluntary employee stock ownership initiatives by multinational corporations and other private sector enterprises which have investments, are considering making new investments, or are interested in management contracts and joint ventures in the region.

(c) TASK FORCE.—To assist in this effort, there is established a Presidential Task Force on Project Economic Justice (hereafter in this section referred to as the "Task Force"), which shall consist of individuals appointed by the President who are distinguished leaders of the private sector of the United States, including significant representation of union representatives of workers in successful companies with employee stock ownership plans and of nationally recognized experts in all phases of design, implementation, and operation of employee stock ownership plans. The President shall designate one of the members of the Task Force to serve as Chairman. The Chairman of the Task Force shall appoint a volunteer fund-raising committee, and all the expenses of the Task Force shall be paid without the use of public funds.

(d) REPORT.—Not later than December 31, 1985, the Task Force shall prepare and transmit to the President and the Congress a report on the expanded use of employee stock ownership plans in the development efforts of the United States in Central America and the Caribbean, including specific recommendations on strategies for using employee stock ownership plans as a means

of accelerating the rate of private sector capital formation in Central America and the Caribbean that is systematically linked to expanding ownership and profit-sharing opportunities for all employees.

SEC. 714. INTERNATIONAL ADVISORY COMMISSION FOR THE CARIBBEAN REGION.

(a) FINDINGS.—The Congress finds that—

(1) many of the social, agricultural, educational, and economic problems which confront nations in the Caribbean Region result primarily from social and economic injustice and inadequate economic and agricultural development;

(2) such problems are not addressed sufficiently by current United States policies toward that region;

(3) the development of the Caribbean Region is of vital importance to the economic and strategic interests of the United States and its allies; and

(4) for purposes of defining development plans, providing an international forum for Caribbean Region development issues, and providing expert advice to donor-aid countries, an international commission is needed as the prime institution for promoting economic cooperation and development in the Caribbean Region.

(b) INVITATIONS TO PARTICIPATE IN COMMISSION.—

(1) INVITATION TO CARIBBEAN COUNTRIES.—The President may invite the countries which comprise the Caribbean Region to participate with the United States in a commission to be known as the International Advisory Commission for the Caribbean Region (hereafter in this section referred to as the "Commission").

(2) INVITATION TO CERTAIN OTHER COUNTRIES.—The President may also invite the Netherlands, the United Kingdom, France, Canada, the Commonwealth of Puerto Rico, and the Virgin Islands to participate in the Commission.

(c) FUNCTIONS OF COMMISSION.—It is the sense of the Congress that the Commission should—

(1) examine social, agricultural, educational, and economic issues which affect the Caribbean Region; and

(2) consult with leaders of the countries in the Caribbean Region and with representatives from public and private organizations involved in matters related to the Caribbean Region in order to evaluate the problems and needs of such countries.

(d) FUNDING FOR ORGANIZATIONAL MEETING OF COMMISSION.—Of the funds authorized to be appropriated to carry out section 106 of the Foreign Assistance Act of 1961 (relating to development assistance for energy, private and voluntary organizations, and selected development activities), up to a total of \$100,000 for fiscal years 1986 and 1987 may be made available to—

(1) pay reasonable administrative expenses associated with the organizational meeting of the Commission; and

(2) pay reasonable travel and lodging expenses incurred by commissioners from other participant governments incident to their attendance at the organizational meeting of the Commission.

(e) REQUEST TO CONGRESS RELATING TO UNITED STATES PARTICIPATION IN THE COMMISSION.—The President should provide cost estimates and request authorization from the Congress in order to provide for the participation of the United States in the Commission (other than United States participation associated with the organizational meeting).

(f) APPOINTMENT OF UNITED STATES REPRESENTATIVE AND OBSERVERS.—Upon the creation of the Commission—

(1) the President should consider appointing one individual as the United States representative to the Commission;

(2) the Speaker of the House of Representatives should consider appointing two Members of the House, one from each major political party, as observers at the Commission; and

(3) the majority leader of the Senate should consider appointing two Members of the Senate, one from each major political party, as observers at the Commission.

SEC. 715. EXEMPTION OF CERTAIN SAFETY-RELATED EQUIPMENT FROM PROHIBITION ON MILITARY SALES TO CHILE.

Section 726 of the International Security and Development Cooperation Act of 1981 is amended by adding at the end thereof the following new subsection:

"(c) The prohibition contained in subsection (b) does not prohibit the sale, or the licensing for export, of cartridge actuated devices, propellant actuated devices, and technical manuals for aircraft of the F-5E/F or A/T-37 type which were sold to the Chilean Air Force by the United States before January 1, 1976, so long as the items are provided only for purposes of enhancing the safety of the aircraft crew."

SEC. 716. RURAL ELECTRIFICATION.

It is the sense of the Congress that funds appropriated for the fiscal years 1986 and 1987 under section 103(a)(2) of the Foreign Assistance Act of 1961 (relating to development assistance for agriculture, rural development, and nutrition) should be used for a comprehensive rural electrification program in Central America in order to establish conditions of stability and a foundation for economic development.

SEC. 717. FACILITATING INTERNATIONAL COMMERCE THROUGH MEXICO.

(a) FINDING.—Recognizing that increased levels of balanced international trade are an essential component in an economic development program for the region and that the United States has traditionally been the most important trading partner for each of the nations of Latin America, it is the sense of the Congress that current procedures and laws of the Government of Mexico, and practices of its officials, constitute a significant impediment to the transit of vehicles carrying the commodities of international trade through Mexican territory.

(b) NEGOTIATIONS AND COOPERATIVE STEPS CONCERNING TRANSIT.—As the Government of Mexico has played a valuable role in assisting and encouraging the economic and political development of the region, and in offering advice to the United States as to constructive policies this nation might pursue with respect to peace and prosperity in the area, the Secretary of State, acting independently or with representatives of other Latin America nations, shall initiate negotiations with the Government of Mexico aimed at eliminating or reducing those impediments to international trade. The agenda for such negotiations should include discussions to encourage the Government of Mexico to accede to existing international custom conventions on international in-transit shipments. Such actions are to be taken in concert with the institution by the United States, and the nations of the region where the transiting shipments originate, of appropriate and cooperative steps to make sealed-truck, no-inspection transit administratively acceptable to the Government of Mexico and other transited countries. Similar bilateral or multilateral negotiations by the Secretary of State with nations respecting the same international customs conventions is also encouraged.

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(c) **REPORT.**—The Secretary of State shall report the status of these negotiations to Congress by January 1, 1986.

SEC. 71A. CONDEMNING HUMAN RIGHTS VIOLATIONS AND THE SUBVERSION OF OTHER GOVERNMENTS BY THE GOVERNMENT OF CUBA.

(a) **CONDEMNATION OF CERTAIN ACTION BY THE GOVERNMENT OF CUBA.**—The Congress condemns—

(1) the consistent pattern of gross violations of internationally recognized human rights by the Cuban Government, including—

(A) cruel, inhumane, and degrading treatment and punishment of prisoners;

(B) the suppression of free speech, press, and assembly; and

(C) restrictions on religious activity and the freedom to emigrate; and

(2) the provision by the Cuban government of material aid and personnel support for the purposes of subversion.

(b) **CALL UPON THE GOVERNMENT OF CUBA.**—The Congress calls upon the Government of Cuba to restore civil liberties and cease in the violation of human rights of the Cuban people and cease the subversion of other governments through material and personnel support.

SEC. 71B. REPORTS ON FOREIGN DEBT IN LATIN AMERICA.

(a) **FINDINGS.**—The Congress finds that—

(1) the foreign debt of Latin American countries has soared from \$27,000,000,000 in 1970 to over \$350,000,000,000 in 1983;

(2) the foreign debt of Latin American countries is a serious obstacle to their economic progress, threatens their stability, and endangers the democratic processes in those nations;

(3) the economic and political futures of many of the Latin American countries hang in the balance and depend upon a successful resolution of the foreign debt crisis; and

(4) the confidence of the American people in the United States system of banking is also involved in a successful resolution of the foreign debt crisis.

(b) **REPORT.**—Not later than January 1, 1986, the Secretary of State shall prepare and transmit to the Congress a report on—

(1) the magnitude of the foreign debt crisis in the Western Hemisphere;

(2) the impact of the foreign debt crisis on the economies of the countries of Latin America;

(3) the degree to which the national security interests of the United States are implicated in this crisis;

(4) the steps being taken and the policy being pursued by the United States aimed at dealing with this crisis;

(5) the degree to which the foreign debt crisis affects the system of banking in the United States; and

(6) the steps being taken and the policy being pursued by the United States Government aimed at dealing with this crisis.

SEC. 72A. ECONOMIC ASSISTANCE FOR URUGUAY.

Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), \$15,000,000 for fiscal year 1986 and \$15,000,000 for fiscal year 1987 shall be available only for Uruguay.

SEC. 721. CANADIAN EXPORTS TO THE UNITED STATES.

(a) **CATTLE AND HOGS.**—(1) The Congress finds that—

(A) livestock prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of live cattle and hogs from Canada, which has increased by 1,000 percent in the last decade in the case of hogs alone;

(B) American livestock producers are suffering from the same general economic crisis affecting all of agriculture, and many will face liquidation or foreclosure in the near future; and

(C) the disparity between the United States and the Canadian dollar amounts to 32 to 34 percent and results in even further increases in Canadian hogs and cattle being imported into the United States.

(2) Therefore, it is the sense of the Congress that the President should direct appropriate officials of the executive branch, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of cattle and hogs to the United States.

(b) **SOFTWOOD TIMBER.**—(1) The Congress finds that—

(A) softwood timber prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of processed softwood timber from Canada, which has increased from 18 percent of the United States market in the last two years to 35 to 40 percent today;

(B) American timber producers are suffering from this economic crisis, and the difficulty in acquiring timber from the National Forest System; and

(C) the disparity between the United States and the Canadian dollar amounts to 32 to 34 percent and results in even further increases in processed softwood timber being imported into the United States.

(2) Therefore, it is the sense of the Congress that the President should direct appropriate officials of the executive branch, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of softwood timber to the United States.

SEC. 722. NICARAGUA.

(a) **SETTLEMENT OF THE CONFLICT.**—The Congress—

(1) strongly supports national reconciliation in Nicaragua and the creation of a framework for negotiating a peaceful settlement to the Nicaraguan conflict; and

(2) finds that the United States should, in assisting efforts to reach comprehensive and verifiable final agreements based on the Contadora Document of Objectives, encourage the Government of Nicaragua to pursue a dialogue with the armed opposition forces and their political representatives for the purposes of achieving an equitable political settlement of the conflict, including free and fair elections.

(b) **UNITED STATES CONCERNS ABOUT NICARAGUAN FOREIGN AND DOMESTIC POLICIES.**—The Congress finds and declares the following:

(1) Despite positive actions by the Congress signaling support for negotiated solutions to conflicts in Central America, there are disturbing trends in Nicaragua's foreign and domestic policies, including—

(A) President Daniel Ortega's April 1985 trip to the Soviet Union at a time when the Congress signaled its strong disapproval of increasing Nicaraguan-Soviet ties;

(B) the Sandinista government's close military ties with Cuba, the Soviet Union, and its Warsaw Pact allies; the disappointing and insufficient reduction of the number of Cuban advisors in Nicaragua by only 100 out of an approximately 2,500; and the continuing military buildup that Nicaragua's neighbors consider threatening;

(C) the Sandinista government's curtailment of individual liberties, political ex-

pression, freedom of worship, and the independence of the media;

(D) the subordination of military, judicial, and internal security functions to the ruling political party; and

(E) the Sandinista government's efforts to export its influence and ideology.

(2) If Nicaragua does not address the concerns described in paragraph (1), the United States has several options to address this challenge to peace and stability in the region, including political, diplomatic, and trade sanctions. In addition, the United States—

(A) should through appropriate regional organizations, such as the Organization of American States, seek to maintain multilateral pressure on Nicaragua to address these concerns; and

(B) should, if called upon to do so, give serious consideration to supporting any sanctions adopted by such an organization.

(3) In assessing whether or not progress is being made in addressing these concerns, the Congress will expect prompt and significant initiatives by the Government of Nicaragua such as—

(A) the removal of foreign military advisors from Nicaragua;

(B) the end to Sandinista support for insurgencies in other countries in the region, including the cessation of military supplies to the rebel forces fighting the democratically elected government in El Salvador;

(C) restoration of individual liberties, political expression, freedom of worship, and the independence of the media; and

(D) progress toward internal reconciliation and a pluralistic democratic system, including steps to liberalize institutions in order to allow the internal opposition in Nicaragua to become a viable partner in the Nicaraguan political process.

(c) RESOLUTION OF THE CONFLICT IN NICARAGUA.—

(1) **BASES FOR POLICY.**—The Congress finds that—

(A) the people of Nicaragua are suffering the horrors of a fierce armed conflict that is causing grave hardships and loss of life, has thrown the country into a serious political, social, and economic upheaval, and is of serious concern to the nations of the region and to the United States;

(B) this conflict is fundamentally a continuation of efforts of the Nicaraguan people to attain a representative government at peace with its neighbors, efforts which began under the Somoza regime; and

(C) the United States recognized these noble aspirations of the Nicaraguan people in the June 23, 1979, resolution of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs of the Organization of American States, which reads as follows:

"WHEREAS:

"The people of Nicaragua are suffering the horrors of a fierce armed conflict that is causing grave hardships and loss of life, and has thrown the country into a serious political, social, and economic upheaval;

"The inhumane conduct of the dictatorial regime governing the country, as evidenced by the report of the Inter-American Commission on Human Rights, is the fundamental cause of the dramatic situation faced by the Nicaraguan people and;

"The spirit of solidarity that guides Hemisphere relations places an unavoidable obligation on the American countries to exert every effort within their power, to put an end to the bloodshed and to avoid the prolongation of this conflict which is disrupting the peace of the Hemisphere;

"THE SEVENTEENTH MEETING OF CONSULTATION OF MINISTERS OF FOREIGN AFFAIRS.

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"DECLARES:

"That the solution of the serious problem exclusively within the jurisdiction of the people of Nicaragua.

"That in the view of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs this solution should be arrived at on the basis of the following:

"1. Immediate and definitive replacement of the Somoza regime.

"2. Installation in Nicaraguan territory of a democratic government, the composition of which should include the principal representative groups which oppose the Somoza regime and which reflects the free will of the people of Nicaragua.

"3. Guarantee of the respect for human rights of all Nicaraguans without exception.

"4. The holding of free elections as soon as possible, that will lead to the establishment of a truly democratic government that guarantees peace, freedom, and justice.

"RESOLVES:

"1. To urge the member states to take steps that are within their reach to facilitate an enduring and peaceful solution of the Nicaraguan problem on the bases set forth above, scrupulously respecting the principle of non-intervention and abstaining from any action that might be in conflict with the above bases or be incompatible with a peaceful and enduring solution to the problem.

"2. To commit their efforts to promote humanitarian assistance to the people of Nicaragua and to contribute to the social and economic recovery of the country.

"3. To keep the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs open while the present situation continues."

(2) **THE GOVERNMENT OF NICARAGUA.**—The Congress further finds that—

(A) the Government of National Reconstruction of Nicaragua formally accepted the June 23, 1978, resolution as a basis for resolving the Nicaraguan conflict in its "Plan to Achieve Peace" which was submitted to the Organization of American States on July 12, 1979;

(B) the June 23, 1979, resolution and its acceptance by the Government of National Reconstruction of Nicaragua was the formal basis for the removal of the Somoza regime and the installation of the Government of National Reconstruction;

(C) the Government of National Reconstruction, now known as the Government of Nicaragua and controlled by the Frente Sandinista (the FSLN), has flagrantly violated the provisions of the June 23, 1979, resolution, the rights of the Nicaraguan people, and the security of the nations in the region, in that it—

(i) no longer includes the democratic members of the Government of National Reconstruction in the political process;

(ii) is not a government freely elected under conditions of freedom of the press, assembly, and organization, and is not recognized as freely elected by its neighbors, Costa Rica, Honduras, and El Salvador;

(iii) has taken significant steps towards establishing a totalitarian Communist dictatorship, including the formation of FSLN neighborhood watch committees and the enactment of laws that violate human rights and grant undue executive power;

(iv) has committed atrocities against its citizens as documented in reports by the Inter-American Commission on Human Rights of the Organization of American States;

(v) has aligned itself with the Soviet Union and Soviet allies, including the German Democratic Republic, Bulgaria, Libya, and the Palestine Liberation Organization;

(vi) has committed and refuses to cease aggression in the form of armed subversion against its neighbors in violation of the Charter of the United Nations, the Charter of the Organization of American States, the Inter-American Treaty of Reciprocal Assistance, and the 1965 United Nations General Assembly Declaration on Intervention; and

(vii) has built up an army beyond the needs of immediate self-defense, at the expense of the needs of the Nicaraguan people and about which the nations of the region have expressed deepest concern.

(3) **THE NICARAGUAN DEMOCRATIC OPPOSITION.**—The Congress further finds that—

(A) as a result of these violations, the Government of Nicaragua has lost the support of virtually all independent sectors of Nicaraguan society who initially supported the removal of the Somoza regime (including democratic political parties of the left, center, and right; the leadership of the Church; free unions; and the business, farmer, and professional sectors) and who still seek democracy, reject the rule of the Frente Sandinista, and seek the free elections promised in 1979;

(B) the Nicaraguan political opposition has joined with the armed opposition groups in issuing the San Jose Manifesto of March 1, 1985, calling for a national dialogue, under mediation by the Nicaraguan Bishops Conference to peacefully attain the fulfillment of the Government of Nicaragua's commitments to the Organization of American States, including "the democratization of Nicaragua, conscious that democracy is the only means to carry out an authentic revolution and secure our national identity and sovereignty";

(C) on June 12, 1985, in San Salvador, El Salvador, the political and armed opposition groups representing the entire democratic political spectrum of Nicaragua formed the Unified Nicaraguan Opposition and affirmed their "historical commitment to achieve for Nicaragua the reconciliation of her children, to establish the foundation for democracy and the moral and material reconstruction of the nation"; and

(D) the Unified Nicaraguan Opposition further declared its intention to "give priority at all times to a political solution which will ease the suffering of our people".

(4) **CONCERNS IN THE REGION AND UNITED STATES RESPONSIBILITIES.**—The Congress further finds that—

(A) Nicaragua's neighbors, Costa Rica, El Salvador, and Honduras, have expressed, individually and through the Contadora process, their belief that their peace and freedom is not safe so long as the Government of Nicaragua excludes from power most of Nicaragua's political leadership and is controlled by a small sectarian party, without regard to the will of the majority of Nicaraguans; and

(B) the United States, given its role in the installation of the current Government of Nicaragua, has a special responsibility regarding the implementation of the commitments made by that Government in 1979, especially to those who fought against Somoza to bring democracy to Nicaragua with United States support.

(5) **RESOLUTION OF THE CONFLICT.**—The Congress—

(A) condemns the Government of Nicaragua for violating its solemn commitments to the Nicaraguan people, the United States, and the Organization of American States;

(B) affirms that the Government of Nicaragua will be regarded as having achieved political legitimacy when it fulfills its 1979 commitment to the Organization of American States to implement genuinely democratic elections, under the supervision of the Organization of American States, in which

all elements of the Nicaraguan resistance can peacefully participate under conditions recognized as necessary for free elections by international bodies;

(C) urges the Government of Nicaragua to enter a national dialogue, as proposed by the Nicaraguan democratic resistance in San Jose, Costa Rica, on March 1, 1985, under mediation by the Nicaraguan Bishops Conference in order to peacefully resolve the current crisis through internationally recognized elections in which all elements of Nicaraguan society can freely participate;

(D) supports the Nicaraguan democratic resistance in its efforts to peacefully resolve the Nicaraguan conflict and to achieve the fulfillment of the Government of Nicaragua's solemn commitments to the Nicaraguan people, the United States, and the Organization of American States;

(E) supports efforts by the Contadora nations, the Organization of American States, and other appropriate regional organizations to maintain multilateral pressure on Nicaragua to fulfill its commitments; and

(F) requests that the Secretary of State transmit the text of this subsection to the Foreign Ministers of the member states of the Organization of American States.

(d) **PROHIBITION RELATING TO MILITARY OR PARAMILITARY OPERATIONS IN NICARAGUA.**—Notwithstanding any other provision of law, no funds authorized to be appropriated or otherwise made available by this Act (except the funds authorized to be appropriated in this section), by the Foreign Assistance Act of 1961, or by the Arms Export Control Act shall be used to provide assistance of any kind, either directly or indirectly, to any person or group engaging in an insurgency or other act of rebellion against the Government of Nicaragua. The United States shall not enter into any arrangement conditioning, expressly or impliedly, the provision of assistance under this Act or the purchase of defense articles and services under the Arms Export Control Act upon the provision of assistance by a recipient to persons or groups engaging in an insurgency or other act of rebellion against the Government of Nicaragua.

(e) **LIMITATION ON USE OF FUNDS AGAINST NICARAGUA.**—None of the funds authorized to be appropriated in this or any other Act can be used to fund directly, or indirectly, activities against the Government of Nicaragua which have not been authorized by, or pursuant to, law and which would place the United States in violation of our obligations under the Charter of the Organization of American States, to which the United States is a signatory, or under international law as defined by treaty commitments agreed to, and ratified by, the Government of the United States.

(f) **FOOD AID TO THE NICARAGUAN PEOPLE.**—In cooperation with Cardinal Miguel Obando y Bravo and private and voluntary organizations, the President should explore and promote means for providing food aid to the Nicaraguan people through private and voluntary organizations and the Catholic Church.

(g) **HUMANITARIAN ASSISTANCE FOR NICARAGUAN DEMOCRATIC RESISTANCE.**—(1) Effective upon the date of enactment of this Act, there are authorized to be appropriated \$27,000,000 for humanitarian assistance to the Nicaraguan democratic resistance. Such assistance shall be provided to such department or agency of the United States as the President shall designate, except the Central Intelligence Agency or the Department of Defense.

(2) The assistance authorized by this subsection is authorized to remain available for obligation until March 31, 1986.

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(3) One-third of the assistance authorized by this subsection shall be available for obligation at any time after the appropriation of funds pursuant to such authorization, an additional one-third shall be available for obligation upon submission of the first report required by subsection (j), and the remaining one-third shall be available for obligation upon submission of the second such report.

(4) The President shall establish appropriate procedures to ensure that any humanitarian assistance provided by the United States Government to the Nicaraguan democratic resistance is used only for the intended purpose and is not diverted (through barter, exchange, or any other means) for acquisition of weapons, weapons systems, ammunition, or other equipment, vehicles, or material which can be used to inflict serious bodily harm or death.

(5) As used in this subsection, the term "humanitarian assistance" means the provision of food, clothing, medicine, and other humanitarian assistance, and it does not include the provision of weapons, weapons systems, ammunition, or other equipment, vehicles, or material which can be used to inflict serious bodily harm or death.

(h) ASSISTANCE FOR IMPLEMENTATION OF A CONTADORA AGREEMENT.—Effective upon the date of enactment of this Act, there are authorized to be appropriated \$2,000,000, which are authorized to remain available until expended, for payment by the Secretary of State for the expenses arising from implementation by the Contadora nations (Mexico, Panama, Colombia, and Venezuela) of an agreement among the countries of Central America based on the Contadora Document of Objectives of September 9, 1983, including peacekeeping, verification, and monitoring systems.

(i) POLICIES WITH RESPECT TO NICARAGUA.—The President is hereby urged and requested—

(1) to pursue vigorously the use of diplomatic and economic measures to resolve the conflict in Nicaragua, including simultaneous negotiations—

(A) to implement the Contadora Document of Objectives of September 8, 1983; and

(B) to develop, in close consultation and cooperation with other nations, trade and economic measures to complement such policies of the United States and to encourage the Government of Nicaragua to take the necessary steps to resolve the conflict;

(2) to suspend the economic sanctions imposed by the President on May 1, 1985, and the United States military maneuvers in Honduras and off the coast of Nicaragua, if the Government of Nicaragua agrees—

(A) to a cease fire,
(B) to open a dialogue with all elements of the opposition, including the Nicaraguan democratic resistance, and
(C) to suspend the state of emergency in Nicaragua;

(3) to call upon the Nicaraguan democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses; and

(4) to resume bilateral discussions with the Government of Nicaragua with a view to encouraging—

(A) a church-mediated dialogue between the Government of Nicaragua and all elements of the opposition, including the Nicaraguan democratic resistance, in support of internal reconciliation as called for by the Contadora Document of Objectives; and
(B) a comprehensive, verifiable agreement among the nations of Central America, based on the Contadora Document of Objectives.

(j) REPORTS.—The President shall submit a report to the Congress 90 days after the date

of enactment of this Act, and every 90 days thereafter, on any actions taken to carry out subsections (g) and (h). Each such report shall include—

(1) a detailed statement of any progress made in reaching a negotiated settlement referred to in subsection (i)(1), including the willingness of the Nicaraguan democratic resistance and the Government of Nicaragua to negotiate a settlement;

(2) a detailed accounting of the disbursements made to provide humanitarian assistance with the funds provided pursuant to subsection (g); and

(3) a discussion of the alleged human rights violations by the Nicaraguan democratic resistance and the Government of Nicaragua, including a statement of the steps taken by the Nicaraguan democratic resistance to comply with the request referred to in subsection (i)(3).

(k) SUBMISSION OF REQUEST FOR ADDITIONAL ASSISTANCE FOR THE CENTRAL AMERICA PEACE PROCESS.—If the President determines at any time after the enactment of this Act that—

(1) negotiations based on the Contadora Document of Objectives of September 9, 1983, have produced an agreement, or show promise of producing an agreement, or

(2) other trade and economic measures will assist in a resolution of the conflict, or to stabilization in the region,

the President may submit to the Congress a request for budget and other authority to provide additional assistance for the furtherance of the Central America peace process.

(l) STATEMENT TO BE INCLUDED.—The President's request pursuant to subsection (k) shall include a detailed statement as to progress made to resolve the conflict in the region.

(m) CONSULTATION WITH THE CONGRESS.—In formulating a request pursuant to subsection (k), the President shall consult with the Congress.

(n) HOUSE PROCEDURES.—(1) The provisions of this subsection apply, during the 99th Congress, to the consideration in the House of Representatives of a joint resolution with respect to the request submitted by the President pursuant to subsection (k).

(2) For purposes of this subsection, the term "joint resolution" means only a joint resolution introduced within 3 legislative days after the Congress receives the request submitted by the President pursuant to subsection (k)—

(A) the matter after the resolving clause of which is as follows: "That the Congress hereby approves the additional authority and assistance for the Central America peace process that the President requested pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 91-672";

(B) which does not have a preamble; and
(C) the title of which is as follows: "Joint Resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985."

(3) A joint resolution shall, upon introduction, be referred to the appropriate committee or committees of the House of Representatives.

(4) If all the committees of the House to which a joint resolution has been referred have not reported the same joint resolution by the end of 15 legislative days after the first joint resolution was introduced, any committee which has not reported the first joint resolution introduced shall be discharged from further consideration of that joint resolution and that joint resolution shall be placed on the appropriate calendar of the House.

(5)(A) At any time after the first joint resolution placed on the appropriate calendar

has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution under clauses 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

(C) An amendment to the joint resolution is not in order.

(D) at the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

(6) As used in this subsection, the term "legislative day" means a day on which the House is in session.

(o) SENATE PROCEDURES.—A joint resolution which is introduced in the Senate within 3 calendar days after the day on which the Congress receives a Presidential request described in subsection (k) and which, if enacted, would grant the President the authority to take any or all of the actions described in subsection (k) shall be considered in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(1) references in such paragraphs to the Committees on Appropriations of the Senate shall be deemed to be references to the appropriate committee or committees of the Senate; and

(2) amendments to the joint resolution are in order.

(p) SUBMISSION OF REQUEST FOR ADDITIONAL ASSISTANCE FOR NICARAGUAN DEMOCRATIC RESISTANCE.—If the President determines at any time after the enactment of this Act that—

(1) negotiations based on the Contadora Document of Objectives of September 9, 1983, have failed to produce an agreement, or

(2) other trade and economic measures have failed to resolve the conflict, the President may submit to the Congress a request for budget and other authority to provide additional assistance for the Nicaraguan democratic resistance.

(q) STATEMENT TO BE INCLUDED.—The President's request pursuant to subsection (p) shall include a detailed statement as to why the negotiations or other measures have failed to resolve the conflict in the region.

(r) CONSULTATION WITH THE CONGRESS.—In formulating a request pursuant to subsection (p), the President shall consult with the Congress.

(s) HOUSE PROCEDURES.—(1) The provisions of this subsection apply, during the 99th Congress, to the consideration in the House of Representatives of a joint resolution with respect to the request submitted by the President pursuant to subsection (p).

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(B) For purposes of this subsection, the term "joint resolution" means only a joint resolution introduced within 3 legislative days after the Congress receives the request submitted by the President pursuant to subsection (p)—

(A) the matter after the resolving clause of which is as follows: "That the Congress hereby approves the additional authority and assistance for the Nicaraguan democratic resistance that the President requests pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 96-472."

(B) which does not have a preamble; and

(C) the title of which is as follows: "Joint Resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985."

(3) A joint resolution shall, upon introduction, be referred to the appropriate committee or committees of the House of Representatives.

(4) If all the committees of the House to which a joint resolution has been referred have not reported the same joint resolution by the end of 15 legislative days after the first joint resolution was introduced, any committee which has not reported the first joint resolution introduced shall be discharged from further consideration of that joint resolution and that joint resolution shall be placed on the appropriate calendar of the House.

(5)(A) At any time after the first joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points or order against the joint resolution under clauses 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

(C) An amendment to the joint resolution is not in order.

(D) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

(6) As used in this subsection, the term "legislative day" means a day on which the House is in session.

(7) SENATE PROCEDURES.—A joint resolution which is introduced in the Senate within 3 calendar days after the day on which the Congress receives a Presidential request described in subsection (p) and which, if enacted, would grant the President the authority to take any or all of the actions described in subsection (p) shall be considered in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(1) references in such paragraphs to the Committees on Appropriations of the Senate shall be deemed to be references to the appropriate committee or committees of the Senate; and

(2) amendments to the joint resolution are in order.

(8) CONGRESSIONAL RULEMAKING POWERS.—Subsections (n), (o), (s), and (t) are enacted—

(1) as exercises of the rulemaking powers of the House of Representatives and Senate, and as such they are deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under this section, and they supersede other rules only to the extent that they are inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

TITLE VIII—AFRICA

SEC. 801. BALANCE-OF-PAYMENTS SUPPORT FOR COUNTRIES IN AFRICA.

(a) ESF COMMODITY IMPORT AND SECTOR PROGRAMS.—Agreements with countries in Africa which provide for the use of funds made available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for the fiscal years 1986 and 1987 to finance imports by those countries (under commodity import programs or sector programs) shall require that those imports be used to meet long-term development needs in those countries in accordance with the following criteria:

(1) Spare parts and other imports shall be allocated on the basis of evaluations, by the agency primarily responsible for administering part I of that Act, of the ability of likely recipients to use such spare parts and imports in a maximally productive, employment generating, and cost effective way.

(2) Imports shall be coordinated with investments in accordance with the recipient country's plans for promoting economic development. The agency primarily responsible for administering part I of that Act shall assess such plans to determine whether they will effectively promote economic development.

(3) Emphasis shall be placed on imports for agricultural activities which will expand agricultural production, particularly activities which expand production for export or production to reduce reliance on imported agricultural products.

(4) Emphasis shall also be placed on a distribution of imports having a broad development impact in terms of economic sectors and geographic regions.

(5) In order to maximize the likelihood that the imports financed by the United States under such chapter are in addition to imports which would otherwise occur, consideration shall be given to historical patterns of foreign exchange uses.

(6)(A) Seventy-five percent of the foreign currencies generated by the sale of such imports by the government of the country shall be deposited in a special account established by that government and, except as provided in subparagraph (B), shall be available only for use in accordance with the agreement for economic development activities which are consistent with the policy directions of section 102 of the Foreign Assistance Act of 1961 and which are the types of activities

for which assistance may be provided under sections 103 through 106 of that Act.

(B) The agreement shall require that the government of the country make available to the United States Government such portion of the amount deposited in the special account as may be determined by the President to be necessary for requirements of the United States Government.

(b) ANNUAL EVALUATIONS.—The agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall conduct annual evaluations of the extent to which the criteria set forth in this subsection have been met.

SEC. 802. ECONOMIC SUPPORT ASSISTANCE FOR SOUTHERN AFRICA.

(a) FUNDS FOR SOUTHERN AFRICA REGIONAL PROGRAMS.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than \$30,000,000 for fiscal year 1986 and not less than \$30,000,000 for fiscal year 1987 shall be available only for regional programs in southern Africa. Not less than 50 percent of each of these amounts shall be allocated to assist sector projects supported by the Southern Africa Development Coordination Conference (SADCC) to enhance the economic development of the nine member states forming this important regional institution, especially in the following sectors: transportation, agricultural research and training, manpower development, and institutional support for the SADCC secretariat.

(b) STUDIES RELATING TO SOUTHERN AFRICA REGIONAL PROGRAMS.—(1) The administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall conduct a study which evaluates—

(A) the assistance which that agency provides to the Southern Africa Development Coordination Conference and other African regional institutions and economic development organizations, and

(B) ways to improve such assistance.

(2) The administrator shall also conduct a study which assesses what type of bureaucratic mechanism within that agency might be established to coordinate assistance to all African regional institutions.

(3) The administrator shall submit the results of the studies conducted pursuant to this subsection to the Congress within 3 months after the date of enactment of this Act.

(c) SOUTH AFRICA EDUCATIONAL TRAINING PROGRAMS.—Funds available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 and fiscal year 1987 which are used for education or training programs in South Africa may not be used for programs conducted by or through organizations in South Africa which are financed or controlled by the Government of South Africa, such as the "homeland" and "urban council" authorities. Such funds may only be used for programs which in both their character and organizational sponsorship in South Africa clearly reflect the objective of a majority of South Africans for an end to the apartheid system of separate development. Nothing in this subsection shall be construed to prohibit programs which are consistent with this subsection and which award university scholarships to students who choose to attend a South African-supported university.

(d) HUMAN RIGHTS FUND FOR SOUTH AFRICA.—Of the amount allocated for the Human Rights Fund for South Africa under chapter 4 of part II of the Foreign Assistance Act of 1961 for each of the fiscal years 1986 and 1987, not less than 35 percent shall be used for direct legal and other assistance to

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political detainees and prisoners and their families, including the investigation of the killing of protestors and prisoners, and for support for actions of black-led community organizations to resist, through non-violent means, the enforcement of apartheid policies such as—

- (1) removal of black populations from certain geographic areas on account of race or ethnic origin,
- (2) denationalization of blacks, including any distinctions between the South African citizenships of blacks and whites,
- (3) residence restrictions based on race or ethnic origin,
- (4) restrictions on the rights of blacks to seek employment in South Africa and live wherever they find employment in South Africa, and
- (5) restrictions which make it impossible for black employees and their families to be housed in family accommodations near their place of employment.

SEC. 802. POLICY TOWARD SOUTH AFRICAN "HOMELANDS".

(a) **FINDINGS.**—The Congress finds that—

- (1) the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race, are principles which are fully supported by the American people;

- (2) the forced relocation of blacks by the Government of the Republic of South Africa to designated "homelands" divides families, as families are required to remain in the "homelands" while fathers seek work in the so-called "white areas";

- (3) the forced removal of persons living in so-called "black spots" in "white" rural areas in South Africa denies them the fundamental right to live and to farm on land they have legally occupied for years, and subjects them to arbitrary arrest and detention when they seek these rights;

- (4) compared to "white" South Africa, the designated "homelands", which are meant to accommodate the largest South African population group on a fraction of South African territory and were established without the consent of the vast majority of the governed, are characterized by high rates of infant mortality, unemployment, and malnutrition and by a severe shortage of medical services;

- (5) the policy of the Government of the Republic of South Africa denies blacks their rightful claim to full South African citizenship; and

- (6) the recent violence in South Africa must be seen as an inevitable result of the denial of the full rights of citizenship.

(b) **STATEMENT OF POLICY.**—It is the sense of the Congress that—

- (1) the policy of separate development and the forced relocation of the people of the Republic of South Africa are inconsistent with fundamental American values and internationally recognized principles of human rights;

- (2) the Government of the United States should continue to regard as citizens of South Africa all persons born within the internationally recognized boundaries of the Republic of South Africa, and not differentiate among these citizens on the basis of the South African Government's claim to have granted independence to various "homelands";

- (3) at such times that any "homeland" official applies for a visa for travel to the United States, such visa should not be granted unless that official holds a passport which is recognized as valid by the Government of the United States; and

- (4) the Government of the United States should urge that the forced relocation of South African citizens be discontinued and

that policies be adopted for all South Africa's citizens which protect the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race.

SEC. 804. ASSISTANCE FOR ZAIRE.

(a) **ECONOMIC SUPPORT ASSISTANCE.**—Funds allocated for assistance for Zaire under chapter 4 of part II of the Foreign Assistance Act of 1961 for each of the fiscal years 1986 and 1987 shall be used only for assistance which is provided in accordance with the provisions applicable to assistance under chapter 1 of part I of the Foreign Assistance Act of 1961. Such assistance shall be provided, to the maximum extent practicable, through private and voluntary organizations.

(b) **MILITARY ASSISTANCE.**—For each of the fiscal years 1986 and 1987—

- (1) the value of assistance provided under chapter 2 of part II of the Foreign Assistance Act of 1961 for Zaire may not exceed \$7,000,000; and

- (2) financing may not be provided under the Arms Export Control Act for Zaire.

SEC. 805. ASSISTANCE FOR TUNISIA.

(a) **POLICY CONCERNING SECURITY ASSISTANCE.**—The United States provides security assistance to Tunisia in recognition of the traditional friendship between the United States and Tunisia and our common interests in the region. The provision of such assistance is also based on the expectation that political stability and development in Tunisia will be best advanced through continued growth of democratic institutions.

(b) **EARMARKING OF MAP AND ESF.**—For each of the fiscal years 1986 and 1987—

- (1) not less than \$15,000,000 of the amounts authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961, and

- (2) not less than \$20,000,000 of the amounts authorized to be appropriated to carry out chapter 4 of part II of that Act, shall be available only for Tunisia.

SEC. 806. POLITICAL SETTLEMENT IN SUDAN.

(a) **FINDINGS.**—The Congress finds that—

- (1) friendship and mutual interests bind the United States and Sudan; and

- (2) the peace, security, and economic development of Sudan depend in large part on addressing the problems associated with the traditional north-south division in that country through political rather than military means.

(b) **UNITED STATES POLICY.**—It is, therefore, the policy of the United States that the provision of security assistance to Sudan shall be based on the expectation that the Government of Sudan will make progress toward reaching a political settlement with all parties to the conflict in the south of Sudan.

SEC. 807. ELECTIONS IN LIBERIA.

In recognition of the special relationship that the United States has with Liberia and of the wide variety of interests that the United States has in Liberia, security assistance for Liberia for fiscal years 1986 and 1987 is based on the expectation of a successful completion of free and fair elections, on a multiparty basis, in October 1985 as proposed by the Government of Liberia and on a return to full civilian, constitutional rule as a consequence of those elections.

SEC. 808. WESTERN SAHARA.

(a) **UNITED STATES POLICY.**—The policy of the United States shall be to support a negotiated political solution to the conflict in the Western Sahara taking into account the principle of self-determination as outlined in the 1981 Nairobi resolution and to encourage all parties to the conflict to reach a peaceful internationally recognized settle-

ment. As part of this policy, the United States should carefully consider each type of military assistance it furnishes to any of the parties to the conflict and should seek to insure that the furnishing of such military assistance is consistent with United States policy which seeks a negotiated settlement.

(b) **FURTHER STATEMENT OF POLICY.**—It is the further policy of the United States to support Morocco's legitimate defense needs and to discourage aggression by any country in North Africa against another.

SEC. 809. SAHEL DEVELOPMENT PROGRAM.

(a) **AUTHORIZATIONS OF APPROPRIATIONS.**—The third sentence of section 121(c) of the Foreign Assistance Act of 1961 is amended to read as follows: "In addition to the amounts authorized to be appropriated in the preceding sentences and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section \$87,750,000 for fiscal year 1986 and \$87,750,000 for fiscal year 1987."

(b) **IMPROVING ADMINISTRATIVE CAPABILITIES OF HOST GOVERNMENTS.**—Section 121 of such Act is amended by adding at the end thereof the following new subsection:

"(e) Grants shall be made under this section to Sahel Development Program host governments in order to help them enhance their administrative capabilities to meet the administrative requirements resulting from donor country projects and activities."

SEC. 810. AFRICAN DEVELOPMENT FOUNDATION.

(a) **AUTHORIZATIONS OF APPROPRIATIONS.**—Section 510 of the African Development Foundation Act is amended to read as follows:

"**AUTHORIZATIONS OF APPROPRIATIONS**
"SEC. 510. There are authorized to be appropriated to carry out this title, in addition to amounts otherwise available for that purpose, \$3,872,000 for fiscal year 1986 and \$3,872,000 for fiscal year 1987. Funds appropriated under this section are authorized to remain available until expended."

(b) **EXTENSION OF AUTHORITIES.**—Section 511 of such Act is amended by striking out "1985" and inserting in lieu thereof "1990".

SEC. 811. REPEAL OF CLARK AMENDMENT.

Section 118 of the International Security and Development Cooperation Act of 1980 (prohibiting assistance for military or paramilitary operations in Angola) is repealed.

SEC. 812. FAILURE OF THE ETHIOPIAN GOVERNMENT TO RESPONSIBLY AMELIORATE FAMINE CONDITIONS.

(a) **FINDINGS.**—The Congress finds that—

- (1) many thousands of Ethiopian people have suffered and died, and an additional ten million people are in danger of death, through starvation caused by prolonged drought;

- (2) the Government of the United States has a continuing commitment to the emergency fund under title II of the Agricultural Trade Development and Assistance Act of 1954 (the Food For Peace Act);

- (3) United States emergency food assistance for Africa in fiscal year 1985 is more than twice the amount provided in fiscal year 1984, and is the largest amount contributed by any single donor;

- (4) the Ethiopian Government, as a client state of the Soviet Union, has considered the equipage and modernization of its five hundred thousand-person military organization more vital than alleviating the suffering of its people caused by drought;

- (5) the Ethiopian Government has considered the funding of its military organization more vital than promoting a viable national agrarian policy;

- (6) there is evidence that the Government of Ethiopia has used the drought-caused

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to induce cooperation from certain educated Ethiopians who seek to bring about fundamental changes in their country.

(7) the United States Government is concerned about the seizure by the Ethiopian Government of an Australian aid ship in an attempt to cut off food to its citizens in the northern regions, an area most severely stricken by famine; and

(8) the Ethiopian Government deems the appearance and status of its socialist system more worthy of attention than its citizens and agricultural policies in need.

(b) STATEMENT OF POLICY.—It is the sense of the Congress that—

(1) the Government of Ethiopia should be condemned for failing in its responsibility to sufficiently ameliorate the severe drought and famine conditions throughout its agrarian countryside;

(2) the Government of Ethiopia should allocate more of its resources toward the development of a more balanced and effective agrarian system;

(3) human rights monitoring groups can be a positive force for human rights in Ethiopia and should be allowed to function and should be supported;

(4) the Government of Ethiopia should initiate a genuine policy of national reconciliation;

(5) the continued improvement of Ethiopia's treatment of the Ethiopian people and respect for human rights would better relations between the United States and Ethiopia.

(6) the President or his representatives should convey to Ethiopian officials the concerns of the Congress expressed in this section at every opportunity; and

(7) the President or his representatives should also convey these concerns of the Congress to the governments of United States allies and urge the cooperation of those governments in efforts to ensure a more responsible Ethiopian Government.

(c) PROHIBITION ON IMPORTS AND EXPORTS.—(1) The President shall determine, within 30 days after the date of enactment of this Act, whether the Ethiopian regime is conducting a deliberate policy of starvation of its people and has not granted fundamental human rights to its citizens. The President shall submit that determination, and the basis for that determination, to the Congress.

(2) If the President determines that such a policy is being conducted and that such rights are not being granted, paragraph (3) shall take effect if the Congress enacts a joint resolution approving that determination.

(3) If the conditions specified in paragraphs (1) and (2) are met—

(A) goods and services of Ethiopian origin may not be imported into the United States; and

(B) except for emergency relief, rehabilitation, and recovery assistance, goods and services of United States origin may not be exported (directly or indirectly) to Ethiopia.

(d) PROHIBITION ON ECONOMIC ASSISTANCE.—The President shall suspend all forms of economic assistance to the Government of Ethiopia. This section shall not be construed to prevent the furnishing of international disaster assistance under section 491 of the Foreign Assistance Act of 1961 or economic assistance which will directly benefit needy people in accordance with section 116 of that Act.

SEC. 813. ASSISTANCE FOR THE PEOPLE'S REPUBLIC OF MOZAMBIQUE.

(a) ECONOMIC ASSISTANCE.—The funds authorized to be appropriated for fiscal years 1986 and 1987 to carry out chapter 1 of part I (relating to development assistance) and chapter 4 of part II (relating to the econom-

ic support fund) of the Foreign Assistance Act of 1961 that are allocated for bilateral assistance to the People's Republic of Mozambique shall be used solely for assistance to the private sector of the economy of Mozambique to the maximum extent practicable. To the maximum extent practicable, such funds shall be channeled to non-governmental entities in Mozambique.

(b) MILITARY ASSISTANCE.—(1) None of the funds authorized to be appropriated for fiscal year 1986 or fiscal year 1987 to carry out chapter 2 of part II (relating to grant military assistance) or chapter 5 of part II (relating to international military education and training) of the Foreign Assistance Act of 1961 shall be used to provide assistance to the People's Republic of Mozambique unless the President makes the certification described in paragraph (2) before providing any such assistance for that fiscal year.

(2) The certification required by paragraph (1) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate that the Government of the People's Republic of Mozambique—

(A) is making a concerted and significant effort to comply with internationally recognized human rights;

(B) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy;

(C) has implemented a plan by September 30, 1986, to reduce the number of foreign military personnel to no more than 55; and

(D) (i) in the case of a certification with respect to assistance for fiscal year 1986, is committed to holding free elections at a date no later than September 30, 1986, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

(1) the electoral process with internationally recognized observers; and

(2) the elimination of all restrictions on the formation and activities of opposition political parties; and

(i) in the case of a certification with respect to assistance for fiscal year 1987, held free elections by September 30, 1986.

TITLE IX—ASIA

SEC. 901. THE PHILIPPINES.

(a) DEMOCRACY IN THE PHILIPPINES.—It is the sense of the Congress that the United States should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the Government of the Philippines in—

(1) guaranteeing free, fair, and honest elections in 1986 and 1987, or sooner should any such elections occur;

(2) ensuring the full, fair, and open prosecution of those responsible for the murder of Benigno Aquino, including those involved in the cover-up;

(3) ensuring freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the local and provincial elections of 1986 and the Presidential election of 1987;

(4) establishing the writ of habeas corpus and the termination of the Presidential De-

tention Action and all other forms of detention without charge or trial;

(5) releasing all individuals detained or imprisoned for peaceful political activities;

(6) making substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past;

(7) implementing structural economic reforms and a strengthening of the private sector, including elimination of corruption and monopolies; and

(8) enhancing the professional capability of the Philippine armed forces and security forces (including the Philippine Constabulary and the Civilian House Defense Forces).

(b) PRIMARY PURPOSE OF UNITED STATES ASSISTANCE.—The Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States and to encourage the restoration of internal security, both of which goals can be best served by the achievement of an open and stable democracy.

(c) CONGRESSIONAL OVERSIGHT.—The Congress, in determining future aid levels for the Philippines, will take into account not only our military bases agreement with that country, but also the extent to which the objectives and goals specified in subsections (a) and (b) have been implemented. The Congress may defer assistance for the Philippines under both chapter 2 of part II of the Foreign Assistance Act of 1961 and the Arms Export Control Act if—

(1) significant progress is not achieved with respect to the objectives and goals specified in subsections (a) and (b), or

(2) the Congress finds that such assistance is used to violate the internationally recognized human rights of the Filipino people.

(d) AMOUNTS OF ASSISTANCE.—Of the amounts authorized to be appropriated for each of the fiscal years 1986 and 1987—

(1) to carry out the Arms Export Control Act (relating to foreign military sales financing), not more than \$20,000,000 may be used for assistance for the Philippines;

(2) to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), not more than \$50,000,000 may be used for assistance for the Philippines; and

(3) to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), \$110,000,000 shall be available only for the Philippines.

(e) NONLETHAL ASSISTANCE.—Assistance provided for the Philippines for fiscal year 1986 under the Arms Export Control Act or under chapter 2 of part II of the Foreign Assistance Act of 1961 shall be nonlethal in character.

SEC. 902. NUCLEAR NON-PROLIFERATION CONDITIONS ON ASSISTANCE FOR PAKISTAN.

Section 620E of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

“(e) No assistance shall be furnished to Pakistan and no military equipment or technology shall be sold or transferred to Pakistan, pursuant to the authorities contained in this Act or any other Act, unless the President shall have certified in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, during the fiscal year in which assistance is to be furnished or military equipment or technology is to be sold or transferred, that Pakistan does not possess a nuclear explosive device and that the proposed United States assistance program will reduce significantly the

risk that Pakistan will possess a nuclear explosive device."

SEC. 901. DISADVANTAGED CHILDREN IN ASIA.

(a) **AUTHORIZATION OF ADDITIONAL ASSISTANCE.**—Section 241(b) of the Foreign Assistance Act of 1961 is amended by striking out "\$2,000,000" and inserting in lieu thereof "\$3,000,000".

(b) **ADDITIONAL STEPS TO HELP AMERASIAN CHILDREN.**—The Congress finds that Amerasian children are currently the object of discrimination in the countries in Asia where they now reside. Therefore, the President shall report to the Congress on the quality of life of these children and on what additional steps, such as facilitating adoptions, the United States could take to enhance the lives of these children.

SEC. 902. ASSISTANCE FOR AFGHANISTAN.

(a) **AUTHORIZATION.**—The President may make available funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law.

(b) **earmarking of funds.**—Each fiscal year, not less than \$15,000,000 of the aggregate amount of funds available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 shall be available only for humanitarian assistance to the Afghan people pursuant to subsection (a) of this section.

(c) **EFFECTIVE DATES.**—This section shall take effect on the date of enactment of this Act, except that subsection (b) shall not apply to fiscal year 1985.

SEC. 903. ASSISTANCE FOR THE CAMBODIAN PEOPLE.

The President may make available to the noncommunist resistance forces in Cambodia up to \$5,000,000 for fiscal year 1986, and up to \$5,000,000 for fiscal year 1987, of the funds authorized to be appropriated to carry out chapter 2 (relating to grant military assistance) or chapter 4 (relating to the economic support fund) of part II of the Foreign Assistance Act of 1961, notwithstanding any other provision of law.

SEC. 904. PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE.

(a) **PROHIBITION.**—Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Cambodia or elsewhere in Indochina.

(b) **DEOBLIGATION OF CERTAIN FUNDS.**—All funds appropriated before the date of enactment of this section which were obligated but not expended for activities having the purpose or effect described in subsection (a) shall be deobligated and shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) **EXCEPTION FOR HUMANITARIAN ASSISTANCE.**—This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Cambodian people.

SEC. 905. POLITICAL SETTLEMENT IN SRI LANKA.

(a) **FINDINGS.**—The Congress finds that—

(1) the Government and people of Sri Lanka and the Government and people of the United States share a common devotion to independence, democracy, and human rights;

(2) the United States is concerned over the armed clashes between the security forces of the Government of Sri Lanka and some Sri Lankans who seek through violent means, including terrorist attacks, to divide that nation;

(3) there have been acts of terrorism committed against members of the Sri Lankan security forces, as well as against civilians, and there have been human rights abuses by members of the security forces against civilians, particularly Tamils, despite the efforts of the Government, which the Congress believes must be intensified, to put an end to those abuses;

(4) the differences and grievances in Sri Lanka cannot be resolved through the use of force; and

(5) the United States is a proud participant through its economic assistance programs in Sri Lanka's highly regarded development efforts and looks forward to enhanced cooperation and assistance in the context of a political settlement in Sri Lanka leading to the kind of peaceful climate in which additional aid could be effectively utilized.

(b) **POLITICAL SETTLEMENT.**—It is, therefore, the sense of the Congress that—

(1) all parties in Sri Lanka, from all communities in and out of government, should renew their efforts to achieve a joint political settlement which meets the legitimate concerns of all the people of Sri Lanka, while preserving the territorial integrity of Sri Lanka; and

(2) all parties outside Sri Lanka should do nothing which would impede progress toward such a settlement.

SEC. 906. UNITED STATES POLICY TOWARD THE REPUBLIC OF KOREA.

(a) **FINDINGS.**—The Congress finds that—

(1) the Government of the Republic of Korea has taken several significant and encouraging steps in liberalizing the political system in that country;

(2) among the steps which have facilitated a more democratic environment are the release of hundreds of student demonstrators, the lifting of a political ban on more than 800 opposition leaders, and the holding of a vigorously contested election for the National Assembly in which the opposition made substantial gains;

(3) despite these steps, the people of the Republic of Korea, who have become increasingly better educated and prosperous as a result of Korea's extraordinarily rapid economic development, have the desire and the capability to participate more fully and effectively in the government of their own country; and

(4) while internationally recognized human rights are clearly respected much more in the Republic of Korea than in the Democratic People's Republic of Korea, continued progress toward democratization in the south is in the interests of both the Republic of Korea and the United States, inasmuch as long-term political stability cannot be assured in the absence of further progress towards democratic government.

(b) **UNITED STATES POLICY.**—It is the policy of the United States to provide assistance to the Republic of Korea in order to help that country defend itself against external aggression. It is the hope of the United States that the continuing close relations between our two countries, including such assistance, will encourage the establishment of a genuinely democratic system in the Republic of Korea, in which internationally recognized human rights, including freedom of the press, freedom of association, and freedom of assembly are observed.

TITLE X—FOOD AND AGRICULTURAL ASSISTANCE

SEC. 1001. INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT.

Section 103(g) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(g)(1) In order to carry out the purposes of this section, the President may continue

United States participation in and may make contributions to the International Fund for Agricultural Development.

"(2) Of the aggregate amount authorized to be appropriated to carry out part I of this Act, up to \$50,000,000 for fiscal year 1986 and up to \$50,000,000 for fiscal year 1987 may be made available, by appropriation or by transfer, for United States contributions to the second replenishment of the International Fund for Agricultural Development."

SEC. 1002. PUBLIC LAW 480 TITLE II MINIMUMS

Paragraph (3) of section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately before the semicolon the following: "except that for fiscal year 1986 the minimum quantity distributed shall be 1,800,000 metric tons, of which not less than 1,300,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program, and for fiscal year 1987 the minimum quantity distributed shall be 1,900,000 metric tons, of which not less than 1,425,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program."

SEC. 1003. EXPRESS AUTHORITY FOR TITLE II DIRECT DISTRIBUTION, SALE, AND BARTER.

Section 202(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting after the first sentence the following new sentence: "Such commodities may be furnished for direct distribution, sale, barter, or other appropriate disposition in carrying out the purposes set forth in section 201."

SEC. 1004. ROLE OF PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

(a) **NUTRITIONAL AND DEVELOPMENT OBJECTIVES.**—Section 202(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof of the following new paragraph:

"(4) In the case of commodities distributed under this title by nonprofit voluntary agencies, consideration shall be given to nutritional and development objectives as established by those agencies in light of their assessment of the needs of the people assisted."

(b) **FOOD FOR DEVELOPMENT PROGRAMS.**—Section 302(c)(4) of such Act is amended by inserting "and of United States nonprofit voluntary agencies and cooperatives" immediately after "agriculture".

SEC. 1005. MULTIYEAR AGREEMENTS WITH PIVOS AND COOPERATIVES.

Section 202 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following:

"(c)(1) In agreements with nonprofit voluntary agencies and cooperatives for non-emergency assistance under this title, the President is encouraged, if requested by the nonprofit voluntary agency or cooperative, to approve multiyear agreements to make agricultural commodities available for distribution by that agency or cooperative. Such agreement shall be subject to the availability each fiscal year of the necessary appropriations and agricultural commodities.

"(2) Paragraph (1) does not apply to an agreement which the President determines should be limited to a single year because of the past performance of the nonprofit voluntary agency or cooperative or because the agreement involves a new program of assistance.

"(3) In carrying out a multiyear agreement pursuant to this subsection, a nonprofit voluntary agency or cooperative shall not

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to be required to obtain annual approval from the United States Government in order to continue its assistance program pursuant to the agreement, unless exceptional and unusual circumstances have occurred which the President determines require such approval.

SEC. 1004. TITLE II PROGRAMMING REPORTS.

Section 408(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "title I" both places it appears and inserting in lieu thereof "Titles I and II".

SEC. 1005. ELIGIBLE COMMODITIES UNDER SECTION 416(b).

Section 416(b) of the Agricultural Act of 1954 (7 U.S.C. 1431(b)) is amended by inserting "rice" after "Dairy products" in the first sentence and by inserting "rice" after "Dairy products" in the third and eighth sentences.

SEC. 1006. LONG-TERM AGRICULTURAL COMMODITY AGREEMENTS WITH FOOD DEFICIT COUNTRIES.

As part of the United States foreign assistance program, the President should explore the possibility of concluding long-term agricultural commodity agreements to help stabilize and increase the flow of concessional and commercial food stuffs with food deficit countries. The President shall prepare and transmit to the Congress a report on his efforts to achieve such long-term agreements by June 1, 1986.

TITLE XI—PEACE CORPS

SEC. 1101. AUTHORIZATIONS OF APPROPRIATIONS.

Section 3(b) of the Peace Corps Act is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to carry out the purposes of this Act \$130,000,000 for each of the fiscal years 1986 and 1987."

SEC. 1102. NUMBER OF PEACE CORPS VOLUNTEERS.

(a) **STATEMENT OF POLICY.**—Section 2 of the Peace Corps Act (22 U.S.C. 2501) is amended—

(1) by inserting "(a)" immediately after "SEC. 2."; and

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

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

(b) **ANNUAL REPORT.**—Section 11 of the Peace Corps Act (22 U.S.C. 2510) is amended by adding at the end thereof the following new sentence:

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

SEC. 1103. LIMITATION ON LENGTH OF PEACE CORPS EMPLOYMENT.

(a) **AUTHORITY TO MAKE APPOINTMENTS OF MORE THAN FIVE YEARS.**—Section 7(a) of the Peace Corps Act (22 U.S.C. 2506(a)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking out "five" and inserting in lieu thereof "seven and one-half"; and

(ii) by striking out "unless" and all that follows through "basis" and inserting in lieu thereof "subject to paragraph (5) and except as provided in paragraph (6)"; and

(B) in the third sentence, by inserting "(other than the provisions of section 309)" after "1980"; and

(2) by adding at the end thereof the following new paragraphs:

"(5) Except as provided in paragraph (6), the Director of the Peace Corps may make

appointments or assignments of United States citizens under paragraph (2) for periods of more than five years only in the case of individuals whose performance as employees of the Peace Corps has been exceptional and only in order to achieve one or more of the following purposes:

"(A) To permit individuals who have served at least two and one-half years of such an appointment or assignment abroad to serve in the United States thereafter.

"(B) To permit individuals who have served at least two and one-half years of such an appointment or assignment in the United States to serve abroad thereafter.

"(C) To permit individuals who have served at least two and one-half years of such an appointment or assignment in a recruitment, selection, or training activity to be reassigned to an activity other than the one in which they have most recently so served.

"(D) To promote the continuity of functions in administering the Peace Corps.

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

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

(b) **REPORTS TO CONGRESS.**—The Director of the Peace Corps shall, not later than January 1, 1986, submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report describing the criteria to be applied by the Director in exercising the authority provided by the amendments made by subsection (a) to make appointments or assignments of individuals for periods of more than five years. Not later than each January 1 thereafter, the Director shall submit to the Committees referred to in the preceding sentence a report on—

(1) the exercise of such authority during the preceding fiscal year for each of the purposes specified in paragraph (5) of section 7(a) of the Peace Corps Act, as added by subsection (a) of this section; and

(2) the exercise during that fiscal year of the authority under paragraph (6) of such section 7(a), as added by subsection (a) of this section.

SEC. 1104. PEACE CORPS NATIONAL ADVISORY COUNCIL.

(a) **ESTABLISHMENT OF COUNCIL.**—The Peace Corps Act (22 U.S.C. 2501 and following) is amended by inserting after section 11 the following new section:

"PEACE CORPS NATIONAL ADVISORY COUNCIL

"SEC. 12. (a) ESTABLISHMENT.—A Peace Corps National Advisory Council (hereinafter in this section referred to as the "Council") shall be established in accordance with the provisions of this section.

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

"(2) Members of the Council shall (subject to subsection (d)(1)) conduct on-site inspec-

tions, and make examinations, of the activities of the Peace Corps in the United States and in other countries in order to—

"(A) evaluate the accomplishments of the Peace Corps;

"(B) assess the potential capabilities and the future role of the Peace Corps;

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

"(D) make such other evaluations, assessments, and recommendations as the Council considers appropriate.

"(3) The Council may provide for public participation in its activities.

(c) MEMBERSHIP.—(1) Persons appointed as members of the Council shall be broadly representative of the general public, including educational institutions, private volunteer agencies, private industry, farm organizations, labor unions, different regions of the United States, different educational, economic, racial, and national backgrounds and age groupings, and both sexes.

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

"(B) The first appointments of members of the Council under this paragraph shall be made not more than sixty days after the date of the enactment of this section and, solely for purposes of determining the expiration of their terms, shall be deemed to take effect on the sixtieth day after such date of enactment.

"(C) No member appointed under this paragraph may be an officer or employee of the United States Government.

"(D) Of the members initially appointed under this paragraph, eight shall be appointed to 1-year terms and seven shall be appointed to 2-year terms. Thereafter, all appointed members shall be appointed to 2-year terms.

"(E) A member of the Council appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.

"(F) No member of the Council may serve for more than two consecutive 2-year terms.

"(G) Members of the Council shall serve at the pleasure of the President.

"(H) An appointed member of the Council may be removed by a vote of nine members for malfeasance in office, for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

"(I) Within thirty days after any vacancy occurs in the office of an appointed member of the Council, the President shall nominate an individual to fill the vacancy.

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

(d) COMPENSATION.—(1) Except as provided in paragraph (2), a member of the Council who is not an officer or employee of the United States Government—

"(A) shall be paid compensation out of funds made available for the purposes of this Act at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties as a Council member, and

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

"(2) A member of the Council may not be paid compensation under paragraph (1)(A) for more than twenty days in any calendar year.

"(e) QUORUM.—A majority of the voting members of the Council shall constitute a quorum for the purposes of transacting any business.

"(f) FINANCIAL INTERESTS OF MEMBERS.—A member of the Council shall disclose to the Council the existence of any direct or indirect financial interest of that member in any particular matter before the Council and may not vote or otherwise participate as a Council member with respect to that particular matter.

"(g) CHAIR AND VICE CHAIR.—At its first meeting and at its first regular meeting in each calendar year thereafter, the Council shall elect a Chair and Vice Chair from among its appointed members who are citizens of the United States. The Chair and Vice Chair may not both be members of the same political party.

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

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

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

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

(b) TERMINATION OF SIMILAR ADVISORY BODY.—Any advisory body carrying out functions similar to those assigned to the Peace Corps National Advisory Council provided for in subsection (a) shall cease to exist sixty days after the date of the enactment of this Act.

SEC. 1104. NONPARTISAN APPOINTMENTS

(a) POLITICAL TESTS.—The Peace Corps Act (22 U.S.C. 2501 and following) is amended—

(1) by redesignating sections 25, 26, and 27 as sections 26, 27, and 28, respectively; and

(2) by inserting after section 24 the following new section:

"NONPARTISAN APPOINTMENTS

"SEC. 25. In carrying out this Act, no political test or political qualification may be used in—

"(1) selecting any person for enrollment as a volunteer or for appointment to a position or for assignment to (or for employment for assignment to), a duty station located abroad, or

"(2) promoting or taking any other action with respect to any volunteer or any person assigned to such a duty station."

(b) DISCRIMINATION.—Section 5(a) of the Peace Corps Act (22 U.S.C. 2504(a)) is amended by amending the last sentence to read as follows: "In carrying out this subsection, there shall be no discrimination against any person on account of race, sex, creed, or color."

TITLE XII—MISCELLANEOUS PROVISIONS RELATING TO FOREIGN ASSISTANCE

SEC. 1201. NOTICE TO CONGRESS OF USE OF CERTAIN AUTHORITIES RELATING TO HUMAN RIGHTS CONDITIONS

Section 502B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(g) Whenever the provisions of subsection (e) or (f) of this section are applied, the President shall report to the Congress before making any funds available pursuant to those subsections. The report shall specify the country involved, the amount and kinds of assistance to be provided, and the justification for providing the assistance, including a description of the significant improvements which have occurred in the country's human rights record."

SEC. 1202. PROHIBITIONS AGAINST ASSISTANCE

Section 620(f) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" immediately after "(f)";

(2) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively; and

(3) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the President may remove a country, for such period as the President determines, from the application of this subsection, and other provisions which reference this subsection, if the President determines and reports to the Congress that such action is important to the national interest of the United States. It is the sense of the Congress that when consideration is given to authorizing assistance to a country removed from the application of this subsection, one of the factors to be weighed, among others, is whether the country in question is giving evidence of fostering the establishment of a genuinely democratic system, with respect for internationally recognized human rights."

SEC. 1203. LAND REFORM PROGRAMS

Section 620(g) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following sentence: "This prohibition shall not apply to monetary assistance made available for use by a government for a political subdivision or agency of a government to compensate nationals of that country in accordance with a land reform program, if the President determines that monetary assistance for such land reform program will further the national interests of the United States."

SEC. 1204. SUSPENSION OF ASSISTANCE TO COUNTRIES VIOLATING U.S. EXPORT LAWS IN ORDER TO MANUFACTURE A NUCLEAR EXPLOSIVE DEVICE

(a) SUSPENSION OF ASSISTANCE BECAUSE OF ILLEGAL EXPORTS.—Subsection (a)(1) of section 670 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(A)" after "country which";

(2) by inserting immediately before the period at the end thereof ", or (B) is a non-nuclear-weapon state which, on or after the date of enactment of the International Security and Development Cooperation Act of 1985, exports illegally (or attempts to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of a nuclear explosive device"; and

(3) by adding at the end thereof the following: "For purposes of clause (B), an export (or attempted export) by a person who is an agent of, or is otherwise acting on behalf of or in the interests of, a country shall be considered to be an export (or attempted export) by that country."

(b) CONFORMING AMENDMENTS.—Such section 670 is amended—

(1) in the section caption by inserting "ILLEGAL EXPORTS FOR NUCLEAR EXPLOSIVE DEVICES," after "TRANSFERS,"; and

(2) by striking out "(5) As used in this subsection" and inserting in lieu thereof "(c) As used in this section."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 1205. REPORTS ON ECONOMIC CONDITIONS IN CERTAIN COUNTRIES

(a) EXTERNAL DEBT BURDEN OF CERTAIN COUNTRIES RECEIVING UNITED STATES ASSISTANCE.—The Congress finds that the Governments of Egypt, Israel, Turkey, and Portugal each have an enormous external debt burden which may be made more difficult by virtue of financing provided for those governments under various United States assistance programs.

(b) ANNUAL REPORTS ON ECONOMIC CONDITIONS.—In order to assist the Congress in examining United States assistance for these countries, the President shall report to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, not later than January 15 of each year, regarding economic conditions prevailing in Egypt, Israel, Turkey, and Portugal which may affect their respective ability to meet their international debt obligations and to stabilize their economies.

SEC. 1206. EGYPTIAN-ISRAELI RELATIONS

The Congress notes the recent effort of Egypt to move the peace process forward. However, the Congress continues to be concerned about the less than normal relations between Egypt and Israel. It is the sense of the Congress that all United States foreign assistance to Egypt is provided in the expectation that the Egyptian Government will continue in its efforts to bring peace to the region and that it will continue to support and fulfill the provisions of the Camp David Accords and the Egyptian-Israeli Peace Treaty.

SEC. 1207. PROCUREMENT OF CONSTRUCTION AND ENGINEERING SERVICES

Section 604(g) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(g)"; and

(2) by adding at the end thereof the following new paragraph:

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Paragraph (1) does not apply with respect to an advanced developing country which—

(A) is receiving direct economic assistance under chapter 1 of part I or chapter 4 of part II of this Act, and

(B) if the country has its own foreign assistance programs which finance the procurement of construction or engineering services, permits United States firms to compete for those services."

SEC. 120. COMPLETION OF PLANS AND COST ESTIMATES.

Section 611 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a) by striking out "\$100,000" and inserting in lieu thereof "\$50,000"; and

(2) in subsection (b) by striking out "the procedures set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973, with respect to such computations" and inserting in lieu thereof "the principles, standards and procedures established pursuant to the Water Resources Planning Act #2 (U.S.C. 1962, et seq.) or acts amendatory or supplementary thereto".

SEC. 120A. REPROGRAMMING NOTIFICATIONS TO CONGRESS.

(a) REPROGRAMMING NOTIFICATIONS.—Section 634A of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(a)" immediately before "None";

(2) by inserting "or the Arms Export Control Act" immediately after "disaster relief and rehabilitation)" and immediately after "this Act" the second place it appears; and

(3) by adding at the end of the section the following new subsections:

"(b) The notification requirement of this section does not apply to the reprogramming—

(1) of funds to be used for an activity, program, or project under chapter 1 of part I of the amounts to be obligated for that activity, program, or project for that fiscal year do not exceed by more than 10 percent the amount justified to the Congress for that activity, program, or project for that fiscal year or

(2) of less than \$25,000 to be used under chapter 8 of part I, or under chapter 5 of part II, for a country for which a program under that chapter for that fiscal year was justified to the Congress.

"(c) The President shall notify the chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Foreign Affairs of the House of Representatives concerning any reprogramming of funds in the International Affairs Budget Function, the authorizations of appropriations for which are in their respective jurisdictions, to the same degree and with the same conditions as the President notifies the Committees on Appropriations. The requirements of this subsection are in addition to, and not in lieu of, other notification requirements."

(b) ALLOCATION REPORTS.—Section 653 of such Act is amended—

(1) by inserting in subsection (a) "or the Arms Export Control Act" immediately after "sections 451 or 637";

(2) by striking out subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

(c) QUARTERLY REPORTS.—Section 36(a) of the Arms Export Control Act is amended—

(1) in paragraph (5), by striking out "cash" and by striking out "credits to be extended under section 23, and guaranty agreements to be made under section 24"; and

(2) in paragraph (6), by striking out "cash" and by striking out "and credits expected to be extended".

SEC. 121. REPORT ON UNITED STATES ASSISTANCE TO COAL EXPORTING NATIONS.

Not later than 30 days after the date of enactment of this Act, the President shall submit to the appropriate committees of the Congress a report describing the status and terms of, and containing all other pertinent information relating to, any United States Government assistance which is provided to foreign nations that produce or export coal for the purpose of financing or assisting in the development of coal production, transportation, export, or other coal-related activities or operations.

SEC. 1211. REPEAL OF OBSOLETE PROVISIONS AND CORRECTION OF TECHNICAL REFERENCES.

(a) REPEALS.—The Foreign Assistance Act of 1961 is amended as follows:

(1) The third sentence of section 105(a) is repealed.

(2) Section 106(b)(1) is amended by striking out "(A)" and by striking out subparagraph (B).

(3) Section 110 is amended by striking out "(a)" and by striking out subsection (b).

(4) Chapter 10 of part I is repealed.

(b) CORRECTION OF CROSS-REFERENCES.—

(1) FOREIGN SERVICE ACT.—Section 636(a)(14) of such Act is amended by striking out "the Foreign Service Act of 1946, as amended" (22 U.S.C. 801 et seq.) and inserting in lieu thereof "the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.)".

(2) TITLE 31 OF THE U.S. CODE.—Section 611(a) of such Act is amended by striking out "section 1311 of the Supplemental Appropriation Act, 1955 as amended (31 U.S.C. 200)" and inserting in lieu thereof "section 1501 of title 31, United States Code".

(3) ITAR REGULATIONS.—Section 47(6) of the Arms Export Control Act is amended by striking out "combat" and inserting in lieu thereof "military".

TITLE XIII—MISCELLANEOUS PROVISIONS

SEC. 1301. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act shall take effect on October 1, 1985.

SEC. 1302. CODIFICATION OF POLICY PROHIBITING NEGOTIATIONS WITH THE PALESTINE LIBERATION ORGANIZATION.

(a) UNITED STATES POLICY.—The United States in 1975 declared in a memorandum of agreement with Israel, and has reaffirmed since, that "The United States will continue to adhere to its present policy with respect to the Palestine Liberation Organization, whereby it will not recognize or negotiate with the Palestine Liberation Organization so long as the Palestine Liberation Organization does not recognize Israel's right to exist and does not accept Security Council Resolutions 242 and 338."

(b) REAFFIRMATION AND CODIFICATION OF POLICY.—The United States hereby reaffirms that policy. In accordance with that policy, no officer or employee of the United States Government and no agent or other individual acting on behalf of the United States Government shall negotiate with the Palestine Liberation Organization or any representatives thereof (except in emergency or humanitarian situations) unless and until the Palestine Liberation Organization recognizes Israel's right to exist, accepts United Nations Security Council Resolutions 242 and 338, and renounces the use of terrorism.

SEC. 1303. COMMISSION FOR THE PRESERVATION OF AMERICA'S HERITAGE ABROAD.

(a) PURPOSE.—Because the fabric of a society is strengthened by visible reminders of the historical roots of the society, it is in the national interest of the United States to encourage the preservation and protection of

the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens.

(b) ESTABLISHMENT.—There is established a commission to be known as the Commission for the Preservation of America's Heritage Abroad (hereafter in this section referred to as the "Commission").

(c) DUTIES.—The Commission shall—

(1) identify and publish a list of those cemeteries, monuments, and historic buildings located abroad which are associated with the foreign heritage of United States citizens from eastern and central Europe, particularly those cemeteries, monuments, and buildings which are in danger of deterioration or destruction;

(2) encourage the preservation and protection of such cemeteries, monuments, and historic buildings by obtaining, in cooperation with the Department of State, assurances from foreign governments that the cemeteries, monuments, and buildings will be preserved and protected; and

(3) prepare and disseminate reports on the condition of and the progress toward preserving and protecting such cemeteries, monuments, and historic buildings.

(d) MEMBERSHIP.—(1) The Commission shall consist of 21 members appointed by the President, 7 of whom shall be appointed after consultation with the Speaker of the House of Representatives and 7 of whom shall be appointed after consultation with the President pro tempore of the Senate.

(2)(A) Except as provided in subparagraphs (B) and (C), members of the Commission shall be appointed for terms of 3 years.

(B) Of the members first appointed after consultation with the Speaker of the House of Representatives, 5 shall be appointed for a term of 2 years. Of the members first appointed after consultation with the President pro tempore of the Senate, 5 shall be appointed for 2 years.

(C) A member appointed to fill a vacancy on the Commission shall serve for the remainder of the term for which the member's predecessor was appointed.

(D) A member may retain membership on the Commission until the member's successor has been appointed.

(3) The President shall designate the Chairman of the Commission from among its members.

(e) MEETINGS.—The Commission shall meet at least once every three months.

(f) COMPENSATION AND PER DIEM.—(1) Members of the Commission shall receive no pay on account of their service on the Commission.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(g) AUTHORITIES.—(1) The Commission or any member it authorizes may, for the purposes of carrying out this section, hold such hearings, sit and act at such times and places, request such attendance, take such testimony, and receive such evidence, as the Commission considers appropriate.

(2) The Commission may appoint such personnel (subject to the provisions of title 5 of the United States Code which govern appointments in the competitive service) and may fix the pay of such personnel (subject to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates) as the Commission deems desirable.

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(3) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay then in effect for grade GS-18 of the General Schedule (5 U.S.C. 5332(a)).

(4) Upon request of the Commission, the head of any Federal department or agency, including the Secretary of State, may detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties under this section.

(5) The Commission may secure directly from any department or agency of the United States, including the Department of State, any information necessary to enable it to carry out this section. Upon the request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(6) The Commission may accept, use, and dispose of gifts or donations of money or property.

(7) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(8) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(h) REPORTS.—The Commission shall transmit an annual report to the President and to each House of Congress as soon as practicable after the end of each fiscal year. Each report shall include a detailed statement of the activities and accomplishments of the Commission during the preceding fiscal year and any recommendations by the Commission for legislation and administrative actions.

SEC. 1304. FEDERAL COAL EXPORT COMMISSION.

(a) ESTABLISHMENT.—The Secretary of Commerce shall establish, within ninety days after the date of enactment of this Act, a Federal Coal Export Commission (hereafter in this section referred to as the "Commission").

(b) MEMBERSHIP.—The Commission shall be composed of thirty members appointed by the Secretary of Commerce, as follows:

(1) FEDERAL GOVERNMENT REPRESENTATIVES.—Ten members shall be representatives of the International Trade Administration, the Department of Energy, the Department of State, the Department of Transportation, the Office of the United States Trade Representative, and a Federal institution involved in export financing.

(2) PRIVATE SECTOR REPRESENTATIVES.—

(A) Five members shall be representatives of export coal producers, including traders and brokers.

(B) Five members shall be representatives of coal labor.

(C) Five members shall be representatives of transporters of export coal, including representatives of rail and barge carriers and port authorities.

(D) Five members shall be representatives of institutions having a substantial interest in United States export coal financing.

(c) EXPENSES.—Members of the Commission shall serve without pay. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including

per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(d) COOPERATION.—All Federal departments and agencies are authorized to cooperate with the Commission and to furnish information, appropriate personnel, and such assistance as may be agreed upon by the Commission and the Federal department or agency involved.

(e) ACTIVITIES.—The Commission shall convene not less than four times a year for consultation on activities leading to increased cooperation among entities involved in United States coal exports, with the goal of expanding the United States share of the international coal market. Activities of the Commission shall include, but are not limited to, the identification of—

(1) diplomatic channels to facilitate the exportation of United States coal and methods to increase the coordination of diplomatic efforts relating to such exports;

(2) domestic and international impediments to coal exports;

(3) foreign markets for United States export coal, with emphasis on increasing United States coal sales to developing nations and expanding the participation of the United States International Development Cooperation Agency in such an effort;

(4) availability of, and methods of, financing United States coal exports, including the feasibility of increasing Federal export financial and economic assistance; and

(5) methods to promote, market, and coordinate United States coal on the international market.

The Commission shall also examine the potential for small- and medium-sized coal companies to enter the export coal trade through export trading companies with respect to the marketing, transportation, and financial services which such trading companies may provide pursuant to the Export Trading Company Act of 1982.

(f) REPORT.—The Commission shall submit to the President and the Congress, within two years after its first meeting, a report which details its findings pursuant to subsection (e) and, based upon such findings, makes recommendations which would lead to the expansion of the United States share of the international metallurgical and steam coal market.

(g) TERMINATION.—The Commission shall cease to exist upon submission of its report pursuant to subsection (f).

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 bill and agree to the same.

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
STEPHEN J. SOLARZ,
DON BONKER,
DAN MICA,
MICHAEL D. BARNES,
HOWARD WOLPE,
WM. S. BROOMFIELD,
BENJAMIN A. GILMAN,
ROBERT J. LAGOMARSINO,
HENRY J. HYDE,
GERALD B.H. SOLOMON,

Solely for subtitle 2 of Title IV of the House amendments and modifications in conference, International Airport Security:

JAMES J. HOWARD.

NORMAN Y. MINETA,
GENE SNYDER,
JOHN PAUL
HAMMERSCHMIDT,

Solely for Secs. 908 and 911 of the House amendments and Sec. 913 of the Senate bill:

E DE LA GARZA,
BERKLEY BEDELL,
PAT ROBERTS.

Managers on the Part of the House.

RICHARD G. LUGAR,
JESSE HELMS,
CHARLES MCC. MATHIAS,
Jr.,

NANCY LONDON
KASSEBAUM,
RUDY BOSCHWITZ,
CLAIBORNE PEPLER,
JOSEPH R. BIDEN, Jr.,
PAUL S. SARBANES,
ALAN CRANSTON,

Solely for consideration of subtitle 2 of Title IV of the House amendments dealing with airport safety:

JOHN C. DANFORTH,
NANCY LONDON
KASSEBAUM,
BARRY GOLDWATER,
ERNEST F. HOLLINGS,
J. JAMES EKON,

Solely for consideration of Title IX, dealing with food and agricultural issues:

JESSE HELMS,
RICHARD G. LUGAR,
EDWARD ZORINSKY.

Managers on the Part of the Senate.

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. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, the African Development Foundation, and for other purposes, 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 amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 1986 AND 1987

The amounts contained in the conference substitute compared to the amounts contained in the current fiscal year 1985 appropriation, requested by the executive branch and recommended by the House and Senate follow:

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AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 1986-87

(By fiscal year, in thousands of dollars)

Foreign assistance	Current appropriation 1985	Executive branch request 1986*	Committee recommendation 1986 and 1987	House passed bill 1986 and 1987	Senate passed bill 1986	Conference agreement 1986 and 1987
AFRICAN STATES						
AID (bilateral)	4,935,500.0	5,655,000.0	5,477,050.0	5,228,384.4	5,464,500.0	5,371,000.0
AID (concessional)	(2,575,000.0)	(3,104,000.0)	(3,106,000.0)	(3,100,000.0)		(2,100,000.0)
AID (military)	(667,500.0)	(654,700.0)	(553,500.0)	(553,900.0)	(2,364,000.0)	(553,900.0)
Total	1,693,000.0	1,900,000.0	1,771,550.0	1,574,484.4	3,100,500.0	2,717,100.0
ASIA						
AID (bilateral)	109,000.0	0.0	0.0	0.0	0.0	0.0
AID (concessional)	805,100.0	949,350.0	761,000.0	761,648.0	805,100.0	805,100.0
AID (military)	56,221.0	76,450.0	56,221.0	54,421.9	56,221.0	56,221.0
Total	1,470,321.0	1,725,700.0	1,318,221.0	1,316,070.9	1,466,421.0	1,466,421.0
EUROPE						
AID (bilateral)	44,000.0	37,000.0	37,000.0	35,816.6	37,000.0	37,000.0
Total	44,000.0	37,000.0	37,000.0	35,816.6	37,000.0	37,000.0
WESTERN HEMISPHERE						
AID (bilateral)	5,953,871.0	6,707,000.0	6,281,271.0	6,082,270.3	6,367,821.0	6,289,321.0
AID (concessional)	5,000.0	5,000.0	5,000.0	5,840.0	5,000.0	5,840.0
Total	3,841,000.0	4,024,000.0	3,900,400.0	3,775,587.2	3,841,000.0	3,800,000.0
INTERNATIONAL ORGANIZATIONS						
Agency for International Development	755,551.0	792,352.0	792,352.0	766,996.7	755,551.0	766,000.0
World Bank	296,000.0	250,017.0	376,000.0	306,764.6	270,017.0	296,000.0
Other	223,138.0	146,427.0	223,138.0	215,947.6	186,427.0	205,000.0
Other Services Fund	25,000.0	0.0	50,000.0	48,400.0	25,000.0	25,000.0
IMET	188,533.0	188,533.0	188,533.0	187,796.3	177,100.0	180,000.0
IMET-PC	200,000.0	223,071.0	273,071.0	215,937.7	200,000.0	207,000.0
Total	1,682,522.0	1,595,400.0	1,799,394.0	1,739,877.4	1,614,095.0	1,667,000.0
AFRICA DEVELOPMENT FOUNDATION						
AID (bilateral)	95,500.0	80,500.0	94,500.0	91,476.6	80,500.0	80,500.0
AID (concessional)	1,000.0	1,000.0	4,000.0	3,872.6	1,000.0	3,872.6
Total	40,000.0	0.0	0.0	0.0	0.0	0.0
PEACEKEEPING						
Total	1,821,022.0	1,676,900.0	1,895,894.0	1,864,254.4	1,695,595.0	1,758,672.6
OTHER PROGRAMS						
AID (bilateral)	30,000.0	10,000.0	40,000.0	38,700.0	30,000.0	35,000.0
AID (concessional)	268,676.5	196,211.0	284,904.0	275,787.1	267,676.5	270,000.0
AID (military)	90,000.0	0.0	0.0	0.0	0.0	150,000.0
IMET	50,217.0	57,529.0	57,529.0	55,681.0	50,217.0	57,529.0
IMET-PC	25,000.0	25,000.0	25,000.0	24,700.0	25,000.0	25,000.0
AID (development)	21,000.0	20,000.0	21,000.0	20,378.0	20,000.0	20,000.0
Operating expense	391,532.2	387,000.0	391,532.2	379,004.1	387,000.0	387,000.0
Total	871,426.7	695,740.0	819,966.2	793,777.3	775,892.5	794,529.0
PEACE CORPS						
Total	126,600.0	124,400.0	136,100.0	131,744.8	128,600.0	130,000.0
IM						
Total	11,992.0	8,699.0	12,000.0	11,616.0	11,969.0	11,969.0
ARMY BRANCH SUPPLEMENTAL						
Total	137,500.0					
Grand total	12,775,361.7	13,241,739.0	13,050,631.2	12,638,011.0	12,874,877.5	12,774,281.0

* Executive branch request for 1987 is "Such sums as may be necessary."
 † See ceiling of \$20 million for Philippines, \$10 million for Guatemala, earmarks \$500 million for Greece.
 ‡ Earmarks \$1.8 billion in forgiven loans for Israel and \$1.3 billion in forgiven loans for Egypt.
 § Sets ceiling of \$553.9 million for FMS concessional, excluding Israel, Egypt, and Greece.
 ¶ Sets ceiling of \$7 million for Zaire, \$50 million for Philippines, \$215 million for Turkey; earmarks not less than \$15 million earmark for Tunisia, earmarks \$1 million for detaching anti-narcotics aircraft.
 ** Earmarks the following amounts: \$1.2 billion for Israel, \$815 million for Egypt, not less than \$15 million for Cyprus, \$5 million for cooperative development projects with U.S. Israel and developing countries, not less than \$20 million for aid for administration of justice in Latin America and \$5 million out of ESF and MAP for aid to the non-Communist Cambodian resistance.
 †† Earmarks \$1 million out of development aid for literacy program in Haiti, \$79.6 million for development aid to El Salvador, 13.5 percent for PVOs, 10 percent set-aside for minority businesses.
 ‡‡ See statement of managers for earmarks.
 §§ Provide \$30 million in part I assistance for IFAD.
 ¶¶ For 1985, authorize supplemental funds of \$1.5 billion for Israel, \$500 million for Egypt, and \$8 million for West Bank development aid.

TWO-YEAR AUTHORIZATION

The Senate bill contained authorizations for only fiscal year 1986, while the House amendment authorized funds for both fiscal years 1986 and 1987. The executive branch requested "such sums as may be necessary" for fiscal year 1987.

The committee of conference agreed to extend the fiscal year 1986 authorization to fiscal year 1987, at the same levels. The Committees on Foreign Affairs of the House and Foreign Relations of the Senate will give full consideration to any additional recommendations by the executive branch for fiscal year 1987.

TITLE I—MILITARY SALES AND RELATED PROGRAMS

The authorization figures in the conference substitute are compromises between the Senate and House figures. The Senate bill (secs. 101, 115, 118, and 121) authorizes, for fiscal year 1986 \$5,464,500,000 in Foreign Military Sales (FMS) financing, \$805,100,000 grant military assistance program (MAP), \$56,221,000 grant international military education and training (IMET), and \$37 million peacekeeping operations assistance.

The House amendment (secs. 101, 103, 104, and 105) authorizes, for each fiscal year 1986 and 1987, \$5,228,384,400 FMS financing \$761,648,000 grant MAP, \$54,421,900

grant IMET, and \$35,816,000 peacekeeping operations assistance.

The conference substitute sets funding levels for fiscal years 1986 and 1987 as follows: \$5,371 million FMS financing, \$805,100,000 grant MAP, \$56,221,000 grant IMET, and \$37 million peacekeeping operations assistance.

CEILING ON FMS CONCESSIONAL FINANCING

The House amendment (sec. 101) sets a \$553.9 million ceiling on the aggregate amount of FMS assistance that may be provided at concessional interest rates.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

EXTENDED REPAYMENT TERMS ON FMS FINANCING

The Senate bill (sec. 101) authorizes 30 year repayment terms for Greece, Korea, Philippines, Portugal, Spain, Thailand, and Turkey for any fiscal year and authorizes such terms for guaranteed loans as well as credits.

The House amendment (sec. 101) authorizes such terms for the same countries—except the Philippines—for fiscal years 1986 and 1987 only and only for credits extended.

The conference substitute is the same as the House provision with an amendment to include the Philippines.

GREECE/TURKEY

The Senate bill (sec. 123) sets a \$215 million ceiling on MAP assistance for Turkey, contingent upon U.S. Government actions respecting Cyprus, sets a \$500 million FMS ceiling for Turkey, earmarks \$500 million FMS for Greece and earmarks the same proportion of FMS concessional assistance for Greece as for Turkey.

The House amendment (secs. 101 and 108) sets a \$711.4 million ceiling on MAP and FMS assistance for Turkey, earmarks the same proportion of FMS concessional assistance for Greece as for Turkey, mandates that concessional interest rates be comparable, and exempts concessional credits extended to Greece from the aggregate ceiling on such credits.

The conference substitute is a compromise that earmarks the same proportion of FMS concessional assistance for Greece as for Turkey, earmarks \$500 million FMS for Greece, sets an overall \$714.28 million MAP and FMS ceiling for Turkey, including a \$215 million MAP subceiling that also makes this MAP assistance contingent upon U.S. Government actions respecting Cyprus, mandates comparable interest rates, and exempts concessional credits for Greece from the aggregate ceiling on such credits.

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PROHIBITION ON FMS FOR LEBANON

The Senate bill (sec. 124) prohibits FMS for Lebanon.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the House provision.

FMS CREDIT TERMS

The Senate bill (sec. 106) authorizes the President to charge interest on FMS loans at a rate based on current Treasury rates or at a lesser rate if he determines that the national interest requires a lesser rate.

The House amendment (sec. 102) also authorizes the President to charge concessional rates of interest but sets minimum FMS interest rates on FMS concessional financing at 5 percent or 7 percent below current average interest rate for U.S. Government borrowing, whichever is larger.

The conference substitute is the same as the House provision with an amendment to set the interest rate at not less than 5 percent for FMS concessional loans.

PEACEKEEPING OPERATIONS EMERGENCIES

The Senate bill (sec. 122) authorizes draw-downs of up to \$25 million in any fiscal year from any U.S. government agency for peacekeeping emergencies, if the President determines that an unforeseen emergency exists which requires immediate assistance under the peacekeeping provisions of the Foreign Assistance Act. Authorization for reimbursement of applicable accounts that provide commodities and services under this section is also authorized.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

GUARANTY RESERVE FUND

The Senate bill (sec. 107) requires a Presidential report on FMS financing and recommendations on replenishment of the Guaranty Reserve Fund.

The House amendment (sec. 106) authorizes use of FMS market rate funds to pay claims if the Guaranty Reserve Fund becomes inadequate.

The conference substitute is a combination of both Senate and House provisions. The substitute requires a report with recommendations on the financial situation respecting the Foreign Military Sales program. It also authorizes the Department of Defense to use funds authorized for market rate loans under the FMS program in order to pay claims on past debts under that same program when funds in the Guaranty Reserve Fund become inadequate.

The conference committee expects the executive branch to begin a comprehensive review, at the earliest possible date of the U.S. foreign military sales financing program, including the rescheduling of previous debts, and to provide a report with findings and recommendations within 90 days of enactment of this bill. Based on information provided by the Department of Defense, the committee understands that no replenishment of the Guaranty Reserve Fund will be necessary before fiscal year 1987. The committee will review the report and make their own assessments during fiscal year 1986.

The authority of this provision to use funds authorized under the FMS program is intended as a contingency authority and should not undermine the more comprehensive review and recommendations contained in this provision.

VALUATION OF DEFENSE ARTICLES

The Senate bill (sec. 102) requires that U.S. vessels of 3,000 tons or less and 20 years old or more shall be sold at scrap value or at full and fair value, and that leasing of such

vessels be in accordance with chapter 6 of the Arms Export Control Act or chapter 2, of part II of the Foreign Assistance Act.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

FMS AND IMET TRAINING COSTS

The House amendment (sec. 107) requires full costing of military training provided by the United States under the Arms Export Control Act and the Foreign Assistance Act.

The Senate bill does not contain a comparable provision.

The conference substitute is a compromise which requires full costing of FMS military training sales with the exception for all grant IMET recipients and reciprocal cost arrangements are authorized for training programs with NATO countries, Australia, New Zealand and Japan, effective September 30, 1985.

CASH FLOW FINANCING REPORT

The Senate bill (sec. 109) requires a report on countries approved for cash flow financing in excess of \$100 million.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

REPORT ON INTERNATIONAL VOLUME OF ARMS TRAFFIC

The Senate bill (sec. 108) narrows the reporting requirement concerning U.S. arms sales in section 25 of the Arms Export Control Act to include only developing countries.

The House amendment (sec. 111) has no comparable provision.

The conference substitute is the same as the House provision.

SECURITY ASSISTANCE SURVEYS

The House amendment (sec. 112) changes the definition of types of security assistance surveys which will be reported to Congress under section 28 of the Arms Export Control Act and specifies that the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations can receive copies of such reports upon request.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

NATO COOPERATIVE PROJECTS

The House amendment (sec. 130) amends Section 27 of the Arms Export Control Act to revise authority pertaining to NATO cooperative projects.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision with an amendment to drop the requirement for advanced appropriations for contracts entered into on behalf of other NATO members under equitable cost conditions.

RECIPROCAL TRAINING AND SUPPORT

The House amendment (sec. 129) authorizes the President to provide allies with reciprocal training and support for military and civilian defense personnel.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

QUARTERLY REPORTS ON U.S. MILITARY ADVISORS ABROAD

The House amendment (sec. 113) clarifies types and numbers of U.S. military and civilian personnel to be included in quarterly reports required by section 36(a) of the Arms Export Control Act.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

SENSITIVE TECHNOLOGY

The Senate bill (sec. 128) requires the submission of a notification under section 36(b) of the Arms Export Control Act before delivery of any major defense article if the sensitivity of technology or capability of the article or service is enhanced or upgraded.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

SPECIAL DEFENSE ACQUISITION FUND

The Senate bill (sec. 113) authorizes continuous order from the Defense Logistics Agency for items anticipated to be sold to foreign countries from the Special Defense Acquisition Fund and limits purchases of more capable equipment in certain instances to replace items DOD expects to sell from its stocks.

The House amendment (sec. 116) makes the Special Defense Acquisition Fund a true revolving fund and limits the equity value of the fund to \$500 million authorizes continuous order from the Defense Logistics Agency.

The conference substitute is a compromise which makes the fund a revolving fund, but does not allow for replacement purchases and does not establish a limit on the equity value of the fund.

LEASING AUTHORITY

The Senate bill (sec. 126) sets new standards for pricing of U.S. vessels leased to foreign countries.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

WAIVER OF MAP PROCEEDS

The House amendment (sec. 117) authorizes the President, if he determines it is in the national interest, to waive the requirement that net proceeds of sales of equipment provided under the MAP program prior to 1975 be repaid to the United States.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

MAP COSTS

The Senate bill (sec. 114) excludes the cost of salaries from MAP-funded FMS purchases of military training.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

SECURITY ASSISTANCE ORGANIZATIONS

The Senate bill (sec. 117) authorizes for fiscal year 1986 larger overseas military groups in Pakistan, Tunisia, El Salvador, Honduras, and Sudan.

The House amendment (sec. 119) authorizes on a permanent basis such larger groups in the same countries and for Venezuela but not for Sudan.

The conference substitute is a compromise that authorizes on a permanent basis larger groups in the following countries: Pakistan, Tunisia, El Salvador, and Honduras.

SPECIAL WAIVER AUTHORITY

The House amendment (sec. 122) amends section 614 of the Foreign Assistance Act to establish a ceiling of \$750 million on use of that section to permit cash sales otherwise prohibited under the Arms Export Control Act.

The Senate bill does not contain a comparable provision.

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conference substitute is the same as the House provision.

CONVENTIONAL ARMS TRANSFERS REPORT
The Senate bill (Sec. 929) urges multilateral negotiations and requires a report concerning conventional arms transfers within one year of the date of enactment of this bill.

The House amendment (sec. 124) requires conventional arms transfer report.

The conference substitute is a compromise which urges multilateral negotiations and requires a report within one year from the date of enactment on steps being taken to reduce negotiations and on conventional arms transfer policies. The conference committee recognizes that conventional arms transfer agreements with the Third World by all suppliers from 1981-84 totaled \$94,100 million (in constant 1984 dollars); of which non-Communist suppliers accounted for \$94,100 million and Communist suppliers accounted for \$59,100 million. The United States, the Soviet Union, and France have been the three predominant arms suppliers to the Third World from 1977-84 and collectively accounted for 83 percent of all conventional arms transfer agreements with the Third World in 1984. There is deep concern for the effect conventional arms transfers may have on regional stability, arms races, and the economic needs of Third World nations, including their development, and ability to meet basic human needs. There is further concern about the ultimate effect of conventional arms transfers on the security of the major suppliers themselves. Conventional arms transfer agreements made by the United States, the Soviet Union, and France are at levels closer to rough equivalence than at any time in history. This could be a significant factor in facilitating steps to limit and control conventional arms transfers. Since new arms transfers are unpredictable, and, since new cycles of arms purchases by the less developed nations could occur at any time, the United States should reevaluate its conventional arms transfer policies and practices and to seek to achieve negotiated conventional arms control agreements which enhance the national interest at the earliest possible date.

FMS FOR JORDAN

The House amendment (sec. 125) sets conditions for FMS financing and sales for Jordan.

The Senate bill does not contain a comparable provision.

The conference substitute is a compromise which states the sense of Congress that no foreign military sales financing authorized for Jordan may be used to finance the purchase by Jordan of United States advanced aircraft, new air defense weapon systems or other new advanced military weapon systems unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338. The conference substitute also requires any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of advanced military equipment to be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

The conferees note also that in its markup of foreign assistance authorizing legislation, the House Foreign Affairs Committee intended that \$25 million in Economic Support Fund (ESF) assistance go to Jordan in

fiscal year 1986, a \$5 million increase above the President's request, and that subsequently \$250 million for Jordan was included in supplemental appropriations legislation for fiscal year 1985. The conferees do not intend that the conference action on FMS be an impairment to the House Committee's proposal for the \$25 million for Jordan in fiscal year 1986, although they recognize that the amount for Jordan in that year could be affected by global reductions in the ESF program.

**TITLE II—ECONOMIC SUPPORT FUND
ECONOMIC SUPPORT FUND POLICY**

The Senate bill (sec. 201) amends section 531 of the Foreign Assistance Act. Section 531 provides the general authority and policy for the Economic Support Fund (ESF). ESF is economic assistance which the President may furnish in order to promote economic or political stability abroad in circumstances in which the United States has special economic, political, or security interests.

The Senate amendment:
—clarifies the language in the Foreign Assistance Act which governs ESF to make the link between development and economic support assistance more explicit;
—directs that, to the maximum extent feasible, commodity import programs (CIP), and other related programs generate local currency of which at least 50 percent should be programmed for development activities; and,
—requires a detailed report, as part of the already required annual Congressional presentation documents, which justifies the uses and purposes of ESF, delineating cash grants from development project aid.

The House amendment contains no comparable provision.

The conference substitute is the same as the Senate provision.

ASSISTANCE FOR THE MIDDLE EAST

(a) Authorizations

The Senate bill (sec. 201) authorizes an ESF funding level for the Camp David and another for the non-Camp David countries.

The House amendment contains no comparable provision.

The conference substitute is the same as the Senate provision.

(b) U.S. nonmilitary exports to Israel

The House amendment (sec. 204) provides that the President shall ensure that the level of ESF cash transfer to Israel does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

(c) Egypt grant funding

The Senate bill (sec. 201) provides that all the ESF funds made available to Egypt under the bill shall be on a grant basis.

The House amendment contains no comparable provision.

The conference substitute is the same as the Senate provision.

(d) Egypt cash transfer

The Senate bill (sec. 201) provides that up to \$200 million of the ESF funds in the bill for Egypt, but not less than \$165 million, shall be in the form of a cash transfer to help and encourage economic reforms and Egypt's own developmental efforts.

The House amendment (sec. 204(b)(2)) provides that the ESF allocated for Egypt may be provided as a cash transfer only if the President determines that Egypt will undertake economic reforms or develop-

ment activities which are additional to those which would be undertaken in the absence of the cash transfer; and 15 days before the cash transfer occurs, the President notifies the House Foreign Affairs and the Senate Foreign Relations Committees in accordance with the reprogramming notification procedures pursuant to 634A of the Foreign Assistance Act.

The conference substitute provides that up to \$115 million of the ESF for Egypt each year in fiscal 1986 and 1987 may be in the form of cash transfer, with the understanding that Egypt will undertake economic reforms or development activities which are additional to those which would be undertaken in the absence of the cash transfer. The conferees support providing up to \$115 million annually as a cash transfer on the understanding that Egypt will undertake economic reforms or development activities which are additional to those which would be undertaken in the absence of the cash transfer. It is further the sense of the conferees that the President advise the Congress in advance of the cash transfer of the additional reforms or development activities Egypt will undertake.

(e) Cooperative scientific and technological projects

The House amendment (sec. 204(c)) expresses the sense of Congress that in order to continue to build the structure of peace in the Middle East, the United States should finance, and where appropriate participate in, cooperative projects of a scientific and technological nature involving Israel and Egypt and other Middle East countries wishing to participate.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

CYPRUS PEACE AND RECONSTRUCTION FUND

The House amendment authorizes appropriations of \$250 million in fiscal year 1985 or in future years for assistance to Cyprus. The assistance could be provided only if the President certifies to the Congress that an agreement has been concluded by the Greek and Turkish Cypriots which is supported by Greece and Turkey and which achieves substantial progress toward settlement of the Cyprus dispute.

The Senate bill contains no comparable provision.

The conference substitute expresses the sense of Congress that at the appropriate time in the future, the \$250 million should be authorized for assistance to Cyprus provided such conditions are met.

**COMMODITY IMPORT PROGRAMS (CIP)
AGRICULTURAL EARMARK**

The Senate bill (sec. 201) provides that not less than 20 percent of the ESF funds available for commodity import programs (CIP) shall be used to purchase U.S. agricultural commodities.

The House bill contains no comparable provision.

The conference substitute provides that not less than 18 percent of the ESF funds made available for commodity import programs in fiscal year 1986 and 1987 shall be used to purchase U.S. agricultural commodities.

TIED AID CREDIT PROGRAM

The House amendment (sec. 203) adds a new section 533 to the ESF chapter (chapter 4 of part II) of the Foreign Assistance Act. The new section 533, "Tied Aid Credit Program," requires a deposit of not less than \$50 million from ESF funds allocated for commodity import programs in fiscal year 1986, and an aggregate of not less than

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\$100 million for both fiscal 1986 and 1987, in a fund authorized by section 645(c)(2) of the Trade and Development Enhancement Act of 1983. The fund is to be used by the Agency for International Development (AID) to implement the program of tied aid credits established by that act. The funds are to remain available for this purpose until the end of fiscal 1987.

The Senate bill contains no comparable provision.

The conference substitute contains the earmarking as set forth in the House provision but provides that to the extent that the funds have not been obligated pursuant to the tied aid credit program by the end of the third quarter of the fiscal year for which they were appropriated, they may be used for other ESF purposes if the AID Administrator certifies to Congress that no trade credit applications acceptable and timely under the Trade and Development Enhancement Act of 1983 are pending, or that such funds are not needed for that program because other countries are not engaging in predatory financing practices in order to compete with U.S. exports.

RESTRICTION ON USE OF FUNDS FOR NUCLEAR FACILITIES

The Senate bill (sec. 201(d)) prohibits the use of ESF funds under the bill for financing the construction, operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that the country is a party to the Non-Proliferation Treaty, cooperates fully with the International Atomic Energy Agency, and pursues nuclear nonproliferation policies consistent with those of the United States.

The House amendment is the same as the Senate provision except that one additional provision has been added to allow provision of funds to countries that are parties to either the Non-Proliferation Treaty (as in the Senate amendment) or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the Treaty of Tlatelolco).

The conference substitute is the same as the House provision.

ESF FOR LEBANON

The Senate bill (sec. 201) provides that none of the Economic Support Fund moneys authorized in the bill may be available for Lebanon.

The House amendment provides that \$2.5 million of the ESF authorized for fiscal 1986 and \$2.5 million for fiscal 1987 shall be available only for Lebanon. It provides further that none of these funds can be used for aid to Lebanon unless all U.S. citizens taken hostage in Lebanon have been released, except that this restriction does not apply to humanitarian assistance provided for institutional support or for emergency purposes. The funds are to revert to the Treasury to the extent that they cannot be used pursuant to the above requirement, or because of conditions in the country.

The conference substitute contains neither the Senate prohibition on ESF for Lebanon nor the House earmarking of ESF for Lebanon under certain conditions. In their consideration of this matter, the conferees supported general U.S. policy in Lebanon to seek the removal of all foreign troops from the country, preserve the country's unity and territorial integrity and ensure security along Lebanon's borders. However, the conferees believe that at this time, higher priority must be given to obtaining the immediate release of the remaining American hostages in that country.

With regard to development assistance, it is not possible to carry out an effective program in Lebanon under present circumstances, and funds are not provided in the

Conference report for that purpose. However, the conferees support continued U.S. efforts to alleviate human suffering in Lebanon and to deal with humanitarian problems in the strife-torn nation. Such assistance can be provided to private voluntary organizations providing relief and to American institutions in Lebanon to meet emergency needs.

The committee of conference regrets recent efforts to try to reprogram for other purposes economic assistance funds which the Congress had authorized and appropriated for Lebanon. It believes it to be in the national interest to preserve funding intended for Lebanon to meet some of the extraordinary humanitarian needs there. If funds are needed for meritorious, emergency purposes in other countries, other funding sources should be found. If funds the Congress intended for Lebanon cannot be spent there, they should revert to the Treasury.

TITLE III—DEVELOPMENT ASSISTANCE

POPULATION

(a.) Earmark on centrally funded programs

The House amendment (sec. 303) amends section 104 of the Foreign Assistance Act to require that 50 percent of all funds appropriated for population planning programs for fiscal years 1986 and 1987 in excess of \$250 million be administered by the Office of Population in the Agency for International Development.

The Senate bill does not contain a similar provision.

The conference substitute is the same as the Senate position.

(b.) Assistance to nongovernmental organizations

The Senate bill (sec. 303) amends section 104 of the Foreign Assistance Act to require that nongovernmental organizations and multilateral organizations not be subject to any requirement more restrictive than any requirement applicable to a foreign government for population assistance.

The House amendment (sec. 303) amends section 104 of the Foreign Assistance Act to provide that the President, if he determines that to do so would promote voluntary family planning goals, may deny population planning funds to any country, international organization or nongovernmental organization because of the types of voluntary family planning programs carried out with funds other than those made available by the United States under this act.

The conference substitute reflects the compromise agreed to by the conferees under which both the House and the Senate recede from their positions.

(c.) Assistance in countries in which there are reports of coerced abortion, infanticide, or coerced sterilization

The Senate bill (sec. 303) amends section 104 of the Foreign Assistance Act to prohibit assistance for population programs in any country which permits infanticide or coerced abortion or for any organization which has programs in such a country.

The House amendment (sec. 303) amends section 104 of the Foreign Assistance Act with findings and restrictions concerning funding for population programs in the People's Republic of China, including authority for the President to withhold funds from the U.N. Fund for Population Activities bases on a determination regarding coerced abortion, coerced sterilization or infanticide in the People's Republic of China.

The conference substitute reflects the compromise agreed to by the conferees under which both the House and the Senate recede from their positions.

PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION

The Senate bill (sec. 315) amends section 104 of the Foreign Assistance Act to establish as a goal for the Agency for International Development the protection from immunizable diseases of eighty percent of all children in countries receiving development assistance, through provision of oral rehydration salts and immunizations.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

COOPERATIVE DEVELOPMENT PROGRAM

The House amendment (sec. 307) amends section 106 of the Foreign Assistance Act to earmark \$5 million of development assistance in each of fiscal years 1986 and 1987 for cooperative programs among the United States, Israel, and developing countries.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

PRIVATE SECTOR REVOLVING FUND

The Senate bill (sec. 306) amends section 108(b) of the Foreign Assistance Act to extend the authority for the Private Sector Revolving Fund for 1 additional year and to set the fiscal year 1986 and 1987 authorized level for the fund at \$16 million.

The House amendment (sec. 308) provides for a 2-year extension of the authority and sets the annual level for the fund at \$20 million.

The conference substitute is the House provision, with an amendment setting at \$18 million the amount of funds from other development assistance accounts which can be used in fiscal years 1986 and 1987 for the revolving fund.

PRIVATE AND VOLUNTARY ORGANIZATIONS

The Senate bill (sec. 309) amends section 123(e) of the Foreign Assistance Act by requiring that a report be transmitted to Congress within 30 days after a decision has been made to continue support for private and voluntary organization (PVO) and cooperative programs in a country to which an aid prohibition had become effective, rather than linking the reporting requirement to the date that the country prohibition becomes applicable, as current law does.

The House amendment (sec. 309) extends from 30 days to 90 days after a prohibition on aid to a country becomes applicable the date by which the President must report to the Congress on a decision to continue support to PVO's.

The conference substitute extends the reporting requirement from 30 days to one year.

The Senate bill also amends section 123 of the Foreign Assistance Act to require AID to make available for the activities private voluntary organizations not less than 15 percent of the amount appropriated for development assistance.

The House amendment extends to fiscal years 1986 and 1987 existing law which earmarks 12 percent of development aid for PVO's, and sets a target of 16 percent.

The conference substitute raises the earmark to 13.5 percent and retains the target at 16 percent, extends this requirement through fiscal year 1989, and allows PVO activities financed with ESF funds to be counted in determining compliance with the earmark.

TARGETED ASSISTANCE

The House amendment (sec. 311) amends section 128 of the Foreign Assistance Act to require that target populations for development assistance be determined by use of

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poverty measurement standards, such as those used by the World Bank, and that the Agency for International Development strengthen efforts to use a substantial percentage of development assistance for activities which directly improve the lives of the poor majority.

The Senate bill does not contain a comparable provision. The conference substitute is the same as the House provision.

HOUSING GUARANTEES

The Senate bill (sec. 312) amends section 222(a) of the Foreign Assistance Act to increase the aggregate ceiling on guarantees for the Housing Guaranty Program by \$45 million, extends the program for one year, and removes from the statute the requirement in section 223(j) of the Foreign Assistance Act that the average face value of guarantees issues in any fiscal year not exceed \$15 million.

The House amendment (sec. 313) increases the aggregate ceiling by \$320 million, extending the program for a period of two years, and requires that the program level for fiscal years 1986 and 1987 be comparable to the level for fiscal year 1984.

The conference substitute is the House provision, with an amendment which increases the overall level of guarantees by \$200 million and provides that the authority provided in this Act and subsequently approved in appropriations acts must, in fact, be utilized to the extent made available by such acts.

TRADE CREDIT INSURANCE PROGRAM

The Senate bill (sec. 313) amends section 224(e) of the Foreign Assistance Act to extend the special Trade Credit Insurance Program for Central America for an additional year at the current level of \$300 million of guaranties.

The House amendment (sec. 313) provides for a 2-year extension of the program and sets the guaranty ceiling at \$500 million for the 2 fiscal years 1986 and 1987.

The conference substitute is the House provision, with an amendment setting the aggregate guaranty ceiling on outstanding guarantees under the program at \$300 million for fiscal year 1986 and \$400 million for fiscal year 1987.

AGRICULTURAL AND PRODUCTIVE CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROGRAMS

The House amendment amends section 222A(h) of the Foreign Assistance Act to extend the authority of the Agricultural and Productive Credit and Self-Help Community Programs for 2 more years, until September 30, 1988.

The Senate bill had no comparable provision.

The conference substitute is the same as the House provision.

MINORITY SET-ASIDE

The House amendment (sec. 315) requires that unless the Administrator of AID determines otherwise, 10 percent of development

assistance funds shall be available only for minority enterprises.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

TITLE IV—OTHER ASSISTANCE PROGRAMS

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

(a) Earmarks

The Senate bill (sec. 502) amends section 302 of the Foreign Assistance Act to earmark funding from this account for fiscal year 1986 for the U.N. Development Program, UNICEF, and the U.N. Environment Program, with the remainder of available funding unallocated. It also provides that notwithstanding any other provision of law, that the \$10 million in fiscal year 1985 funds earmarked for the U.N. Environment Program be made available for that organization.

The House amendment (sec. 402) earmarks all funding for international organizations and programs for fiscal years 1986 and 1987.

The conference substitute earmarks specific percentages of the total appropriation for various international organizations and programs, and maintains the provision on funding for the IAEA contained in the House amendment, requiring that the U.S. contribution to that organization is conditioned on a determination by the Secretary of State that Israel is not denied its right to participate in that organization's activities.

INTERNATIONAL ORGANIZATIONS/PROGRAMS

	\$ 960 earmarks	H.R. 1555 earmarks	Conference substitute	
			Earmark (percent)	Illustrative funding level
U.N. Development Program	165,000,000	164,560,000	59.65	161,055,000
U.N. Children's Fund	53,000,000	53,240,000	19.30	52,122,815
International Atomic Energy Agency		19,844,000	7.20	19,427,595
OAS Technical Assistance Program		15,004,000	5.44	14,689,157
U.N. Environment Program	10,000,000	9,680,000	3.51	9,476,875
UNEP		1,936,000	0.70	1,895,375
U.N. Capital Development Fund		1,936,000	0.70	1,895,375
U.N. Education and Training Program/South Africa		968,000	0.35	947,688
U.N. Voluntary Fund/Women's Decade		484,000	0.18	473,844
Convention on Endangered Species		193,600	0.07	189,538
World Food Program		1,936,000	0.70	1,895,375
U.N. Institute for Namibia		484,000	0.18	473,844
U.N. Trust Fund for South Africa		332,030	0.12	325,063
U.N. Voluntary Fund for Torture		96,800	0.04	94,769
UNIDF Industrial Promotion Service		193,600	0.07	189,538
UNDP Trust Fund/Poverty in Africa		1,511,070	0.55	1,479,362
International organization/scientific conventions		2,662,000	0.97	2,606,141
U.N. Centre for Human Settlements		484,000	0.18	473,844
World Heritage Trust Fund		242,000	0.09	236,922
Total	267,675,500	275,787,100	100.00	270,000,000

(b) Proportionate share reductions

The Senate bill (sec. 502) amends section 302 of the Foreign Assistance Act to provide that funds may not be available for the U.S. proportionate share for any programs for the Palestine Liberation Organization (PLO), the Southwest Africa Peoples Organization (SWAPO), Libya, Iran, or Cuba.

The House amendment (sec. 403) provides that funds may not be available for programs for the PLO or for projects whose primary purpose is to provide benefits to the PLO or entities associated with it. The House amendment (sec. 404) also provides for a proportionate share reduction for SWAPO except if the President certifies that such funds would not be used to support the military or paramilitary activities of SWAPO. The House amendment also requires an annual review by the Secretary of State and a report to the Congress on the implementation of these sections.

The conference substitute combines in a single section the House and Senate provisions, incorporating the House provisions re-

garding the PLO, the Senate provision concerning SWAPO, Libya, Iran, and Cuba, and the House provision establishing a reporting requirement.

The House amendment (sec. 405) also requires a reduction in the U.S. proportionate share contribution for programs in Communist countries.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

PROHIBITIONS ON ASSISTANCE TO COUNTRIES WHICH OPPOSE THE U.S. POSITION IN THE UNITED NATIONS

The House amendment (sec. 1112) prohibits assistance to any country whose votes in the United Nations General Assembly coincided with the U.S. position less frequently than the votes of the Soviet Union coincide with those of the United States.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the Senate position.

TITLE V—INTERNATIONAL TERRORISM AND FOREIGN AIRPORT SECURITY

ANTITERRORISM ASSISTANCE PROGRAM

The House amendment (secs. 407 and 457) authorizes \$9,840,000 for each of the fiscal years 1986 and 1987 to carry out chapter 8 of Part II of the Foreign Assistance Act for antiterrorism assistance. It also authorizes the transfer of small arms and munitions directly related to antiterrorism training; provides for a 15-day advance notification to the Congress and sets a ceiling of \$325,000 in each fiscal year on the munitions transfer; prohibits the use of funds for salaries and expenses under this section; and repeals the 2-year sunset provision.

The Senate bill authorizes \$5 million for each of the fiscal years 1986 and 1987 for antiterrorism assistance and extends the program for 2 years.

The conference substitute is the same as the House provision. The conferees note that the close consultation between the Department of State and the authorization committees on the antiterrorism program to

date has been exemplary. It was a major factor that led to the conferees' confidence that the provision of small arms and munitions under this program would not be sidetracked for other purposes or otherwise abused. The conferees commend the Department of State for its close consultation with the Congress and look forward to continuation of such practices.

COORDINATION OF ANTITERRORISM ASSISTANCE TO FOREIGN COUNTRIES

The House amendment (sec. 408) mandates that the Secretary of State be responsible for coordinating all U.S. Government antiterrorism assistance to foreign countries and requires an annual report from the Department of State to the Congress on such assistance.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

PROHIBITION OF ASSISTANCE TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

The House amendment (sec. 409) amends section 620A of the Foreign Assistance Act to provide that the President may prohibit assistance to any country which grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism, except that the President may waive this prohibition if he determines that national security or humanitarian reasons justify such a waiver. It also requires that the President publish each waiver in the Federal Register and notify the Congress at least 15 days in advance of the use of such waiver. It also calls on the President to gain the support of other countries to impose similar sanctions.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

PROHIBITION ON IMPORTS FROM AND EXPORTS TO COUNTRIES ENGAGED IN TERRORISM

The House amendment (sec. 411) requires the President to prohibit U.S. imports and exports to and from Libya.

The House amendment (sec. 463) authorizes the President to prohibit U.S. imports of goods and services from countries supporting terrorism and defines the terms "terrorist" and "terrorist organization".

The Senate bill (sec. 925) authorizes the President to prohibit U.S. imports from Libya and any other country determined by joint resolution of Congress to be engaged in terrorism. It authorizes the President to prohibit the export of certain goods and technology to Libya or any other country determined by joint resolution of Congress to be engaged in terrorism. It also references the reporting requirement to Congress in accordance with provisions of the International Emergency Economic Powers Act (IEEPA).

The conference substitute contains a provision authorizing the President to prohibit imports and exports of goods or technology to or from Libya. The conferees expect that the provisions of the Export Administration Act of 1979, as amended, will be followed in carrying out this authority as it relates to exports. The conferees intend that the exercise of this authority will not set a precedent of circumventing the Export Administration Act. The conferees believe, however, that the criteria established in section 6(b) of the Export Administration Act have in fact been met with respect to Libya. The conferees expect that the administration will further restrict exports to Libya that can be used to generate hard currency, and that the availability of such exports else-

where would not thwart the purposes of such controls. The conferees believe that Libya's extensive hard currency reserves enable it to carry out its program of international terror. The conferees intend that exports to Libya which are designed to provide drinking water, irrigation, or to promote agriculture would not ordinarily be deemed to enable Libya to augment its hard currency reserves.

The conference substitute also contains a compromise provision which authorizes the President to prohibit U.S. imports of goods and services from any country which supports or harbors terrorists or terrorist organizations. When the authority under this section is exercised, the President is required to submit a report to Congress which parallels the reporting requirement found in section 204 of the International Emergency Economic Powers Act.

INTERNATIONAL ANTITERRORISM COMMITTEE

The House amendment (sec. 459) calls on the President to seek the establishment of an international antiterrorism committee which would focus the attention and secure the cooperation of other governments and of the public in participating countries on the problems and responses to international terrorism.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

INTERNATIONAL TERRORISM CONTROL TREATY

The House amendment (sec. 461) expresses the sense of Congress that the President should negotiate a viable treaty to effectively prevent and respond to terrorist attacks. Such a treaty should incorporate an operative definition of terrorism, and should establish effective close intelligence-sharing and uniform laws on asylum, extradition, and swift punishment for perpetrators of terrorism.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

STATE TERRORISM

The House amendment (sec. 1210) expresses the sense of Congress that all civilized nations should condemn the use of terrorism by certain states as evidenced by the assassination of Major Nicholson by a Soviet soldier.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

FOREIGN AIRPORT SECURITY

The House amendment (sec. 451) amends the Federal Aviation Act of 1958 to establish security standards and procedures regarding foreign air transportation. This provision establishes a procedure regarding the assessment of security measures at foreign airports and designates the factors which should be considered regarding such assessments by the Secretary of Transportation. It requires that in carrying out such assessments the Secretary of Transportation shall consult with the Secretary of State with respect to relevant terrorist threats and whether airports are under the de facto control of the government of the country in which they are located; and report to Congress on such assessments and notification of security risk assessments to such foreign governments. In addition, if, after 120 days, the Secretary of Transportation determines that a foreign government has failed to upgrade the security standards at such airport, the name of such airport will be published in the Federal Register and otherwise prominently advertised in airports and air-

line tickets. The House amendment authorizes the President to invoke a general air carrier boycott with respect to such airports; and stipulates that if the Secretary of State determines that any such airport is located in a high terrorist threat country and if the Secretary of Transportation determines that security and safety of passengers and crew is at risk, then the President may immediately invoke a general boycott against such airport and the Secretary of Transportation must publicize such airports and the Secretary of State must issue an immediate travel advisory.

The House amendment (sec. 451) also expresses the sense of Congress with respect to the closing of the Beirut airport.

The Senate bill does not contain a comparable provision.

The conference substitute closely follows the House provision. It deletes the requirement that the Secretary of Transportation identify those international airports which are not under the de facto control of a government. The conferees expect that in carrying out the assessment process on international airport security, the Department of Transportation will closely coordinate with the Secretary of State with respect to the nature of the terrorist threat in the countries where such airports are located and the determination as to whether such airport is under the de facto control of that government.

(a) Security standards in Foreign Transportation

The House amendment (sec. 451(a)(3)) mandates that the standards which shall be used by the Secretary of Transportation in making security assessments are the standards and recommendations contained in annex 17 to the Convention on International Civil Aviation Organization.

The Senate bill does not contain a comparable provision.

The conference substitute specifies the guidelines as "the standards and appropriate recommended practices as contained in annex 17 to the Convention on International Civil Aviation."

(b) Report of assessments

The House amendment (sec. 451(c)) contains a provision for reporting to Congress on the assessments of foreign airport security and stipulates that such report should contain a summary of the assessments as well as a description of the extent to which identified security deficiencies have been eliminated.

The Senate bill does not contain a comparable provision.

The conference substitute retains the reporting requirement but deletes the description of the extent to which identified security deficiencies have been met at foreign airports. The latter information will be provided in reports to Congress filed under section 551 of the conference substitute.

(c) Notification to foreign country of determination

The House amendment (sec. 451(d)) stipulates that when the Secretary of Transportation determines that an airport does not maintain and administer effective security measures, the Secretary shall notify the appropriate authorities of such foreign government and recommend the necessary steps to bring into compliance the security measures in use at that airport.

The Senate bill does not contain a comparable provision.

The conference substitute retains the House provision but adds a requirement that the Secretary of Transportation shall advise the Secretary of State prior to the