

**The original documents are located in Box 17, folder “12/30/74 S3394 Foreign Assistance Act of 1974” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald R. Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Exact duplicates within this folder were not digitized.

ACTION

THE WHITE HOUSE

Last Day: January 4

WASHINGTON

December 28, 1974

MEMORANDUM FOR THE PRESIDENT  
 FROM: KEN COLE  
 SUBJECT: Enrolled Bill Report S. 3394  
Foreign Assistance Act of 1974

Attached for your consideration is S. 3394, sponsored by Senator Sparkman, which:

- Authorizes foreign assistance appropriations for fiscal year 1975 of \$2,697 million, of which \$288 million is for development assistance, \$1,277 million is for security-related economic assistance, and \$1,005 for military assistance;
- authorizes a \$100 million Special Requirements Fund for the Middle East;
- provides authority to drawdown \$150 million in Defense Department stocks in 1975 to meet emergency military assistance requirements; and
- contains significant policy provisions and regional and country limitations, which are detailed in Roy Ash's enrolled bill report (Tab A).

OMB recommends approval and provides additional background information in its enrolled bill report.

Max Friedersdorf (Loen), Phil Areeda and the NSC recommend approval, and issuance of the signing statement which has been cleared by Paul Theis.

RECOMMENDATION

S. 3394

MP 7 Sign  
 (Tab B)

\_\_\_\_\_ Pocket Veto

Signing Statement

MP 7 Approve  
 (Tab C)

\_\_\_\_\_ Disapprove



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

APPROVED  
DEC 30 1974

Statement Issued  
12/30

DEC 28 1974

To Archives  
1/2/75

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3394 - Foreign Assistance Act of 1974  
Sponsor - Senator Sparkman (D) Alabama

Last Day for Action

January 4, 1975 - Saturday

Purpose

(a) Authorizes foreign assistance appropriations for fiscal year 1975 of \$2,697 million, of which \$288 million is for development assistance, \$1,277 million for security-related economic assistance, and \$1,005 million for military assistance; (b) authorizes a \$100 million Special Requirements Fund for the Middle East; (c) provides authority to drawdown \$150 million in Defense Department stocks in 1975 to meet emergency military assistance requirements; and (d) contains significant policy provisions and regional and country limitations that are noted below.

Agency Recommendations

Office of Management and Budget	Approval
Department of State	Approval
Agency for International Development	Approval
Department of Defense	Approval
National Security Council	Approval (Signing Statement Attached) <del>Informally</del>
Council on International Economic Policy	Approval
Central Intelligence Agency	Approval
Department of Commerce	Approval
Overseas Private Investment Corporation	Approval (Informally)
Department of Agriculture	No objection
Department of the Treasury	No objection
Federal Energy Administration	No objection
General Services Administration	No objection (Informally)
Inter-American Foundation	No objection (Informally)
Department of the Interior	No objection (Informally)
Department of Justice	No recommendation



## Discussion

### Overall Levels

The total authorization provided in S. 3394 is \$555 million less than requested.

The major reductions in the request are:

- \$46 million in food and nutrition assistance from the \$546 million requested;
- \$323 million in Indochina postwar reconstruction from the \$940 million requested;
- \$25 million in the President's contingency fund from the \$30 million previously authorized for 1975 (the bill, however, provides an unrequested \$40 million authorization for famine and disaster relief, \$25 million of which is earmarked for Cyprus refugees);
- \$385 million in grant military assistance from the \$985 million requested;
- \$150 million in foreign military sales credits from the \$555 million requested.

The bill increases the amounts requested for:

- supporting assistance from \$385 million to \$660 million with the additional \$275 million earmarked for Israel in addition to the \$50 million requested for that country;
- population and health by \$20 million to \$165 million, earmarking \$150 million for population activities;
- international organizations by \$11 million to \$165 million earmarking the increase for the International Atomic Energy Agency (\$0.5 million), UNICEF (\$3 million) and the United Nations Development Program (\$7.6 million).

As requested, the bill authorizes \$100 million for a Middle East Special Requirements Fund but with a concurrent resolution override provision discussed below.



The bill also provides an unrequested authorization of \$25 million for economic assistance to Portugal and its former African colonies.

The bill reduces from \$250 million to \$150 million the ceiling on the President's authority to draw down defense articles from Defense stocks for use in the military assistance program, and limits use of this authority for Cambodia to \$75 million.

Details of these and other changes are contained in the attached table.

### Military Assistance

Significant provisions in the bill pertaining to military assistance are the following:

- prohibits military assistance and sales to Turkey until and unless the President certifies to the Congress that Turkey is in compliance with applicable laws and agreements on the use of U.S.-furnished assistance and is making substantial progress regarding military forces on Cyprus -- the President can suspend this prohibition until February 5, 1975, if he determines that the suspension would further negotiations on a Cyprus settlement and if Turkey observes the ceasefire and refrains from increasing its forces on Cyprus and from transferring U.S. supplied implements of war to Cyprus;
- expresses a sense of Congress that the grant military assistance program, except for training, should be reduced and terminated as rapidly as feasible and, accordingly, directs the President to submit to the first session of the 94th Congress a detailed plan for the reduction and eventual elimination of the program;
- authorizes a total credit sales program (includes the reduced \$555 million appropriation authorization request discussed above) of \$872.5 million, as requested, earmarking \$300 million for Israel with repayment on \$100 million to be forgiven -- the forgiveness feature was not requested;
- reduces the reserve requirement on U.S. government guaranteed loans from 25 percent to 10 percent, as requested;



- requires the transfer of the authorization for military assistance to South Vietnam from the Defense Procurement Act to the Foreign Assistance and Foreign Military Sales Acts effective July 1, 1976;
- requires that all costs of military advisory missions, including pay and allowances now included in the Defense Department budget, be chargeable to the military assistance appropriation effective July 1, 1976;
- establishes a statutory minimum interest rate linked to that on U.S. obligations of comparable maturity for military sales credits unless the President certifies to the Congress that the national interest requires a lesser rate;
- eliminates the ceiling on the amount of military assistance and sales to Latin American countries and restores the President's authority to waive the \$40 million ceiling for African countries, as requested;
- limits the aggregate amount of military assistance, excess defense articles, and military sales credits and guarantees to Korea in 1975 to \$145 million -- the ceiling may be increased to \$165 million if the President reports to the Congress that Korea has made substantial progress in the observance of international standards of human rights.

#### Economic Assistance

In comparison to the administration request, the development assistance and supporting assistance components of economic assistance fared well in the authorization bill, as indicated on the attached table, while the Indochina reconstruction account was not only sharply reduced (by \$323 million), but also had attached numerous ceilings and limitations on program levels and composition. These restrictions are described below, together with other significant new constraints.

#### Regional and Country Ceilings and Limitations

The bill establishes numerous regional and country ceilings, with individual program earmarking within those ceilings as follows:



Indochina

- authorizes \$617 million for Indochina Postwar Reconstruction with specific earmarking of that amount by country and programs;
- prohibits the use of development assistance funds in Indochina;
- prohibits the use of transfer or waiver authority to allocate non-Indochina funds to Indochina countries.

Vietnam

- establishes a \$449.9 million ceiling on economic aid, with specific earmarking thereof by program and project category;
- establishes a personnel ceiling of 4,000 U.S. and 800 third country nationals in Vietnam six months after enactment of the bill and a ceiling of 3,000 U.S. and 500 third country nationals within one year of enactment;
- prohibits the use of funds in 1975 for fertilizer procurement for Vietnam and in fiscal years thereafter a ceiling for Vietnam of 1/3 of total worldwide fertilizer funds.

The Executive Branch requested \$750 million for South Vietnam with no ceiling or limitations.

Cambodia

- establishes a non-waivable ceiling of \$377 million on the total amount of 1975 aid to Cambodia with an exception to allow the drawdown of \$75 million in Defense Department stocks; limits military assistance to \$200 million (excluding the draw-down), economic assistance to \$100 million, P.L. 480 to \$77 million and further earmarks the economic assistance by major program category.

The Executive Branch requested \$500 million for Cambodia with no ceiling or limitations, of which \$390 million was for military assistance.



### Laos

- establishes a non-waivable ceiling of \$70 million on the total amount of 1975 aid to Laos; limits military assistance to \$30 million, economic assistance to \$40 million, and further earmarks the economic assistance by major program category.

The Executive Branch requested \$145.2 million for Laos with no ceiling or limitation.

### Chile and India

The bill would also limit assistance to Chile in 1975 to \$25 million, none of which can be military or supporting assistance, and limits aid to India to \$50 million.

### Legislative Veto Provisions

Two sections of the bill provide for legislative override of Executive Branch actions by concurrent resolution. One prohibits any proposed sales of defense articles and services in excess of \$25 million if the Congress adopts a concurrent resolution of disapproval within 20 days. This provision does not apply if the President certifies that an emergency exists which requires such sale in the national security interest. The other prohibits the President from using the Middle East Special Requirements Fund if Congress disapproves the President's proposed use of the funds by concurrent resolution within thirty days.

The Justice Department in its views letter states that it is of the view that congressional review of Executive action by concurrent resolution is "not permitted" by the Constitution. It should be noted, however, that comparable provisions, as well as one-House overrides, have been included in a number of bills enacted and approved in recent months including the Trade Act of 1974 which you have just signed.

### Other Program Restrictions

In addition to the above limitations, the authorization contains other significant non-country-specific restrictions which:

- prohibit the expenditure of any appropriated funds by or on behalf of the Central Intelligence Agency for the conduct of so-called covert actions in foreign countries unless the President reports to the appropriate committees of the Congress, including the House Foreign Affairs and Senate Foreign Relations Committees that each such operation is important to the national security (this provision shall not apply during a declared war or an exercise of powers by the President under the War Powers Resolution) -- although the CIA's enrolled bill letter recommends a signing statement to call attention to the importance of maintaining the security of information provided to Congress under this section, the Agency has informally withdrawn this recommendation;
- express the sense of Congress that the President, except in extraordinary circumstances, substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of human rights.
- prohibit funding for UNESCO until it takes concrete steps to correct recent actions of a political nature involving Israel;
- limit to 30 percent of the amount of concessional food aid that can be provided to countries other than those most seriously affected by world food and fuel shortages, unless the President demonstrates to the appropriate committees that the use of such food is solely for humanitarian purposes. The problems which this provision present have been raised to you separately in an OMB memorandum of December 23, 1974, on the 1975 P.L. 480 budget level.

#### Agency Comments

In addition to the comments set out above, State, AID and Defense express concern about various features of the legislation, all of which have been discussed above. While none of these features is considered sufficiently objectionable



so as to warrant disapproval, the agencies believe that several of them warrant discussion in a signing statement, and, in fact, Defense specifically recommends issuance of a statement. A proposed signing statement developed by NSC and OMB staff is attached.

  
for Director

Enclosures



Foreign Assistance Act of 1974

Analysis of Congressional Changes

(dollars in millions)

	Previously Authorized for 1975	1975		Diff.
		Authorization Request	Enrolled Bill	
<u>Economic Assistance</u>				
<u>Functional Accounts:</u>				
Food and nutrition	291.0	255.3	209.0	-46.3
Population and health (Population Activities)	145.0 (130.0)	--	20.0 (150.0)	+20.0
Education and human resources	90.0	--	2.0	+2.0
International organizations	150.0	3.9	15.0	+11.1
(Atomic Energy Agency)	--	--	(.5)	
(UNICEF)	--	--	(3.0)	
(UNDP)	--	--	(7.6)	
Contingency fund	30.0	--	-25.0	-25.0
Famine and disaster relief	--	--	40.0	+40.0
Cyprus	--	--	(25.0)	
Portugal and Portuguese colonies	--	--	25.0	+25.0
Loans	--	--	(20.0)	
Grants	--	--	(5.0)	
Gorgas Memorial Institute	.5	--	1.5	+1.5
Subtotal, Development Assistance	706.5	259.2	287.5	+28.3
Indochina reconstruction	--	939.8	617.0	-322.8
Vietnamese Children	--	--	(10.0)	--
Supporting assistance	--	385.5	660.0	+274.5
Middle East	--	(377.5)	(652.0)	
of which Israel	--	(50.0)	(325.0)	
Middle East special requirements fund	--	100.0	100.0	
Arab Refugees (UNWRA)	--	--	(6.0)	
 ECONOMIC ASSISTANCE	706.5	1,684.5	1,664.5	-20.0
<u>International control commission</u>	--	27.7	27.726	+0.026
<u>Military Assistance</u>				
Grants	--	985.0	600.0	-385.0
Foreign military credit sales				
Program	--	(872.5)	(872.5)	
Funding	--	555.0	405.0	-150.0
Israel	--	(300.0)	(300.0)	
Authority to Draw-down Defense Department Stocks	--	(250.0)	(150.0)	
 MILITARY ASSISTANCE	--	1,540.0	1,005.0	-535.0
<u>TOTAL, FOREIGN ASSISTANCE</u>	706.5	3,252.2	2,697.226	-554.974

*Original was sent  
direct to White House  
WH Rouncil  
12/28/74*

CENTRAL INTELLIGENCE AGENCY  
WASHINGTON, D.C. 20505.

18 DEC 1974

The President  
The White House  
Washington, D. C. 20500

Dear Mr. President;

This is to recommend a statement to be used in connection with your approval of S. 3394, the Foreign Assistance Act of 1974 (attached).

Section 27 of S. 3394 prohibits any expenditure of appropriated funds for non-collection type foreign operations ("covert actions") unless and until the President finds that such operations are important to national security and a description and scope of the operation is reported to six committees of Congress (the four Agency oversight committees of Armed Services and Appropriations of each house and the Senate Foreign Relations and House Foreign Affairs Committees).

The legislative history of this section is replete with references to the necessity of protecting the security of the information involved, but no specific language exists in section 27 safeguarding or limiting access to the information. Moreover, House Rule XI, Clause 27(c) entitles all Members of the House to have access to all committee records, and the leaking of my testimony on covert activities in Chile before the Intelligence Subcommittee of the House Armed Services Committee is traceable to this Rule. The attached statement is designed to enhance the prospect of working out suitable security arrangements to protect the sensitive information covered by section 27 of S. 3394.



This recommendation stems from my concern over our ability to protect the security of our activities so that we can fulfill the Agency's statutory functions under your direction. The splintering of responsibility for oversight of this Agency within the Congress as evidenced by this enactment, I am fearful, will bring pressure for widening the audience for receipt of sensitive operational information even further. The enclosed statement or an appropriate revision of it could hopefully slow this tendency.

Respectfully,

SIGNED

W. E. Colby  
Director

Enclosure

Recommended Presidential Statement  
on Section 27 of S. 3394

Section 27 of S. 3394 limits the expenditure of appropriated funds for certain foreign intelligence activities abroad by requiring a prior finding by the President that the matters undertaken are important to the national security and a report to congressional committees along with an appropriate description of the nature and scope of such operations.

It is recognized that in a free society such as ours, such activities must be rigidly controlled and I am exerting that control. But, by their very nature, knowledge of them within the Executive and Legislative Branches must be limited in a manner to protect such information.

I have stressed to the Director of Central Intelligence the absolute necessity of maintaining the security of such information. I trust that the Congress in administering this provision will cooperate fully in this endeavor.





THE GENERAL COUNSEL OF THE TREASURY  
WASHINGTON, D.C. 20220

DEC 20 1974

Director, Office of Management and Budget  
Executive Office of the President  
Washington, D. C. 20530

Attention: Assistant Director for Legislative  
Reference

Sir:

Your office has asked for the views of this Department on the enrolled enactment of S. 3394, "To amend the Foreign Assistance Act of 1961, and for other purposes."

The Department has no objection to a recommendation that the enrolled enactment be approved by the President.

Sincerely yours,

  
General Counsel

OFFICE OF MANAGEMENT  
AND BUDGET

74 DEC 20 PM 4:42

RECEIVED



DEPARTMENT OF STATE

Washington, D.C. 20520

December 20, 1974.

Honorable Roy L. Ash  
Director  
Office of Management and Budget  
Washington, D. C. 20530

Dear Mr. Ash:

Reference is made to Mr. Rommel's memorandum of December 19, requesting the views and recommendations of the Department of State on S. 3394 (The Foreign Assistance Act of 1974), an enrolled bill. This report incorporates the views of the Agency for International Development.

The enrolled bill authorizes appropriations totalling \$2,697,226,000 for economic and security assistance programs in fiscal year 1975. In addition, it contains numerous substantive provisions, some granting valuable new authorities to the President and others restricting his present authority. Enactment of this legislation will provide necessary authorizations for, inter alia, the Middle East peace program, Indochina postwar reconstruction, international narcotics control, military assistance, foreign military sales credits, and the International Commission of Control and Supervision in Vietnam. In addition, a number of economic assistance authorizations were increased from the FY 1975 levels provided in the Foreign Assistance Act of 1973 (P.L. 93-189). Of particular importance is the increase of more than \$200 million in the Food and Nutrition account which will permit the President to fulfill his commitments with respect to the world food crisis.

In our view, none of the restrictions contained in S. 3394 are of sufficient importance to warrant the President's disapproval of the bill. However, the President might wish to express his dissatisfaction with some of the less desirable features of this legislation.





OFFICE OF MANAGEMENT  
AND BUDGET

74 DEC 21 PM 12:35

RECEIVED

New restrictions imposed by this bill include a ceiling on assistance to Cambodia. This ceiling will permit military assistance to Cambodia of no more than \$275 million, including articles drawn from stocks of the Department of Defense subject to subsequent reimbursement. Based upon present combat levels, we estimate that an additional \$75-125 million will be required to maintain the military strength of the Government of the Khmer Republic. In addition, assuming that the authority for military assistance is used fully for that purpose, the ceiling will permit no more than \$177 million in economic assistance and P.L. 480 food aid for Cambodia. An additional \$75-100 million may be necessary to prevent a severe rice shortage next spring.

In view of the above-described effects of the Cambodia ceiling, the Administration might wish to seek supplemental legislation from the Ninety-fourth Congress. We recommend that the President express his concern over the ceiling and mention the possibility of such supplemental legislation in a signing statement if he approves the enrolled bill.

Another issue which might be addressed in a signing statement is the employment by Congress of the legislative veto to nullify Executive Branch action. Section 42 of S. 3394 provides that Congress can disapprove by concurrent resolution projects proposed under the Middle East Special Requirements Fund. Section 45 of the bill provides that, by the same device, Congress can disapprove proposed sales of more than \$25 million under the Foreign Military Sales Act. The Department of Justice has expressed the view that similar statutory provisions were constitutionally defective. Accordingly, it would seem desirable for the President to make clear that his approval of this bill does not indicate his acquiescence in the right of Congress to withdraw statutory delegations of authority to the Executive Branch through devices of lesser formality than those prescribed in the Constitution for the enactment of laws. However, the



Department of State and the Agency for International Development defer to the Department of Justice on this issue.

Finally, the enrolled bill reflects continuation of the trend toward linkage of assistance, particularly security assistance, with human rights practices of recipient governments. Section 25 of the bill limits assistance to Chile under the Foreign Assistance Act to \$25 million and prohibits any U.S. financing of military assistance, credits or guaranties. Section 26 limits military grants, credits and guaranties for the Republic of South Korea to \$145 million for FY 1975, which ceiling is increased to \$165 million if the President reports to Congress that the Government of South Korea "is making substantial progress in the observance of internationally recognized standards of human rights." Section 46 imposes a new requirement that the President report to Congress on extraordinary circumstances warranting security assistance to any government "which engages in a consistent pattern of gross violations of internationally recognized human rights..." This provision will probably be used as a basis for further legislative proposals restricting assistance to particular countries.

The Department of State is concerned with these Congressional attempts to influence the human rights practices of foreign governments by restricting or withholding United States aid. The degree of respect manifested by any government for the rights of its people is not likely to be affected by such actions. While adjustments in the kinds and levels of assistance might be useful in a broader context of diplomatic efforts to advance human rights, rigid statutory restrictions and the imposition by Congress of standards for other governments may well be counterproductive. Once assistance to a given country is terminated, United States influence with the government of that country is diminished, with respect to human rights as well as

other issues. The President might wish to express this thought in a signing statement.

The Department of State and the Agency for International Development recommend that the President approve the enrolled bill.

Cordially,

A handwritten signature in black ink, reading "Linwood Holton". The signature is written in a cursive style with a large initial "L" and a long, sweeping underline.

Linwood Holton  
Assistant Secretary for  
Congressional Relations



**Department of Justice**  
**Washington, D.C. 20530**

DEC 23 1974

Honorable Roy L. Ash  
Director, Office of Management  
and Budget  
Washington, D.C. 20503

Dear Mr. Ash:

In response to your request, we have examined the conference report on S. 3394, the proposed Foreign Assistance Act of 1974. Our attention has been directed specifically to sections 30, 41, 42 and 45 of the conferees' bill.

Section 30, which would add a new section 660 to chapter 3 of part III of the Foreign Assistance Act of 1961 prohibiting the expenditure of certain funds for some types of police training, poses no problem for this Department because activities of the Drug Enforcement Administration and the Federal Bureau of Investigation under section 515(c) of the Omnibus Crime Control and Safe Streets Act are expressly exempted.

The Department also has no objection to section 41 of the bill, relating to population, narcotics, international humanitarian and regional programs.

Section 42 would add a new section 903 to the Foreign Assistance Act of 1961, subsection (b) of which would authorize the President to expend certain funds after he has made certain reports to the Congress and if Congress has not adopted within thirty calendar days of the receipt of such a report a concurrent resolution stating in substance that it does not favor the provisions of such report.



Department of Health  
and Human Services

OFFICE OF MANAGEMENT  
AND BUDGET

74 DEC 23 PM 3:19

RECEIVED

Section 45 of the bill would amend section 36 of the Foreign Military Sales Act to prevent the President from issuing a letter of offer to sell certain defense articles or services unless he has reported such proposed action to the Speaker of the House and the Chairman of the Senate Committee on Foreign Relations and the Congress, within twenty calendar days after the receipt of such statement, has not adopted a concurrent resolution opposing the proposed sale. Apparently, the concurrent resolution veto could be avoided by the President certifying in his statement to the Congress that an emergency exists which requires such sale in the national security interests of the United States.

This Department is of the view that congressional review of Executive action by concurrent resolution is not permitted by the Constitution. Our views have been expressed to you in detail, most recently in our letter to you of July 16, 1974 on the Mondale amendment to S. 3355. The reasoning in that letter fully applies here.

We make no recommendation concerning whether the President should sign or veto the pending bill. However, we believe that any message that is issued in connection with the bill should refer to the dubious constitutionality of the concurrent resolution veto mechanism contained in sections 42 and 45 of the bill.

Sincerely,



W. Vincent Rakestraw  
Assistant Attorney General



GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

WASHINGTON, D. C. 20301

24 December 1974

Honorable Roy L. Ash  
Director, Office of  
Management and Budget  
Washington, D. C. 20503

Dear Mr. Ash:

Reference is made to your request for the views of the Department of Defense with respect to the Enrolled Enactment of S. 3394, 93d Congress, an Act "To amend the Foreign Assistance Act of 1961, and for other purposes."

The Act limits the funds which may be appropriated for fiscal year 1975 military assistance to \$600 million compared with the President's request for \$985 million. The President also requested \$555 million for foreign military sales credits and guaranties, but the Act limits the funds which may be appropriated therefor to \$405 million.

In enacting S. 3394, the Congress amends the Foreign Assistance Act of 1961 and the Foreign Military Sales Act in several respects, imposing restrictions upon the President's authority to provide foreign assistance. Special note is taken of the accelerating Congressional trend in recent years of addressing foreign aid on a country-by-country basis in the annual authorization act. Thus, S. 3394 contains express provisions dealing with assistance and sales to Cambodia, Chile, Egypt, Greece, India, Israel, Korea, Laos, Portugal, Turkey, and Vietnam.

S. 3394 terminates all assistance and sales under the Foreign Assistance Act of 1961 and the Foreign Military Sales Act to Chile during FY 1975 (except for \$25 million of nonmilitary aid) and to Turkey (subject to a provision for suspension of the prohibition until February 5, 1975). S. 3394 imposes FY 1975 ceilings on military assistance to Cambodia and Laos, on military assistance and sales credits for Korea, and on economic and military assistance and sales credits to India. Military assistance authorization for South Vietnam is shifted from the Defense budget to the





Faint, illegible text covering the majority of the page, likely bleed-through from the reverse side.

RECEIVED  
74 DEC 26 PM 3:01  
OFFICE OF MANAGEMENT  
AND BUDGET

Foreign Aid budget at the end of FY 1976. The President's special draw-down authority for emergency military assistance is extended for use during FY 1975 at a reduced \$150 million level, only \$75 million of which could be used for Cambodia.

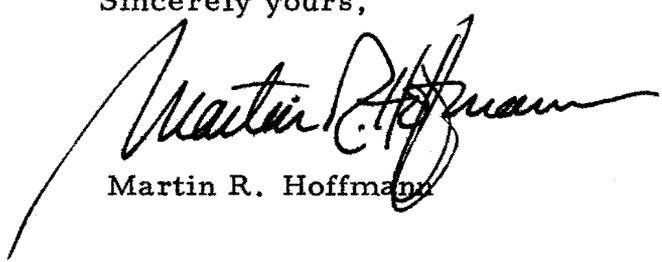
As regards the Foreign Military Sales Act, two notable improvements are made by S. 3394: guaranties may be issued for sales credits extended by the Federal Financing Bank to foreign governmental purchasers, and guaranties require only 10% of the principal amount of the guaranty to be obligated for the guaranty reserve fund rather than 25% under current law.

Paragraph (5) of subsection 45(a) of S. 3394 amends section 36 of the Foreign Military Sales Act to require the President to make quarterly sales reports to the Congress and to require him to submit proposed sales for \$25 million or more to the Congress. These simple reporting functions should be delegated to the Secretary of Defense to perform on behalf of the President inasmuch as the Secretary of Defense is delegated the function of making the sales themselves. There is attached a proposed Executive Order that should be issued for that purpose.

The Department of Defense does not favor many of the provisions added by the Congress to this Act and has objected to a number of provisions similar to those finally adopted in commenting upon the House and Senate bills as passed. Some onerous provisions of those bills were successfully deleted or modified in the course of passage due to objections of this Department. Notwithstanding its concerns regarding many provisions, and in view of the importance of the authorization act to national security policy, the Department of Defense recommends that the President approve S. 3394.

It is further recommended that, upon signing S. 3394, the President issue a statement noting Constitutional objections to the purported Congressional "veto by concurrent resolution" power set forth in proposed sec. 903(b) of the Foreign Assistance Act of 1961 (sec. 42, S. 3394) and in proposed sec. 36(b) of the Foreign Military Sales Act (sec. 45(a)(5), S. 3394).

Sincerely yours,



Martin R. Hoffmann

Attachment  
as



EXECUTIVE ORDER NO. \_\_\_\_\_  
AMENDING EXECUTIVE ORDER NO. 11501, RELATING TO  
ADMINISTRATION OF FOREIGN MILITARY SALES

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, and as President of the United States, I hereby amend section 1(h) of Executive Order No. 11501 of December 22, 1969, to read as follows:

"(h) Those under section 36(a) and 36(b) of the Act to the Secretary of Defense, except the function of the President to certify that an emergency exists which requires a foreign military sale in the national security interests of the United States."

The White House,

December , 1974

COUNCIL ON INTERNATIONAL ECONOMIC POLICY  
WASHINGTON, D.C. 20500

DEC 24 1974

MEMORANDUM FOR

Hon. Roy L. Ash  
Director, OMB

SUBJECT: The Foreign Aid Bill

CIEP recommends that the President sign the Foreign Assistance Act.

There are a number of deficiencies in the Bill - inadequate funding for Cambodia, excessive earmarking of funds, and constraints on the country composition of PL 480 allocations, to name a few. However, given the Congressional sentiment on foreign aid, the Bill is better than we had any right to expect. Accordingly, it should be signed into law.

  
W. D. Eberle  
Executive Director



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

December 24, 1974

Honorable Roy L. Ash  
Director  
Office of Management and Budget

Dear Mr. Ash:

This is in response to your request for Department comments on the enrolled bill S. 3394, the Foreign Assistance Act of 1974, amending the Foreign Assistance Act of 1961.

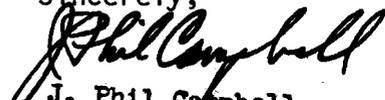
The Department has no objection to approval of the bill.

The bill contains authorizations for economic and military assistance for fiscal year 1975 amounting to \$2,697,226,000, together with a number of administrative provisions and restrictions affecting foreign assistance, foreign military sales, and related legislation.

Some of the provisions of S.3394 directly affect administration of the Agricultural Trade Development and Assistance Act of 1954, as amended, (Public Law 480, 83rd Congress enacted). The Department feels that provisions of such substantive nature should be considered by the agriculture committees of the respective Houses, rather than the foreign affairs committees, and incorporated in agricultural legislation.

For instance, section 55(a)(5) of the bill limits on concessional food aid during fiscal year 1975 by allowing not more than 30 percent of such aid to "be allocated to countries other than those which are most seriously affected by current food shortages, unless the President demonstrates to the appropriate Committees of the Congress that the use of such food assistance is solely for humanitarian food purposes." General agreement has not yet been reached as to the legal requirements of this section. If it is mandatory, and if it applies solely to programming under Title I of Public Law 480, it could severely limit the amounts of U.S. food assistance which may be financed under that Title. The section would also sharply curtail the Administration's flexibility in allocating food aid under Public Law 480. In view of the difficulty in complying with the apparent intent of this section, particularly this late in the current fiscal year, the Department feels that some attempt should be made to ameliorate the effect of this section, should the conditions described above prevail.

Sincerely,

  
J. Phil Campbell  
Acting Secretary



OFFICE OF MANAGEMENT  
AND BUDGET

74 DEC 24 AM 10:45

RECEIVED



**THE UNDER SECRETARY OF COMMERCE**  
Washington, D.C. 20230

DEC 24 1974

Honorable Roy L. Ash  
Director, Office of Management  
and Budget  
Washington, D. C. 20503

Attention: Assistant Director for Legislative Reference

Dear Mr. Ash:

This is in reply to your request for the views of this Department concerning S. 3394, an enrolled enactment, to be cited as the

"Foreign Assistance Act of 1974."

This Department recommends approval by the President of S. 3394.

Enactment of this legislation will not involve any increase in the budgetary requirements of this Department.

Sincerely,

  
John K. Tabor



OFFICE OF MANAGEMENT  
AND BUDGET

'74 DEC 24 PM 4:10

RECEIVED

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

December 26, 1974

Mr. W. H. Rommel  
Assistant Director  
for Legislative Reference  
Office of Management and Budget  
Washington, D.C.

Re: Enrolled Bill  
S.3394

Dear Mr. Rommel:

In accordance with conversations between our  
staffs, A.I.D. concurs in the recommendation  
of the State Department that S.3394 be signed  
by the President.

Sincerely,

A handwritten signature in cursive script, appearing to read "Arthur Z. Gardiner, Jr.", written in dark ink.

Arthur Z. Gardiner, Jr.  
General Counsel



OFFICE OF MANAGEMENT  
AND BUDGET

74 DEC 26 PM 2:48

RECEIVED

FEDERAL ENERGY ADMINISTRATION  
WASHINGTON, D.C. 20461

DEC 26 1974

MEMORANDUM TO: Wilfred H. Rommel  
Assistant Director for  
Legislative Reference  
Office of Management and Budget

ATTN: Mr. George Gilbert

FROM: Robert E. Montgomery, Jr. *ly JR*  
General Counsel

SUBJECT: Enrolled Bill Report on S. 3394, the  
"Foreign Assistance Act of 1974"

This responds to your request for the views of the Federal Energy Administration on the subject enrolled bill.

FEA has no objection to S. 3394.

FEA specifically supports section 32 of the bill which permits the President to condition the granting of foreign assistance on the willingness of the recipient to supply the United States with materials which are in critical supply within the United States. This provision could provide an important tool for securing materials needed for expanded energy exploration and development projects.



OFFICE OF MANAGEMENT  
AND BUDGET

74 DEC 27 AM 8:48

RECEIVED

OK / AAT

STATEMENT BY THE PRESIDENT

I have signed S. 3394, the Foreign Assistance Act of 1974, with some reservations, but with appreciation for the spirit of constructive compromise which motivated the Congress.

I sought a bill which would serve the interests of the United States in an increasingly interdependent world in which the strength and vitality of our own policies and society require purposeful and responsible participation in the international community. Foreign ~~aid~~ <sup>assistance</sup> is indispensable <sup>in exercising the</sup> to a role of ~~wise~~ leadership in the cooperative and peaceful resolution of conflicts, in <sup>pursuing</sup> ~~the pursuit of~~ political stability and economic progress, and in <sup>expressing the</sup> ~~the expression of~~ ~~an~~ American spirit of helping those less fortunate than we are.

In most respects, the Foreign Assistance Act of 1974 will serve those ends. It includes, however, several restrictions that may pose severe problems to our interests. I must bring them to the attention of the Congress as matters which will be of continuing concern and which may require our joint efforts to remedy if circumstances require.

First are the numerous and detailed limitations on assistance to Indochina. The economic and military assistance levels for Cambodia, particularly, are clearly inadequate to meet minimum

basic needs. Our support is vital <sup>to help effect</sup> an early end to the fighting and <sup>these</sup> a negotiated ~~settlement~~ <sup>settlement</sup> ~~agreement~~ <sup>agreement</sup>. This is also the objective of ~~the~~ ~~solution~~ ~~are~~ ~~to~~ ~~be~~ ~~found~~. We seek that solution just

~~as does the World as evidenced~~ by the United Nations General <sup>which approved a</sup> Assembly Resolution calling for a negotiated settlement. I intend

to discuss this critical issue with the Congressional leadership at the earliest possible time.

<sup>Smith</sup> In Vietnam, we have consistently sought to assure the right of the Vietnamese people to determine their own futures free from

~~the~~ <sup>enemy</sup> interference of ~~a determined enemy~~. It would be tragic indeed if we endangered, or even lost, the progress we have achieved

by failing to provide the relatively modest but crucial aid which <sup>is so badly</sup> ~~needed there~~ <sup>needed there</sup> Vietnam needs. Our objective is to help South Vietnam to develop

a viable, self-sufficient economy and the climate of security which will make that development possible. To this end, the economic aid

requested represented the amount needed to support crucial capital development and agricultural productivity efforts. The lower amount

finally approved makes less likely the achievement of our objectives and will significantly prolong the period needed for essential

development. ~~It may have to ask the Congress for supplemental funds~~ ~~later to and help under national objectives~~

I appreciate the spirit of compromise which motivated the Congress to extend to February 5, 1975, the period during which military assistance to Turkey may continue under specified

circumstances. I regret, however, that the restriction was imposed at all. Turkey remains a key element of U.S. security and political interests in the eastern Mediterranean. The threat of cut-off of aid, even if unfulfilled, cannot fail to have a damaging effect on our relations with one of our  <sup>staunch</sup> NATO allies whose geographic position is of great strategic importance. This, in turn, could have a detrimental effect on our efforts to help achieve a negotiated solution  <sup>of</sup> to the Cyprus problem.

I regret the action of the Congress in cutting off the modest program of military assistance to Chile. Although I share the concern of the Congress for the protection of human rights ~~and look forward to continuing consultations with the~~ Chilean Government  <sup>on this matter,</sup> ~~during the coming months,~~ I do not regard this measure as an effective means for promoting that interest.

Finally, the Congress has directed that during the current fiscal year no more than 30 percent of concessional food aid should be allocated to countries which are not among those most seriously affected by ~~current~~ food shortages, unless the President demonstrates that the ~~use~~  <sup>food is not requested</sup> of such food assistance is solely for humanitarian ~~and~~ purposes. I understand and share the spirit of humanitarianism that prompted a statement of congressional

policy on this subject. But that policy could unduly bind the flexibility of the United States in an arbitrary way in meeting the needs of friendly countries and in pursuing our various interests abroad.

As with other differences which the Congress and the Executive branch worked out in consideration of this bill, I *look forward to working with* anticipate the ~~cooperation and assistance~~ <sup>94th</sup> of the Congress in *meeting and solving* ~~dealing with~~ the problems that are still before us. We share the common goal of <sup>best</sup> serving the interests of the <sup>people of the</sup> United States ~~and~~ *working* ~~and~~ together we shall continue to serve them responsibly.

He doesn't think it does the least bit of good, but he doesn't object.

Phil Areeda's comments on S.3394.

Vern Loen has no objection to ss

Bob Linder has original ss to be typed.



## STATEMENT BY THE PRESIDENT

I have signed S. 3394, the Foreign Assistance Act of 1974, with some reservations, but with appreciation for the spirit of constructive compromise which motivated the Congress.

I sought a bill which would serve the interests of the United States in an increasingly interdependent world in which the strength and vitality of our own policies and society require purposeful and responsible participation in the international community. Foreign assistance is indispensable in exercising the role of leadership in the cooperative and peaceful resolution of conflicts, in pursuing political stability and economic progress, and in expressing the American spirit of helping those less fortunate than we are.

In most respects, the Foreign Assistance Act of 1974 will serve those ends. It includes, however, several restrictions that may pose severe problems to our interests. I must bring them to the attention of the Congress as matters which will be of continuing concern and which may require our joint efforts to remedy if circumstances require.

First are the numerous and detailed limitations on assistance to Indochina. The economic and military assistance levels for Cambodia, particularly, are clearly inadequate to meet minimum basic needs. Our support is vital to help effect an early end to the fighting and a negotiated settlement. This is also the objective of the United Nations General Assembly which approved a Resolution calling for a negotiated settlement. I intend to discuss this critical issue with the Congressional leadership at the earliest possible time.

In South Vietnam, we have consistently sought to assure the right of the Vietnamese people to determine their own futures free from enemy interference. It would be tragic indeed if we endangered, or even lost, the progress we have achieved by failing to provide the relatively modest but crucial aid which is so badly needed there. Our objective is to help South Vietnam to develop a viable, self-sufficient economy and the climate of security which will make that development possible. To this end, the economic aid requested represented the amount needed to support crucial capital development and agricultural productivity efforts. The lower amount finally approved makes less likely the achievement of our objectives and will significantly prolong the period needed for essential development.

I appreciate the spirit of compromise which motivated the Congress to extend to February 5, 1975, the period during which military assistance to Turkey may continue under specified circumstances. I regret, however, that the restriction was imposed at all. Turkey remains a key element of U.S. security and political interests in the eastern Mediterranean. The threat of cut-off of aid, even if unfulfilled, cannot fail to have a damaging effect on our relations with one of our staunch NATO allies whose geographic position is of great strategic importance. This, in turn, could have a detrimental effect on our efforts to help achieve a negotiated solution of the Cyprus problem.

I regret the action of the Congress in cutting off the modest program of military assistance to Chile. Although I share the concern of the Congress for the protection of human rights and look forward to continuing consultations with the Chilean Government on this matter, I do not regard this measure as an effective means for promoting that interest.

Finally, the Congress has directed that during the current fiscal year no more than 30 percent of concessional food aid should be allocated to countries which are not among those most seriously affected by food shortages -- unless the President demonstrates that such food is required solely for humanitarian purposes. I understand and share the spirit of humanitarianism that prompted a statement of congressional policy on this subject. But that policy could unduly bind the flexibility of the United States in an arbitrary way in meeting the needs of friendly countries and in pursuing our various interests abroad.

As with other differences which the Congress and the Executive branch worked out in consideration of this bill, I look forward to working with the 94th Congress in meeting and solving the problems that are still before us. We share the common goal of best serving the interests of the people of the United States. Working together, we shall continue to serve them responsibly.

*Herold R. Ford*

Office of the White House Press Secretary  
(Vail, Colorado)

---

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed S. 3394, the Foreign Assistance Act of 1974, with some reservations, but with appreciation for the spirit of constructive compromise which motivated the Congress.

I sought a bill which would serve the interests of the United States in an increasingly interdependent world in which the strength and vitality of our own policies and society require purposeful and responsible participation in the international community. Foreign assistance is indispensable in exercising the role of leadership in the cooperative and peaceful resolution of conflicts, in pursuing political stability and economic progress, and in expressing the American spirit of helping those less fortunate than we are.

In most respects, the Foreign Assistance Act of 1974 will serve those ends. It includes, however, several restrictions that may pose severe problems to our interests. I must bring them to the attention of the Congress as matters which will be of continuing concern and which may require our joint efforts to remedy if circumstances require.

First are the numerous and detailed limitations on assistance to Indochina. The economic and military assistance levels for Cambodia, particularly, are clearly inadequate to meet minimum basic needs. Our support is vital to help effect an early end to the fighting and a negotiated settlement. This is also the objective of the United Nations General Assembly which approved a Resolution calling for a negotiated settlement. I intend to discuss this critical issue with the Congressional leadership at the earliest possible time.

In South Vietnam, we have consistently sought to assure the right of the Vietnamese people to determine their own futures free from enemy interference. It would be tragic indeed if we endangered, or even lost, the progress we have achieved by failing to provide the relatively modest but crucial aid which is so badly needed there. Our objective is to help South Vietnam to develop a viable, self-sufficient economy and the climate of security which will make that development possible. To this end, the economic aid requested represented the amount needed to support crucial capital development and agricultural productivity efforts. The lower amount finally approved makes less likely the achievement of our objectives and will significantly prolong the period needed for essential development.

I appreciate the spirit of compromise which motivated the Congress to extend to February 5, 1975, the period during which military assistance to Turkey may continue under specified circumstances. I regret, however, that the restriction was imposed at all. Turkey remains a key element of U.S. security and political interests in the eastern Mediterranean. The threat of cut-off of aid, even if unfulfilled, cannot fail to have a damaging effect on our relations with one of our staunch NATO allies whose geographic position is of great strategic importance. This, in turn, could have a detrimental effect on our efforts to help achieve a negotiated solution of the Cyprus problem.

I regret the action of the Congress in cutting off the modest program of military assistance to Chile. Although I share the concern of the Congress for the protection of human rights and look forward to continuing consultation with the Chilean Government on this matter, I do not regard this measure as an effective means for promoting that interest.

Finally, the Congress has directed that during the current fiscal year no more than 30 percent of concessional food aid should be allocated to countries which are not among those most seriously affected by food shortages -- unless the President demonstrates that such food is required solely for humanitarian purposes. I understand and share the spirit of humanitarianism that prompted a statement of congressional policy on this subject. But that policy could unduly bind the flexibility of the United States in an arbitrary way in meeting the needs of friendly countries and in pursuing our various interests abroad.

As with other differences which the Congress and the Executive Branch worked out in consideration of this bill, I look forward to working with the 94th Congress in meeting and solving the problems that are still before us. We share the common goal of best serving the interests of the people of the United States. Working together, we shall continue to serve them responsibly.

# # #



# Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,  
one thousand nine hundred and seventy-four*

## An Act

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1974".*

### FOOD AND NUTRITION

SEC. 2. Section 103 of the Foreign Assistance Act of 1961 is amended—

- (1) by inserting the subsection designation "(a)" immediately before "In";
- (2) by striking out "\$291,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "\$291,000,000 for the fiscal year 1974, and \$500,000,000 for the fiscal year 1975"; and
- (3) by adding at the end thereof the following:
 

"(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowly developing countries. The greatest potential for significantly expanding world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should be given to increasing agricultural production in the countries with per capita incomes under \$300 a year and which are the most severely affected by sharp increases in worldwide commodity prices."

### CEILING ON FERTILIZERS TO SOUTH VIETNAM

SEC. 3. (a) None of the moneys made available under the Foreign Assistance Act of 1961 or the Foreign Assistance Act of 1974 may be used, beginning on the date of enactment of this section, during fiscal year 1975 to procure agricultural fertilizers for, or to provide such fertilizers to, South Vietnam.

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

### POPULATION PLANNING

SEC. 4. The Foreign Assistance Act of 1961 is amended as follows:

- (1) In section 104, strike out "\$145,000,000 for each of the fiscal years 1974 and 1975" and insert in lieu thereof "\$145,000,000 for the fiscal year 1974, and \$165,000,000 for the fiscal year 1975".
- (2) In section 292, strike out "\$130,000,000" and insert in lieu thereof "\$150,000,000".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 5. Section 105 of the Foreign Assistance Act of 1961 is amended by striking out "\$90,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "\$90,000,000 for the fiscal year 1974, and \$92,000,000 for the fiscal year 1975".

DISPOSITION OF LOAN RECEIPTS

SEC. 6. Section 203 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

"On and after July 1, 1975, none of the dollar receipts paid during any fiscal year from loans made pursuant to this part or from loans made under predecessor foreign assistance legislation are authorized to be made available during any fiscal year for use for purposes of making loans under chapter 1 of this part. All such receipts shall be deposited in the Treasury as miscellaneous receipts."

HOUSING GUARANTIES

SEC. 7. The Foreign Assistance Act of 1961 is amended as follows:

- (1) In section 221, strike out "\$305,000,000" and insert in lieu thereof "\$355,000,000".
- (2) In section 223(i), strike out "June 30, 1975" and insert in lieu thereof "June 30, 1976".

AGRICULTURAL CREDIT PROGRAMS

SEC. 8. (a) Title III of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

- (1) by striking out the title heading and inserting in lieu thereof the following:

**"TITLE III—HOUSING AND OTHER CREDIT GUARANTY PROGRAMS";**

- (2) by inserting immediately after section 222 the following new section:

**"SEC. 222A. Agricultural and Productive Credit and Self-Help Community Development Programs.—(a)** It is the sense of the Congress that in order to stimulate the participation of the private sector in the economic development of less-developed countries in Latin America, the authority conferred by this section should be used to establish pilot programs in not more than five Latin American countries to encourage private banks, credit institutions, similar private lending organizations, cooperatives, and private nonprofit development organizations to make loans on reasonable terms to organized groups and individuals residing in a community for the purpose of enabling such groups and individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. Agricultural credit and assistance for self-help community development projects should include, but not be limited to, material and such projects as wells, pumps, farm machinery, improved seed, fertilizer, pesticides, vocational training, food industry development, nutrition projects, improved breeding stock for farm animals, sanitation facilities, and looms and other handicraft aids.

**"(b)** To carry out the purposes of subsection (a), the agency primarily responsible for administering part I is authorized to issue guar-

anties, on such terms and conditions as it shall determine, to private lending institutions, cooperatives, and private nonprofit development organizations in not more than five Latin American countries assuring against loss of not to exceed 50 per centum of the portfolio of such loans made by any lender to organized groups or individuals residing in a community to enable such groups or individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. In no event shall the liability of the United States exceed 75 per centum of any one loan.

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

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

“(e) Not to exceed \$3,000,000 of the guaranty reserve established under section 223 (b) shall be available to make such payments as may be necessary to discharge liabilities under guaranties issued under this section or any guaranties previously issued under section 240 of this Act.

“(f) Funds held by the Overseas Private Investment Corporation pursuant to section 236 may be available for meeting necessary administrative and operating expenses for carrying out the provisions of this section through June 30, 1976.

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

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

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

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

(3) by striking out “section 221 or section 222” in section 223 (a) and inserting “section 221, 222, or 222A” in lieu thereof;

(4) by striking out “this title” in section 223 (b) and inserting “section 221 and section 222” in lieu thereof; and

(5) by striking out “section 221 or section 222” in section 223 (d) and inserting “section 221, 222, 222A, or previously under section 240 of this Act” in lieu thereof.

(b) Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by striking out section 240.

## INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 9. (a) Section 302 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out “for the fiscal year 1975, \$150,000,000” in subsection (a) and inserting in lieu thereof “for the fiscal year 1975, \$165,000,000”; and

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

“(g) Of the funds made available to carry out this chapter for fiscal year 1975, in addition to any other such funds to be made available for contributions to the International Atomic Energy Agency, not less than \$500,000 shall be made available to such Agency as technical assistance in kind. However, a reasonable amount of funds authorized under this section shall be made available in fiscal year 1975 to strengthen international procedures which are designed to prevent the unauthorized dissemination or use of nuclear materials. The President shall report to the Congress not later than July 1, 1975, concerning actions taken by the United States to strengthen the procedures described under the preceding sentence.

“(h) Congress directs that no funds should be obligated or expended, directly or indirectly, to support the United Nations Educational, Scientific, and Cultural Organization until the President certifies to the Congress that such Organization (1) has adopted policies which are fully consistent with its educational, scientific, and cultural objectives, and (2) has taken concrete steps to correct its recent actions of a primarily political character.”

## MILITARY ASSISTANCE AUTHORIZATIONS

SEC. 10. Section 504(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out “\$512,500,000 for the fiscal year 1974” and inserting in lieu thereof “\$600,000,000 for the fiscal year 1975”; and

(2) by striking out “(other than training in the United States)” and inserting in lieu thereof “(other than (1) training in the United States, or (2) for Western Hemisphere countries, training in the United States or in the Canal Zone)”.

## SPECIAL AUTHORITY

SEC. 11. Section 506(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out “the fiscal year 1974” in each place it appears and inserting in lieu thereof “the fiscal year 1975” in each such place; and

(2) by striking out “\$250,000,000” and inserting in lieu thereof “\$150,000,000”.

## MILITARY ASSISTANCE AUTHORIZATIONS FOR SOUTH VIETNAM

SEC. 12. Section 513 of the Foreign Assistance Act of 1961 is amended as follows:

(1) Strike out “Thailand and Laos” in the caption and insert in lieu thereof “Thailand and Laos, and South Vietnam”.

(2) At the end thereof add the following new subsection:

“(c) After June 30, 1976, no military assistance shall be furnished by the United States to South Vietnam directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act.”

## EXCESS DEFENSE ARTICLES

SEC. 13. (a) Section 8 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (22 U.S.C. 2321b), is amended—

(1) by striking out "\$150,000,000" in subsection (b) and inserting "\$100,000,000" in lieu thereof; and

(2) by inserting immediately before the period in subsection (c) the following: "; except that for any excess defense article such term shall not include a value for any such article which is less than 33 $\frac{1}{3}$  percent of the amount the United States paid for such article when the United States acquired it".

## EXCESS DEFENSE ARTICLE VALUE IN ANNUAL REPORT

SEC. 14. Section 634(d) of the Foreign Assistance Act of 1961 is amended by striking out "including economic assistance and military grants and sales" and inserting in lieu thereof the following: "including economic assistance, military grants (and including for any such grant of any excess defense article, the value of such article expressed in terms of its acquisition cost to the United States), and military sales".

## STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 15. Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 514. Stockpiling of Defense Articles for Foreign Countries.—(a) Notwithstanding any other provision of law, no funds, other than funds made available under this chapter or section 401(a) of Public Law 89-367 (80 Stat. 37), or any subsequent corresponding legislation, may be obligated for the purpose of stockpiling any defense article or war reserve material, including the acquisition, storage, or maintenance of any war reserve equipment, secondary items, or munitions, if such article or material is set aside, reserved, or in any way earmarked or intended for future use by any foreign country under this Act or such section.

"(b) The cost of any such article or material set aside, reserved, or in any way earmarked or intended by the Department of Defense for future use by, for, or on behalf of the country referred to in section 401(a)(1) of Public Law 89-367 (80 Stat. 37) shall be charged against the limitation specified in such section or any subsequent corresponding legislation, for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked or intended; and the cost of any such article or material set aside, reserved or in any way earmarked or intended for future use by, for, or on behalf of any other foreign country shall be charged against funds authorized under this chapter for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked. No such article or material may be made available to or for use by any foreign country unless such article or material has been charged against the limitation specified in such section, or any subsequent corresponding legislation, or against funds authorized under this chapter, as appropriate."

## MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

SEC. 16. Chapter 2 of part II of the Foreign Assistance Act of 1961 is further amended by adding at the end thereof the following new section:

**“SEC. 515. Military Assistance Advisory Groups and Missions.—**Effective July 1, 1976, an amount equal to each sum expended under any provision of law, other than section 504 of this Act, with respect to any military assistance advisory group, military mission, or other organization of the United States performing activities similar to such group or mission, shall be deducted from the funds made available under such section 504, and (1) if reimbursement of such amount is requested by the agency of the United States Government making the expenditure, reimbursed to that agency, or (2) if no such reimbursement is requested, deposited in the Treasury as miscellaneous receipts.”

REVIEW OF MILITARY ASSISTANCE PROGRAM

**SEC. 17. (a)** It is the sense of Congress that the policies and purposes of the military assistance program conducted under chapter 2 of part II of the Foreign Assistance Act of 1961 should be reexamined in light of changes in world conditions and the economic position of the United States in relation to countries receiving such assistance; and that the program, except for military education and training activities, should be reduced and terminated as rapidly as feasible consistent with the security and foreign policy requirements of the United States.

(b) In order to give effect to the sense of Congress expressed in subsection (a), the President is directed to submit to the first session of the 94th Congress a detailed plan for the reduction and eventual elimination of the present military assistance program.

SECURITY SUPPORTING ASSISTANCE

**SEC. 18.** Section 532 of the Foreign Assistance Act of 1961 is amended by striking out “for the fiscal year 1974 not to exceed \$125,000,000, of which not less than \$50,000,000 shall be available solely for Israel” and inserting in lieu thereof “for the fiscal year 1975 not to exceed \$660,000,000”.

TRANSFER BETWEEN ACCOUNTS

**SEC. 19. (a)** Section 610 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In subsection (a), immediately after “any other provision of this Act”, insert “(except funds made available under chapter 2 of part II of this Act)”.

(2) Add at the end thereof the following new subsection:

“(c) Any funds which the President has notified Congress pursuant to section 653 that he intends to provide in military assistance to any country may be transferred to, and consolidated with, any other funds he has notified Congress pursuant to such section that he intends to provide to that country for development assistance purposes.”

(b) Section 614 of such Act is amended by adding at the end of subsection (a) the following: “The authority of this section shall not be used to waive the limitations on transfers contained in section 610(a) of this Act.”.

LIMITATION ON USE OF FUNDS

**SEC. 20.** Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

**“SEC. 115. Prohibiting Use of Funds for Certain Countries.—(a)** None of the funds made available to carry out this chapter may be used in any fiscal year for any country to which assistance is furnished in such fiscal year under chapter 4 of part II (security supporting

assistance), part V (assistance for relief and reconstruction of South Vietnam, Cambodia, and Laos), part VI (assistance for Middle East peace) of this Act, or section 36 of the Foreign Assistance Act of 1974.

“(b) The prohibition contained in subsection (a) may not be waived under section 614(a) of this Act or under any other provision of law.

“(c) This section shall not apply to funds made available under section 104 for purposes of title X of chapter 2 of this part (programs relating to population growth), funds made available for humanitarian assistance through international organizations, and funds obligated for regional programs.”

CHANGE IN ALLOCATION OF FOREIGN ASSISTANCE

SEC. 21. Section 653 of the Foreign Assistance Act of 1961 is amended—

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

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

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

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

“(2) in the case of military grant assistance or security supporting assistance, the President includes in the report under paragraph (1) his determination that it is in the security interest of the United States to provide the excess funds.

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

SUSPENSION OF MILITARY ASSISTANCE TO TURKEY

SEC. 22. Section 620 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

“(x) All military assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Turkey, shall be suspended on the date of enactment of this subsection unless and until the President determines and certifies to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has been made regarding military forces in Cyprus: *Provided*, That the President is authorized to suspend the provisions of this section and such Acts if he

determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until February 5, 1975, and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied implements of war."

PROHIBITIONS ON AID TO NATIONS TRADING WITH NORTH VIETNAM

SEC. 23. Section 620 of the Foreign Assistance Act of 1961 is amended by inserting before the period in subsection (n) the following: ", unless the President determines that such loans, credits, guaranties, grants, other assistance, or sales are in the national interest of the United States".

ASSISTANCE TO GREECE

SEC. 24. Section 620(v) of the Foreign Assistance Act of 1961 is repealed.

LIMITATION UPON ASSISTANCE TO OR FOR CHILE

SEC. 25. Notwithstanding any other provision of law, the total amount of assistance that may be made available for Chile under the Foreign Assistance Act of 1961, and the Foreign Military Sales Act during fiscal year 1975, may not exceed \$25,000,000, none of which may be made available for the purpose of providing military assistance (including security supporting assistance, sales, credit sales, or guaranties or the furnishing by any means of excess defense articles or items from stockpiles of the Department of Defense).

LIMITATION ON MILITARY ASSISTANCE AND EXCESS DEFENSE ARTICLES TO KOREA

SEC. 26. (a) The aggregate amount of—

(1) funds obligated or reserved for military assistance, including supply operations, under chapter 2 of part II of the Foreign Assistance Act of 1961;

(2) the acquisition cost of excess defense articles, if any, ordered under part II of the Foreign Assistance Act of 1961 and not charged against appropriations for military assistance;

(3) credits, including participations in credits, extended pursuant to section 23 of the Foreign Military Sales Act; and

(4) the principal amount of loans guaranteed pursuant to section 24 (a) of the Foreign Military Sales Act;

with respect to South Korea shall not exceed \$145,000,000 for fiscal year 1975 until the President submits a report to the Congress after the date of enactment of this Act stating that the government of South Korea is making substantial progress in the observance of internationally recognized standards of human rights.

(b) After the submission of the report under subsection (a), the aggregate amount described in paragraphs (1), (2), (3), and (4) of such subsection with respect to South Korea shall not exceed \$165,000,000 for fiscal year 1975.

(c) The provisions of section 506 and section 614 of the Foreign Assistance Act of 1961, or of any other law, may not be used to exceed the limitation under subsection (a) or (b).

LIMITATION ON ASSISTANCE FOR INDIA

SEC. 27. The total amount of assistance provided under the Foreign Assistance Act of 1961 and of credit sales made or guaranteed under

the Foreign Military Sales Act for India shall not exceed \$50,000,000 in fiscal year 1975.

## FAMINE OR DISASTER RELIEF

SEC. 28. (a) Section 639 of the Foreign Assistance Act of 1961, dealing with famine or disaster relief, is amended to read as follows:

“SEC. 639. Famine or Disaster Relief.—Notwithstanding any other provision of this or any other Act, the President may provide famine or disaster relief assistance to any foreign country on such terms and conditions as he may determine. For fiscal year 1975 there is authorized to be appropriated not to exceed \$40,000,000, to provide such assistance. The President shall submit quarterly reports during such fiscal year to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programing and obligation of funds under this section.”

(b) Of the funds appropriated to carry out section 639 of the Foreign Assistance Act of 1961, during fiscal year 1975 not less than \$25,000,000 shall be made available to Cyprus for the purposes of such section 639.

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

“SEC. 451. Contingency Fund.—(a) There is authorized to be appropriated to the President for the fiscal year 1975 not to exceed \$5,000,000, to provide assistance authorized by this part or by section 639 for any emergency purpose only in accordance with the provisions applicable to the furnishing of such assistance.

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

“(c) No part of this fund shall be used to pay for any gifts to any officials of any foreign government made heretofore or hereafter.”

## ACCESS TO CERTAIN MILITARY BASES ABROAD

SEC. 29. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

“SEC. 659. Access to Certain Military Bases Abroad.—None of funds authorized to be appropriated for foreign assistance (including foreign military sales, credit sales, and guaranties) under this Act may be used to provide any kind of assistance to any foreign country in which a military base is located if—

“(1) such base was constructed or is being maintained or operated with funds furnished by the United States; and

“(2) personnel of the United States carry out military operations from such base;

unless and until the President has determined that the government of such country has, consistent with security authorized access, on a regular basis, to bona fide news media correspondents of the United States to such military base.”

(b) Section 29 of the Foreign Assistance Act of 1973 is repealed.

## PROHIBITING POLICE TRAINING

SEC. 30. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended by section 23 (a) of this Act, is further amended by adding at the end thereof the following new section:

**SEC. 660. Prohibiting Police Training.**—(a) On and after July 1, 1975, none of the funds made available to carry out this Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces for any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government within the United States or abroad.

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

“(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States, or with respect to assistance authorized under section 482 of this Act; or

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

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

(b) Section 112 of the Foreign Assistance Act of 1961 is repealed.

#### REIMBURSABLE DEVELOPMENT PROGRAMS

**SEC. 31.** The Foreign Assistance Act of 1961 is amended by adding at the end of part III the following new section:

**“SEC. 661. Reimbursable Development Programs.**—The President is authorized to use up to \$1,000,000 of the funds made available for the purposes of this Act in each of the fiscal years 1975 and 1976 to work with friendly countries, especially those in which United States development programs have been concluded or those not receiving assistance under part I of this Act, in (1) facilitating open and fair access to natural resources of interest to the United States and (2) stimulation of reimbursable aid programs consistent with part I of this Act. Any funds used for purposes of this section may be used notwithstanding any other provision of this Act.”

#### INTELLIGENCE ACTIVITIES AND EXCHANGES OF MATERIALS

**SEC. 32.** The Foreign Assistance Act of 1961 is amended by adding at the end of part III the following new sections:

**“SEC. 662. Limitation on Intelligence Activities.**—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives.

“(b) The provisions of subsection (a) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the War Powers Resolution.

**“SEC. 663. Exchanges of Certain Materials.—**(a) Notwithstanding any other provision of law, whenever the President determines it is in the United States national interest, he shall furnish assistance under this Act or shall furnish defense articles or services under the Foreign Military Sales Act pursuant to an agreement with the recipient of such assistance, articles, or services which provides that such recipient may only obtain such assistance, articles, or services in exchange for any necessary or strategic raw material controlled by such recipient. For the purposes of this section, the term ‘necessary or strategic raw material’ includes petroleum, other fossil fuels, metals, minerals, or any other natural substance which the President determines is in short supply in the United States.

“(b) The President shall allocate any necessary or strategic raw material transferred to the United States under this section to any appropriate agency of the United States Government for stockpiling, sale, transfer, disposal, or any other purpose authorized by law.

“(c) Funds received from any disposal of materials under subsection (b) shall be deposited as miscellaneous receipts in the United States Treasury.”

**WAIVER OF PROHIBITION AGAINST ASSISTANCE TO COUNTRIES ENGAGING  
IN CERTAIN TRADE OR SHIPPING**

**SEC. 33.** Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

**“SEC. 664. Waiver of Prohibition Against Assistance to Countries Engaging in Certain Trade.—**Any provision of this Act which prohibits assistance to a country because that country is engaging in trade with a designated country, or because that country permits ships or aircraft under its registry to transport any equipment, materials, or commodities to or from such designated country, may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress.”

**POLICY WITH RESPECT TO INDOCHINA**

**SEC. 34. (a)** The Congress finds that the cease-fire provided for in the Paris Agreement on Ending the War and Restoring Peace in Vietnam has not been observed by any of the Vietnamese parties to the conflict. Military operations of an offensive and defensive nature continue throughout South Vietnam. In Cambodia, the civil war between insurgent forces and the Lon Nol government has intensified, resulting in widespread human suffering and the virtual destruction of the Cambodian economy.

(b) The Congress further finds that continuation of the military struggles in South Vietnam and Cambodia are not in the interest of the parties directly engaged in the conflicts, the people of Indochina or world peace. In order to lessen the human suffering in Indochina and to bring about a genuine peace there, the Congress urges and requests the President and the Secretary of State to undertake the following measures:

(1) to initiate negotiations with representatives of the Soviet Union and the People’s Republic of China to arrange a mutually agreed-upon and rapid de-escalation of military assistance on the part of the three principal suppliers of arms and material to all Vietnamese and Cambodian parties engaged in conflict;

(2) to urge by all available means that the Government of the Khmer Republic enter in negotiations with representatives of the

Khmer Government of National Union for the purpose of arranging an immediate cease-fire and political settlement of the conflict; and to use all available means to establish contact with the Khmer Government of National Union, and to urge them to participate in such negotiations. The United States should urge all Cambodian parties to use the good offices of the United Nations or a respected third country for the purpose of bringing an end to hostilities and reaching a political settlement;

(3) to utilize any public or private forum to negotiate directly with representatives of the Democratic Republic of Vietnam, the Provisional Revolutionary Government, and the Republic of Vietnam to seek a new cease-fire in Vietnam and full compliance with the provisions of the Paris Agreement on Ending the War and Restoring Peace in Vietnam, including a full accounting for Americans missing in Indochina;

(4) to reconvene the Paris Conference to seek full implementation of the provisions of the Agreement of January 27, 1973, on the part of all Vietnamese parties to the conflict; and

(5) to maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the Nation at regular intervals on the progress toward obtaining a total cessation of hostilities in Indochina and a mutual reduction of military assistance to that area.

PRINCIPLES GOVERNING ECONOMIC AID TO INDOCHINA

SEC. 35. (a) Congress calls upon the President and Secretary of State to take the following actions designed to maximize the benefit of United States economic assistance:

(1) to organize a consortium to include multilateral financial institutions to help plan for Indochina reconstruction and development; to coordinate multilateral and bilateral contributions to the area's economic recovery; and to provide continuing advice to the recipient nations on the use of their own and outside resources;

(2) to develop, in coordination with the recipient governments, other donors, and the multilateral financial institutions, a comprehensive plan for Indochina reconstruction and economic development;

(3) to develop country-by-country reconstruction and development plans, including detailed plans for the development of individual economic sectors, that can be used to identify and coordinate specific economic development projects and programs and to direct United States resources into areas of maximum benefits;

(4) to shift the emphasis of United States aid programs from consumption-oriented expenditures to economic development;

(5) to identify possible structural economic reforms in areas such as taxation, exchange rates, savings mechanisms, internal pricing, income distribution, land tenure, budgetary allocations and corruption, which should be undertaken if Indochinese economic development is to progress;

(6) to include in Indochina economic planning and programming specific performance criteria and standards which will enable the Congress and the executive branch to judge the adequacy of the recipient's efforts and to determine whether, and what amounts of, continued United States funding is justified; and

(7) to provide humanitarian assistance to Indochina wherever practicable under the auspices of and by the United Nations and its specialized agencies, other international organizations or arrangements, multilateral institutions, and private voluntary agencies with a minimum presence and activity of United States Government personnel.

(b) This section shall not be construed to imply continuation of a United States financial commitment beyond the authorization provided for in this Act or amendments made by this Act.

INDOCHINA POSTWAR RECONSTRUCTION

SEC. 36. (a) There are authorized to be appropriated to the President to furnish assistance for the relief and reconstruction of South Vietnam, Cambodia, and Laos, in addition to funds otherwise available for such purposes, for the fiscal year 1975 not to exceed \$617,000,000. Of the amount appropriated for fiscal year 1975—

(1) \$449,900,000 shall be available only for the relief and reconstruction of South Vietnam in accordance with section 38 of this Act;

(2) \$100,000,000 shall be available only for the relief and reconstruction of Cambodia in accordance with section 39 of this Act;

(3) \$40,000,000 shall be available only for the relief and reconstruction of Laos in accordance with section 40 of this Act;

(4) \$4,100,000 shall be available only for the regional development program;

(5) \$16,000,000 shall be available only for support costs for the agency primarily responsible for carrying out this part; and

(6) \$7,000,000 shall be available only for humanitarian assistance through international organizations.

Such amounts are authorized to remain available until expended.

(b) The authority of section 610(a) of the Foreign Assistance Act of 1961 may not be used in fiscal year 1975 to transfer funds made available for any provision of such Act of 1961 into funds made available for part V of such Act for South Vietnam, Cambodia, or Laos under this section.

(c) No assistance may be provided to South Vietnam, Cambodia, or Laos in fiscal year 1975 under part I (including chapter 4 of part II) of the Foreign Assistance Act of 1961. This prohibition may not be waived under section 614(a) of such Act of 1961 or any other provision of law.

(d) Notwithstanding subsection (b) of this section, funds made available under any provision of this or any other law for the purpose of providing military assistance for South Vietnam, Laos, or Cambodia during fiscal year 1975 may be transferred to, and consolidated with, any funds made available to that country for war relief, reconstruction, or general economic development, if such transfer does not result in a greater amount than is allocated for such country under paragraph (1), (2), or (3) of subsection (a).

(e) To the extent not inconsistent with the provisions of this Act, all prohibitions, restrictions, limitations, and authorities contained in the Foreign Assistance Act of 1961 which are applicable to part V of such Act of 1961 shall apply with respect to the assistance authorized by this section.

## ASSISTANCE TO SOUTH VIETNAMESE CHILDREN

SEC. 37. (a) It is the sense of the Congress that inadequate provision has been made (1) for the establishment, expansion and improvement of day care centers, orphanages, hostels, school feeding programs, health and welfare programs, and training related to these programs which are designed for the benefit of South Vietnamese children, disadvantaged by hostilities in Vietnam or conditions related to those hostilities, and (2) for the adoption by United States citizens of South Vietnamese children who are orphaned or abandoned, or whose parents or sole surviving parent, as the case may be, has irrevocably relinquished all parental rights, particularly children fathered by United States citizens.

(b) The President is, therefore, authorized to provide assistance, on terms and conditions he considers appropriate, for the purposes described in clauses (1) and (2) of subsection (a) of this section. Of the funds appropriated pursuant to section 36(a) of this Act, \$10,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section. Not more than 10 per centum of the funds made available to carry out this section may be expended for the purposes referred to in clause (2) of subsection (a). Assistance provided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies.

## LIMITATIONS WITH RESPECT TO SOUTH VIETNAM

SEC. 38. (a) The \$449,900,000 made available in accordance with section 36(a) (1) of this Act shall be allocated as follows:

(1) \$90,000,000 for humanitarian assistance, of which there shall be available—

- (A) \$70,000,000 for refugee relief;
- (B) \$10,000,000 for child care; and
- (C) \$10,000,000 for health care;

(2) \$154,500,000 for agricultural assistance, of which there shall be available—

- (A) \$85,000,000 for fertilizer;
- (B) \$12,000,000 for POL (for agriculture);
- (C) \$6,000,000 for insecticides and pesticides;
- (D) \$10,000,000 for agricultural machinery and equipment (including spare parts);
- (E) \$3,500,000 for agricultural advisory services;
- (F) \$20,000,000 for rural credit;
- (G) \$10,000,000 for canal dredging;
- (H) \$4,000,000 for low-lift pumps; and
- (I) \$4,000,000 for fish farm development;

(3) \$139,800,000 for industrial development assistance of which there shall be available—

- (A) \$124,000,000 for commodities;
- (B) \$10,000,000 for industrial credit; and
- (C) \$5,800,000 for industrial advisory services (including feasibility studies);

(4) \$65,600,000 for miscellaneous assistance, of which there shall be available—

- (A) \$47,900,000 for the service sector (including POL, machinery equipment, and spare parts); and
- (B) \$17,700,000 for technical services and operating expenses.

(b) (1) No funds made available in accordance with section 36(a) (1) may be transferred to, or consolidated with, the funds made available for military assistance, nor may more than 20 per centum of the funds made available under paragraph (1), (2), (3), or (4) of subsection (a) of this section be transferred to, or consolidated with, the funds made available under any other such paragraph.

(2) Whenever the President determines it to be necessary in carrying out this section, any funds made available under any subparagraph of paragraph (1), (2), (3), or (4) of subsection (a) of this section may be transferred to, and consolidated with, the funds made available under any other subparagraph of that same paragraph.

(3) The President shall fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of each transfer he intends to make under paragraph (1) or (2) of this subsection prior to making such transfer.

(c) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of South Vietnam in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

(d) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of South Vietnam for any fiscal year the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

(e) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of South Vietnam during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

(f) (1) Effective six months after the date of enactment of this section, the total number of civilian officers and employees, including contract employees, of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States present in South Vietnam shall not at any one time exceed four thousand, not more than two thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense. Effective one year after the date of enactment of this section, such total number shall not exceed at any one time three thousand, not more than one thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense.

(2) Effective six months after the date of enactment of this section, the United States shall not, at any one time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eight hundred individuals in South Vietnam who are citizens of countries other than South Vietnam or the United States. Effective one year after the date of enactment of this section, the total number of individuals whose compensation or allowance is so paid shall not exceed at any one time five hundred.

(3) For purposes of this subsection, "executive agency of the United States Government" means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

(4) This subsection shall not be construed to apply with respect to any individual in South Vietnam who (A) is an employee or volunteer worker of a voluntary private, nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in South Vietnam.

(g) This section shall not be construed as a commitment by the United States to South Vietnam for its defense.

LIMITATIONS WITH RESPECT TO CAMBODIA

SEC. 39. (a) Section 655 of the Foreign Assistance Act of 1961 is amended as follows:

(1) by striking out "\$341,000,000" in subsection (a) and inserting "\$377,000,000" in lieu thereof.

(2) by striking out "1972" in subsection (a) and inserting "1975. Of that sum, there shall be available no more than \$200,000,000 for military assistance. In addition to such \$377,000,000, defense articles and services may be ordered under section 506 of this Act for Cambodia in an amount not to exceed \$75,000,000 in fiscal year 1975." in lieu thereof.

(3) by striking out "\$341,000,000" in subsection (b) and inserting "\$377,000,000" in lieu thereof.

(4) by striking out "1972" in subsection (b) and inserting "1975" in lieu thereof.

(b) Section 656 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following sentence: "This section shall not be construed to apply with respect to any individual in Cambodia who (A) is an employee or volunteer worker of a voluntary private, nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in Cambodia."

(c) The \$100,000,000 made available in accordance with section 36(a)(2) of this Act shall be allocated as follows:

- (1) \$20,000,000 for humanitarian assistance;
- (2) \$63,000,000 for commodity import assistance;
- (3) \$15,000,000 for multilateral stabilization assistance; and
- (4) \$2,000,000 for technical support and participant training.

(d) No funds made available in accordance with section 36(a)(2) may be transferred to, or consolidated with, the funds allocated for military assistance to Cambodia under section 655(a) of the Foreign Assistance Act of 1961, nor may more than 20 per centum of the funds made available under any paragraph of subsection (c) of this section be transferred to, or consolidated with, the funds made available under any other such paragraph.

(e) No funds may be obligated for any of the purposes described in section 655(a) of the Foreign Assistance Act of 1961 in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

(f) This section shall not be construed as a commitment by the United States to Cambodia for its defense.

LIMITATIONS WITH RESPECT TO LAOS

SEC. 40. (a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of \$70,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Laos. Of that amount, there shall be available—

- (1) \$30,000,000 for military assistance; and
- (2) \$40,000,000 only for economic assistance, of which there shall be available—
  - (A) \$11,000,000 for humanitarian assistance;
  - (B) \$6,500,000 for reconstruction and development assistance;
  - (C) \$16,100,000 for stabilization assistance; and
  - (D) \$6,400,000 for technical support.

(b) No funds made available under paragraph (2) of subsection (a) of this section may be transferred to, or consolidated with, the funds made available under paragraph (1) of such subsection, nor may more than 20 per centum of the funds made available under any subparagraph of paragraph (2) be transferred to, or consolidated with, the funds made available under any other such subparagraph.

(c) In computing the limitations on obligation authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided, to, for, or on behalf of Laos in such fiscal year by gift, donation, loan, lease or otherwise. For the purpose of this subsection, "value" means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Laos but in no case less than 33 $\frac{1}{3}$  per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Laos in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of Laos, for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of Laos during the preceding quarter by the United States Government and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

(g) This section shall not be construed as a commitment by the United States to Laos for its defense.

POPULATION, NARCOTICS, INTERNATIONAL HUMANITARIAN AND REGIONAL PROGRAMS

SEC. 41. Part V of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

“SEC. 806. Population, Narcotics, International Humanitarian and Regional Programs.—The provisions of sections 36(c), 38, 39, and 40 of the Foreign Assistance Act of 1974 shall not apply to: (1) funds obligated for purposes of title X of chapter 2 of part I (programs relating to population growth); (2) funds made available under section 482 (programs relating to narcotics control); (3) funds made available for humanitarian assistance through international organizations; or (4) funds obligated for regional programs.”

ASSISTANCE TO THE MIDDLE EAST

SEC. 42. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

“PART VI

“SEC. 901. Statement of Policy.—The Congress recognizes that a peaceful and lasting resolution of the divisive issues that have contributed to tension and conflict between nations in the Middle East is essential to the security of the United States and the cause of world peace. The Congress declares and finds that the United States can and should play a constructive role in securing a just and durable peace in the Middle East by facilitating increased understanding between the Arab nations and Israel, and by assisting the nations in the area in their efforts to achieve economic progress and political stability, which are the essential foundations for a just and durable peace. It is the sense of Congress that United States assistance programs in the Middle East should be designated to promote mutual respect and security among the nations in the area and to foster a climate conducive to increased economic development, thereby contributing to a community of free, secure, and prospering nations in the Middle East.

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

“SEC. 902. Allocations.—(a) Of the funds appropriated to carry out chapter 2 of part II of this Act during the fiscal year 1975, not to exceed \$100,000,000 may be made available for military assistance in the Middle East.

“(b) Of the funds appropriated to carry out chapter 4 of part II of this Act during the fiscal year 1975, not to exceed \$652,000,000 may be made available for security supporting assistance in the Middle East.

“(c) Of the aggregate ceiling on credits and guaranties established by section 31(b) of the Foreign Military Sales Act during the fiscal year 1975, not to exceed \$330,000,000 shall be available for countries in the Middle East.

“SEC. 903. (a) Special Requirements Fund.—There are authorized to be appropriated to the President for the fiscal year 1975 not to exceed \$100,000,000 to furnish assistance under part I of this Act to meet special requirements arising from time to time in carrying out the purposes of this part, in addition to funds otherwise available for such purposes. The funds authorized to be appropriated by this section shall

be available for use by the President for assistance authorized by such part in accordance with the provisions applicable to the furnishing of such assistance. Such funds are authorized to remain available until expended.

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

“(1) after he reports to the Speaker of House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate concerning (A) the name of such foreign country or international organizations, (B) the amount of such funds to be made available to such country or organization, and (C) the purpose for which such funds are to be made available to such country or organization; and

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

“(c) Of the amount authorized under subsection (a), not less than \$6,000,000 shall constitute a contribution by the United States toward the settlement of the deficit of the United Nations Relief and Works Agency for Palestine Refugees in the Middle East, if the President determines that a reasonable number of other countries will contribute a fair share toward the settlement of such deficit within a reasonable period of time after the date of enactment of the Foreign Assistance Act of 1974. In determining such fair share, the President shall take into consideration the economic position of each such country. Such \$6,000,000 shall be in addition to any other contribution to such Agency by the United States pursuant to any other provision of law.”

NUCLEAR POWERPLANTS

SEC. 43. None of the funds authorized by this Act may be used to finance the construction of, the operation or maintenance of, or the supply of fuel for any nuclear powerplant in Israel or Egypt, which has been approved under an agreement for cooperation between the United States and either such country.

ASSISTANCE TO UNITED ARAB REPUBLIC

SEC. 44. Section 620(p) of the Foreign Assistance Act of 1961 is repealed.

FOREIGN MILITARY SALES ACT AMENDMENTS

SEC. 45(a). The Foreign Military Sales Act is amended as follows:

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

“(d) A country shall remain ineligible in accordance with subsection (c) of this section until such time as the President determines that such violation has ceased, that the country concerned has given assurances satisfactory to the President that such violation will not recur, and that, if such violation involved the transfer of sophisticated weapons without the consent of the President, such weapons have been returned to the country concerned.”

(2) Section 23 is amended to read as follows:

“Sec. 23. Credit Sales.—The President is authorized to finance procurements of defense articles and defense services by friendly foreign

countries and international organizations on terms requiring the payment to the United States Government in United States dollars of—

“(1) the value of such articles or services within a period not to exceed ten years after the delivery of such articles or the rendering of such services; and

“(2) interest on the unpaid balance of that obligation for payment of the value of such articles or services, at a rate equivalent to the current average interest rate, as of the last day of the month preceding the financing of such procurement, that the United States Government pays on outstanding marketable obligations of comparable maturity, unless the President certifies to Congress that the national interest requires a lesser rate of interest and states in the certification the lesser rate so required and the justification therefor.”

(3) In subsections (a) and (b) of section 24, the parenthetical phrase in each is amended to read as follows: “(excluding United States Government agencies other than the Federal Financing Bank)”.

(4) Section 24(c) is amended by striking out “25” both times it appears and inserting “10” both such times in lieu thereof.

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

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

“(1) a listing of all letters of offer to sell any defense articles or services under this Act, if such offer has not been accepted or canceled;

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

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

“(4) projections of the cumulative dollar amounts, by foreign country and international organization, of credit sales under section 23 and guaranty agreements under section 24 to be made in the quarter of the fiscal year immediately following the quarter for which such report is submitted.

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

“(b) In the case of any letter of offer to sell any defense articles or services under this Act for \$25,000,000 or more, before issuing such letter of offer the President shall submit to the Speaker of the House of Representatives and to the Chairman of the Committee on Foreign Relations of the Senate a statement with respect to such offer to sell containing the information specified in subparagraphs (A) through (E) in subsection (a). The letter of offer shall not be issued if the Congress, within twenty calendar days after receiving any such statement, adopts a concurrent resolution stating in effect that it objects

to such proposed sale, unless the President in his statement certifies that an emergency exists which requires such sale in the national security interests of the United States."

(6) Section 31 (a) is amended by striking out "\$325,000,000 for the fiscal year 1974" and inserting in lieu thereof "\$405,000,000 for the fiscal year 1975".

(7) In section 31 (b)—

(A) strike out "\$730,000,000 for the fiscal year 1974" and insert in lieu thereof "\$872,500,000 for the fiscal year 1975"; and

(B) add at the end thereof the following new sentence: "Of the funds made available under subsection (a) of this section, \$100,000,000 shall first be obligated with respect to financing the procurement of defense articles and defense services by Israel under section 23 of this Act, except that Israel shall be released from contractual liability to repay the United States Government for the defense articles and defense services so financed."

(8) In section 33—

(A) subsection (a) is repealed;

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

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

"(b) The President may waive the limitations of this section when he determines it to be important to the security of the United States and promptly so reports to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate."

(b) The amendment made by paragraph (4) of subsection (a) shall take effect on July 1, 1974. Obligations initially charged against appropriations made available for purposes authorized by section 31 (a) of the Foreign Military Sales Act after June 30, 1974, and prior to the enactment of this section in an amount equal to 25 per centum of the principal amount of contractual liability related to guaranties issued pursuant to section 24 (a) of that Act shall be adjusted to reflect such amendment with proper credit to the appropriations made available in the fiscal year 1975 to carry out that Act.

#### SECURITY ASSISTANCE AND HUMAN RIGHTS

SEC. 46. Chapter 1 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 502B. Human Rights.—(a) It is the sense of Congress that, except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty, and the security of the person.

"(b) Whenever proposing or furnishing security assistance to any government falling within the provisions of paragraph (a), the President shall advise the Congress of the extraordinary circumstances necessitating the assistance.

"(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation by such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross and any body acting under the authority of the United Nations or of the Organization of American States.

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

GORGAS MEMORIAL INSTITUTE

SEC. 47. The first section of the Act entitled “An Act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial”, approved May 7, 1928, is amended by striking out “\$500,000” and inserting “\$2,000,000” in lieu thereof.

INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION IN VIETNAM

SEC. 48. (a) There are authorized to be appropriated to the Department of State for fiscal year 1975 not to exceed \$16,526,000 for payments by the United States to help meet expenses of the International Commission of Control and Supervision in Vietnam. Funds appropriated under this subsection are authorized to be made available for reimbursement to the Agency for International Development of amounts expended by the Agency during fiscal year 1975 as interim United States payments to help meet expenses of the International Commission of Control and Supervision.

(b) There are authorized to be appropriated to the Department of State not to exceed \$11,200,000 for reimbursement to the Agency for International Development of amounts expended by the Agency for International Development to help meet expenses of the International Commission on Control and Supervision in fiscal year 1974.

(c) Reimbursements received by the Agency for International Development under this section may be credited to applicable appropriations of the Agency and shall be available for the purposes for which such appropriations are authorized to be used during fiscal year 1975.

POLICY ON ASSISTANCE TO AFRICA

SEC. 49. The President is requested to review the regional allocation of economic development assistance and to increase Africa's share of the Agency for International Development loans and grants. A special effort should be made to provide more assistance to the sixteen of the world's twenty-five least developed countries that are in Africa and to the fourteen African nations that are judged to be most seriously affected by rising costs of food and fuel. The President is requested to make a report to Congress on action taken to provide the developing countries of Africa with an equitable share of United States economic assistance at the time that the Agency for International Development's operational year budget for fiscal year 1975 is submitted to Congress and again with the submission to Congress of the proposed Agency for International Development budget for fiscal year 1976.

POLICY ON THE INDEPENDENCE OF ANGOLA, MOZAMBIQUE, AND  
GUINEA-BISSAU

SEC. 50. (a) (1) Congress finds that the Government of Portugal's recognition of the right to independence of the African territories of Angola, Mozambique, and Guinea-Bissau marks a significant advance toward the goal of self-determination for all the peoples of Africa, without which peace on the continent is not secure.

(2) Congress finds that progress toward independence for the Portuguese African territories will have a significant impact on the international organizations and the community of nations.

(3) Congress commends the Portuguese Government's initiatives on these fronts as evidence of a reaffirmation of that Government's support for her obligations under both the United Nations Charter and the North Atlantic Treaty Organization.

(b) Therefore, Congress calls upon the President and the Secretary of State to take the following actions designed to make clear United States support for a peaceful and orderly transition to independence in the Portuguese African territories:

(1) An official statement should be issued of United States support for the independence of Angola, Mozambique, and Guinea-Bissau, and of our desire to have good relations with the future governments of the countries.

(2) It should be made clear to the Government of Portugal that we view the efforts toward a peaceful and just settlement of the conflict in the African territories as consistent with Portugal's obligations under the North Atlantic Treaty Organization partnership.

(3) The United States should encourage United Nations support for a peaceful transition to independence, negotiated settlement of all differences, and the protection of human rights of all citizens of the three territories.

(4) The United States should open a dialog with potential leaders of Angola, Mozambique, and Guinea-Bissau and assure them of our commitment to their genuine political and economic independence.

(5) The economic development needs of the three territories will be immense when independence is achieved. Therefore, it is urged that the United States Agency for International Development devote attention to assessing the economic situation in Angola, Mozambique, and Guinea-Bissau and be ready to cooperate with the future governments in providing the kind of assistance that will help make their independence viable. In addition, the United States Government should take the initiative among other donors, both bilateral and multilateral, in seeking significant contribution of development assistance for the three territories.

(6) In light of the need of Angola, Mozambique, and Guinea-Bissau for skilled and educated manpower, a priority consideration should be given to expanding current United States programs of educational assistance to the territories as a timely and substantive contribution to their independence.

(c) Reports should be submitted to the Congress on the implementation of the proposals set forth in subsection (b) and Congress should be kept fully informed on developments in United States policy toward the independence of the Portuguese African territories.

#### CONVENTIONAL ARMS TRADE

SEC. 51. (a) It is the sense of the Congress that the recent growth in international transfers of conventional arms to developing nations—

(1) is a cause for grave concern for the United States and other nations in that in particular areas of the world it increases the danger of potential violence among nations, and diverts scarce world resources from more peaceful uses; and

(2) could be controlled progressively through negotiations and agreements among supplier and recipient nations.

(b) Therefore, the President is urged to propose to the Geneva Conference of the Committee on Disarmament that it consider as a high priority agenda item discussions among participating nations of that Conference for the purposes of—

(1) agreeing to workable limitations on conventional arms transfers; and

(2) establishing a mechanism through which such limitations could be effectively monitored.

(c) The President shall transmit to the Congress not later than six months after the enactment of this Act a report setting forth the steps he has taken to carry out this section.

#### INVOLVEMENT OF PUERTO RICO IN THE CARIBBEAN DEVELOPMENT BANK

SEC. 52. (a) The President may transmit to the Caribbean Development Bank an instrument stating that the Commonwealth of Puerto Rico has the authority to conclude an agreement of accession with such Bank and to assume rights and obligations pursuant to such agreement. However, such agreement may only be concluded after it has been approved by the United States Secretary of State.

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

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

#### ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE

SEC. 53. Part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

“Chapter X—Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence

“SEC. 496. Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence.—There are authorized to be appropriated to the President for the fiscal year 1975, in addition to funds otherwise available for such purposes, not to exceed—

“(1) \$5,000,000 to make grants; and

“(2) \$20,000,000 to make loans;

to remain available until expended, for use by the President in providing economic assistance, on such terms and conditions as he may determine, for Portugal and the countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.”

#### INTEGRATION OF WOMEN

SEC. 54. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

“SEC. 305. Integration of Women.—The President is requested to instruct each representative of the United States to each international organization of which the United States is a member (including but not limited to the International Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development

Bank, the International Monetary Fund, the United Nations, and the Organization for Economic Cooperation and Development) to carry out their duties with respect to such organizations in such a manner as to encourage and promote the integration of women into the national economies of member and recipient countries and into professional and policy-making positions within such organizations, thereby improving the status of women.”

POLICY WITH RESPECT TO COUNTRIES MOST SERIOUSLY AFFECTED BY  
FOOD SHORTAGES

SEC. 55. (a) The United Nations has designated thirty-two countries as “Most Seriously Affected” by the current economic crisis. These are countries without the internal food production capability or the foreign exchange availability to secure food to meet their immediate food requirements. The Congress calls upon the President and Secretary of State to take the following actions designed to mobilize appropriate resources to meet the food emergency:

(1) Review and make appropriate adjustments in the level of programming of our food and fertilizer assistance programs with the aim of increasing to the maximum extent feasible the volume of food and fertilizer available to those countries most seriously affected by current food shortages.

(2) Call upon all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to immediately increase their participation in efforts to address the emergency food needs of the developing world.

(3) Make available to these most seriously affected countries the maximum feasible volume of food commodities, with appropriate regard to the current domestic price and supply situations.

(4) Maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the Nation on steps which are being taken to help meet this food emergency. In accordance with this provision, the President shall report to the Congress on a global assessment of food needs for fiscal year 1975, specifying expected food grain deficits and currently planned programming of food assistance, and steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance. Such report should reach the Congress promptly and should be supplemented quarterly for the remainder of fiscal year 1975.

(5) The Congress directs that during the fiscal year ending June 30, 1975, not more than 30 percent of concessional food aid should be allocated to countries other than those which are most seriously affected by current food shortages, unless the President demonstrates to the appropriate Committees of the Congress that the use of such food assistance is solely for humanitarian food purposes.

(6) The Congress calls upon the President to proceed with the implementation of resolutions and recommendations adopted by the World Food Conference. The Congress believes that it is incumbent upon the United States to take a leading role in assisting in the development of a viable and coherent world food policy which would begin the task of alleviating widespread hunger and suffering prevalent in famine-stricken nations. The President shall report to the Congress within 120 days of enactment of this Act on the implementation of the resolutions and the extent to which the United States is participating in the

implementation of resolutions adopted at the World Food Conference.

REPAYMENT OF LOANS IN DEFAULT

SEC. 56. It is the sense of the Congress that any country receiving assistance under the Foreign Assistance Act of 1961 which is in default, at least 90 days prior to the date of enactment of this Act, of any payment of principal or interest due on any loan or credit received from the United States shall promptly pay all such principal and interest. It is further the sense of the Congress that the President shall promptly enter into negotiations with each such country to help effectuate the payment of such principal and interest, or to effectuate the transfer by such country to the United States of goods, services, concessions, or actions beneficial to the United States, in lieu of the payment of such principal and interest.

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*