

Public Law 95-424
95th Congress

An Act

To amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that Act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of United States development-related policies and programs, and for other purposes.

Oct. 6, 1978

[H.R. 12222]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the “International Development and Food Assistance Act of 1978”.

International
Development and
Food Assistance
Act of 1978.
22 USC 2151
note.

TITLE I—DEVELOPMENT ASSISTANCE

DEVELOPMENT ASSISTANCE POLICY

SEC. 101. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by striking out section 102 and inserting in lieu thereof the following new sections:

22 USC 2151.

“SEC. 101. GENERAL POLICY.—(a) The Congress finds that fundamental political, economic, and technological changes have resulted in the interdependence of nations. The Congress declares that the individual liberties, economic prosperity, and security of the people of the United States are best sustained and enhanced in a community of nations which respect individual civil and economic rights and freedoms and which work together to use wisely the world's limited resources in an open and equitable international economic system. Furthermore, the Congress reaffirms the traditional humanitarian ideals of the American people and renews its commitment to assist people in developing countries to eliminate hunger, poverty, illness, and ignorance.

“Therefore, the Congress declares that a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives.

“United States development cooperation policy should emphasize four principal goals:

“(1) the alleviation of the worst physical manifestations of poverty among the world's poor majority;

“(2) the promotion of conditions enabling developing countries to achieve self-sustaining economic growth with equitable distribution of benefits;

“(3) the encouragement of development processes in which individual civil and economic rights are respected and enhanced; and

“(4) the integration of the developing countries into an open and equitable international economic system.

"The Congress declares that pursuit of these goals requires that development concerns be fully reflected in United States foreign policy and that United States development resources be effectively and efficiently utilized.

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

22 USC 2151-1.

"SEC. 102. DEVELOPMENT ASSISTANCE POLICY.—(a) The Congress finds that the efforts of developing countries to build and maintain the social and economic institutions necessary to achieve self-sustaining growth and to provide opportunities to improve the quality of life for their people depend primarily upon successfully marshalling their own economic and human resources. The Congress recognizes that the magnitude of these efforts exceeds the resources of developing countries and therefore accepts that there will be a long-term need for wealthy countries to contribute additional resources for development purposes. The United States should take the lead in concert with other nations to mobilize such resources from public and private sources.

"Provision of development resources must be adapted to the needs and capabilities of specific developing countries. United States assistance to countries with low per capita incomes which have limited access to private external resources should primarily be provided on concessional terms. Assistance to other developing countries should generally consist of programs which facilitate their access to private capital markets, investment, and technical skills, whether directly through guarantee or reimbursable programs by the United States Government or indirectly through callable capital provided to the international financial institutions.

"Bilateral assistance and United States participation in multilateral institutions shall emphasize programs in support of countries which pursue development strategies designed to meet basic human needs and achieve self-sustaining growth with equity.

"The Congress declares that the principal purpose of United States bilateral development assistance is to help the poor majority of people in developing countries to participate in a process of equitable growth through productive work and to influence decisions that shape their lives, with the goal of increasing their incomes and their access to public services which will enable them to satisfy their basic needs and lead lives of decency, dignity, and hope. Activities shall be emphasized that effectively involve the poor in development by expanding their access to the economy through services and institutions at the local level, increasing their participation in the making of decisions that affect their lives, increasing labor-intensive production and the use of appropriate technology, expanding productive investment and services out from major cities to small towns and rural areas, and otherwise providing opportunities for the poor to improve their lives through their own efforts. Participation of the United States in multilateral institutions shall also place appropriate emphasis on these principles.

"(b) Assistance under this chapter should be used not only for the purpose of transferring financial resources to developing countries, but also to help countries solve development problems in accordance with a strategy that aims to insure wide participation of the poor in the benefits of development on a sustained basis. Moreover, assistance shall be provided in a prompt and effective manner, using appropriate

United States institutions for carrying out this strategy. In order to achieve these objectives and the broad objectives set forth in section 101 and in subsection (a) of this section, bilateral development assistance authorized by this Act shall be carried out in accordance with the following principles:

Bilateral
assistance,
guidelines.

“(1) Development is primarily the responsibility of the people of the developing countries themselves. Assistance from the United States shall be used in support of, rather than substitution for, the self-help efforts that are essential to successful development programs and shall be concentrated in those countries that take positive steps to help themselves. Maximum effort shall be made, in the administration of this part, to stimulate the involvement of the people in the development process through the encouragement of democratic participation in private and local governmental activities and institution building appropriate to the requirements of the recipient countries.

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

“(3) United States bilateral development assistance should give high priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries, while also helping such governments enhance their planning, technical, and administrative capabilities needed to insure the success of such undertakings.

“(4) Development assistance provided under this chapter shall be concentrated in countries which will make the most effective use of such assistance to help satisfy basic human needs of poor people through equitable growth, especially in those countries having the greatest need for outside assistance. In order to make possible consistent and informed judgments in this respect, the President shall assess the commitment and progress of countries in moving toward the objectives and purposes of this chapter by utilizing criteria, including but not limited to the following:

“(A) increase in agricultural productivity per unit of land through small-farm, labor-intensive agriculture;

“(B) reduction of infant mortality;

“(C) control of population growth;

“(D) promotion of greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers;

“(E) reduction of rates of unemployment and underemployment; and

“(F) increase in literacy.

“(5) United States development assistance should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries; food production and nutrition; rural development and generation of gainful employment; population planning and health; environment and natural resources; and education, development administration, and human resource development.

“(6) United States assistance shall encourage and promote the participation of women in the national economies of developing

countries and the improvement of women's status as an important means of promoting the total development effort.

"(7) United States bilateral assistance shall recognize that the prosperity of developing countries and effective development efforts require the adoption of an overall strategy that promotes efficient utilization of energy and, therefore, consideration shall be given to the full implications of such assistance on the price, availability, and consumption of energy in recipient countries.

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

"(9) To the maximum extent practicable, United States private investment should be encouraged in economic and social development programs to which the United States lends support.

"(10) Assistance shall be planned and utilized to encourage regional cooperation by developing countries in the solution of common problems and the development of shared resources.

"(11) Assistance efforts of the United States shall be planned and furnished to the maximum extent practicable in coordination and cooperation with assistance efforts of other countries, including the planning and implementation of programs and projects on a multilateral and multidonor basis.

"(12) United States bilateral development assistance should be concentrated on projects which do not involve large-scale capital transfers. However, to the extent that such assistance does involve large-scale capital transfers, it should be furnished in association with contributions from other countries working together in a multilateral framework.

"(c) The Congress, recognizing the desirability of overcoming the worst aspects of absolute poverty by the end of this century by, among other measures, substantially lowering infant mortality and birth rates, and increasing life expectancy, food production, literacy, and employment, encourages the President to explore with other countries, through all appropriate channels, the feasibility of a worldwide cooperative effort to overcome the worst aspects of absolute poverty and to assure self-reliant growth in the developing countries by the year 2000."

DEVELOPMENT ASSISTANCE AUTHORITIES

SEC. 102. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

"SEC. 122. GENERAL AUTHORITIES.—(a) In order to carry out the purposes of this chapter, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to countries and areas through programs of grant and loan assistance, bilaterally or through regional, multilateral, or private entities."

(b) (1) Part I of such Act is further amended—

(A) by striking out "less developed friendly" in the first sentence in subsection (b) of section 201;

(B) by striking out everything after the first sentence in subsection (b) of section 201 through "herein be loaned" in subsection (d) of such section and inserting in lieu thereof the following:

Presidential
authority.
22 USC 2151t.

22 USC 2161.

"The President shall determine the interest payable on any loan. In making loans under this chapter, the President shall consider the economic circumstances of the borrower and other relevant factors, including the capacity of the recipient country to repay the loan at a reasonable rate of interest, except that loans may not be made"; and

(C) by inserting subsection (b) of section 201, as amended by subparagraphs (A) and (B) of this paragraph, immediately after section 122(a), as added by subsection (a) of this section.

(2) (A) Section 301(a) of such Act is amended by striking out "201(d)" and inserting in lieu thereof "122(b)". 22 USC 2221.

(B) Section 103(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "201" and inserting in lieu thereof "122". 7 USC 1703.

(C) Section 106(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended in the second sentence by striking out "201" and inserting in lieu thereof "122(b)". 7 USC 1706.

(c) (1) Section 122 of the Foreign Assistance Act of 1961, as added by subsection (a) of this section and as amended by subsection (b) (1) of this section, is amended by adding at the end thereof the following new subsections:

"(c) Dollar receipts paid during any fiscal year from loans made under this part or from loans made under predecessor foreign assistance legislation shall be deposited in the Treasury as miscellaneous receipts.

"(d) Not to exceed \$10,000,000 of the funds made available each fiscal year for the purposes of this chapter may be used for assistance, on such terms and conditions as the President may determine, to research and educational institutions in the United States for the purpose of strengthening their capacity to develop and carry out programs concerned with the economic and social development of developing countries." Funds, limitation.

(2) Section 299(a) of such Act is amended by striking "110(b), 211(a), and 211(d)" and inserting in lieu thereof "110(b) and 122(d)". 22 USC 2220d.

(d) Part I of such Act is further amended—

(1) in section 204—

(A) by striking out "SEC. 204. DEVELOPMENT LOAN COMMITTEE.—" and inserting in lieu thereof "(e)"; and

(B) by striking out "title" and inserting in lieu thereof "chapter"; and

(2) by inserting such section, as so redesignated and amended, at the end of section 122, as added and amended by subsections (a) through (c) of this section.

(e) Chapter 1 of part I of such Act, as amended by subsections (a) through (d) of this section, is further amended by adding at the end thereof the following new section:

"SEC. 123. PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES IN OVERSEAS DEVELOPMENT.—(a) The Congress finds that the participation of rural and urban poor people in their countries' development can be assisted and accelerated in an effective manner through an increase in activities planned and carried out by private and voluntary organizations and cooperatives. Such organizations and cooperatives, embodying the American spirit of self-help and assistance to others to improve their lives and incomes, constitute an important means of mobilizing private American financial and human

Private and
voluntary
organizations.
22 USC 2151u.

resources to benefit poor people in developing countries. The Congress declares that it is in the interest of the United States that such organizations and cooperatives expand their overseas development efforts without compromising their private and independent nature. The Congress further declares that the financial resources of such organizations and cooperatives should be supplemented by the contribution of public funds for the purpose of undertaking development activities in accordance with the principles set forth in section 102. The Congress urges the Administrator of the agency primarily responsible for administering this part, in implementing programs authorized under this part, to draw on the resource of private and voluntary organizations and cooperatives to plan and carry out development activities.

“(b) In order to further the efficient use of United States voluntary contributions for development, relief, and rehabilitation of friendly peoples, the President is authorized to use funds made available for the purposes of this chapter to pay transportation charges on shipments by the American National Red Cross and by United States voluntary agencies registered with the Advisory Committee on Voluntary Foreign Aid.

“(c) Reimbursement under this section may be provided for transportation charges on shipments from United States ports, or in the case of excess or surplus property supplied by the United States from foreign ports, to ports of entry abroad or to points of entry abroad in cases (1) of landlocked countries, (2) where ports cannot be used effectively because of natural or other disturbances, (3) where carriers to a specified country are unavailable, or (4) where a substantial savings in costs or time can be effected by the utilization of points of entry other than ports.

“(d) Where practicable, the President shall make arrangements with the receiving country for free entry of such shipments and for the making available by the country of local currencies for the purpose of defraying the transportation costs of such shipments from the port or point of entry of the receiving country to the designated shipping point of the consignee.”

(f) Section 115 of such Act is repealed.

(g) (1) Chapter 2 of part I of such Act, as amended by this section, is further amended—

(A) by repealing title I (except sections 206 and 209), title II except sections 214 and 219), title VI, title VII, and title VIII;

(B) by amending the chapter heading to read as follows: “CHAPTER 2—OTHER PROGRAMS”;

(C) by inserting the following new title heading immediately before section 206: “TITLE I—MULTILATERAL AND REGIONAL DEVELOPMENT PROGRAMS”; and

(D) by inserting the following new title heading immediately before section 214: “TITLE II—AMERICAN SCHOOLS AND HOSPITALS ABROAD; PROTOTYPE DESALTING PLANT”.

(2) (A) Section 281 of such Act is amended by inserting “and chapter 1” immediately after “this chapter” each of the four places it appears.

(B) Section 601 (b) (5) of such Act is amended by striking out “201” and inserting in lieu thereof “122”.

(C) Section 608(a) of such Act is amended by striking out “section 212” and inserting in lieu thereof “chapter 1 of part I”.

Ante, p. 938.

Reimbursement.

Transportation costs, defraying of.

Repeal.
22 USC 2151m.

Repeal.
22 USC 2161,
2162, 2164,
2167, 2168,
2171, 2172,
2175,
2176–2178,
2180, 2180a,
2211–2213,
2216–2217a,
22 USC 2166,
22 USC 2174,
22 USC 2218.

22 USC 2351.

22 USC 2358.

(D) Section 611(a) of such Act is amended by striking out “titles I, II, and VI of chapter 2 and chapter 4 of part I” and inserting in lieu thereof “chapter 1 of part I, title II of chapter 2 of part I, or chapter 4 of part II”. 22 USC 2361.

(E) Section 611(e) of such Act is amended by striking out “titles I, II, or VI of chapter 2 or chapter 4 of part I of this Act” and inserting in lieu thereof “chapter 1 of part I, title II of chapter 2 of part I, or chapter 4 of part II”.

(F) Section 620(d) of such Act is amended by striking out “under section 201” and inserting in lieu thereof “on a loan basis under chapter 1 of part I”. 22 USC 2370.

(G) Section 635(h) of such Act is amended by striking out “titles II, V, and VI (except development loans)” and inserting in lieu thereof “chapter 1 (except development loans) and title II”. 22 USC 2395.

(H) Section 636(c) of such Act is amended by striking out “(other than title I of chapter 2 of part I)” both places it appears. 22 USC 2396.

(I) Section 636(d) and (e) of such Act are each amended by striking out “(other than title I of chapter 2 of part I)”.

(J) Section 636(f) of such Act is amended—

(i) by striking out “section 212” and inserting in lieu thereof “chapter 1 of part I”; and

(ii) by striking out “title I of chapter 2” and inserting in lieu thereof “chapter 1”.

(K) (i) Section 108 of such Act is repealed.

(ii) Section 109 of such Act is amended by striking out “Notwithstanding section 108 of this Act, whenever” and inserting in lieu thereof “Whenever”. Repeal.
22 USC 2151f.
22 USC 2151g.

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 103. (a) Section 103 of the Foreign Assistance Act of 1961 is amended to read as follows: 22 USC 2151a.

“SEC. 103. AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION.—

(a) (1) In recognition of the fact that the great majority of the people of developing countries live in rural areas and are dependent on agriculture and agricultural-related pursuits for their livelihood, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition—

“(A) to alleviate starvation, hunger, and malnutrition;

“(B) to expand significantly the provision of basic services to rural poor people to enhance their capacity for self-help; and

“(C) to help create productive farm and off-farm employment in rural areas to provide a more viable economic base and enhance opportunities for improved incomes, living standards, and contributions by rural poor people to the economic and social development of their countries.

“(2) There is authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, \$665,231,000 for the fiscal year 1979. Amounts appropriated under this section are authorized to remain available until expended. Appropriation authorization.

“(b) (1) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as

Presidential
authority.

creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansion of rural infrastructure and utilities such as farm-to-market roads, water management systems, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, forestry, soil conservation, and improved seed, in ways which assure access to them by small farmers.

Infrastructure
projects.

“(2) In circumstances where development of major infrastructure is necessary to achieve the objectives set forth in this section, assistance for that purpose should be furnished under this chapter in association with significant contributions from other countries working together in a multilateral framework. Infrastructure projects so assisted should be complemented by other measures to ensure that the benefits of the infrastructure reach the poor.

“(c) The Congress finds that the greatest potential for significantly expanding availability of food for people in rural areas and augmenting world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the agricultural producers in developing 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 and a principal element contributing to broadly based economic growth, as well as an important factor in alleviating inflation in the industrialized countries. In the allocation of funds under this section, special attention shall be given to increasing agricultural production in countries which have been designated as ‘least developed’ by the United Nations General Assembly.

Nutrition.
Post, p. 9450.

“(d) Assistance provided under this section shall also be used in coordination with programs carried out under section 104 to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people. In particular, the President is encouraged—

“(1) to devise and carry out in partnership with developing countries a strategy for programs of nutrition and health improvement for mothers and children, including breast feeding; and

“(2) to provide technical, financial, and material support to individuals or groups at the local level for such programs.

“(e) Local currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance Act of 1954 which are owned by foreign governments shall be used whenever practicable to carry out the provisions of this section.”

7 USC 1691 note.

22 USC 2403.

(b) Section 644 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

- “(o) ‘Agriculture’ includes aquaculture and fisheries.
 “(p) ‘Farmers’ includes fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.”
 (c) Sections 117 and 296 (f) and (g) of such Act are repealed.
 (d) Section 103A of such Act is amended by inserting “environmental,” immediately after “social,” in clause (2) of the first sentence.

Repeal.
 22 USC 2151o,
 2220a.
 22 USC
 2151a-1.

POPULATION AND HEALTH

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

“SEC. 104. POPULATION AND HEALTH.—(a) FINDINGS.—The Congress recognizes that poor health conditions and uncontrolled population growth can vitiate otherwise successful development efforts.

“Large families in developing countries are the result of complex social and economic factors which change relatively slowly among the poor majority least affected by economic progress, as well as the result of a lack of effective birth control. Therefore, effective family planning depends upon economic and social change as well as the delivery of services and is often a matter of political and religious sensitivity. While every country has the right to determine its own policies with respect to population growth, voluntary population planning programs can make a substantial contribution to economic development, higher living standards, and improved health and nutrition.

“Good health conditions are a principal element in improved quality of life and contribute to the individual's capacity to participate in the development process, while poor health and debilitating disease can limit productivity.

“(b) ASSISTANCE FOR POPULATION PLANNING.—In order to increase the opportunities and motivation for family planning and to reduce the rate of population growth, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for voluntary population planning. In addition to the provision of family planning information and services and the conduct of directly relevant demographic research, population planning programs shall emphasize motivation for small families.

Population
 planning
 assistance,
 presidential
 authority.

“(c) ASSISTANCE FOR HEALTH AND DISEASE PREVENTION.—In order to contribute to improvements in the health of the greatest number of poor people in developing countries, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for health programs. Assistance under this subsection shall be used primarily for basic integrated health services, safe water and sanitation, disease prevention and control, and related health planning and research. This assistance shall emphasize self-sustaining community-based health programs by means such as training of health auxiliary and other appropriate personnel, support for the establishment and evaluation of projects that can be replicated on a broader scale, measures to improve management of health programs, and other services and supplies to support health and disease prevention programs.

Health programs,
 presidential
 authority.

“(d) INTEGRATION OF ASSISTANCE PROGRAMS.—(1) Assistance under this chapter shall be administered so as to give particular attention to the interrelationship between (A) population growth, and (B) development and overall improvement in living standards in developing countries, and to the impact of all programs, projects, and

activities on population growth. All appropriate activities proposed for financing under this chapter shall be designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families, in programs such as education in and out of school, nutrition, disease control, maternal and child health services, improvements in the status and employment of women, agricultural production, rural development, and assistance to the urban poor. Population planning programs shall be coordinated with other programs aimed at reducing the infant mortality rate, providing better nutrition for pregnant women and infants, and raising the standard of living of the poor.

“(2) Since the problems of malnutrition, disease, and rapid population growth are closely related, planning for assistance to be provided under subsections (b) and (c) of this section and under section 103 shall be coordinated to the maximum extent practicable.

“(3) Assistance provided under this section shall emphasize low-cost integrated delivery systems for health, nutrition, and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

“(e) RESEARCH AND ANALYSIS.—(1) Health and population research and analysis carried out under this Act shall—

“(A) be undertaken to the maximum extent practicable in developing countries by developing country personnel, linked as appropriate with private and governmental biomedical research facilities within the United States;

“(B) take account of the special needs of the poor people of developing countries in the determination of research priorities; and

“(C) make extensive use of field testing to adapt basic research to local conditions.

“(2) The President is authorized to study the complex factors affecting population growth in developing countries and to identify factors which might motivate people to plan family size or to space their children.

“(f) PROHIBITION ON USE OF FUNDS FOR ABORTIONS AND INVOLUNTARY STERILIZATIONS.—(1) None of the funds made available to carry out this part may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

“(2) None of the funds made available to carry out this part may be used to pay for the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations.

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

“(1) \$224,745,000 for the fiscal year 1979 to carry out subsection (b) of this section; and

“(2) \$148,494,000 for the fiscal year 1979 to carry out subsection (c) of this section.

Funds appropriated under this subsection are authorized to remain available until expended.”.

Ante, p. 943.

Health and population research and analysis.

Presidential study, authorization.

Funds, prohibited use.

(b) Section 114 and title X of chapter 2 of part I of such Act are repealed. Repeal.
22 USC 2151f,
2219, 2219a.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 105. Section 105(a) of the Foreign Assistance Act of 1961 is amended in the second sentence by striking out “\$101,800,000 for the fiscal year 1977 and \$84,900,000 for the fiscal year 1978, which amounts are” and inserting in lieu thereof “\$109,036,000 for the fiscal year 1979, which amount is”. 22 USC 2151c.

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND
SELECTED DEVELOPMENT PROBLEMS

SEC. 106. Section 106(b) of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out “\$104,500,000 for the fiscal year 1977 and \$105,000,000 for the fiscal year 1978, which amounts are” and inserting in lieu thereof “\$126,244,000 for the fiscal year 1979, which amount is”. 22 USC 2151d.

APPROPRIATE TECHNOLOGY

SEC. 107. Section 107 of the Foreign Assistance Act of 1961 is amended to read as follows: 22 USC 2151e.

“SEC. 107. APPROPRIATE TECHNOLOGY.—(a) In carrying out activities under this chapter, the President shall place special emphasis on the use of relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.

“(b) Funds made available to carry out this chapter should be used to the extent practicable for activities in the field of appropriate technology, including support of an expanded and coordinated private effort to promote the development and dissemination of appropriate technology in developing countries.”.

WOMEN IN DEVELOPMENT

SEC. 108. Section 113 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection: 22 USC 2151k.

“(d) (1) Up to \$10,000,000 of the funds made available each fiscal year under this chapter shall be used, in addition to funds otherwise available for such purposes, for assistance on such terms and conditions as the President may determine to encourage and promote the participation and integration of women as equal partners in the development process in the developing countries. These funds shall be used primarily to support activities which will increase the economic productivity and income earning capacity of women.

“(2) Nothing in this section shall be construed to authorize the establishment of a separate development assistance program for women.”. Funds, use of.

HUMAN RIGHTS ACTIVITIES

SEC. 109. Section 116(e) of the Foreign Assistance Act of 1961 is amended in the first sentence— 22 USC 2151n.

(1) by striking out “Of” and inserting in lieu thereof “The President is authorized and encouraged to use not less than \$1,500,000 of”; and

(2) by striking out "1978, not less than \$750,000 may be used only" and inserting in lieu thereof "1979".

ENVIRONMENT AND NATURAL RESOURCES

22 USC 2151p. SEC. 110. Section 118 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(a)" immediately after the section caption; and

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

"(b) In carrying out programs under this chapter, the President shall take into consideration the environmental consequences of development actions.

Presidential studies.

"(c) In furtherance of the purposes of this section, the President shall carry out studies to identify the major environment and natural resource problems, and the institutional capabilities to solve those problems, which exist in developing countries. The results of these studies shall be reported to the Congress by March 1, 1979."

Report to Congress.

RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES

22 USC 2151q. SEC. 111. Section 119 of the Foreign Assistance Act of 1961 is amended to read as follows:

Cooperative programs.

"SEC. 119. RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES.—(a) The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation, with particular emphasis on programs in research and development, and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act. Such programs shall also be directed toward the earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain, and are transferable from one region of the world to another.

Administration.

"(b) The agency primarily responsible for administering this part shall coordinate with the Department of Energy, to the maximum extent possible, the planning and implementation of energy programs authorized under this chapter, including section 107, and shall consult with the Department of Energy on such planning and implementation."

Ante, p. 947.

RELATIVELY LEAST DEVELOPED COUNTRIES

SEC. 112. (a) (1) Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by section 102 of this Act, is further amended by inserting the following new section 124 immediately after section 123:

22 USC 2151v.

"SEC. 124. RELATIVELY LEAST DEVELOPED COUNTRIES.—(a) Relatively least developed countries (as determined on the basis of criteria comparable to those used for the United Nations General Assembly list of 'least developed countries') are characterized by extreme poverty, very limited infrastructure, and limited administrative capacity to implement basic human needs growth strategies. In such countries special measures may be necessary to insure the full effectiveness of assistance furnished under this part.

“(b) For the purpose of promoting economic growth in these countries, the President is authorized and encouraged to make assistance under this chapter available on a grant basis to the maximum extent that is consistent with the attainment of United States development objectives.

“(c) (1) The Congress recognizes that the relatively least developed countries have virtually no access to private international capital markets. Insofar as possible, prior assistance terms should be consistent with present grant assistance terms for relatively least developed countries. Therefore, notwithstanding section 620(r) of this Act and section 321 of the International Development and Food Assistance Act of 1975 but subject to paragraph (2) of this subsection, the President on a case-by-case basis, taking into account the needs of the country for financial resources and the commitment of the country to the development objectives set forth in sections 101 and 102—

“(A) may permit a relatively least developed country to place amounts, which would otherwise be paid to the United States as payments on principal or interest on liability incurred by that country under this part (or any predecessor legislation) into local currency accounts (in equivalent amounts of local currencies as determined by the official exchange rate for United States dollars) for use by the relatively least developed country, with the concurrence of the Administrator of the agency primarily responsible for administering this part, for activities which are consistent with section 102; and

“(B) may waive interest payments on liability incurred by a relatively least developed country under this part (or any predecessor legislation) if the President determines that that country would be unable to use for development purposes the equivalent amounts of local currencies which could be made available under subparagraph (A).

“(2) The aggregate amount of interest waived and interest and principal paid into local currency accounts under this subsection in any fiscal year may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this chapter for that fiscal year, which amount may not exceed the amount authorized to be so approved by the annual authorizing legislation for development assistance programs.

“(3) In exercising the authority granted by this subsection, the President should act in concert with other creditor countries.

“(d) The President may on a case-by-case basis waive the requirement of section 110(a) for financial or ‘in kind’ contributions in the case of programs, projects, or activities in relatively least developed countries.

“(e) Section 110(b) shall not apply with respect to grants to relatively least developed countries.”

(2) The authority granted by section 124(c) of the Foreign Assistance Act of 1961 shall not become effective until October 1, 1979.

(b) (1) Section 110(a) of such Act is amended by striking out “and except that” and all that follows through the end of the sentence and inserting in lieu thereof a period.

(2) Section 110(b) of such Act is amended by striking out “Except” and all that follows through “no” and inserting in lieu thereof “No”.

Grants.

Grant assistance terms.

22 USC 2370.

22 USC 2220a note.

Ante, p. 937.

Waiver.

22 USC 2151h.

22 USC 2151v note.

Ante, p. 948.

22 USC 2151h.

PROJECT AND PROGRAM EVALUATION

SEC. 113. Chapter 1 of part I of the Foreign Assistance Act, as amended by sections 102 and 112 of this Act, is further amended by inserting the following new section 125 immediately after section 124:

Administration.
22 USC 2151w.

"SEC. 125. PROJECT AND PROGRAM EVALUATION.—(a) The Administrator of the agency primarily responsible for administering this part is directed to improve the assessment and evaluation of the programs and projects carried out by that agency under this chapter. The Administrator shall consult with the appropriate committees of the Congress in establishing standards for such evaluations.

Presidential
reports.

"(b) The President shall report on actions taken by the international financial institutions and the United Nations Development Program to improve the evaluation of projects and programs conducted by those institutions. The report required by this subsection shall be submitted as a part of the report required by section 634."

22 USC 2394.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

Appropriation
authorization.
22 USC 2174.

SEC. 114. Section 214 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (c) by striking out "for the fiscal year 1977, \$25,000,000, and for the fiscal year 1978, \$25,000,000, which amounts are" and inserting in lieu thereof "\$25,000,000 for the fiscal year 1979, which amount is"; and

(2) by striking out subsections (d) and (e) and by redesignating subsection (f) as subsection (d).

HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

22 USC 2181.

SEC. 115. (a) Sections 221 and 222 of the Foreign Assistance Act of 1961 are amended to read as follows:

"SEC. 221. HOUSING GUARANTIES.—The Congress recognizes that shelter requirements are among the most fundamental of human needs. Shelter for most people in the developing countries consists largely of domestic materials assembled by local labor. While recognizing that most financing for such housing must come from domestic resources, the Congress finds that carefully designed programs involving United States capital and expertise can increase the availability of domestic financing for improved housing and related services for low-income people by demonstrating to local entrepreneurs and institutions that providing low-cost housing can be financially viable. The Congress reaffirms, therefore, that the United States should continue to assist developing countries in marshalling resources for low-cost housing. Particular attention should be given to programs which will support pilot projects for low-cost shelter or which will have a maximum demonstration impact on local institutions and national policy. The Congress declares that the long run goal of all such programs should be to develop domestic construction capabilities and to stimulate local credit institutions to make available domestic capital and other management and technological resources required for effective low-cost shelter programs and policies.

22 USC 2182.

"SEC. 222. AUTHORIZATION.—(a) To carry out the policy of section 221, the President is authorized to issue guaranties to eligible investors

(as defined in section 238(c)) assuring against losses incurred in connection with loans made for projects meeting the criteria set forth in section 221. The total principal amount of guaranties issued under this title or heretofore issued under prior housing guaranty authorities, which are outstanding at any one time, shall not exceed \$1,180,000,000. The authority of this section shall continue until September 30, 1980. The President may issue regulations from time to time with regard to the terms and conditions upon which such guaranties shall be issued and the eligibility of lenders.

22 USC 2198.

Ante, p. 950.

Regulations.

“(b) Activities carried out under this section shall emphasize—

“(1) projects which provide improved home sites to poor families on which to build shelter, and related services;

“(2) projects comprised of expandable core shelter units on serviced sites;

“(3) slum upgrading projects designed to conserve and improve existing shelter;

“(4) shelter projects for low income people designed for demonstration or institution building purposes; and

“(5) community facilities and services in support of projects authorized under this section to improve the shelter occupied by the poor.

“(c) In issuing guaranties under this section with respect to projects in a country which require the use or conservation of energy, the President shall give consideration to the use of solar energy technologies, where such technologies are economically and technically feasible. Technologies which may be used include solar hot water systems, solar heating and cooling, passive solar heating, biomass conversion, photovoltaic and wind applications, and community-scale solar thermal applications.”

Solar energy technologies.

(b) Section 222A(h) of such Act is amended by striking out “September 30, 1978” and inserting in lieu thereof “September 30, 1979”.

22 USC 2182a.

(c) Section 223(a) of such Act is amended by striking out “221, 222,” and inserting in lieu thereof “222”.

22 USC 2183.

(d) Section 223(b) of such Act is amended in the first sentence—

(1) by striking out “221 or” the first place it appears;

(2) by striking out “221 and section 222 and of” and inserting in lieu thereof “222 and administering housing guaranties heretofore authorized under this title and under”;

(3) by striking out “section 221 or” the second place it appears; and

(4) by inserting “this title or” immediately after “heretofore pursuant to”.

(e) Section 223(c) of such Act is amended by striking out “section 221 or” and by inserting “under this title or” immediately after “heretofore”.

(f) Section 223(d) of such Act is amended—

(1) by striking out “221, 222, 222A,” and inserting in lieu thereof “222 or 222A”; and

(2) by inserting “under this title or” immediately after “heretofore”.

(g) Section 223(f) of such Act is amended in the first sentence by striking out “section 221 or”.

(h) Section 223(g) of such Act is amended by inserting “heretofore under this title or” immediately after “outstanding”.

- Repeal. (i) Section 223(i) of such Act is repealed.
- 22 USC 2183. (j) Section 223(j) of such Act is amended by striking out "sections 221 and" in the first sentence and inserting in lieu thereof "section".
- 22 USC 2370. (k) Section 620(1) of such Act is amended by striking out "221 (b)(1)" both places it appears and inserting in lieu thereof "234 (a)(1)".

ASSISTANCE FOR CERTAIN DISADVANTAGED CHILDREN IN ASIA

SEC. 116. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by striking out the title heading for title V and inserting in lieu thereof the following:

"TITLE V—DISADVANTAGED CHILDREN IN ASIA

- 22 USC 2201. "SEC. 241. ASSISTANCE TO CERTAIN DISADVANTAGED CHILDREN IN ASIA.—(a) The Congress recognizes the humanitarian needs of disadvantaged children in Asian countries where there has been or continues to be a heavy presence of United States military and related personnel in recent years. Moreover, the Congress finds that inadequate provision has been made for the care and welfare of such disadvantaged children, particularly those fathered by the United States citizens.

Appropriation authorization. "(b) Accordingly, the President is authorized to expend up to \$2,000,000 of funds made available under chapter 1 of this part, in addition to funds otherwise available for such purposes, to help meet the needs of these disadvantaged children in Asia by assisting in the expansion and improvement of orphanages, hostels, day care centers, school feeding programs, and health, education, and welfare programs. Assistance provided under this section shall be furnished under the auspices of and by international organizations or private voluntary agencies operating within, and in cooperation with, the countries of Asia where these disadvantaged children reside."

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

- United Nations Trust Fund on South Africa, appropriation authorization. 22 USC 2222. SEC. 117. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "for the fiscal year 1977, \$219,900,000 and for the fiscal year 1978, \$252,000,000" and inserting in lieu thereof "\$285,450,000 for the fiscal year 1979 of which not to exceed \$300,000 shall be available for contribution to the United Nations Trust Fund on South Africa".

(b)(1) Section 302(a)(1) of such Act is further amended—

(A) by striking out "\$42,500,000" in the third sentence and inserting in lieu thereof "\$52,000,000"; and

(B) by inserting immediately after the third sentence the following: "Of the funds authorized to be appropriated under this subsection for the fiscal year 1979, not to exceed \$52,000,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees, except that not more than \$42,500,000 of this amount may be obligated unless the President certifies to the Congress that any contributions above this level have been matched by equivalent contributions by members of the Organization of Petroleum Exporting Countries."

United Nations Relief and Works Agency for Palestine Refugees, appropriation authorization.

(2) Not later than January 31, 1979, the Secretary of State shall provide the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives with a full and detailed report on the progress made by the Commissioner-General of the United Nations Relief and Works Agency to improve the ration distribution system so that food to Palestine refugees can be more equitably distributed on the basis of need, rather than entitlement.

(c) Section 302(a) of such Act is amended by adding at the end thereof the following new paragraph:

“(3) None of the funds made available under this subsection for the fiscal year 1979 may be used for the United Nations Institute for Namibia unless the President determines that such funds will not be used to support the military or paramilitary activities of the South-west African Peoples Organization.”

(d) Section 301 of such Act is amended by adding at the end thereof the following new subsection:

“(g) It is the sense of the Congress that the President should instruct the appropriate representatives of the United States to the United Nations to encourage the specialized agencies of the United Nations to transfer the funding of technical assistance programs carried out by such agencies to the United Nations Development Program.”

(e) In addition to amounts otherwise available for such purpose, there are authorized to be appropriated to the President not to exceed \$1,000,000 for contributions to the World Assembly on Aging to be convened under the auspices of the United Nations, except that the amount so contributed may not exceed 25 percent of the expenditures of such Assembly. Amounts appropriated under this subsection are authorized to remain available until expended.

Report to congressional committees.
22 USC 2222 note.

Funds, prohibition.
22 USC 2222.

22 USC 2221.

World Assembly on Aging, appropriation authorization.
22 USC 2222 note.

INTERNATIONAL DISASTER ASSISTANCE

SEC. 118. (a) Section 491(b) of the Foreign Assistance Act of 1961 is amended by striking “or international organization” and inserting in lieu thereof “, international organization, or private voluntary organization.”

22 USC 2292.

(b) Section 492 of such Act is amended—

(1) in the first sentence by striking out “each of the fiscal years 1977 and 1978” and inserting in lieu thereof “the fiscal year 1979”; and

(2) by striking out the third sentence.

Appropriation authorization.
22 USC 2292a.

ASSISTANCE FOR AFRICAN REFUGEES

SEC. 119. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended—

22 USC 2292.

(1) by redesignating section 495D, as added by section 121 of the International Development and Food Assistance Act of 1977, as section 495E; and

22 USC 2292k.

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

“SEC. 495F. ASSISTANCE TO AFRICAN REFUGEES.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, exclusively for the relief and rehabilitation of African refugees and other needy people located in Africa. There is authorized to be appropriated for the fiscal year 1979 for purposes of this section, in addition to amounts otherwise available for such purposes,

22 USC 2292l.

Appropriation authorization.

\$15,000,000, which amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with the policies and general authorities contained in section 491.”

LOCUST PLAGUES CONTROL IN AFRICA

Appropriation
authorization.
22 USC 2292d
note.

SEC. 120. In order to assist in attempts to control locust plagues in Africa, especially in the Horn of Africa, there is authorized to be appropriated to the President, in addition to amounts otherwise authorized for disaster relief purposes, \$2,000,000, which amount is authorized to remain available until expended.

REIMBURSABLE DEVELOPMENT PROGRAMS

Appropriation
authorization.
22 USC 2421.

SEC. 121. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out “\$2,000,000” the first place it appears and all that follows through “1978,” and inserting in lieu thereof “\$3,000,000 of the funds made available for the purposes of this Act for the fiscal year 1979”.

AFRICAN DEVELOPMENT FOUNDATION

Community-
based self-help
activities.
22 USC 2151u
note.

SEC. 122. (a) The Congress declares that the United States should place higher priority on the formulation and implementation of policies and programs to enable the people of African nations to develop their potential, fulfill their aspirations, and enjoy better, more productive lives. In furtherance of these objectives, the Congress finds that additional support is needed for community-based self-help activities in Africa and that an African Development Foundation, organized to further the purposes set forth in section 123 of the Foreign Assistance Act of 1961, can complement current United States development programs in Africa.

Ante, p. 941.

Report to
Congress.

(b) The Congress therefore requests that the President report to the Congress not later than February 1, 1979, on steps he has taken to review proposals for an African Development Foundation.

TITLE II—FOOD FOR PEACE

EFFECTIVENESS OF FOOD ASSISTANCE IN MEETING BASIC FOOD NEEDS

7 USC 1711 note.

7 USC 1701.

Report to
Congress.

SEC. 201. The Congress finds that food assistance provided by the United States to developing countries under title I of the Agricultural Trade Development and Assistance Act of 1954 often is distributed within those countries in ways which do not significantly alleviate hunger and malnutrition in those countries. In order to determine how United States food assistance can be more effectively used to meet the food needs of the poor in developing countries, the President shall submit to the Congress not later than February 1, 1979, a report (1) explaining why food assistance provided to developing countries under title I of the Agricultural Trade Development and Assistance Act of 1954 is not more successful in meeting the food needs of those suffering from hunger and malnutrition, and (2) recommending steps which could be taken (including increasing the proportion of food assistance which is furnished under titles II and III of that Act) to increase the effectiveness of food assistance under that Act in meeting those needs.

7 USC 1721,
1727.

TRANSPORTATION COSTS FOR FOOD FOR DEVELOPMENT PROGRAMS

SEC. 202. Section 304 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new subsection: 7 USC 1727c.

“(d) The Commodity Credit Corporation may pay, with respect to commodities made available under this title to a country on the United Nations Conference on Trade and Development list of relatively least developed countries, freight charges from United States ports to designated ports of entry abroad or to designated points of entry abroad in the case of landlocked countries.”.

APPLICATION OF FOOD FOR DEVELOPMENT PROCEEDS TO REPAYMENT OBLIGATIONS

SEC. 203. Section 305 of the Agricultural Trade Development and Assistance Act of 1954 is amended— 7 USC 1727d.

(1) by inserting “(a)” immediately after “Sec. 305.”; and

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

“(b) Such disbursements shall be deemed to be payments with respect to the credit furnished pursuant to the agreement or if, in the case of a country on the United Nations Conference on Trade and Development list of relatively least developed countries, the disbursements in a fiscal year are greater than the amount of the annual repayment obligation which that country would have to meet for that fiscal year under the agreement but for the disbursements in accordance with the Food for Development Program, then the disbursements which are in excess of the amount of that annual repayment obligation may, to the extent provided in the agreement, be considered as payments with respect to the annual repayment obligations of that country for that fiscal year under other financing agreements under this Act.”.

TITLE III—COORDINATION AND ADMINISTRATION OF THE DEVELOPMENT-RELATED PROGRAMS AND POLICIES OF THE UNITED STATES

DECLARATION OF OBJECTIVES

SEC. 301. The Congress declares that the United States Government should place higher priority, in the formulation and implementation of governmental policies, on efforts to help meet the legitimate needs of poor countries for improving the quality of the lives of their populations. The Congress also declares that greater effectiveness and efficiency of United States assistance to such countries can be achieved through improved coordination and administrative consolidation. 22 USC 2151 note.

IMPLEMENTATION OF OBJECTIVES

SEC. 302. In furtherance of the objectives set forth in section 301 the Congress directs the President to institute a strengthened system of coordination of all United States economic policies which impact on the developing countries of the world, including but not limited to policies concerning international trade, commodity agreements, investment, debt, international financial institutions, international and multilateral development agencies and programs, and concessional and grant food assistance, in addition to policies concerning United States bilateral economic development assistance. 22 USC 2151 note.

REPORT

Report to
Congress.
22 USC 2151
note.

SEC. 303. The President shall report to the Congress not later than February 1, 1979, on the steps he has taken to implement this title and on any further legislation which may be needed to achieve the objectives of this title.

TITLE IV—UNIFIED PERSONNEL SYSTEM

ESTABLISHMENT OF A UNIFIED PERSONNEL SYSTEM

Regulations.
Publication in
Federal Register.
22 USC 2385a.
22 USC 2151.

SEC. 401. (a) Not later than March 15, 1979, the President shall submit to the Congress, and publish in the Federal Register, regulations establishing a unified personnel system for all employees of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961. In preparing such regulations, the President shall keep the appropriate committees of the Congress fully and currently informed, and shall consult with them on a regular basis, concerning the nature of the unified personnel system to be established.

(b) The regulations submitted to the Congress pursuant to subsection (a)—

(1) may not become effective until after the end of the 90-day period beginning on the date of such submission in order to provide the appropriate committees of the Congress an opportunity to review them; and

(2) shall not become effective then if, during such 90-day period, either House of Congress adopts a resolution stating in substance that it disapproves the personnel system proposed to be established by the regulations.

(c) Regulations which take effect pursuant to this section shall have the force and effect of law and shall apply with respect to the personnel of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, notwithstanding and inconsistent provision of law unless that provision of law specifically states that it supersedes regulations issued under this section.

TITLE V—ADMINISTRATIVE PROVISIONS

USE OF COMPETITIVE SELECTION PROCEDURES

Contract awards.
22 USC 2351.

SEC. 501. Section 601 of the Foreign Assistance Act of 1961 is amended by adding the following new subsection at the end thereof:

“(e) (1) The Congress finds that significantly greater effort must be made in carrying out programs under part I of this Act to award contracts on the basis of competitive selection procedures. All such contracts should be let on the basis of competitive selection procedures except in those limited cases in which the procurement regulations governing the agency primarily responsible for administering part I of this Act allow noncompetitive procedures to be used.

“(2) In order to provide the Congress with information to assist it in assessing the efforts of the agency primarily responsible for administering part I of this Act to make the maximum possible use of competitive selection procedures, the Administrator of that agency—

Report to
Congress.

“(A) when submitting the congressional presentation materials for developing assistance for fiscal year 1980, shall also submit to the Congress a report identifying and describing each contract

in an amount in excess of \$100,000 which the agency entered into without competitive selection procedures during the period April 1, 1978, to September 30, 1978, and explaining why each such contract was not the subject of competitive selection procedures; and

“(B) when submitting the congressional presentation materials for development assistance for fiscal year 1981, shall also submit to the Congress a report identifying and describing each contract in an amount in excess of \$100,000 which the agency entered into without competitive selection procedures during the fiscal year 1979 and explaining why each such contract was not the subject of competitive selection procedures.”.

Report to
Congress.

ANNUAL FOREIGN ASSISTANCE REPORT

SEC. 502. (a) Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended—

(1) by striking out “(c)” in section 634(c) and inserting in lieu thereof “SEC. 633A. FURNISHING INFORMATION.—” and by inserting such redesignated section immediately after section 633; and

22 USC 2394.
22 USC 2393a.
22 USC 2393.
22 USC 2394.

(2) by striking out the remaining provisions of section 634 and inserting in lieu thereof the following:

“SEC. 634. ANNUAL REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding United States development policy, including the amounts and effectiveness of assistance provided by the United States Government to developing countries and international organizations, the Chairman of the Development Coordination Committee shall transmit to the Congress not later than February 1 of each year a report on foreign assistance for the fiscal year ending the previous September 30. The report shall include—

Report to
Congress.

“(1) (A) a comprehensive and coordinated review of all United States policies and programs having a major impact on the development of developing countries, including but not limited to bilateral and multilateral assistance, trade, debt, employment, food, energy, technology, population, oceans, environment, human settlements, natural resources, and participation in international agencies concerned with development;

“(B) an assessment of the impact of such policies and programs on the well-being of the poor majority in developing countries in accordance with the policy objectives of chapter 1 of part I, including the progress developing countries are making toward achieving those objectives which are indicative of improved well-being of the poor majority, which objectives shall include but not be limited to increasing life expectancy and literacy, lowering infant mortality and birth rates, and increasing food production and employment; and

“(C) an assessment of the impact of such policies and programs on economic conditions in the United States, including but not limited to employment, wages, and working conditions;

“(2) the dollar value of all foreign assistance and guaranties by category and by country provided or made by the United States Government by any means to all foreign countries and international organizations—

“(A) from 1946 to the fiscal year immediately preceding the fiscal year for which the report is required;

“(B) as presented to Congress for the immediate preceding fiscal year;

“(C) as obligated during the immediately preceding fiscal year;

“(D) as planned for the fiscal year in which the report is presented; and

“(E) as proposed for the fiscal year following the year in which the report is presented;

“(3) a summary of repayments, by country, to the United States from previous foreign assistance loans;

“(4) the status of each loan and each contract of guaranty or insurance theretofore made under this Act, predecessor Acts, or any Act authorizing international security assistance, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each extension of credit for the procurement of defense articles or defense services, and of each contract of guarantee in connection with any such procurement, theretofore made under the Arms Export Control Act with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each sale of agricultural commodities on credit terms, theretofore made under the Agricultural Trade Development and Assistance Act of 1954 with respect to which there remains outstanding any unpaid obligation; and the status of each transaction with respect to which a loan, contract or guarantee of insurance, or extension of credit (or participation therein) was theretofore made under the Export-Import Bank Act of 1945 with respect to which there remains outstanding any unpaid obligation or potential liability; except that such report shall include individually only any loan, contract, sale, extension of credit, or other transaction listed in this paragraph which is in excess of \$1,000,000;

“(5) (A) the status of the debt servicing capacity of each country receiving assistance under this Act;

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

“(C) a summary of the net aid flow from the United States to such countries, taking into consideration the debt relief granted by the United States; and

“(6) such other matters relating to foreign assistance provided by the United States Government under part I as the Chairman of the Development Coordination Committee considers appropriate.

Definitions.

“(b) For purposes of this section—

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

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

22 USC 2751
note.

7 USC 1691 note.

12 USC 635 note.

(b) Part III of the Foreign Assistance Act of 1961 is amended by redesignating section 671 as section 634A and by inserting such redesignated section immediately after section 634.

22 USC 2429b.
22 USC 2394-1.

(c) Part III of such Act, as amended by subsection (b) of this section, is further amended by adding the following new section immediately after new section 634A:

"SEC. 634B. CLASSIFICATION OF REPORTS.—All information contained in any report transmitted under this Act shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplemental report shall be transmitted to the Congress at the time the report is transmitted."

22 USC
2394-1a.
Supplemental
reports, national
security
considerations.

(d) (1) Title XI of chapter 2 of part I and sections 120(d), 222A(j), 495C(e), 620(w), 621A(c), 640B(d), and 657 of the Foreign Assistance Act of 1961 are repealed.

Repeal.
22 USC 2220,
2151r, 2182a,
2292i, 2370,
2381a, 2399c,
2417.
22 USC 2399c.

(2) Section 640B(g) of such Act is amended by striking out "subsection (d), the President" and inserting in lieu thereof "section 634, the Chairman of the Committee".

REIMBURSABLE TECHNICAL ASSISTANCE

SEC. 503. Section 607 of the Foreign Assistance Act of 1961 is amended by redesignating subsection (b) as subsection (c) and by inserting the following new subsection (b) immediately after subsection (a):

Contract
authority.
22 USC 2357.

"(b) When any agency of the United States Government provides services on an advance-of-funds or reimbursable basis under this section, such agency may contract with individuals for personal service abroad or in the United States to perform such services or to replace officers or employees of the United States Government who are assigned by the agency to provide such services. Such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Civil Service Commission."

AUDITOR GENERAL

SEC. 504. Section 624 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

Appointment.
22 USC 2384.

"(g) (1) In addition to the officers provided for in subsection (a) of this section, there shall be an Auditor General who shall be appointed by the Administrator of the agency primarily responsible for administering part I of this Act. The Auditor General shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code.

22 USC 2151.

"(2) The Auditor General shall report to and be under the direct supervision of the Administrator.

"(3) The Auditor General shall, with respect to the duties and responsibilities of the agency primarily responsible for administering part I of this Act and subject to the authority of the Administrator of such agency, supervise, direct, and control all audit and investigative activities relating to the programs and operations of the agency.

"(4) The Auditor General shall submit an annual report to the Administrator. This report shall be provided to the Congress without

Annual reports.

Ante, p. 957. further clearance or approval as part of the annual report required by section 634 of this Act.

“(5) In the execution of the responsibilities and duties assigned in paragraph (3) of this subsection, the Auditor General shall have (A) access to all records, reports, papers, and documents of the agency and its administrative subdivisions, and (B) authority to request such information or assistance as necessary for carrying out the duties set forth in this subsection from any Federal, State, or local governmental agency or unit thereof, and from contractors, grantees, and loan recipients of the agency.”.

MOTOR VEHICLES

22 USC 2396. SEC. 505. Section 636(a) (5) of the Foreign Assistance Act of 1961 is amended by striking “\$3,500” and inserting in lieu thereof “the current market price in the United States of a mid-sized sedan or station wagon meeting the requirements established by the General Services Administration for a Class III vehicle of United States manufacture (or, if the replacement vehicle is a right-hand drive vehicle, 120 percent of that price)”.

OPERATING EXPENSES

22 USC 2427. SEC. 506. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

(1) in the text preceding paragraph (1) by striking out “1978” and inserting in lieu thereof “1979”; and

(2) in paragraph (1) by striking out “\$220,200,000” and inserting in lieu thereof “\$261,000,000”.

TITLE VI—MISCELLANEOUS PROVISIONS

REDUCTION OF AUTHORIZATION

22 USC 2151 note.
22 USC 2174. SEC. 601. The total funds authorized to be appropriated in this Act (excluding funds authorized to be appropriated to carry out section 214 of the Foreign Assistance Act of 1961) shall be reduced by 5 percent.

PROHIBITION ON ASSISTANCE TO VIETNAM, CAMBODIA, UGANDA, AND CUBA

22 USC 2151 note. SEC. 602. Notwithstanding any other provision of law or of this Act, funds authorized to be appropriated in this Act shall not be used for any form of aid, either by monetary payment or by the sale or transfer of any goods of any nature, to the Socialist Republic of Vietnam, Cambodia, Uganda, or Cuba.

REPORTS TO CONGRESS ON DEBT RELIEF AGREEMENTS

22 USC 2395a. SEC. 603. (a) (1) The Secretary of State shall keep the Committee on Foreign Relations of the Senate, the Committee on International Relations of the House of Representatives, and the Committee on Appropriations of each House of the Congress fully and currently informed of any negotiations with any foreign government with respect to any cancellation, renegotiations, rescheduling, compromise, or other form of debt relief (including any modification of the terms,

conditions, or manner of repayment), with regard to any debt owed to the United States by such foreign government.

(2) The Secretary of State shall transmit to such committees a copy of the text of any agreement with any foreign government which would result in any such debt relief no less than thirty days prior to its entry into force, together with a detailed justification of the interest of the United States in the proposed debt relief. The requirements of this paragraph shall not apply with respect to an agreement if a statutory requirement exists that the amount of the debt relief provided by the agreement may not exceed the amount approved for such purposes in advance in an appropriation Act.

(b) Section 4 of the Foreign Disaster Assistance Act of 1974 is repealed.

MISCELLANEOUS REPEALS

SEC. 604. Sections 302(d), 302(e), 302(f), 302(g), 302(h), 304, 494A, 495A, 618, 619, 637(a), 649, 651, 655, 656, 658, and 665, and chapters 6 and 7 of part I, of the Foreign Assistance Act of 1961 are repealed.

EFFECTIVE DATE

SEC. 605. The amendments made by this Act shall take effect on October 1, 1978.

Approved October 6, 1978.

International agreements concerning debt relief, transmittal to congressional committees.

Repeal.
22 USC 2395
note.

Repeal.
22 USC 2222,
2224, 2292d,
2292g, 2368,
2369, 2397,
2408, 2410,
2415, 2416,
2418, 2425,
2271, 2281.
22 USC 2151
note.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1087 (Comm. on International Relations) and No. 95-1545 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 124 (1978):

May 11, 12, 15, considered and passed House.

June 26, considered and passed Senate, amended, in lieu of S. 3074.

Sept. 19, House agreed to conference report.

Sept. 20, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 40:

Oct. 6, Presidential statement.