

term by section 1201(a) of the Higher Education Act of 1965.

SEC. 604. GUIDELINES.

The scholarship program under this title shall be carried out in accordance with the following guidelines:

(1) Consistent with section 112(b) of the Mutual Educational and Cultural Exchange Act of 1961, all programs created pursuant to this title shall be nonpolitical and balanced, and shall be administered in keeping with the highest standards of academic integrity.

(2) United States missions shall design ways to identify promising students who are in secondary educational institutions, or who have completed their secondary education, for study in the United States. In carrying out this paragraph, the United States mission in a country shall consult with Peace Corps volunteers and staff assigned to that country and with private and voluntary organizations with a proven record of providing development assistance to developing countries.

(3) United States missions shall develop and strictly implement specific economic need criteria. Scholarships under this title may only be provided to students who meet the economic need criteria.

(4) The program shall utilize educational institutions in the United States and in developing countries to help participants in the programs acquire necessary skills in English and other appropriate education training.

(5) Each participant from a developing country shall be selected on the basis of academic and leadership potential and the economic, political, and social development needs of such country. Such needs shall be determined by each United States mission in consultation with the government of the respective country. Scholarship opportunities shall emphasize fields that are critical to the development of the participant's country, including agriculture, civil engineering, communications, social science, education, public and business administration, health, nutrition, environmental studies, population and family planning, and energy.

(6) The program shall be flexible in order to take advantage of different training and educational opportunities offered by universities, postsecondary vocational training schools, and community colleges in the United States.

(7) The program shall be flexible with respect to the number of years of undergraduate education financed but in no case shall students be brought to the United States for a period less than one year.

(8) Adequate allowance shall be made in the scholarship for the purchase of books and related educational material relevant to the program of study.

(9) Further allowance shall be made to provide adequate opportunities for professional, academic, and cultural enrichment for scholarship recipients.

(10) The program shall, to the maximum extent practicable, offer equal opportunities for both male and female students to study in the United States.

SEC. 605. AUTHORITY TO ENTER INTO AGREEMENTS.

The President may enter into agreements with foreign governments in furtherance of the purposes of this title. Such agreements may provide for the creation or continuation of binational or multinational educational and cultural foundations and commissions for the purposes of administering programs under this title.

SEC. 606. POLICY REGARDING OTHER INTERNATIONAL EDUCATIONAL PROGRAMS.

(a) **AID-FUNDED PROGRAMS.**—The Congress urges the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, in implementing programs authorized under that part, to increase assistance for undergraduate scholarships for students of limited financial means from developing countries to study in the United States at United States institutions of higher education. To the maximum extent practicable, such scholarship assistance shall be furnished in accordance with the guidelines contained in section 604 of this title.

(b) **USIA-FUNDED POSTGRADUATE STUDY IN THE UNITED STATES.**—The Congress urges the Director of the United States Information Agency to expand opportunities for students of limited financial means from developing countries to receive financial assistance for postgraduate study at United States institution of higher education.

(c) **STUDY BY AMERICANS IN DEVELOPING COUNTRIES.**—The Congress urges the President to take such steps as are necessary to expand the opportunities for Americans from all economic classes to study in developing countries.

SEC. 607. ESTABLISHMENT AND MAINTENANCE OF COUNSELING SERVICES.

(a) **COUNSELING SERVICES ABROAD.**—From the purpose of assisting foreign students in choosing fields of study, selecting appropriate institutions of higher education, and preparing for their stay in the United States, the President may make suitable arrangements for counseling and orientation services abroad.

(b) **COUNSELING SERVICES IN THE UNITED STATES.**—For the purposes of assisting foreign students in making the best use of their opportunities while attending United States institutions of higher education, and assisting such students in directing their talents and initiative into channels which will make them more effective leaders upon return to their native lands, the President may make suitable arrangements (by contract or otherwise) for the establishment and maintenance of adequate counseling services at United States institutions of higher education which are attended by foreign students.

SEC. 608. BOARD OF FOREIGN SCHOLARSHIPS.

The Board of Foreign Scholarships shall advise and assist the President in the discharge of the scholarship program carried out pursuant to this title, in accordance with the guidelines set forth in section 604. The President may provide for such additional secretarial and staff assistance for the Board as may be required to carry out this title.

SEC. 609. GENERAL AUTHORITIES.

(a) **PUBLIC AND PRIVATE SECTOR CONTRIBUTIONS.**—The public and private sectors in the United States and in the developing countries shall be encouraged to contribute to the costs of the scholarship program financed under this title.

(b) **UTILIZATION OF RETURNING PROGRAM PARTICIPANTS.**—The President shall seek to engage the public and private sectors of developing countries in programs to maximize the utilization of recipients of scholarships under this title upon their return to their own countries.

(c) **PROMOTION ABROAD OF SCHOLARSHIP PROGRAM.**—The President may provide for publicity and promotion abroad of the scholarship program provided for in this title.

(d) **INCREASING UNITED STATES UNDERSTANDING OF DEVELOPING COUNTRIES.**—The President shall encourage United States in-

stitutions of higher education, which are attended by students from developing countries who receive scholarships under this title, to provide opportunities for United States citizens attending those institutions to develop their knowledge and understanding of the developing countries, and the languages and cultures of those countries, represented by those foreign students.

(e) **OTHER ACTIVITIES TO PROMOTE IMPROVED UNDERSTANDING.**—Funds allocated by the United States Information Agency, or the agency primarily responsible for carrying out part I of the Foreign Assistance Act of 1961, for scholarships in accordance with this title shall be available to enhance the educational training and capabilities of the people of Latin America and the Caribbean and to promote better understanding between the United States and Latin America and the Caribbean through programs of cooperation, study, training, and research. Such funds may be used for programs and administrative costs for institutions carrying out such programs.

SEC. 610. ENGLISH TEACHING, TEXTBOOKS, AND OTHER TEACHING MATERIALS.

Wherever adequate facilities or materials are not available to carry out the purposes of paragraph (4) of section 604 in the participant's country and the President determines that the purposes of this title are best served by providing the preliminary training in the participant's country, the President may (by purchase, contract, or other appropriate means) provide the necessary materials and instructors to achieve such purpose.

SEC. 611. REPORTING REQUIREMENT.

Not later than February 1 each year, the President shall submit to the Congress a report on the activities carried on and expenditures made pursuant to this title during the preceding fiscal year.

SEC. 612. FUNDING OF SCHOLARSHIPS FOR FY 1986 AND FY 1987.

(a) **CENTRAL AMERICAN UNDERGRADUATE SCHOLARSHIP PROGRAM.**—The undergraduate scholarship program financed by the United States Information Agency for students from Central America for fiscal year 1986 and fiscal year 1987 shall be conducted in accordance with this title.

(b) **SCHOLARSHIPS FOR STUDENTS FROM OTHER DEVELOPING COUNTRIES.**—Any funds appropriated to the United States Information Agency for fiscal year 1986 or fiscal year 1987 for any purpose (other than funds appropriated for educational exchange programs under section 102(a)(1) of the Mutual Educational and Cultural Exchange Act of 1961) may be used to carry out this title with respect to students from developing countries outside Central America.

SEC. 613. COMPLIANCE WITH CONGRESSIONAL BUDGET ACT.

Any authority provided by this title to enter into contracts shall be effective only—

(1) to the extent that the budget authority for the obligation to make outlays, which is created by the contract, has been provided in advance by an appropriation Act; or

(2) to the extent or in such amounts as are provided in advance in appropriation Acts.

TITLE VII—LATIN AMERICA AND THE CARIBBEAN

SEC. 701. STATEMENTS OF POLICY CONCERNING CENTRAL AMERICA.

(a) **FINDINGS.**—The Congress finds that—
(1) the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States; and

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

(b) **PRIMARY ROLE OF THE PEOPLE AND GOVERNMENTS OF CENTRAL AMERICA.**—The achievement of democracy, respect for human rights, peace, and equitable economic growth depends primarily on the cooperation and the human and economic resources of the people and governments of Central America.

(c) **UNITED STATES POLICY.**—The Congress recognizes that the United States can make a significant contribution to such peaceful and democratic development through a consistent and coherent policy which includes a long-term commitment of assistance. This policy should be designed to support actively—

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

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

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

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

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

(6) the termination of extremist violence by both the left and the right, as well as vigorous action to prosecute those guilty of crimes and the prosecution to the extent possible of past offenders.

This policy should also promote equitable economic growth and development, including controlling the flight of capital and the effective use of foreign assistance and adhering to approved programs for economic stabilization and fiscal responsibility. Finally, this policy should foster dialogue and negotiations (A) to achieve peace based upon the objectives of democratization, reduction of armament, an end to subversion, and the withdrawal of foreign military forces and advisers, and (B) to provide a security shield against violence and intimidation.

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

(e) **PEACE PROCESS IN CENTRAL AMERICA.**—The Congress—

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

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

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

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

SEC. 702. ASSISTANCE FOR EL SALVADOR.

(a) **PRESIDENTIAL REPORTS.**—The President may provide military assistance for El Salvador in accordance with subsection (c) if he reports to the Congress the extent to which:

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

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

(3) The Government of El Salvador made demonstrated progress during the preceding 6 months in ending the activities of the death squads.

(4) The Government of El Salvador made demonstrated progress during the preceding 6 months in establishing an effective judicial system. Among the criteria the President shall use in making this determination are—

(A) whether the commission proposed by the President of El Salvador to investigate human rights cases has been established, funded, and given sufficient investigative powers, and whether the evidence that commission collects may be used in the Salvadoran judicial process; and

(B) whether that commission has issued a comprehensive report with regard to its investigation of all Americans murdered in El Salvador.

(5) The Government of El Salvador made demonstrated progress during the preceding 6 months in implementing the land reform program.

(b) **REPORTING DATES.**—The first report pursuant to subsection (a) shall be submitted on or after October 1, 1985, the second on or after April 1, 1986, the third on or after October 1, 1986, and the fourth on or after April 1, 1987. The reporting requirements pursuant to subsection (a) supersede the reporting requirements with respect to El Salvador contained in the last proviso in the paragraph under the heading "Military Assistance" in Public Law 98-332.

(c) **ALLOCATIONS OF MILITARY ASSISTANCE.**—Of the aggregate amount of military assistance allocated for El Salvador—

(1) half for fiscal year 1986 may be provided only after the first report pursuant to this section;

(2) the other half for the fiscal year 1986 may be provided only after the second such report;

(3) half for fiscal year 1987 may be provided only after the third such report; and

(4) the other half for fiscal year 1987 may be provided only after the fourth such report.

(d) **PROVISION OF ASSISTANCE IN AN EMERGENCY.**—Notwithstanding subsection (c), in the event of an emergency certified by the President, funds for military assistance for El Salvador for the second half of fiscal year 1986 or 1987 may be provided in the first half of that fiscal year only if the Con-

gress is notified at least 15 days in advance of the proposed obligation of such funds.

(e) AIRCRAFT FOR AERIAL WARFARE.—

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

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

(f) ECONOMIC SUPPORT ASSISTANCE.—

(1) **CENTRAL RESERVE BANK REFORMS.**—Before disbursing any assistance to the Government of El Salvador under chapter 4 of part II of the Foreign Assistance Act of 1981 for balance-of-payments support, the President shall be satisfied that the Central Reserve Bank of El Salvador has implemented or has taken appropriate steps toward implementing the major recommendations which are contained in the study entitled "Foreign Exchange: Policy and Management within the Central Reserve Bank of El Salvador", relating to management, allocation, and controls on the use of official foreign exchange.

(2) **BALANCE-OF-PAYMENTS SUPPORT.**—Funds authorized to be appropriated for fiscal years 1986 and 1987 to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 which are provided to El Salvador for balance-of-payments support—

(A) shall be used solely for the purchase of materials essential for productive economic activity and development, with particular emphasis and priority on the import needs of agrarian reform and the agricultural sector; and

(B) shall be maintained in a separate account in the Central Reserve Bank of El Salvador and not commingled with any other funds.

Those funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the cash transfer nature of the assistance or which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 of the 98th Congress (House Report 98-1159).

(3) **SPECIAL ACCOUNT FOR LOCAL CURRENCIES.**—All local currencies generated with the funds described in paragraph (2) shall be deposited in accordance with section 609 of the Foreign Assistance Act of 1961 in a special account established by the Government of El Salvador. Those local currencies shall be used for projects assisting agrarian reform and the agricultural sector (and particular emphasis shall be placed on projects for these purposes); judicial reform; employment generation; health, education, and other social services; infrastructure repair; and credits and other support for the private sector (principally for small and medium sized businesses).

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

(h) **DEFINITIONS.**—For purposes of this section—

(1) the term "military assistance" means any assistance under chapter 2 (relating to grant military assistance) or chapter 5 (relating to international military education and training) of part II of the Foreign Assistance Act of 1961 or under the Arms Export Control Act (relating to foreign military sales financing);

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

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

SEC. 703. ASSISTANCE FOR GUATEMALA.

(a) CONDITIONS ON MILITARY ASSISTANCE AND SALES.—For fiscal years 1986 and 1987, assistance may be provided for Guatemala under chapter 2 (relating to grant military assistance) or chapter 5 (relating to international military education and training) of part II of the Foreign Assistance Act of 1961 and sales may be made and financing may be provided for Guatemala under the Arms Export Control Act (relating to foreign military sales) only if the President makes the following certifications to the Congress:

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

(2) For both fiscal year 1986 and fiscal year 1987, the Government of Guatemala made demonstrated progress during the preceding year (A) in achieving control over its military and security forces, and (B) toward eliminating kidnappings and disappearances, forced recruitment into the civil defense patrols, and other abuses by such forces of internationally recognized human rights.

(b) CONTINUATION OF IMET PROGRAMS UPON ELECTION.—Notwithstanding subsection (a), up to 30 percent of the amount allocated for Guatemala for fiscal year 1986 for assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 may be provided, upon the election of a civilian government in Guatemala, for the continuation of existing programs under that chapter.

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

(1) Sales of construction equipment and mobile medical facilities to assist in development programs that will directly assist the poor in Guatemala.

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

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

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

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

(e) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance author-

ized by this Act which is allocated for Guatemala shall be suspended if the elected civilian government of that country is deposed by military coup or decree.

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

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

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

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

(1) to conduct an unimpeded visit to Guatemala in order to investigate humanitarian needs in that country, and

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

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

SEC. 704. PROHIBITION RELATING TO MILITARY OR PARAMILITARY OPERATIONS IN NICARAGUA.

Funds authorized to be appropriated by this Act may not be obligated or expended for the purpose of supporting military or paramilitary operations in Nicaragua by any group, organization, movement, or individual.

SEC. 705. REFUGEES IN HONDURAS.

Funds authorized to be appropriated by this Act or authorized to be appropriated for "Migration and Refugee Assistance" by the Department of State Authorization Act, Fiscal Years 1986 and 1987—

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

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

To ensure compliance with paragraph (2), any such funds used to assist in the repatriation of Salvadoran refugees in Honduras shall be made available only for voluntary repatriation activities which are administered or supervised by the United Nations High Commissioner for Refugees, the International Committee of the Red Cross, the Intergovernmental Committee for Migration, or other established and recognized international refugee relief organizations.

SEC. 706. PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI.

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

(b) CONDITIONS ON ASSISTANCE.—Funds available for fiscal year 1986 and for fiscal

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

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

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

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

(c) REPORTS TO THE CONGRESS.—Not later than 6 months after the date of the enactment of this Act and each 6 months thereafter through fiscal year 1987, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each paragraph of subsection (b).

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

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

(f) FUNDING FOR LITERACY PROGRAMS.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) which are allocated for Haiti, \$1,000,000 for fiscal year 1986 and \$1,000,000 for fiscal year 1987 shall be available only for literacy programs in Haiti.

SEC. 707. CONDITIONS ON MILITARY ASSISTANCE FOR PARAGUAY.

None of the funds authorized to be appropriated by title I of this Act may be used for assistance for Paraguay unless the President certifies to the Congress the following:

(1) The Government of Paraguay is cooperating with other governments to determine the whereabouts of Nazi criminal Doctor Joseph Mengele and bring him to justice.

(2) The Government of Paraguay has made demonstrated progress in ending the practice of torture and abuse of individuals held in detention by its military and security forces and has instituted procedures to ensure that those arrested are promptly charged and brought to trial.

SEC. 708. ASSISTANCE FOR PERU.

(a) REPORTS ON HUMAN RIGHTS CONDITIONS.—Upon obligating any funds for assistance for Peru for fiscal year 1986 and fiscal year 1987 under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating

to grant military assistance) or the Arms Export Control Act (relating to foreign military sales financing), the President shall report to the Congress on the steps that the Government of Peru has taken to—

(1) curtail killings, torture, and "disappearances" of civilian noncombatants by the military and security forces of Peru;

(2) strengthen the ability of the judiciary to investigate such killings, torture, and disappearances;

(3) comply with established procedures to ensure that arrests and detentions by the military and security forces of Peru are immediately acknowledged; and

(4) account for "disappeared persons" in Peru.

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

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

SEC. 709. INTER-AMERICAN FOUNDATION.

The first sentence of section 401(s)(2) of the Foreign Assistance Act of 1969 is amended to read as follows: "There are authorized to be appropriated \$12,000,000 for fiscal year 1986 and \$12,000,000 for fiscal year 1987 to carry out the purposes of this section."

SEC. 710. COMPREHENSIVE REPORTS ON ASSISTANCE FOR LATIN AMERICA AND THE CARIBBEAN.

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

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

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

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

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

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

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

(6) A report on any transfers or reprogrammings of funds, and a description of how transferred or reprogrammed funds modified the amounts requested for each account.

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

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

SEC. 711. ASSISTANCE FOR LAW ENFORCEMENT AGENCIES.

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

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

SEC. 712. USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS.

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

SEC. 713. ADMINISTRATION OF JUSTICE.

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

"SEC. 533. ADMINISTRATION OF JUSTICE.

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

"(b) **LIMITATIONS ON TYPES OF ASSISTANCE.**—Assistance under this section may only include—

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

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

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

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

"(5) increasing the availability of legal materials and publications;

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

"(7) revision and modernization of legal codes and procedures.

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

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

"(e) **EXPIRATION OF AUTHORITIES.**—The authority of this section shall expire on September 30, 1987."

SEC. 714. CENTRAL AMERICAN DEVELOPMENT ORGANIZATION.

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

(b) **ESTABLISHMENT OF CADO.**—It is the sense of the Congress that—

(1) the President should enter into negotiations with the countries of Central America to establish a Central American Development Organization (hereafter in this section referred to as the "Organization"); and

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

(A) Participation in the Organization should be open to the United States, other donors, and those Central American countries that commit themselves to, among other things, respecting internationally recognized human rights, building democracy, and encouraging equitable economic growth through policy reforms.

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

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

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

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

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

(iii) reform of economic policies and structures.

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

(F) To the maximum extent practicable, the United States should follow the recommendations of the Organization in disbursing bilateral economic assistance for any Central American country; and no more than 75 percent of such United States assistance in any fiscal year should be disbursed until the recommendations of the Organization for that fiscal year have been made final and communicated to the donor countries, but this limitation should apply only to recommendations made final and communicated prior to the fourth quarter of such fiscal year.

(G) The President should encourage other donors similarly to implement the recommendations of the Organization.

(H) The administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, or his designee, should be chairman of the Organization and should carry out his functions in that capacity under the continuous supervision and general direction of the Secretary of State.

(c) **UNITED STATES PARTICIPATION IN CADO.**—Subject to subsection (d)(3), the

President is authorized to participate in the Organization.

(d) CONGRESSIONAL OVERSIGHT.—

(1) DEVELOPMENT OF PROPOSAL.—The Administrator of the Agency for International Development, under the supervision and direction of the Secretary of State, shall prepare a detailed proposal to carry out this section and shall keep the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate fully and currently informed concerning the development of the proposal.

(2) FACILITATING CONGRESSIONAL INVOLVEMENT.—To facilitate full congressional involvement in the establishment of the Organization, the Chairman of the Committee on Foreign Affairs of the House of Representatives shall designate at least three members of that committee, and the Chairman of the Committee on Foreign Relations of the Senate shall designate at least three members of that committee, who shall be kept fully and currently informed by the executive branch of all negotiations or discussions with donor countries and recipient countries concerning the establishment of the Organization.

(3) CONGRESSIONAL REVIEW OF AGREEMENT.—The President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a copy of the text of any agreement which he proposes to sign providing for the establishment of and United States participation in the Organization no less than 60 days prior to his signature. The United States shall not participate in the implementation of any such agreement for at least 60 days after such transmittal. During that 60-day period, there shall be full and formal consultations with and review by those committees in accordance with procedures applicable to reprogramming notifications pursuant to section 634A of the Foreign Assistance Act of 1961.

SEC. 715. LIMITATION ON INTRODUCTION OF ARMED FORCES INTO CENTRAL AMERICA FOR COMBAT.

(a) FINDINGS.—The Congress makes the following findings:

(1) The President has stated that there is no need to introduce United States Armed Forces into Central America for combat and that he has no intention of doing so.

(2) The President of El Salvador has stated that there is no need for United States Armed Forces to conduct combat operations in El Salvador and that he has no intention of asking that they do so.

(3) The possibility of the introduction of United States Armed Forces into Central America for combat raises very grave concern in the Congress and the American people.

(b) POLICY.—It is the sense of Congress that—

(1) United States Armed Forces should not be introduced into or over the countries of Central America for combat; and

(2) if circumstances change from those present on the date of the enactment of this Act and the President believes that those changed circumstances require the introduction of United States Armed Forces into or over a country of Central America for combat, the President should consult with Congress before any decision to so introduce United States Armed Forces, and any such introduction of United States Armed Forces must comply with the War Powers Resolution.

SEC. 716. MILITARY EXERCISES IN CENTRAL AMERICA.

For fiscal years 1986 and 1987, the President shall notify the Committee on Foreign

Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate 30 days in advance of assigning or detailing members of the United States Armed Forces to, or otherwise introducing members of the United States Armed Forces into, any country in Central America for the purpose of commencing joint military exercises with the armed forces of any Central American country.

SEC. 717. INTERNATIONAL ADVISORY COMMISSION FOR THE CARIBBEAN REGION.

(a) FINDINGS.—The Congress finds that—

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

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

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

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

(b) INVITATIONS TO PARTICIPATE IN COMMISSION.—

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

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

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

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

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

(d) REQUEST TO CONGRESS RELATING TO UNITED STATES PARTICIPATION IN THE COMMISSION.—It is the sense of the Congress that, after conducting preliminary consultations with countries described in subsection (b), the President should provide costs estimates and request authorization from the Congress in order to—

(1) provide for the participation of the United States in the Commission,

(2) pay reasonable administrative expenses associated with the first meeting of the Commission, and

(3) pay reasonable travel and lodging expenses incurred by commissioners from other participant governments incident to their attendance at the first meeting.

(e) APPOINTMENT OF U.S. REPRESENTATIVE AND OBSERVERS.—Upon the creation of the Commission—

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

(2) the Speaker of the House of Representatives should consider appointing two Members of the House, one from each

major political party, as observers at the Commission; and

(3) the Majority Leader of the Senate should consider appointing two Members of the Senate, one for each major political party, as observers at the Commission.

SEC. 718. EXEMPTION OF CERTAIN SAFETY-RELATED EQUIPMENT FROM PROHIBITION ON MILITARY SALES TO CHILE.

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

"(c) The prohibition contained in subsection (b) does not prohibit the sale, or the licensing for export, of cartridge actuated devices, propellant actuated devices, and technical manuals for the F-5E/F and A/T-37 aircraft supplied to the Chilean Air Force by the United States before 1974, so long as the items are provided only for purposes of enhancing the safety of the aircraft crew."

SEC. 719. RURAL ELECTRIFICATION.

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

SEC. 720. FACILITATING INTERNATIONAL COMMERCE THROUGH MEXICO.

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

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

(c) REPORT.—Not later than January 1, 1986, the Secretary of State shall report to the Congress the status of actions taken to carry out the sense of the Congress expressed in subsection (b).