

Communications (Poland - Hungary)

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[November 16, 1989: 12:30 PM]

HOUSE AMENDMENT TO THE SENATE AMENDMENT TO H.R. 3402

[House concurs in Senate amendment to the title of the bill]

In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill, insert the following:

1 SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

2 (a) SHORT TITLE.--This Act may be cited as the ``Support
3 for East European Democracy (SEED) Act of 1989``.

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

Sec. 1. Short title and table of contents.

Sec. 2. Support for East European Democracy (SEED) Program.

TITLE I--STRUCTURAL ADJUSTMENT

Sec. 101. Multilateral support for structural adjustment in Poland and Hungary.

Sec. 102. Stabilization assistance for Poland.

Sec. 103. Agricultural assistance.

Sec. 104. Debt-for-equity swaps and other special techniques.

TITLE II--PRIVATE SECTOR DEVELOPMENT

Sec. 201. Enterprise Funds for Poland and Hungary.

Sec. 202. Labor market transition in Poland and Hungary.

Sec. 203. Technical training for private sector development in Poland and Hungary.

Sec. 204. Peace Corps programs in Poland and Hungary.

Sec. 205. Use of Polish currency generated by agricultural assistance.

Sec. 206. United States policy of private financial support for Polish and Hungarian credit unions.

TITLE III--TRADE AND INVESTMENT

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- Sec. 301. Eligibility of Poland for Generalized System of Preferences.
- Sec. 302. Overseas Private Investment Corporation programs for Poland and Hungary.
- Sec. 303. Export-Import Bank programs for Poland and Hungary.
- Sec. 304. Trade Credit Insurance Program for Poland.
- Sec. 305. Trade and Development Program activities for Poland and Hungary.
- Sec. 306. Bilateral investment treaties with Poland and Hungary.
- Sec. 307. Certain Polish bonds not subject to Internal Revenue Code rules relating to below-market loans.

TITLE IV--EDUCATIONAL, CULTURAL, AND SCIENTIFIC ACTIVITIES

- Sec. 401. Educational and cultural exchanges and sister institutions programs with Poland and Hungary.
- Sec. 402. Poland-Hungary scholarship partnership.
- Sec. 403. Science and technology exchange with Poland and Hungary.

TITLE V--OTHER ASSISTANCE PROGRAMS

- Sec. 501. Assistance in support of democratic institutions in Poland and Hungary.
- Sec. 502. Environmental initiatives for Poland and Hungary.
- Sec. 503. Medical supplies, hospital equipment, and medical training for Poland.

TITLE VI--ADDITIONAL SEED PROGRAM ACTIONS

- Sec. 601. Policy coordination of SEED Program.
- Sec. 602. SEED Information Center System.
- Sec. 603. Encouraging voluntary assistance for Poland and Hungary.
- Sec. 604. Economic and commercial officers at United States Embassies and missions in Poland and Hungary.

TITLE VII--REPORTS TO CONGRESS

- Sec. 701. Report on initial steps taken by United States and on Poland's requirement for agricultural assistance.
- Sec. 702. Report on confidence building measures by Poland and Hungary.
- Sec. 703. Report on environmental problems in Poland and Hungary.
- Sec. 704. Annual SEED Program report.
- Sec. 705. Reports on certain activities.

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Sec. 706. Notifications to Congress regarding assistance.

TITLE VIII--MISCELLANEOUS PROVISIONS

Sec. 801. Suspension of SEED assistance.

Sec. 802. Establishment of the Republic of Hungary.

Sec. 803. Administrative expenses of the Agency for
International Development.

Sec. 804. Relation of provisions of this Act to certain
provisions of appropriation Acts.

Sec. 805. Certain uses of excess foreign currencies.

1 SEC. 2. SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) PROGRAM.

2 (a) SEED PROGRAM.--The United States shall implement,
3 beginning in fiscal year 1990, a concerted Program of Support
4 for East European Democracy (which may also be referred to as
5 the ``SEED Program``). The SEED Program shall be comprised of
6 diverse undertakings designed to provide cost-effective
7 assistance to those countries of Eastern Europe that have
8 taken substantive steps toward institutionalizing political
9 democracy and economic pluralism.

10 (b) OBJECTIVES OF SEED ASSISTANCE.--The President should
11 ensure that the assistance provided to East European
12 countries pursuant to this Act is designed--

13 (1) to contribute to the development of democratic
14 institutions and political pluralism characterized by--

15 (A) the establishment of fully democratic and
16 representative political systems based on free and
17 fair elections,

18 (B) effective recognition of fundamental
19 liberties and individual freedoms, including freedom

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1 of speech, religion, and association,

2 (C) termination of all laws and regulations which
3 impede the operation of a free press and the
4 formation of political parties,

5 (D) creation of an independent judiciary, and

6 (E) establishment of non-partisan military,
7 security, and police forces;

8 (2) to promote the development of a free market
9 economic system characterized by--

10 (A) privatization of economic entities,

11 (B) establishment of full rights to acquire and
12 hold private property, including land and the
13 benefits of contractual relations,

14 (C) simplification of regulatory controls
15 regarding the establishment and operation of
16 businesses,

17 (D) dismantlement of all wage and price controls,

18 (E) removal of trade restrictions, including on
19 both imports and exports, and

20 (F) liberalization of investment and capital,
21 including the repatriation of profits by foreign
22 investors; and

23 (3) not to contribute any substantial benefit--

24 (A) to Communist or other political parties or
25 organizations which are not committed to respect for

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1 the democratic process, or

2 (B) to the defense or security forces of any

3 member country of the Warsaw Pact.

4 (c) SEED ACTIONS.--Assistance and other activities under
5 the SEED Program (which may be referred to as ``SEED
6 Actions'') shall include activities such as the following:

7 (1) LEADERSHIP IN THE WORLD BANK AND INTERNATIONAL
8 MONETARY FUND.--United States leadership in supporting--

9 (A) loans by the International Bank for
10 Reconstruction and Development and its affiliated
11 institutions in the World Bank group that are
12 designed to modernize industry, agriculture, and
13 infrastructure, and

14 (B) International Monetary Fund programs designed
15 to stimulate sound economic growth.

16 (2) CURRENCY STABILIZATION LOANS.--United States
17 leadership in supporting multilateral agreement to
18 provide government-to-government loans for currency
19 stabilization where such loans can reduce inflation and
20 thereby foster conditions necessary for the effective
21 implementation of economic reforms.

22 (3) DEBT REDUCTION AND RESCHEDULING.--Participation
23 in multilateral activities aimed at reducing and
24 rescheduling a country's international debt, when
25 reduction and deferral of debt payments can assist the

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1 process of political and economic transition.

2 (4) AGRICULTURAL ASSISTANCE.--Assistance through the
3 grant and concessional sale of food and other
4 agricultural commodities and products when such
5 assistance can ease critical shortages but not inhibit
6 agricultural production and marketing in the recipient
7 country.

8 (5) ENTERPRISE FUNDS.--Grants to support private,
9 nonprofit ``Enterprise Funds``, designated by the
10 President pursuant to law and governed by a Board of
11 Directors, which undertake loans, grants, equity
12 investments, feasibility studies, technical assistance,
13 training, and other forms of assistance to private
14 enterprise activities in the Eastern European country for
15 which the Enterprise Fund so is designated.

16 (6) LABOR MARKET-ORIENTED TECHNICAL
17 ASSISTANCE.--Technical assistance programs directed at
18 promoting labor market reforms and facilitating economic
19 adjustment.

20 (7) TECHNICAL TRAINING.--Programs to provide
21 technical skills to assist in the development of a market
22 economy.

23 (8) PEACE CORPS.--Establishment of Peace Corps
24 programs.

25 (9) SUPPORT FOR INDIGENOUS CREDIT UNIONS.--Support

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1 for the establishment of indigenous credit unions.

2 (10) GENERALIZED SYSTEM OF PREFERENCES.--Eligibility
3 for trade benefits under the Generalized System of
4 Preferences.

5 (11) MOST FAVORED NATION TRADE STATUS.--The granting
6 of temporary or permanent nondiscriminatory treatment
7 (commonly referred to as ``most favored nation status``)
8 to the products of an East European country through the
9 application of the criteria and procedures established by
10 section 402 of the Trade Act of 1974 (19 U.S.C. 2432;
11 commonly referred to as the ``Jackson-Vanik amendment``).

12 (12) OVERSEAS PRIVATE INVESTMENT
13 CORPORATION.--Programs of the Overseas Private Investment
14 Corporation.

15 (13) EXPORT-IMPORT BANK PROGRAMS.--Programs of the
16 Export-Import Bank of the United States.

17 (14) TRADE AND DEVELOPMENT PROGRAM ACTIVITIES.--Trade
18 and Development Program activities under the Foreign
19 Assistance Act of 1961.

20 (15) INVESTMENT TREATIES.--Negotiation of bilateral
21 investment treaties.

22 (16) SPECIAL TAX TREATMENT OF BELOW-MARKET
23 LOANS.--Exempting bonds from Internal Revenue Code rules
24 relating to below-market loans.

25 (17) EXCHANGE ACTIVITIES.--Expanded exchange

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1 activities under the Fulbright, International Visitors,
2 and other programs conducted by the United States
3 Information Agency.

4 (18) CULTURAL CENTERS.--Contributions toward the
5 establishment of reciprocal cultural centers that can
6 facilitate educational and cultural exchange and expanded
7 understanding of Western social democracy.

8 (19) SISTER INSTITUTIONS.--Establishment of sister
9 institution programs between American and East European
10 schools and universities, towns and cities, and other
11 organizations in such fields as medicine and health care,
12 business management, environmental protection, and
13 agriculture.

14 (20) SCHOLARSHIPS.--Scholarships to enable students
15 to study in the United States.

16 (21) SCIENCE AND TECHNOLOGY EXCHANGES.--Grants for
17 the implementation of bilateral agreements providing for
18 cooperation in science and technology exchange.

19 (22) ASSISTANCE FOR DEMOCRATIC
20 INSTITUTIONS.--Assistance designed to support the
21 development of legal, legislative, electoral,
22 journalistic, and other institutions of free, pluralist
23 societies.

24 (23) ENVIRONMENTAL ASSISTANCE.--Environmental
25 assistance directed at overcoming crucial deficiencies in

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1 air and water quality and other determinants of a
2 healthful society.

3 (24) MEDICAL ASSISTANCE.--Medical assistance
4 specifically targeted to overcome severe deficiencies in
5 pharmaceuticals and other basic health supplies.

6 (25) ENCOURAGEMENT FOR PRIVATE INVESTMENT AND
7 VOLUNTARY ASSISTANCE.--Encouraging private investment and
8 voluntary private assistance, using a variety of means
9 including a SEED Information Center System and the
10 provision by the Department of Defense of transportation
11 for private nonfinancial contributions.

12 TITLE I--STRUCTURAL ADJUSTMENT

13 SEC. 101. MULTILATERAL SUPPORT FOR STRUCTURAL ADJUSTMENT IN
14 POLAND AND HUNGARY.

15 (a) MULTILATERAL ASSISTANCE FOR POLAND AND HUNGARY.--

16 (1) IN GENERAL.--To the extent that Poland and
17 Hungary continue to evolve toward pluralism and democracy
18 and to develop and implement comprehensive economic
19 reform programs, the United States Government shall take
20 the leadership in mobilizing international financial
21 institutions, in particular the International Monetary
22 Fund and the International Bank for Reconstruction and
23 Development and its affiliated institutions in the World
24 Bank group, to provide timely and appropriate resources
25 to help Poland and Hungary.

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1 (2) WORLD BANK STRUCTURAL ADJUSTMENT LOAN FOR
2 POLAND.--In furtherance of paragraph (1), the Secretary
3 of the Treasury shall direct the United States Executive
4 Director of the International Bank for Reconstruction and
5 Development to urge expeditious approval and disbursement
6 by the Bank of a structural adjustment loan to Poland in
7 an appropriate amount in time to facilitate the
8 implementation of major economic reforms scheduled for
9 early 1990, including the termination of energy, export,
10 and agricultural subsidies and wage indexation.

11 (b) STABILIZATION ASSISTANCE, DEBT RELIEF, AND
12 AGRICULTURAL ASSISTANCE FOR POLAND.--To the extent that
13 Poland continues to evolve toward pluralism and democracy and
14 to develop and implement comprehensive economic reform
15 programs, the United States Government shall do the
16 following:

17 (1) STABILIZATION ASSISTANCE.--The United States
18 Government, in conjunction with other member governments
19 of the Organization of Economic Cooperation and
20 Development (OECD) and international financial
21 institutions (including the International Monetary Fund),
22 shall support the implementation of a plan of the
23 Government of Poland to attack hyperinflation and other
24 structural economic problems, address pressing social
25 problems, carry out comprehensive economic reform, and

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1 relieve immediate and urgent balance of payments
2 requirements in Poland, through the use of mechanisms
3 such as--

4 (A) the Exchange Stabilization Fund pursuant to
5 section 5302 of title 31, United States Code, and in
6 accordance with established Department of the
7 Treasury policies and procedures; and

8 (B) the authority provided in section 102(c) of
9 this Act.

10 (2) DEBT RELIEF.--The United States Government--

11 (A) shall urge all members of the ``Paris Club``
12 of creditor governments and other creditor
13 governments to adopt, and participate in, a generous
14 and early rescheduling program for debts owed by the
15 Government of Poland; and

16 (B) in coordination with other creditor
17 governments, shall seek to expedite consultations
18 between the Government of Poland and its major
19 private creditors in order to facilitate a
20 rescheduling and reduction of payments due on debt
21 owed to such creditors in a manner consistent with
22 the international debt policy announced by the
23 Secretary of the Treasury on March 10, 1989.

24 (3) AGRICULTURAL ASSISTANCE.--The United States
25 Government shall provide agricultural assistance for

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1 Poland in accordance with section 103.

2 **SEC. 102. STABILIZATION ASSISTANCE FOR POLAND.**

3 (a) **IMMEDIATE EMERGENCY ASSISTANCE.**--To the extent that
4 the ongoing International Monetary Fund review of the Polish
5 economy projects a probable balance of payments shortage for
6 the fourth quarter of 1989, the United States Government, in
7 carrying out paragraph (1) of section 101(b)--

8 (1) should work closely with the European Community
9 and international financial institutions to determine the
10 extent of emergency assistance required by Poland for the
11 fourth quarter of 1989, and

12 (2) should consider extending a bridge loan to
13 relieve immediate and urgent balance of payments
14 requirements using the Exchange Stabilization Fund in
15 accordance with paragraph (1)(A) of section 101(b).

16 (b) **IMMEDIATE, MULTILATERAL RESPONSE TO POLAND'S ECONOMIC**
17 **STABILIZATION NEEDS.**--In furtherance of section 101(b)(1),
18 the President, acting in coordination with the European
19 Community, should seek to ensure that the industrialized
20 democracies undertake an immediate, multilateral effort to
21 respond to Poland's request for \$1,000,000,000 to support its
22 economic stabilization program.

23 (c) **ADDITIONAL AUTHORITY TO PROVIDE STABILIZATION**
24 **ASSISTANCE.**--

25 (1) **AUTHORITY.**--In order to carry out paragraph (1)

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1 of section 101(b), the President is authorized to furnish
2 assistance for Poland, notwithstanding any other
3 provision of law, to assist in the urgent stabilization
4 of the Polish economy and ultimately to promote
5 longer-term economic growth and stability, based on
6 movement toward free market principles. Such assistance
7 may be provided for balance of payments support
8 (including commodity import programs), support for
9 private sector development, or for other activities to
10 further efforts to develop a free market-oriented economy
11 in Poland.

12 (2) AUTHORIZATION OF APPROPRIATIONS.--For purposes of
13 providing the assistance authorized by this subsection,
14 there are authorized to be appropriated \$200,000,000 for
15 fiscal year 1990 to carry out chapter 4 of part II of the
16 Foreign Assistance Act of 1961 (22 U.S.C. 2346 and
17 following; relating to the economic support fund), in
18 addition to amounts otherwise available for such
19 purposes.

20 **SEC. 103. AGRICULTURAL ASSISTANCE.**

21 (a) AGRICULTURAL ASSISTANCE STRATEGY.--

22 (1) UNITED STATES ASSISTANCE.--A principal component
23 of the SEED Program shall be the provision by the United
24 States of food and other agricultural commodities and
25 products to alleviate crucial shortages that may be

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1 created in an East European country by the transition
2 from state-directed controls to a free market economy.

3 (2) ASSISTANCE FROM OTHER COUNTRIES.--In order to
4 ensure the necessary quantity and diversity of
5 agricultural assistance for that purpose, the United
6 States shall take all appropriate steps to encourage
7 parallel efforts by the European Community and other
8 agricultural surplus countries.

9 (3) AVOIDING DISINCENTIVES TO PRIVATE AGRICULTURAL
10 PRODUCTION AND MARKETING.--In participating in such
11 multilateral agricultural assistance, the United States
12 shall seek to strike a balance wherein agricultural
13 commodities and products are supplied in such quantities
14 as will be effective in overcoming severe shortages and
15 dampening inflation but without impeding the development
16 of incentives for private agricultural production and
17 marketing in the recipient country.

18 (b) AGRICULTURAL ASSISTANCE FOR POLAND.--Pursuant to
19 section 101(b)(3), the United States Government--

20 (1) shall make available to Poland, in coordination
21 with the European Community, United States agricultural
22 assistance--

23 (A) to alleviate immediate food shortages (such
24 assistance to be specifically targeted toward
25 elements of the Polish population most vulnerable to

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1 hunger and malnutrition, in particular the infirm,
2 the elderly, and children), and

3 (B) to facilitate the transition from
4 state-directed controls to a free market economy,
5 while avoiding disincentives to domestic agricultural
6 production and reform; and

7 (2) in order to ensure the necessary quantity and
8 diversity of such agricultural assistance, shall take all
9 appropriate steps to encourage parallel efforts by the
10 European Community and other agricultural surplus
11 countries.

12 (c) FY 1990 MINIMUM LEVEL OF AGRICULTURAL ASSISTANCE FOR
13 POLAND.--In carrying out subsection (b) of this section, the
14 level of assistance for Poland for fiscal year 1990 under
15 section 416(b) of the Agricultural Act of 1949 (7 U.S.C.
16 1431(b)), the Agricultural Trade Development and Assistance
17 Act of 1954 (7 U.S.C. 1691 and following), and the Food for
18 Progress Act of 1985 (7 U.S.C. 1736o) should not be less than
19 \$125,000,000. Such assistance--

20 (1) to the maximum extent practicable, shall be
21 provided through nongovernmental organizations; and

22 (2) shall emphasize feed grains.

23 (d) CONSISTENCY WITH BUDGET REQUIREMENTS.--Subsection (c)
24 should not be construed to authorize or require any budgetary
25 obligations or outlays that are inconsistent with House

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1 Concurrent Resolution 106 of the 101st Congress (setting
2 forth the congressional budget for the United States
3 Government for fiscal year 1990).

4 **SEC. 104. DEBT-FOR-EQUITY SWAPS AND OTHER SPECIAL TECHNIQUES.**

5 (a) **REDUCTION OF DEBT BURDEN.**--The President shall take
6 all appropriate actions to explore and encourage innovative
7 approaches to the reduction of the government-to-government
8 and commercial debt burden of East European countries which
9 have taken substantive steps toward political democracy and
10 economic pluralism.

11 (b) **AUTHORITY FOR DISCOUNTED SALES OF**
12 **DEBT.**--Notwithstanding any other provision of law, the
13 President may undertake the discounted sale, to private
14 purchasers, of United States Government debt obligations of
15 an East European country which has taken substantive steps
16 toward political democracy and economic pluralism, subject to
17 subsection (c).

18 (c) **CONDITION.**--An obligation may be sold under
19 subsection (b) only if the sale will facilitate so-called
20 debt-for-equity or debt-for-development swaps wherein such
21 newly privatized debt is exchanged by the new holder of the
22 obligation for--

23 (1) local currencies, policy commitments, or other
24 assets needed for development or other economic
25 activities, or

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1 (2) for an equity interest in an enterprise
2 theretofore owned by the particular East European
3 government.

4 **TITLE II--PRIVATE SECTOR DEVELOPMENT**

5 **SEC. 201. ENTERPRISE FUNDS FOR POLAND AND HUNGARY.**

6 (a) **PURPOSES.**--The purposes of this section are to
7 promote--

8 (1) development of the Polish and Hungarian private
9 sectors, including small businesses, the agricultural
10 sector, and joint ventures with United States and host
11 country participants, and

12 (2) policies and practices conducive to private
13 sector development in Poland and Hungary,
14 through loans, grants, equity investments, feasibility
15 studies, technical assistance, training, insurance,
16 guarantees, and other measures.

17 (b) **AUTHORIZATION OF APPROPRIATIONS.**--To carry out the
18 purposes specified in subsection (a), there are authorized to
19 be appropriated to the President--

20 (1) \$240,000,000 to support the Polish-American
21 Enterprise Fund; and

22 (2) \$60,000,000 to support the Hungarian-American
23 Enterprise Fund.

24 Such amounts are authorized to be made available until
25 expended.

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1 (c) NONAPPLICABILITY OF OTHER LAWS.--The funds
2 appropriated under subsection (b) may be made available to
3 the Polish-American Enterprise Fund and the
4 Hungarian-American Enterprise Fund and used for the purposes
5 of this section notwithstanding any other provision of law.

6 (d) DESIGNATION OF ENTERPRISE FUNDS.--

7 (1) DESIGNATION.--The President is authorized to
8 designate two private, nonprofit organizations as
9 eligible to receive funds and support pursuant to this
10 section upon determining that such organizations have
11 been established for the purposes specified in subsection
12 (a). For purposes of this Act, the organizations so
13 designated shall be referred to as the Polish-American
14 Enterprise Fund and the Hungarian-American Enterprise
15 Fund (hereinafter in this section referred to as the
16 ``Enterprise Funds``).

17 (2) CONSULTATION WITH CONGRESS.--The President shall
18 consult with the leadership of each House of Congress
19 before designating an organization pursuant to paragraph
20 (1).

21 (3) BOARD OF DIRECTORS.--(A) Each Enterprise Fund
22 shall be governed by a Board of Directors comprised of
23 private citizens of the United States, and citizens of
24 the respective host country, who have demonstrated
25 experience and expertise in those areas of private sector

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1 development in which the Enterprise Fund is involved.

2 (B) A majority of the members of the Board of
3 Directors of each Enterprise Fund shall be United States
4 citizens.

5 (C) A host country citizen who is not committed to
6 respect for democracy and a free market economy may not
7 serve as a member of the Board of Directors of an
8 Enterprise Fund.

9 (4) ELIGIBILITY OF ENTERPRISE FUNDS FOR
10 GRANTS.--Grants may be made to an Enterprise Fund under
11 this section only if the Enterprise Fund agrees to comply
12 with the requirements specified in this section.

13 (5) PRIVATE CHARACTER OF ENTERPRISE FUNDS.--Nothing
14 in this section shall be construed to make an Enterprise
15 Fund an agency or establishment of the United States
16 Government, or to make the officers, employees, or
17 members of the Board of Directors of an Enterprise Fund
18 officers or employees of the United States for purposes
19 of title 5, United States Code.

20 (e) GRANTS TO ENTERPRISE FUNDS.--Funds appropriated to
21 the President pursuant to subsection (b) shall be granted to
22 the Enterprise Funds by the Agency for International
23 Development to enable the Enterprise Funds to carry out the
24 purposes specified in subsection (a) and for the
25 administrative expenses of each Enterprise Fund.

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1 (f) ELIGIBLE PROGRAMS AND PROJECTS.--

2 (1) IN GENERAL.--The Enterprise Funds may provide
3 assistance pursuant to this section only for programs and
4 projects which are consistent with the purposes set forth
5 in subsection (a).

6 (2) EMPLOYEE STOCK OWNERSHIP PLANS.--Funds available
7 to the Enterprise Funds may be used to encourage the
8 establishment of Employee Stock Ownership Plans (ESOPs)
9 in Poland and Hungary.

10 (3) INDIGENOUS CREDIT UNIONS.--Funds available to the
11 Enterprise Funds may be used for technical and other
12 assistance to support the development of indigenous
13 credit unions in Poland and Hungary. As used in this
14 paragraph, the term ``credit union`` means a
15 member-owned, nonprofit, cooperative depository
16 institution--

17 (A) which is formed to permit individuals in the
18 field of membership specified in such institution's
19 charter to pool their savings, lend the savings to
20 one another, and own the organization where they
21 save, borrow, and obtain related financial services;
22 and

23 (B) whose members are united by a common bond and
24 democratically operate the institution.

25 (4) TELECOMMUNICATIONS MODERNIZATION IN POLAND.--The

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1 Polish-American Enterprise Fund may use up to \$25,000,000
2 for grants for projects providing for the early
3 introduction in Poland of modern telephone systems and
4 telecommunications technology, which are crucial in
5 establishing the conditions for successful transition to
6 political democracy and economic pluralism.

7 (5) ECONOMIC FOUNDATION OF NSZZ SOLIDARNOSC.--Funds
8 available to the Polish-American Enterprise Fund may be
9 used to support the Economic Foundation of NSZZ
10 Solidarnosc.

11 (g) MATTERS TO BE CONSIDERED BY ENTERPRISE FUNDS.--In
12 carrying out this section, each Enterprise Fund shall take
13 into account such considerations as internationally
14 recognized worker rights and other internationally recognized
15 human rights, environmental factors, United States economic
16 and employment effects, and the likelihood of commercial
17 viability of the activity receiving assistance from the
18 Enterprise Fund.

19 (h) RETENTION OF INTEREST.--An Enterprise Fund may hold
20 funds granted to it pursuant to this section in
21 interest-bearing accounts, prior to the disbursement of such
22 funds for purposes specified in subsection (a), and may
23 retain for such program purposes any interest earned on such
24 deposits without returning such interest to the Treasury of
25 the United States and without further appropriation by the

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1 Congress.

2 (i) USE OF UNITED STATES PRIVATE VENTURE CAPITAL.--In
3 order to maximize the effectiveness of the activities of the
4 Enterprise Funds, each Enterprise Fund may conduct public
5 offerings or private placements for the purpose of soliciting
6 and accepting United States venture capital which may be
7 used, separately or together with funds made available
8 pursuant to this section, for any lawful investment purpose
9 that the Board of Directors of the Enterprise Fund may
10 determine in carrying out this section. Financial returns on
11 Enterprise Fund investments that include a component of
12 private venture capital may be distributed, at such times and
13 in such amounts as the Board of Directors of the Enterprise
14 Fund may determine, to the investors of such capital.

15 (j) FINANCIAL INSTRUMENTS FOR INDIVIDUAL INVESTMENT IN
16 POLAND.--In order to maximize the effectiveness of the
17 activities of the Polish-American Enterprise Fund, that
18 Enterprise Fund should undertake all possible efforts to
19 establish financial instruments that will enable individuals
20 to invest in the private sectors of Poland and that will
21 thereby have the effect of multiplying the impact of United
22 States grants to that Enterprise Fund.

23 (k) NONAPPLICABILITY OF OTHER LAWS.--Executive branch
24 agencies may conduct programs and activities and provide
25 services in support of the activities of the Enterprise Funds

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1 notwithstanding any other provision of law.

2 (1) LIMITATION ON PAYMENTS TO ENTERPRISE FUND

3 PERSONNEL.--No part of the funds of either Enterprise Fund
4 shall inure to the benefit of any board member, officer, or
5 employee of such Enterprise Fund, except as salary or
6 reasonable compensation for services.

7 (m) INDEPENDENT PRIVATE AUDITS.--The accounts of each
8 Enterprise Fund shall be audited annually in accordance with
9 generally accepted auditing standards by independent
10 certified public accountants or independent licensed public
11 accountants certified or licensed by a regulatory authority
12 of a State or other political subdivision of the United
13 States. The report of each such independent audit shall be
14 included in the annual report required by this section.

15 (n) GAO AUDITS.--The financial transactions undertaken
16 pursuant to this section by each Enterprise Fund may be
17 audited by the General Accounting Office in accordance with
18 such principles and procedures and under such rules and
19 regulations as may be prescribed by the Comptroller General
20 of the United States, so long as the Enterprise Fund is in
21 receipt of United States Government grants.

22 (o) RECORDKEEPING REQUIREMENTS.--The Enterprise Funds
23 shall ensure--

24 (1) that each recipient of assistance provided
25 through the Enterprise Funds under this section keeps--

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1 (A) separate accounts with respect to such
2 assistance;

3 (B) such records as may be reasonably necessary
4 to disclose fully the amount and the disposition by
5 such recipient of the proceeds of such assistance,
6 the total cost of the project or undertaking in
7 connection with which such assistance is given or
8 used, and the amount and nature of that portion of
9 the cost of the project or undertaking supplied by
10 other sources; and

11 (C) such other records as will facilitate an
12 effective audit; and

13 (2) that the Enterprise Funds, or any of their duly
14 authorized representatives, have access for the purpose
15 of audit and examination to any books, documents, papers,
16 and records of the recipient that are pertinent to
17 assistance provided through the Enterprise Funds under
18 this section.

19 (p) **ANNUAL REPORTS.**--Each Enterprise Fund shall publish
20 an annual report, which shall include a comprehensive and
21 detailed description of the Enterprise Fund's operations,
22 activities, financial condition, and accomplishments under
23 this section for the preceding fiscal year. This report shall
24 be published not later than January 31 each year, beginning
25 in 1991.

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1 SEC. 202. LABOR MARKET TRANSITION IN POLAND AND HUNGARY.

2 (a) TECHNICAL ASSISTANCE.--The Secretary of Labor
3 (hereinafter in this section referred to as the
4 ``Secretary''), in consultation with representatives of labor
5 and business in the United States, shall--

6 (1) provide technical assistance to Poland and
7 Hungary for the implementation of labor market reforms;
8 and

9 (2) provide technical assistance to Poland and
10 Hungary to facilitate adjustment during the period of
11 economic transition and reform.

12 (b) TYPES OF TECHNICAL ASSISTANCE AUTHORIZED.--In
13 carrying out subsection (a), the Secretary is authorized to
14 provide technical assistance regarding policies and programs
15 for training and retraining, job search and employment
16 services, unemployment insurance, occupational safety and
17 health protection, labor-management relations, labor
18 statistics, analysis of productivity constraints,
19 entrepreneurial support for small businesses, market-driven
20 systems of wage and income determinations, job creation,
21 employment security, the observance of internationally
22 recognized worker rights (including freedom of association
23 and the right to organize and bargain collectively), and
24 other matters that the Secretary may deem appropriate
25 regarding free labor markets and labor organizations.

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1 (c) ADMINISTRATIVE AUTHORITIES.--In carrying out
2 subsection (a), the Secretary is authorized to do the
3 following:

4 (1) Solicit and accept in the name of the Department
5 of Labor, and employ or dispose of in furtherance of the
6 purposes of this section, any money or property, real,
7 personal, or mixed, tangible or intangible, received by
8 gift, devise, bequest, or otherwise. Gifts and donations
9 of property which are no longer required for the
10 discharge of the purposes of this section shall be
11 reported to the Administrator of General Services for
12 transfer, donation, or other disposal in accordance with
13 the Federal Property and Administrative Services Act of
14 1949 (40 U.S.C. 471 and following).

15 (2) Solicit and accept voluntary and uncompensated
16 services notwithstanding section 1342 of title 31, United
17 States Code. A volunteer under this paragraph shall not
18 be deemed to be an employee of the United States except
19 for the purposes of--

20 (A) the tort claims provisions of title 28,
21 United States Code, and

22 (B) subchapter I of chapter 81 of title 5, United
23 States Code, relating to compensation for work
24 injuries.

25 (3) Enter into arrangements or agreements with

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1 appropriate departments, agencies, and establishments of
2 Poland and Hungary.

3 (4) Enter into arrangements or agreements with
4 appropriate private and public sector United States
5 parties, and international organizations.

6 (d) CONSULTATION WITH APPROPRIATE OFFICERS.--In carrying
7 out the responsibilities established by this section, the
8 Secretary shall seek information and advice from, and consult
9 with, appropriate officers of the United States.

10 (e) CONSULTATION WITH LABOR AND BUSINESS
11 REPRESENTATIVES.--For purposes of this section, consultation
12 between the Secretary and United States labor and business
13 representatives shall not be subject to the Federal Advisory
14 Committee Act (5 U.S.C. App.).

15 (f) DELEGATION OF RESPONSIBILITIES.--The Secretary shall
16 delegate the authority to carry out the programs authorized
17 by this section to the head of the Bureau of International
18 Labor Affairs of the Department of Labor.

19 (g) AUTHORIZATION OF APPROPRIATIONS.--There are
20 authorized to be appropriated to the Department of Labor for
21 the 3-year period beginning October 1, 1989, to carry out
22 this section--

23 (1) \$4,000,000 for technical assistance to Poland;

24 and

25 (2) \$1,000,000 for technical assistance to Hungary.

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1 SEC. 203. TECHNICAL TRAINING FOR PRIVATE SECTOR DEVELOPMENT
2 IN POLAND AND HUNGARY.

3 (a) TECHNICAL TRAINING PROGRAM.--The Agency for
4 International Development shall develop and implement a
5 program for extending basic agribusiness, commercial,
6 entrepreneurial, financial, scientific, and technical skills
7 to the people of Poland and Hungary to enable them to better
8 meet their needs and develop a market economy. This program
9 shall include management training and agricultural extension
10 activities.

11 (b) PARTICIPATION BY ENTERPRISE FUNDS AND OTHER AGENCIES
12 AND ORGANIZATIONS.--In carrying out subsection (a), the
13 Agency for International Development may utilize the
14 Polish-American Enterprise Fund and the Hungarian-American
15 Enterprise Fund and other appropriate Government and private
16 agencies, programs, and organizations such as--

17 (1) the Department of Agriculture;

18 (2) the Farmer-to-Farmer Program under section 406(a)

19 (1) and (2) of the Agricultural Trade Development and
20 Assistance Act of 1954 (7 U.S.C. 1736(a) (1) and (2));

21 (3) the International Executive Service Corps;

22 (4) the Foundation for the Development of Polish
23 Agriculture;

24 (5) the World Council of Credit Unions; and

25 (6) other United States, Polish, and Hungarian

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1 private and voluntary organizations and private sector
2 entities.

3 (c) NONAPPLICABILITY OF OTHER PROVISIONS OF
4 LAW.--Assistance provided pursuant to subsection (a) under
5 the authorities of part I of the Foreign Assistance Act of
6 1961 may be provided notwithstanding any other provision of
7 law.

8 (d) AUTHORIZATION OF APPROPRIATIONS.--For purposes of
9 implementing this section, there are authorized to be
10 appropriated \$10,000,000 for the 3-year period beginning
11 October 1, 1989, to carry out chapter 1 of part I of the
12 Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following;
13 relating to development assistance), in addition to amounts
14 otherwise available for such purposes.

15 (e) LIMITATION WITH RESPECT TO FARMER-TO-FARMER
16 PROGRAM.--Any activities carried out pursuant to this Act
17 through the Farmer-to-Farmer Program under section 406(a) (1)
18 and (2) of the Agricultural Trade Development and Assistance
19 Act of 1954 shall be funded with funds authorized to be
20 appropriated by this Act and local currencies made available
21 under section 205, and shall not be funded with funds made
22 available pursuant to section 1107 of the Food Security Act
23 of 1985 (7 U.S.C. 1736 note) or a similar, subsequent
24 provision of law.

25 SEC. 204. PEACE CORPS PROGRAMS IN POLAND AND HUNGARY.

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1 There are authorized to be appropriated to carry out
2 programs in Poland and Hungary under the Peace Corps Act,
3 \$6,000,000 for the 3-year period beginning October 1, 1989,
4 in addition to amounts otherwise available for such purposes.
5 Such programs shall include the use of Peace Corps
6 volunteers--

7 (1) to provide English language training, and

8 (2) to extend the technical skills described in
9 section 203(a) to the people of Poland and Hungary, using
10 the Associate Volunteer Program to the extent practicable

11 **SEC. 205. USE OF POLISH CURRENCY GENERATED BY AGRICULTURAL**
12 **ASSISTANCE.**

13 (a) **ADDITIONAL ASSISTANCE FOR POLAND.**--A portion of the
14 agricultural commodities described in subsection (c) may be
15 made available and sold or bartered in Poland to generate
16 local currencies to be used--

17 (1) to complement the assistance for Poland
18 authorized by sections 103(b), 201, and 203 of this Act,
19 and

20 (2) to support the activities of the joint commission
21 established pursuant to section 2226 of the American Aid
22 to Poland Act of 1988 (7 U.S.C. 1431 note),
23 notwithstanding section 416(b)(7) of the Agricultural Act of
24 1949 (7 U.S.C. 1431(b)(7)) or any other provision of law.

25 (b) **EMPHASIS ON AGRICULTURAL DEVELOPMENT.**--The uses of

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1 local currencies generated under this section should
2 emphasize the development of agricultural infrastructure,
3 agriculture-related training, and other aspects of
4 agricultural development in Poland.

5 (c) COMMODITIES SUBJECT TO REQUIREMENTS.--Subsection (a)
6 applies with respect to agricultural commodities made
7 available for Poland for fiscal years 1990, 1991, and 1992
8 under section 416(b) of the Agricultural Act of 1949 (7
9 U.S.C. 1431(b)), the Agricultural Trade Development and
10 Assistance Act of 1954 (7 U.S.C. 1691 and following), and the
11 Food for Progress Act of 1985 (7 U.S.C. 1736o).

12 (d) OTHER USES NOT PRECLUDED.--The uses of agricultural
13 commodities and local currencies specified in subsection (a)
14 are in addition to other uses authorized by law.

15 SEC. 206. UNITED STATES POLICY OF PRIVATE FINANCIAL SUPPORT
16 FOR POLISH AND HUNGARIAN CREDIT UNIONS.

17 (a) IN GENERAL.--In order to facilitate the development
18 of indigenous credit unions in Poland and Hungary, it is the
19 policy of the United States that--

20 (1) United States citizens, financial institutions
21 (other than federally insured depository institutions),
22 and other persons may make contributions and loans to,
23 make capital deposits in, and provide other forms of
24 financial and technical assistance to credit unions in
25 Poland and Hungary; and

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1 (2) federally insured depository institutions may
2 provide technical assistance to credit unions in Poland
3 and Hungary, to the extent that the provision of such
4 assistance is prudent and not inconsistent with safe and
5 sound banking practice.

6 (b) AMENDMENT TO FEDERAL CREDIT UNION ACT.--Section 107
7 of the Federal Credit Union Act (12 U.S.C. 1757) is amended
8 by redesignating paragraph (16) as paragraph (17) and by
9 inserting after paragraph (15) the following new paragraph:

10 ``(16) subject to such regulations as the Board may
11 prescribe, to provide technical assistance to credit
12 unions in Poland and Hungary; and``.

13 (c) DEFINITIONS.--For purposes of subsection (a)--

14 (1) the term ``credit union`` means a member-owned,
15 nonprofit, cooperative depository institution--

16 (A) which is formed to permit individuals in the
17 field of membership specified in such institution's
18 charter to pool their savings, lend the savings to
19 one another, and own the organization where they
20 save, borrow, and obtain related financial services;
21 and

22 (B) whose members are united by a common bond and
23 democratically operate the institution; and

24 (2) the term ``federally insured depository
25 institution`` means--

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1 (A) any insured depository institution (as
2 defined in section 3(c)(2) of the Federal Deposit
3 Insurance Act); and

4 (B) any insured credit union (as defined in
5 section 101(7) of the Federal Credit Union Act).

6 **TITLE III--TRADE AND INVESTMENT**

7 **SEC. 301. ELIGIBILITY OF POLAND FOR GENERALIZED SYSTEM OF**
8 **PREFERENCES.**

9 Subsection (b) of section 502 of the Trade Act of 1974
10 (19 U.S.C. 2462(b)) is amended by striking out ``Poland`` in
11 the table within such subsection.

12 **SEC. 302. OVERSEAS PRIVATE INVESTMENT CORPORATION PROGRAMS**
13 **FOR POLAND AND HUNGARY.**

14 (a) **ELIGIBILITY OF POLAND AND HUNGARY FOR OPIC**
15 **PROGRAMS.**--Section 239(f) of the Foreign Assistance Act of
16 1961 (22 U.S.C. 2199(f)) is amended by inserting `` , Poland ,
17 Hungary , `` after ``Yugoslavia``.

18 (b) **ENHANCEMENT OF NONGOVERNMENTAL SECTOR.**--In accordance
19 with its mandate to foster private initiative and competition
20 and enhance the ability of private enterprise to make its
21 full contribution to the development process, the Overseas
22 Private Investment Corporation shall support projects in
23 Poland and Hungary which will result in enhancement of the
24 nongovernmental sector and reduction of state involvement in
25 the economy.

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1 (c) AVOIDANCE OF DUPLICATIVE AMENDMENTS.--If the Foreign
2 Operations, Export Financing, and Related Programs
3 Appropriations Act, 1990, contains the same amendment that is
4 made by subsection (a) of this section, the amendment made by
5 that Act shall not be effective.

6 SEC. 303. EXPORT-IMPORT BANK PROGRAMS FOR POLAND AND HUNGARY.

7 (a) AUTHORITY TO EXTEND CREDIT TO POLAND AND
8 HUNGARY.--Notwithstanding section 2(b)(2) of the
9 Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(2)), the
10 Export-Import Bank of the United States may guarantee,
11 insure, finance, extend credit, and participate in the
12 extension of credit in connection with the purchase or lease
13 of any product by the Republic of Hungary or any agency or
14 national thereof or by the Polish People's Republic or any
15 agency or national thereof.

16 (b) PRIVATE FINANCIAL INTERMEDIARIES TO FACILITATE
17 EXPORTS TO POLAND.--Consistent with the provisions of the
18 Export-Import Bank Act of 1945 (12 U.S.C. 635 and following),
19 the Export-Import Bank of the United States shall work with
20 private financial intermediaries in Poland to facilitate the
21 export of goods and services to Poland.

22 SEC. 304. TRADE CREDIT INSURANCE PROGRAM FOR POLAND.

23 (a) ESTABLISHMENT OF PROGRAM.--Chapter 2 of part I of the
24 Foreign Assistance Act of 1961 is amended by inserting after
25 section 224 (22 U.S.C 2184) the following new section:

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1 ``SEC. 225. TRADE CREDIT INSURANCE PROGRAM FOR POLAND.

2 `` (a) GENERAL AUTHORITY.--

3 `` (1) ASSURANCE TO EXPORT-IMPORT BANK OF
4 REPAYMENT.--The President is authorized to provide
5 guarantees to the Bank for liabilities described in
6 paragraph (2) in order to satisfy the requirement of
7 section 2(b)(1)(B) of the Export-Import Bank Act of 1945
8 (12 U.S.C. 635(b)(1)(B)) that the Bank have reasonable
9 assurance of repayment.

10 `` (2) LIABILITIES WHICH MAY BE GUARANTEED.--The
11 liabilities that may be guaranteed under paragraph (1)
12 are liabilities incurred by the Bank in connection with
13 guarantees or insurance provided under the Export-Import
14 Bank Act of 1945 for financing for transactions involving
15 the export of goods and services for the use of the
16 private sector in Poland.

17 `` (b) GUARANTEES AVAILABLE ONLY FOR SHORT-TERM GUARANTEES
18 AND INSURANCE.--Guarantees provided under subsection (a)
19 shall be for short-term guarantees and insurance extended by
20 the Bank which shall be repayable within a period not to
21 exceed one year from the date of arrival at the port of
22 importation of the goods and services covered by such
23 guarantees or insurance.

24 `` (c) AGREEMENT ON CRITERIA AND PROCEDURES.--Guarantees
25 or insurance extended by the Bank and guaranteed pursuant to

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1 subsection (a) shall be provided by the Bank in accordance
2 with criteria and procedures agreed to by the Administrator
3 and the Bank.

4 ``(d) RESERVE FUND.--The agreement referred to in
5 subsection (c) shall also provide for the establishment of a
6 reserve fund by the administering agency, with such funds
7 made available to the reserve as the Administrator deems
8 necessary to discharge liabilities under guarantees provided
9 under subsection (a).

10 ``(e) DISCHARGE OF LIABILITIES.--

11 ``(1) FUNDS WHICH MAY BE USED.--Such amounts of the
12 funds made available to carry out chapter 4 of part II of
13 this Act (relating to the economic support fund) as the
14 President determines are necessary may be made available
15 to discharge liabilities under guarantees entered into
16 under subsection (a).

17 ``(2) CREDITING OF SUBSEQUENT PAYMENTS.--To the
18 extent that any of the funds made available pursuant to
19 paragraph (1) are paid out for a claim arising out of
20 liabilities guaranteed under subsection (a), amounts
21 received after the date of such payment, with respect to
22 such claim, shall be credited to the reserve fund
23 established pursuant to subsection (d), shall be merged
24 with the funds in such reserve, and shall be available
25 for the purpose of payments by the Administrator to the

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1 Bank for guarantees under subsection (a).

2 `` (f) APPROPRIATIONS ACTION REQUIRED.--Commitments to
3 guarantee under subsection (a) are authorized only to the
4 extent and in the amounts provided in advance in
5 appropriations Acts.

6 `` (g) LIMITATION ON OUTSTANDING COMMITMENTS.--The
7 aggregate amount of outstanding commitments under subsection
8 (a) may not exceed \$200,000,000 of contingent liability for
9 loan principal during any fiscal year.

10 `` (h) BIENNIAL REPORTS TO CONGRESS.--Every 6 months, the
11 Administrator and the President of the Bank shall prepare and
12 transmit to the Speaker of the House of Representatives and
13 the Chairman of the Committee on Foreign Relations of the
14 Senate a report on the amount and extension of guarantees and
15 insurance provided by the Bank and guaranteed under this
16 section during the preceding 6-month period.

17 `` (i) ADMINISTRATIVE AND TECHNICAL ASSISTANCE.--The Bank
18 shall provide, without reimbursement, such administrative and
19 technical assistance to the administering agency as the Bank
20 and the Administrator determine appropriate to assist the
21 administering agency in carrying out this section.

22 `` (j) FEES AND PREMIUMS.--The Bank is authorized to
23 charge fees and premiums, in connection with guarantees or
24 insurance guaranteed by the administering agency under
25 subsection (a), that are commensurate (in the judgment of the

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1 Bank) with the Bank's administrative costs and the risks
2 covered by the agency's guarantees. Any amounts received by
3 the Bank in excess of the estimated costs incurred by the
4 Bank in administering such guarantees or insurance--

5 ``(1) shall be credited to the reserve fund
6 established pursuant to subsection (d),

7 ``(2) shall be merged with the funds in such reserve,
8 and

9 ``(3) shall be available for the purpose of payments
10 by the administering agency to the Bank for guarantees
11 under subsection (a).

12 ``(k) RESTRICTIONS NOT APPLICABLE.--Prohibitions on the
13 use of foreign assistance funds for assistance for Poland
14 shall not apply with respect to the funds made available to
15 carry out this section.

16 ``(1) EXPIRATION OF AUTHORITY.--The President may not
17 enter into any commitments to guarantee under subsection (a)
18 after September 30, 1992.

19 ``(m) DEFINITIONS.--For purposes of this section--

20 ``(1) the term 'administering agency' means the
21 Agency for International Development;

22 ``(2) the term 'Administrator' means the
23 Administrator of the Agency for International
24 Development; and

25 ``(3) the term 'Bank' means the Export-Import Bank of

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1 the United States.''.
2

3 (b) CONFORMING AMENDMENT.--Section 224 of that Act is
4 amended by inserting ``FOR CENTRAL AMERICA`` after
5 ``PROGRAM`` in the section caption.

6 (c) CONFORMING REFERENCE.--With respect to Poland, any
7 reference in the Foreign Operations, Export Financing, and
8 Related Programs Appropriations Act, 1990, to section 224 of
9 the Foreign Assistance Act of 1961 shall be deemed to be a
10 reference to section 225 of that Act (as enacted by this
11 section).

12 **SEC. 305. TRADE AND DEVELOPMENT PROGRAM ACTIVITIES FOR POLAND
13 AND HUNGARY.**

14 In order to permit expansion of the Trade and Development
15 Program into Poland and Hungary, there are authorized to be
16 appropriated \$6,000,000 for the 3-year period beginning
17 October 1, 1989, to carry out section 661 of the Foreign
18 Assistance Act of 1961 (22 U.S.C. 2241), in addition to
19 amounts otherwise available for such purpose.

20 **SEC. 306. BILATERAL INVESTMENT TREATIES WITH POLAND AND
21 HUNGARY.**

22 The Congress urges the President to seek bilateral
23 investment treaties with Poland and Hungary in order to
24 establish a more stable legal framework for United States
25 investment in those countries.

SEC. 307. CERTAIN POLISH BONDS NOT SUBJECT TO INTERNAL

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1 REVENUE CODE RULES RELATING TO BELOW-MARKET
2 LOANS.

3 (a) IN GENERAL.--Paragraph (5) of section 1812(b) of the
4 Tax Reform Act of 1986 is amended--

5 (1) by inserting ``or Poland`` after ``Israel`` in
6 the text thereof, and

7 (2) by inserting ``OR POLISH`` after ``ISRAEL`` in
8 the heading thereof.

9 (b) EFFECTIVE DATE.--The amendments made by this section
10 shall apply to obligations issued after the date of the
11 enactment of this Act.

12 TITLE IV--EDUCATIONAL, CULTURAL, AND SCIENTIFIC ACTIVITIES
13 SEC. 401. EDUCATIONAL AND CULTURAL EXCHANGES AND SISTER
14 INSTITUTIONS PROGRAMS WITH POLAND AND HUNGARY.

15 (a) EDUCATIONAL AND CULTURAL EXCHANGES.--

16 (1) SUPPORT FOR EXPANDED U.S. PARTICIPATION.--The
17 United States should expand its participation in
18 educational and cultural exchange activities with Poland
19 and Hungary, using the full array of existing
20 government-funded and privately-funded programs, with
21 particular emphasis on the J. William Fulbright
22 Educational Exchange Program, the International Visitors
23 Program, the Samantha Smith Memorial Exchange Program,
24 the exchange programs of the National Academy of
25 Sciences, youth and student exchanges through such

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1 private organizations as The Experiment in International
2 Living, The American Field Service Committee, and Youth
3 for Understanding, and research exchanges sponsored by
4 the International Research and Exchanges Board (IREX).

5 (2) EMPHASIS ON SKILLS IN BUSINESS AND

6 ECONOMICS.--The United States should place particular
7 emphasis on expanding its participation in educational
8 exchange activities that will assist in developing the
9 skills in business and economics that are necessary for
10 the development of a free market economy in Poland and
11 Hungary.

12 (b) BINATIONAL FULBRIGHT COMMISSIONS.--The United States
13 should take all appropriate action to establish binational
14 Fulbright commissions with Poland and Hungary in order to
15 facilitate and enhance academic and scholarly exchanges with
16 those countries.

17 (c) RECIPROCAL CULTURAL CENTERS.--The President should
18 consider the establishment of reciprocal cultural centers in
19 Poland and the United States and in Hungary and the United
20 States to facilitate government-funded and privately-funded
21 cultural exchanges.

22 (d) SISTER INSTITUTIONS PROGRAMS.--The President shall
23 act to encourage the establishment of ``sister institution``
24 programs between American and Polish organizations and
25 between American and Hungarian organizations, including such

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1 organizations as institutions of higher education, cities and
2 towns, and organizations in such fields as medicine and
3 health care, business management, environmental protection,
4 and agricultural research and marketing.

5 (e) AUTHORIZATION OF APPROPRIATIONS.--To enable the
6 United States Information Agency to support the activities
7 described in this section, there are authorized to be
8 appropriated \$12,000,000 for the 3-year period beginning
9 October 1, 1989, in addition to amounts otherwise available
10 for such purposes.

11 SEC. 402. POLAND-HUNGARY SCHOLARSHIP PARTNERSHIP.

12 (a) ESTABLISHMENT OF SCHOLARSHIP PROGRAM.--The
13 Administrator of the Agency for International Development is
14 authorized to establish and administer a program of
15 scholarship assistance, in cooperation with State
16 governments, universities, community colleges, and
17 businesses, to provide scholarships to enable students from
18 Poland and Hungary to study in the United States.

19 (b) EMPHASIS ON BUSINESS AND ECONOMICS.--The scholarship
20 program provided for in this section shall emphasis
21 scholarships to enable students from Poland and Hungary to
22 study business and economics in the United States. Such
23 scholarships may be provided for study in programs that range
24 from the standard management courses to more specialized
25 assistance in commercial banking and the creation of a stock

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1 market.

2 (c) GRANTS TO STATES.--In carrying out this section, the
3 Administrator may make grants to States to provide
4 scholarship assistance for undergraduate or graduate degree
5 programs, and training programs of one year or longer, in
6 study areas related to the critical development needs of
7 Poland and Hungary.

8 (d) CONSULTATION WITH STATES.--The Administrator shall
9 consult with the participating States with regard to the
10 educational opportunities available within each State and on
11 the assignment of scholarship recipients.

12 (e) FEDERAL SHARE.--The Federal share for each year for
13 which a State receives payments under this section shall not
14 be more than 50 percent.

15 (f) NON-FEDERAL SHARE.--The non-Federal share of payments
16 under this section may be in cash, including the waiver of
17 tuition or the offering of in-State tuition or housing
18 waivers or subsidies, or in-kind fairly evaluated, including
19 the provision of books or supplies.

20 (g) FORGIVENESS OF SCHOLARSHIP ASSISTANCE.--The
21 obligation of any recipient to reimburse any entity for any
22 or all scholarship assistance provided under this section
23 shall be forgiven upon the recipient's prompt return to
24 Poland or Hungary, as the case may be, for a period which is
25 at least one year longer than the period spent studying in

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1 the United States with scholarship assistance.

2 (h) PRIVATE SECTOR PARTICIPATION.--To the maximum extent
3 practicable, each participating State shall enlist the
4 assistance of the private sector to enable the State to meet
5 the non-Federal share of payments under this section.

6 Wherever appropriate, each participating State shall
7 encourage the private sector to offer internships or other
8 opportunities consistent with the purposes of this section to
9 students receiving scholarships under this section.

10 (i) FUNDING.--Grants to States pursuant to this section
11 shall be made with funds made available to carry out chapter
12 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C.
13 2151 and following; relating to development assistance) or
14 chapter 4 of part II of that Act (22 U.S.C. 2346 and
15 following; relating to the economic support fund). In
16 addition to amounts otherwise available for such purpose
17 under those chapters, there are authorized to be appropriated
18 \$10,000,000 for the 3-year period beginning October 1, 1989,
19 for use in carrying out this section.

20 (j) RESTRICTIONS NOT APPLICABLE.--Prohibitions on the use
21 of foreign assistance funds for assistance for Poland and
22 Hungary shall not apply with respect to the funds made
23 available to carry out this section.

24 (k) DEFINITION OF STATE.--As used in this section, the
25 term ``State`` means each of the several States, the District

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1 of Columbia, the Commonwealth of Puerto Rico, Guam, American
2 Samoa, the Virgin Islands, the Trust Territory of the Pacific
3 Islands, and the Commonwealth of the Northern Mariana
4 Islands.

5 **SEC. 403. SCIENCE AND TECHNOLOGY EXCHANGE WITH POLAND AND**
6 **HUNGARY.**

7 (a) **AGREEMENT WITH POLAND.**--There are authorized to be
8 appropriated to the Secretary of State for purposes of
9 continuing to implement the 1987 United States-Polish science
10 and technology agreement--

- 11 (1) \$1,500,000 for fiscal year 1990,
12 (2) \$2,000,000 for fiscal year 1991, and
13 (3) \$2,000,000 for fiscal year 1992.

14 (b) **AGREEMENT WITH HUNGARY.**--There are authorized to be
15 appropriated to the Secretary of State for purposes of
16 implementing the 1989 United States-Hungarian science and
17 technology agreement--

- 18 (1) \$500,000 for fiscal year 1990,
19 (2) \$1,000,000 for fiscal year 1991, and
20 (3) \$1,000,000 for fiscal year 1992.

21 (c) **DEFINITION OF AGREEMENTS BEING FUNDED.**--For purposes
22 of this section--

- 23 (1) the term ``1987 United States-Polish science and
24 technology agreement'' refers to the agreement concluded
25 in 1987 by the United States and Poland, entitled

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1 ``Agreement Between the Government of the United States
2 of America and the Polish People's Republic on
3 Cooperation in Science and Technology and Its Funding'',
4 together with annexes relating thereto; and

5 (2) the term ``1989 United States-Hungarian science
6 and technology agreement'' refers to the agreement
7 concluded in 1989 by the United States and Hungary,
8 entitled ``Agreement Between the Government of the United
9 States of America and the Government of the Hungarian
10 People's Republic for Scientific and Technology
11 Cooperation'', together with annexes relating thereto.

12 **TITLE V--OTHER ASSISTANCE PROGRAMS**

13 **SEC. 501. ASSISTANCE IN SUPPORT OF DEMOCRATIC INSTITUTIONS IN**
14 **POLAND AND HUNGARY.**

15 (a) **AUTHORIZATION OF ASSISTANCE.**--In addition to amounts
16 otherwise available for such purposes, there are authorized
17 to be appropriated to carry out chapter 4 of part II of the
18 Foreign Assistance Act of 1961 (22 U.S.C. 2346 and following;
19 relating to the economic support fund) \$12,000,000 for the
20 3-year period beginning October 1, 1989, which shall be
21 available only for the support of democratic institutions and
22 activities in Poland and Hungary.

23 (b) **NONAPPLICABILITY OF OTHER LAWS.**--Assistance may be
24 provided under this section notwithstanding any other
25 provision of law.

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1 SEC. 502. ENVIRONMENTAL INITIATIVES FOR POLAND AND HUNGARY.

2 (a) PRIORITY FOR THE CONTROL OF POLLUTION.--The Congress
3 recognizes the severe pollution problems affecting Poland and
4 Hungary and the serious health problems which ensue from such
5 pollution. The Congress therefore directs that a high
6 priority be given in the implementation of assistance to
7 Poland and Hungary to the control of pollution and the
8 restoration of the natural resource base on which a
9 sustainable, healthy economy depends.

10 (b) EPA ACTIVITIES GENERALLY.--In addition to specific
11 authorities contained in any of the environmental statutes
12 administered by the Environmental Protection Agency, the
13 Administrator of that Agency (hereinafter in this section
14 referred to as the ``Administrator'') is authorized to
15 undertake such educational, policy training, research, and
16 technical and financial assistance, monitoring, coordinating,
17 and other activities as the Administrator may deem
18 appropriate, either alone or in cooperation with other United
19 States or foreign agencies, governments, or public or private
20 institutions, in protecting the environment in Poland and
21 Hungary.

22 (c) EPA ACTIVITIES IN POLAND.--The Administrator shall
23 cooperate with Polish officials and experts to--

24 (1) establish an air quality monitoring network in
25 the Krakow metropolitan area as a part of Poland's

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1 national air monitoring network; and

2 (2) improve both water quality and the availability
3 of drinking water in the Krakow metropolitan area.

4 (d) EPA ACTIVITIES IN HUNGARY.--The Administrator shall
5 work with other United States and Hungarian officials and
6 private parties to establish and support a regional center in
7 Budapest for facilitating cooperative environmental
8 activities between governmental experts and public and
9 private organizations from the United States and Eastern and
10 Western Europe.

11 (e) FUNDING OF EPA ACTIVITIES.--To enable the
12 Environmental Protection Agency to carry out subsections (b),
13 (c), and (d), there are authorized to be appropriated
14 \$10,000,000 for the 3-year period beginning October 1, 1989,
15 to carry out chapter 1 of part I of the Foreign Assistance
16 Act of 1961 (22 U.S.C. 2151 and following; relating to
17 development assistance) or chapter 4 of Part II of that Act
18 (22 U.S.C. 2346 and following; relating to the economic
19 support fund). These funds may be used to carry out those
20 subsections notwithstanding any provision of law relating to
21 the use of foreign assistance funds.

22 (f) DEPARTMENT OF ENERGY ACTIVITIES RELATING TO FOSSIL
23 FUELS.--

24 (1) CLEAN COAL.--The Secretary of Energy shall
25 cooperate with Polish officials and experts to retrofit a

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1 coal-fired commercial powerplant in the Krakow, Poland,
2 region with advanced clean coal technology that has been
3 successfully demonstrated at a comparably scaled
4 powerplant in the United States. Such retrofit shall be
5 carried out by one or more United States companies using
6 United States technology and equipment manufactured in
7 the United States. The Secretary may vest title in any
8 property acquired under this paragraph in an entity other
9 than the United States.

10 (2) EQUIPMENT ASSESSMENT.--The Secretary of Energy
11 shall cooperate with Polish officials and experts and
12 companies within the United States to assess and develop
13 the capability within Poland to manufacture or modify
14 boilers, furnaces, smelters, or other equipment that will
15 enable industrial facilities within Poland to use fossil
16 fuels cleanly. The Secretary may vest title in any
17 property acquired under this paragraph in an entity other
18 than the United States.

19 (3) AUTHORIZATION OF APPROPRIATIONS.--To carry out
20 paragraphs (1) and (2) of this subsection, there are
21 authorized to be appropriated \$30,000,000 for the 3-year
22 period beginning October 1, 1989. Not more than
23 \$10,000,000 of the funds appropriated under this
24 paragraph may be used to carry out the requirements of
25 paragraph (1).

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1 (g) PRIORITY FOR EFFICIENT ENERGY USE.--In view of the
2 high energy usage per unit of output in Hungary and Poland,
3 the Secretary of Energy shall give high priority to assisting
4 officials of Poland and Hungary in improving the efficiency
5 of their energy use, through emphasis on such measures as
6 efficient motors, lights, gears, and appliances and
7 improvements in building insulation and design.

8 (h) ALTERNATIVE INVESTMENTS IN ENERGY IN HUNGARY.--It is
9 the sense of the Congress that the Executive branch should
10 work with the Government of Hungary to achieve
11 environmentally safe alternative investments in energy
12 efficiency, particularly with regard to projects along the
13 Danube River.

14 SEC. 503. MEDICAL SUPPLIES, HOSPITAL EQUIPMENT, AND MEDICAL
15 TRAINING FOR POLAND.

16 (a) AUTHORIZATION OF ASSISTANCE.--In addition to amounts
17 otherwise available for such purposes, there are authorized
18 to be appropriated to carry out chapter 4 of part II of the
19 Foreign Assistance Act of 1961 (22 U.S.C. 2346 and following;
20 relating to the economic support fund) \$4,000,000 for the
21 3-year period beginning October 1, 1989, which shall be
22 available only--

23 (1) for providing medical supplies and hospital
24 equipment to Poland through private and voluntary
25 organizations, including for the expenses of purchasing,

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1 transporting, and distributing such supplies and
2 equipment, and

3 (2) for training of Polish medical personnel.

4 (b) **NONAPPLICABILITY OF OTHER LAWS.**--Assistance may be
5 provided under this section notwithstanding any other
6 provision of law, other than--

7 (1) section 104(f) of the Foreign Assistance Act of
8 1961 (22 U.S.C. 2151b(f); relating to the prohibition on
9 the use of funds for abortions and involuntary
10 sterilizations), and

11 (2) any provision of the annual Foreign Operations,
12 Export Financing, and Related Programs Appropriations Act
13 that relates to abortion.

14 **TITLE VI--ADDITIONAL SEED PROGRAM ACTIONS**

15 **SEC. 601. POLICY COORDINATION OF SEED PROGRAM.**

16 The President shall designate, within the Department of
17 State, a SEED Program coordinator who shall be directly
18 responsible for overseeing and coordinating all programs
19 described in this Act and all other activities that the
20 United States Government conducts in furtherance of the
21 purposes of this Act.

22 **SEC. 602. SEED INFORMATION CENTER SYSTEM.**

23 (a) **ESTABLISHMENT.**--The President shall establish a SEED
24 Information Center System, using existing Executive branch
25 agencies and acting in cooperation with the Government of

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1 Poland and the Government of Hungary.

2 (b) FUNCTIONS.--

3 (1) IN GENERAL.--The SEED Information Center System
4 shall serve as a central clearinghouse mechanism for
5 information relating to--

6 (A) business needs and opportunities in Eastern
7 Europe, and

8 (B) voluntary assistance to countries in Eastern
9 Europe.

10 (2) PRIVATE ENTERPRISE DEVELOPMENT.--The SEED
11 Information Center System shall be organized, among other
12 purposes, to encourage--

13 (A) the submission of economically sound
14 proposals to the Polish-American Enterprise Fund and
15 Hungarian-American Enterprise Fund, and

16 (B) other sources of finance for the development
17 of private enterprise in Eastern Europe.

18 (c) LOCATION.--The SEED Information Center System shall
19 be based jointly in Washington, District of Columbia; Warsaw,
20 Poland; and Budapest, Hungary; and should it become
21 appropriate, the capitals of other East European countries.

22 SEC. 603. ENCOURAGING VOLUNTARY ASSISTANCE FOR POLAND AND
23 HUNGARY.

24 (a) ENCOURAGING PRIVATE CONTRIBUTIONS.--It is the sense
25 of the Congress that the President should take all possible

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1 steps to encourage across the Nation a massive outpouring of
2 private contributions of money and nonperishable foods, to be
3 collected by civic, religious, school, and youth
4 organizations, for assistance to Poland and to refugees from
5 Romania who are in Hungary.

6 (b) TRANSPORTATION TO POLAND OF PRIVATE
7 CONTRIBUTIONS.--In further of subsection (a), the President--

8 (1) using all available authorities, including
9 section 402 of title 10, United States Code (relating to
10 transportation of humanitarian relief supplies), should
11 use resources of the Department of Defense (including the
12 National Guard) to transport nonfinancial private
13 contributions to Poland,

14 (2) should request additional authorities as needed
15 for the use of those resources for that purpose; and

16 (3) should encourage maximum participation by such
17 recognized private and voluntary organizations as the
18 Polish-American Congress in the transportation of
19 nonfinancial private contributions to Poland.

20 SEC. 604. ECONOMIC AND COMMERCIAL OFFICERS AT UNITED STATES

21 EMBASSIES AND MISSIONS IN POLAND AND HUNGARY.

22 It is the sense of the Congress that, to the extent
23 practicable--

24 (1) the United States Embassy in Budapest, Hungary,
25 should be assigned one additional economic and commercial

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1 officer;

2 (2) the United States Embassy in Warsaw, Poland,
3 should be assigned one additional economic officer and
4 one additional commercial officer;

5 (3) the United States Trade Center in Warsaw, Poland,
6 should be assigned one additional economic and commercial
7 officer; and

8 (4) the United States mission in Krakow, Poland,
9 should be assigned one additional economic and commercial
10 officer.

11 TITLE VII--REPORTS TO CONGRESS

12 SEC. 701. REPORT ON INITIAL STEPS TAKEN BY UNITED STATES AND
13 ON POLAND'S REQUIREMENT FOR AGRICULTURAL
14 ASSISTANCE.

15 (a) INITIAL REPORT.--Not later than 60 days after the
16 date of enactment of this Act, the President shall submit a
17 report to the Congress--

18 (1) describing the steps taken by the United States
19 Government pursuant to title I, in particular sections
20 102(a) and (b);

21 (2) assessing Poland's requirements for additional
22 agricultural assistance during fiscal year 1990 and its
23 requirements for agricultural assistance during fiscal
24 years 1991 and 1992; and

25 (3) specifying how much agricultural assistance the

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1 President proposes be provided by the United States to
2 meet those requirements.

3 (b) UPDATING ASSESSMENTS.--As additional information
4 becomes available, the President shall provide to the
5 Congress revised assessments of Poland's requirements for
6 agricultural assistance during fiscal years 1991 and 1992,
7 specifying how much agricultural assistance the President
8 proposes be provided by the United States to meet those
9 requirements.

10 SEC. 702. REPORT ON CONFIDENCE BUILDING MEASURES BY POLAND
11 AND HUNGARY.

12 Not later than 180 days after the date of enactment of
13 this Act, the President shall submit a report to the Congress
14 identifying--

15 (1) the confidence building measures Poland and
16 Hungary could undertake to facilitate the negotiation of
17 agreements, including bilateral customs and technology
18 transfer agreements, that would encourage greater direct
19 private sector investment in that country; and

20 (2) the confidence building measures Poland and
21 Hungary could undertake with respect to the treatment
22 accorded those countries under the Export Administration
23 Act of 1979.

24 SEC. 703. REPORT ON ENVIRONMENTAL PROBLEMS IN POLAND AND
25 HUNGARY.

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1 The first report submitted pursuant to section 704 shall
2 include the following:

3 (1) ASSESSMENT OF PROBLEMS.--An overall assessment of
4 the environmental problems facing Poland and Hungary,
5 including--

6 (A) a relative ranking of the severity of the
7 problems and their effects on both human health and
8 the general environment;

9 (B) a listing of the geographical areas of each
10 country that have suffered the heaviest environmental
11 damage, and a description of the source and scope of
12 the damage; and

13 (C) an assessment of the environmental
14 performance of leading industrial polluters in those
15 countries and the expected effect on pollution levels
16 of industrial modernization.

17 (2) PRIORITIES AND COSTS FOR ACTION.--An analysis of
18 the priorities that Poland and Hungary should each assign
19 in addressing its environmental problems, and an estimate
20 of the capital and human resources required to undertake
21 a comprehensive program of environmental protection in
22 that country.

23 (3) ROLE OF UNITED STATES AND MULTILATERAL
24 ASSISTANCE.--A statement of strategy for United States
25 assistance for the next 5 years to address environmental

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1 problems in Poland and Hungary, including--

2 (A) recommendations for appropriate levels and
3 forms of bilateral financial and technical
4 assistance;

5 (B) recommendations concerning United States
6 participation in cooperative multilateral
7 undertakings;

8 (C) an assessment of the feasibility of
9 debt-for-nature swaps as a technique of environmental
10 protection in each country; and

11 (D) recommendations for minimizing further
12 environmental damage to Krakow, and for the
13 protection and restoration of historic sites in that
14 city.

15 **SEC. 704. ANNUAL SEED PROGRAM REPORT.**

16 (a) **FINDINGS.**--The Congress finds that--

17 (1) in order to provide the President with maximum
18 flexibility and opportunity for innovation in
19 implementation of the SEED Program, this Act sets forth
20 general goals and modalities for the support of democracy
21 and economic pluralism in Eastern Europe;

22 (2) prompt United States action in devising specific
23 measures to achieve the goals outlined in this Act will
24 be crucial in generating the public awareness, and the
25 international commitment, necessary for United States

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1 leadership of a successful multilateral program of
2 assistance in Eastern Europe; and

3 (3) clear-cut delineation of such United States
4 actions at an early date is integral to United States
5 leadership of this effort.

6 (b) INITIAL SEED PROGRAM REPORT.--Accordingly, the first
7 report pursuant to subsection (c) shall be a comprehensive
8 report that includes a full description of all SEED Actions
9 taken pursuant to each provision of this Act since the
10 enactment of this Act.

11 (c) ANNUAL SEED PROGRAM REPORT.--Not later than January
12 31 of each year (beginning in 1991), the President shall
13 submit to the Congress a ``Report on the United States
14 Program of Support for East European Democracy (the SEED
15 Program)``. Each such report shall describe the assistance
16 provided to each East European country under this Act during
17 the preceding fiscal year. In addition, each such report
18 shall contain an assessment of the progress made by each such
19 recipient country in--

20 (1) implementing economic policies designed to
21 promote sustained economic growth, develop economic
22 freedom, and increase opportunities for the people of
23 that country; and

24 (2) adopting and implementing constitutional, legal,
25 and administrative measures that--

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1 (A) affect the powers of the executive and
2 legislative authorities and the independence of the
3 judiciary,

4 (B) affect the formation and operation of
5 independent political parties, groups, associations,
6 or organizations, or

7 (C) affect fundamental human rights and civil
8 liberties.

9 **SEC. 705. REPORTS ON CERTAIN ACTIVITIES.**

10 At the same time each report is submitted pursuant to
11 section 704(c), the President shall submit to the appropriate
12 committees of the Congress a report on the extent of
13 espionage activities against the United States and other
14 member countries of the North Atlantic Treaty Organization by
15 operatives of the government of any East European country
16 that is receiving assistance under this Act. Such reports may
17 be submitted in classified form.

18 **SEC. 706. NOTIFICATIONS TO CONGRESS REGARDING ASSISTANCE.**

19 Section 634A of the Foreign Assistance Act of 1961 (22
20 U.S.C. 2394-1; relating to reprogramming notifications)
21 applies with respect to obligations of funds made available
22 under that Act to carry out this Act, notwithstanding any
23 other provision of this Act.

24 **TITLE VIII--MISCELLANEOUS PROVISIONS**

25 **SEC. 801. SUSPENSION OF SEED ASSISTANCE.**

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1 The President should suspend all assistance to an East
2 European country pursuant to this Act if the President
3 determines, and reports to the Congress, that--

4 (1) that country is engaged in international
5 activities that directly threaten United States national
6 security interests;

7 (2) the president or any other government official of
8 that country initiates martial law or a state of
9 emergency for reasons other than to respond to a natural
10 disaster or a foreign invasion; or

11 (3) any member who was elected to that country's
12 parliament has been removed from that office or arrested
13 through extraconstitutional processes.

14 **SEC. 802. ESTABLISHMENT OF THE REPUBLIC OF HUNGARY.**

15 (a) **FINDINGS.**--The Congress finds that--

16 (1) on October 23, 1989, in a public ceremony in
17 Budapest, the acting President of Hungary declared the
18 Hungarian state to be an independent, democratic Republic
19 of Hungary;

20 (2) this public ceremony was held on the 33d
21 anniversary of Hungary's 1956 revolution that was
22 bloodily suppressed by Soviet troops;

23 (3) this public ceremony was held in the same Kossuth
24 Square where the first mass rally of the 1956 revolution
25 was held;

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1 (4) as a further symbol of Hungary's faithfulness to
2 the legacy of the revolution of 1956, the declaration by
3 the acting President was made from the same balcony from
4 which Imre Nagy, the martyred Prime Minister of the
5 revolutionary government of 1956, addressed the citizens
6 of Budapest 33 years before;

7 (5) the heroic revolt and freedom fight of the
8 Hungarian people in 1956 was an inspirational event,
9 reminding a generation of Americans of the sacrifices
10 people are willing to undertake as the price of liberty;
11 and

12 (6) the present efforts of the Hungarian people to
13 validate the legacy of the revolution of 1956 by
14 establishing a free, independent, and prosperous Hungary
15 have gained the sympathy and admiration of the American
16 people.

17 (b) CONGRESSIONAL DECLARATIONS.--The Congress--

18 (1) congratulates the people of Hungary on the
19 declaration of a Republic of Hungary committed to
20 democratic principles; and

21 (2) expresses its desire to enhance the friendly
22 relations between the people of Hungary and the people of
23 the United States and between their respective
24 governments.

25 SEC. 803. ADMINISTRATIVE EXPENSES OF THE AGENCY FOR

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1 **INTERNATIONAL DEVELOPMENT.**

2 For the purpose of paying administrative expenses
3 incurred in connection with carrying out its functions under
4 this Act, the Agency for International Development may use up
5 to \$500,000 each fiscal year of the funds made available to
6 the Agency under this Act.

7 **SEC. 804. RELATION OF PROVISIONS OF THIS ACT TO CERTAIN**
8 **PROVISIONS OF APPROPRIATIONS ACT.**

9 Any provision of the annual Foreign Operations, Export
10 Financing, and Related Programs Appropriations Act that
11 provides that assistance for Poland or Hungary under that Act
12 may be provided notwithstanding any other provision of law
13 shall not supersede any requirement of this Act.

14 **SEC. 805. CERTAIN USES OF EXCESS FOREIGN CURRENCIES.**

15 (a) **AUTHORITY TO USE.**--During fiscal year 1990, the
16 Administrator of the Agency for International Development may
17 use, for the purposes described in subsection (b), such sums
18 of foreign currencies described in subsection (c) as the
19 Administrator may determine, subject to subsection (f).

20 (b) **PURPOSES FOR WHICH CURRENCY MAY BE USED.**--Foreign
21 currencies may be used under this section--

22 (1) for the same purposes for which assistance may be
23 provided under part I of the Foreign Assistance Act of
24 1961 (22 U.S.C. 2151 and following; relating to economic
25 assistance), and

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1 (2) for the support of any institution providing
2 education for a significant number of United States
3 nationals (who may include members of the United States
4 Armed Forces or the Foreign Service or dependents of such
5 members).

6 (c) CURRENCIES WHICH MAY BE USED.--The foreign currencies
7 which may be used under this section are United States-owned
8 excess foreign currencies that are in excess of amounts
9 necessary for satisfaction of preexisting commitments to use
10 such currencies for other purposes specified by law.

11 (d) WHERE CURRENCIES MAY BE USED.--Foreign currencies may
12 be used under this section in the country where such
13 currencies are held or in other foreign countries.

14 (e) NONAPPLICABILITY OF OTHER PROVISIONS OF LAW.--Foreign
15 currencies may be used under this section notwithstanding
16 section 1306 of title 31, United States Code, or any other
17 provision of law.

18 (f) REQUIREMENT FOR APPROPRIATIONS ACTION.--The authority
19 of this section may be exercised only to such extent or in
20 such amount as may be provided in advance in an appropriation
21 Act.