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March 5, 1984

Jack:

Art Hartman mentioned you were concerned about funding for the Soviet-Eastern European Research Act. Here is the latest situation. We continue to work hard on it. See last two paragraphs for current financial situation. We will be in close touch with interested Hill staff.

Mark Palmer

File -
Sov & EE
Research & Training
Act -

Status of the "Soviet-East European Research and Training Act of 1983"

The "Soviet-East European Research and Training Act of 1983" (Title VIII of the Department of State Authorization Bill for FY 84 and 85) was passed by the Congress last session and signed by the President. The Department did not include funds for Title VIII in the FY 84 budget request to Congress but has done so for FY 85 in the amount of \$5 million. OMB approved both the amount of the request and the Department's desire to cite it as a separate line item. In a memorandum of February 3, 1984, M/COMP assured INR that the Bureau would not have to reprogram any of its funds (i.e., offset) to support Title VIII activities unless the Congressional appropriations committees did not accept the use of a separate line item (an unlikely event). With this in hand, Hugh Montgomery began the preliminary steps of committing resources to implementing the Title VIII program.

Early in the discussions over the Lugar-Hamilton bill, INR, in particular Paul Cook (and, quite deliberately, not the Office of Long-Range Assessments), was chosen as the coordinating point in the Department based on already well-established contacts in the academic community, experience in administering outside programs and expected ability to staff the program. Neither the Congressional sponsors nor their staff were upset by the prospect that a primarily academic program would be handled by the Department's intelligence bureau. Paul Cook has already been selected by Hugh Montgomery as the Executive Director-designate and a position as Paul's assistant is now being created in the Bureau to work entirely on Title VIII (handling arrangements for the Advisory Committee meetings, answering Congressional, personal, and academic correspondence, and processing the first round of grant proposals). The whole effort to pass and obtaining funding has involved close cooperation between Cook, SOV and M/COMP and consultation with EEY.

In his capacity as the Secretary's alternate as Chairman, Hugh Montgomery intends to call an informal meeting of the Advisory Committee for some time this spring to be followed by the first formal session in mid summer. After the summer meeting, an announcement in the name of the Secretary will be placed in the Federal Register and professional publications calling for proposals from national organizations to serve as conduits for Title VIII funds. We expect that the Kennan Institute, International Research and Exchanges Board, and National Council for Soviet and East European Research will submit a joint proposal. Assuming we successfully secure the FY 85 appropriation, the Secretary should be able to begin making grants on October 1.

EUR:MPalmer

John and I have discussed your interest in having a meeting of interested parties on the Research Act. It is not clear that a meeting at this time involving OMB, NSC, M/COMP, INR, etc., would accomplish anything useful.. With testimony before the House Appropriations Committee now scheduled for March 30, it seems a particularly bad time to begin what could turn into a critical review of a program that so far is on track. Any problems that we have had since we settled the issue of the form funding would take have, I think, been inspired by the unwillingness of Toumanoff and his ilk to let well enough alone. I am sure that they are the cause of nagging by the Congressional sponsors that we had no FY-84 funding, even though there was no money in the designated pot to draw on. I suspect that they have also been getting at Matlock. I suggest that rather than a meeting you have a quiet conversation with Jack and draw on the attached paper John has prepared.

In addition to the points John makes, I should note that EUR/SOV has involved itself closely in the selection of Paul's assistant and believes its candidate, a GS employee and former SOV intern with experience in graduate work in Soviet affairs, is a very strong favorite.

Byron

A question has been raised of why EUR is not the focal point for this program. EUR lacks resources, particularly personnel, and experience, and, as noted above, we informed the Congressional sponsors last summer that INR would coordinate Title VIII in the Department. The major organizations in the field have comfortable relations with INR; it is, for example, a longtime source of funding for the National Council. Having INR as the manager should provide continuity which EUR cannot offer, with almost all of its non-clerical positions classified as Foreign Service and thus subject to regular rotation. It is recognized, however, that vigilance will be necessary to keep this an independent operation within INR if it is to retain vigor and flexibility. To change management responsibilities now would complicate what should be a smooth appropriations process; a switch to EUR could be interpreted by the Congress and academic community as a sign of the Department's lack of sincere interest in implementing the goals of Title VIII and suggest early bungling of Department management of the program.

FY 85 Funding for Title VIII

M/COMP assures us that if the Department gets an appropriations bill for FY 85, Title VIII will receive the requested \$5 million. Because of the election campaigns, however, it is possible that the Congress will not get around to passing an appropriations bill and the Department will have to make do once again with a continuing resolution (CR). In this case, whether the Department receives the Title VIII money depends on how the CR is written. If the CR notes the appropriations committees' interest in Title VIII and refers to the committees' reports, then we could well obtain the requested funds. If the CR states that funding for the Department will remain as approved for FY 84, then because Title VIII was not funded this fiscal year and since an agency cannot initiate new programs under a CR, we will not have funds for this purpose. (In an off-the-record comment, M/COMP notes that in this situation it might be possible to "re-program" some funds internally for Title VIII start-up money.)

The timetable. The House Appropriations Committee will hold hearings the end of March (including testimony from INR) on the State budget, while the Secretary will testify before the Senate Appropriations Committee in early April. This means that mark-up is expected in late April and the bills could be considered for floor vote by mid to late June. Because of the impending political conventions and campaigns, the State bill might not make it to the floor in time to avert a CR.



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

July 1, 1983

C. Lehman
J. Matlock
P. Sommer
Your views!
Bud

PO-700

BUD

MEMORANDUM FOR: Robert C. McFarlane
Deputy Assistant to the President
for National Security Affairs

FROM: Alton G. Keel Jr. *AK*
Associate Director for National Security and
International Affairs

SUBJECT: H.R. 601, the Soviet-Eastern European
Research and Training Act of 1983

I am writing to seek your views and assistance in formulating a coherent Executive Branch position on H.R. 601, which would authorize a \$50 million endowment to support U.S. education and research on Soviet and Eastern European Affairs. On April 29, we returned to the State Department their proposed draft of a letter to the Congress supporting the bill. At that time we indicated OMB concerns about H.R. 601 and requested further information and justification. As yet we have received no reply and, in spite of a staff level meeting on May 25, no progress has been made in developing an Executive Branch position. Congressional consideration of the bill is proceeding without Executive Branch views.

Our concerns about the bill are threefold:

1. No adequate justification of the need for this new Federal activity has been provided by the Department. There has been no specification of the deficiencies in numbers or types of people or kinds of research that may exist. To the contrary there is some evidence that State has considerably more qualified applicants than it needs in the area of Eastern European studies. Moreover, it appears that private sector fund raising activities may finance any needed enhancements of university programs related to Eastern Europe.
2. To fund the bill as drafted would require \$50 million in budget authority beyond what has been requested by the President. As you know, the Administration has serious problems with the excessive funding levels contained in a number of the 1984 appropriation bills,

already reported or passed in the Congress. We have asked State to identify budget offsets that would make this additional request acceptable, but the Department has failed to respond.

3. The administrative provisions of the bill are not appropriate. No Federal agency is made responsible for the program and, therefore, adequate Federal financial oversight is lacking. Furthermore, a trust fund is not the appropriate funding mechanism, because no "trust" relationship would exist under the bill. Annual appropriations subject to Presidential review and congressional enactment are more appropriate.

On the basis of the above concerns, we are inclined to oppose the bill as it is presently drafted. However, we are aware that Judge Clark and some NSC staff members are particularly interested in it. We would appreciate your views on how the bill might be improved. Perhaps an annually appropriated research grant program under State's INR bureau would accomplish the same ends with significantly smaller first year costs.

Bob -

Frankly, this looks like a "nice-to-have", but low priority item in State. Private funding effort is preferred approach and apparently is on-going. It's tough to justify given other Foreign Assistance items which are highly unneeded.

Also, how much do we we have to survive in Congressional initiatives -- doesn't seem to be buying us much. Maybe we should learn to say "no" -
Appreciate your views -
H (A)

98TH CONGRESS
1ST SESSION

H. R. 601

To help ensure the Nation's independent factual knowledge of the Soviet Union and Eastern European countries, to help maintain the national capability for advanced research and training on which that knowledge depends, and to provide partial financial support for national programs to serve both purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1983

Mr. HAMILTON (for himself and Mr. SIMON) introduced the following bill; which was referred jointly to the Committees on Foreign Affairs and Education and Labor

A BILL

To help ensure the Nation's independent factual knowledge of the Soviet Union and Eastern European countries, to help maintain the national capability for advanced research and training on which that knowledge depends, and to provide partial financial support for national programs to serve both purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

4 SECTION 1. This Act may be cited as the "Soviet-East-
5 ern European Research and Training Act of 1983".

1 FINDINGS AND DECLARATIONS

2 SEC. 2. The Congress finds and declares that—

3 (1) factual knowledge, independently verified,
4 about the Soviet Union and Eastern European coun-
5 tries is of the utmost importance for the national secu-
6 rity of the United States, for the furtherance of our na-
7 tional interests in the conduct of foreign relations, and
8 for the prudent management of our domestic affairs;

9 (2) the development and maintenance of knowl-
10 edge about the Soviet Union and Eastern European
11 countries depends upon the national capability for ad-
12 vanced research by highly trained and experienced spe-
13 cialists, available for service in and out of Government;

14 (3) certain essential functions are necessary to
15 ensure the existence of that knowledge and the capa-
16 bility to sustain it, including—

17 (A) graduate training;

18 (B) advanced research;

19 (C) public dissemination of research data,
20 methods, and findings;

21 (D) contact and collaboration among Govern-
22 ment and private specialists and the facilitation of
23 research based on the extensive data holdings of
24 the United States Government; and

(E) firsthand experience of the Soviet Union and Eastern European countries by American specialists including onsite conduct of advanced training and research to the extent practicable;

(4) three existing institutions already organized to conduct the functions described in this section on a national scale are the National Council for Soviet and East European Research, the Woodrow Wilson International Center for Scholars, and the International Research and Exchanges Board of the American Council of Learned Societies; and

(5) it is in the national interest for the United States Government to provide a stable source of financial support for the functions described in this section and to supplement the financial support for those functions which is currently being furnished by Federal, local, State, regional, and private agencies, organizations, and individuals, and thereby to stabilize the conduct of these functions on a national scale, consistently, and on a long range basis.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "Board" means the International Research and Exchanges Board organized in 1968 by the

1 American Council of Learned Societies and the Social
2 Science Research Council;

3 (2) the term "Center" means the Woodrow
4 Wilson International Center for Scholars of the Smith-
5 sonian Institution;

6 (3) the term "Fund" means the Soviet-Eastern
7 European Research and Training Fund established by
8 section 4;

9 (4) the term "institution of higher education" has
10 the same meaning given such term in section 1201(a)
11 of the Higher Education Act of 1965;

12 (5) the term "National Council" means the Na-
13 tional Council for Soviet and East European Research,
14 a not-for-profit corporation organized under the laws of
15 the District of Columbia in 1978; and

16 (6) the term "Secretary" means the Secretary of
17 the Treasury.

18 ESTABLISHMENT OF THE SOVIET-EASTERN EUROPEAN

19 RESEARCH AND TRAINING FUND

20 SEC. 4. There is established in the Treasury of the
21 United States a trust fund to be known as the Soviet-Eastern
22 European Research and Training Fund. The Fund shall con-
23 sist of—

24 (1) amounts appropriated to it under section 5;
25 and

1 (2) interest and proceeds credited to it under sec-
2 tion (8)(c).

3 AUTHORIZATION OF APPROPRIATIONS FOR THE FUND

4 SEC. 5. Effective October 1, 1983, there are authorized
5 to be appropriated to the Fund, without fiscal year limitation,
6 \$50,000,000.

7 USES OF PAYMENTS FROM THE FUND

8 SEC. 6. (a) The interest on any obligations held in the
9 Fund shall be available for payments to the National Council,
10 upon approval of an application in accordance with section 7,
11 for use in accordance with subsection (b).

12 (b)(1) One part of the payments made in each fiscal year
13 shall be used by the National Council—

14 (A) in consultation with officials of the United
15 States Government designated by the Secretary of
16 State, to develop and keep current a research agenda
17 of fundamental research dealing with major policy
18 issues and questions of Soviet and Eastern European
19 development; and

20 (B) to conduct a national research program at the
21 postdoctoral or equivalent level in accordance with that
22 agenda, such program to include—

23 (i) the dissemination of information about the
24 research program and the solicitation of proposals
25 for research contracts from American institutions

1 of higher education and not-for-profit corporations,
2 which contracts shall contain shared-cost provi-
3 sions; and

4 (ii) the awarding of contracts for such re-
5 search projects as the Board of Trustees of the
6 National Council determines will best serve to
7 carry out the purposes of this Act after reviewing
8 the proposals submitted under clause (i).

9 (2) One part of the payments made in each fiscal year
10 shall be used by the National Council—

11 (A) to establish and carry out a program of gradu-
12 ate, postdoctoral, and teaching fellowships for ad-
13 vanced training in Soviet and Eastern European stud-
14 ies and related studies, such program—

15 (i) to be coordinated with the research pro-
16 gram described in paragraph (1);

17 (ii) to be conducted, on a shared-cost basis,
18 at American institutions of higher education; and

19 (iii) to include—

20 (I) the dissemination of information on
21 the fellowship program and the solicitation of
22 applications for fellowships from qualified in-
23 stitutions of higher education and qualified
24 individuals; and

1 (II) the awarding of such fellowships as
2 the Board of Trustees of the National Coun-
3 cil determines will best serve to carry out
4 the purposes of this Act after reviewing ap-
5 plications submitted under subclause (I); and

6 (B) to disseminate research, data, and findings on
7 Soviet and Eastern European studies and related fields
8 in such a manner and to such extent as the Board of
9 Trustees of the National Council determines will best
10 serve to carry out the purposes of this Act.

11 (3) One part of the payments made in each fiscal year to
12 the National Council shall be used for payments to the
13 Center—

14 (A) to provide fellowship support and research
15 facilities in the District of Columbia for American spe-
16 cialists in the fields of Soviet and Eastern European
17 studies and related studies to conduct advanced re-
18 search with particular emphasis upon the use of data
19 on the Soviet Union and Eastern European countries;
20 and

21 (B) to conduct seminars, conferences, and other
22 similar workshops designed to facilitate research col-
23 laboration between Government and private specialists
24 in the fields of Soviet and East European studies and
25 related studies.

1 (4) One part of the payments made in each fiscal year to
2 the National Council shall be used for payments to the Board
3 to conduct specialized programs in advanced training and re-
4 search on a reciprocal basis in the Union of Soviet Socialist
5 Republics and the countries of Eastern Europe designed to
6 facilitate access for American specialists to research insti-
7 tutes, personnel, archives, documentation, and other research
8 and training resources located in the Union of Soviet Social-
9 ist Republics and Eastern European countries.

10 APPLICATIONS; PAYMENTS TO THE NATIONAL COUNCIL

11 SEC. 7. (a) The National Council shall prepare and
12 submit an application to the Secretary once each fiscal year.
13 Each such application shall—

14 (1) provide a description of the purposes for which
15 the payments will be used in accordance with section
16 6; and

17 (2) provide such fiscal control and such accounting
18 procedures as may be necessary (A) to insure a proper
19 accounting of Federal funds paid to the National Coun-
20 cil under this Act, and (B) to insure the verification of
21 the costs of the continuing education and research pro-
22 grams conducted by the National Council under this
23 Act.

24 (b) The Secretary shall expeditiously approve any appli-
25 cation that meets the requirements of this section.

1 (c)(1) Payments to the National Council under this Act
2 shall be made as soon after approval of the application as
3 practicable.

4 (2) Payments to the National Council under this Act
5 may be made in installments, in advance, or by way of reim-
6 bursement, with necessary adjustments on account of over-
7 payments and underpayments.

8 MANAGEMENT OF THE FUND

9 SEC. 8. (a) It shall be the duty of the Secretary to invest
10 such portion of the Fund as is not, in his judgment, required
11 to meet current withdrawals. Such investments may be made
12 only in interest-bearing obligations of the United States or in
13 obligations guaranteed as to both principal and interest by
14 the United States. For such purpose, such obligations may be
15 acquired on original issue at the issue price or by purchase of
16 outstanding obligations at the market price. The purposes for
17 which obligations of the United States may be issued under
18 the Second Liberty Bond Act are extended to authorize the
19 issuance at par of special obligations exclusively to the Fund.
20 Such special obligations shall bear interest at a rate equal to
21 the average rate of interest, computed as to the end of the
22 calendar month next preceding the date of such issue, borne
23 by all marketable interest-bearing obligations of the United
24 States then forming a part of the public debt; except that
25 where such average rate is not a multiple of one-eighth of 1

1 per centum, the rate of interest of such special obligations
2 shall be the multiple of one-eighth of 1 per centum next
3 lower than such average rate. Such special obligations shall
4 be issued only if the Secretary determines that the purchase
5 of other interest-bearing obligations of the United States, or
6 of obligations guaranteed as to both principal and interest by
7 the United States on original issue or at the market price, is
8 not in the public interest.

9 (b) Any obligation acquired by the Fund (except special
10 obligations issued exclusively to the Fund) may be sold by the
11 Secretary at the market price, and such special obligations
12 may be redeemed at par plus accrued interest.

13 (c) The interest on, and the proceeds from the sale or
14 redemption of, any obligations held in the Fund shall be cred-
15 ited to and form a part of the Fund.

16

REPORT

17 SEC. 9. The National Council shall prepare and submit
18 to the President and the Congress at the end of each fiscal
19 year in which the National Council receives assistance under
20 this Act a report of the activities of the National Council, and
21 the activities of the Board and the Center, supported by as-
22 sistance under this Act, together with such recommendations
23 as the National Council deems advisable.

O

MEMORANDUM

ACTION

NATIONAL SECURITY COUNCIL

July 11, 1983

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM:

JACK F. MATLOCK *JFM*

SUBJECT:

HR 601, the Soviet-East European Research and Training Act of 1983

REF:

Mr. Keel's memorandum of July 1, 1983

My views, in brief, are the following:

-- Personnel and infrastructure for training and research in the Soviet and East European area have suffered serious erosion over the past few years and we face a crisis in maintaining an adequate private sector capacity.

-- It is clearly in the national interest to preserve for the future a strong training and research program, not merely to insure an adequate flow of trained specialists for government service, but also to insure wider public knowledge of our principal adversary and thus bolster our public diplomacy efforts.

-- Private funding, while improving slightly of late, is inadequate to do the job alone.

-- The proposed legislation might benefit from fine-tuning--and indeed there may be alternate approaches to achieve the same end--but unless the Executive Branch can agree promptly on a better approach and present a viable alternative to the Congress, it seems preferable to support the Congressional proposal.

-- To insure a sustained, well-planned effort, a "trust fund" approach has many advantages. It might well start at a lower figure, however (e.g., \$20-25 Million).

-- Since this is an effort in the broad national interest, budget offsets should not be sought from a single department, but from a combination of those whose interests are served by it (State, Defense, USIA, CIA and--not least--Education and the National Endowment for the Humanities).

-- OMB should be encouraged to take the lead in putting together a "package" of offsets to bring this funding within the budget ceiling, with the Department of Education sharing the burden with the foreign affairs agencies.

A more detailed exposition of my thoughts on the subject is attached.

RECOMMENDATION

That I discuss informally along these lines with OMB.

Approve ✓

Disapprove _____

That I discuss informally with Hamilton (the Congressional sponsor) to obtain his view regarding possible offsets and variants (e.g., lower funding initially).

Approve ✓ *if OK with OMB*

Disapprove _____

RESEARCH AND TRAINING ON
THE SOVIET UNION AND EASTERN EUROPE
(HR 601)

The Problem: Following the launching of sputnik in 1956 and the National Defense Education Act which followed it, area and language studies, including notably those related to the USSR and Eastern Europe, were greatly expanded and with very substantial results. By the early seventies we had developed a strong base and the academic community produced many research studies of direct usefulness to the government (for example, techniques for analyzing Soviet national income, psychological profiles of Soviet citizens--based on emigre interviews, analyses of Soviet decision-making processes, and many case studies of Soviet activities in the "Third World").

During the seventies, however, this base suffered serious erosion. The following factors were relevant:

-- The "post-Vietnam" syndrome, including a turning inward by many young people. Enrollments in Russian language, for example, dropped to less than half of the peak reached in the 60's.

-- End of the NDEA coincided with the phasing out of much Foundation funding, itself increasingly directed to domestic concerns.

-- The combination of low enrollments and financial stringency caused many universities to cut back on support for Soviet and East European area studies. The recent termination of Georgetown's PhD program in Soviet studies is but the latest in a series of such actions.

While the productivity of scholars already trained and in place masks these trends, inroads in our training capacity have reached proportions which are truly alarming for the national interest in the future. It takes many years to develop research centers and to train specialists; if something is not done now to stem the erosion, we shall be sorely lacking in needed expertise in the 1990's. And if we wait until then, it will take another ten years or so to build it up again.

The Federal Government Interest

One of the reasons it has been difficult to focus the attention of the bureaucracy on this growing problem is that the question is usually posed in narrow terms. Specifically, agencies have been asked if they can still recruit a sufficient number of specialists to meet their personnel needs. The answer is normally yes, and many then assume that cries of alarm are unfounded. But this is not the key question, because government agencies hire very few young specialists, and if we ever reach the point that we cannot find those limited numbers, then this

will only confirm that relevant training facilities have already collapsed.

There is another reason for not basing our judgment entirely on the potential pool of recruits for government service. In our democracy we can only sustain an effective foreign policy if familiarity with our adversaries is widely spread among the population, particularly among influential citizens. Nothing contributes more to a basic understanding of what is at stake in defending our values and our way of life, and of the need for firmness, than a close study of the Soviet Union. While relatively few Americans will ever specialize in Soviet studies, the existence of area study centers at universities throughout the U.S. facilitates a healthy input of facts and realism into the stream of public opinion formation.

Finally, the research efforts of scholars are of frequent and direct utility to policy makers. Not being burdened by the need to make day-to-day operational decisions, scholars can often take a longer and more detached view of developments and bring important insights to bear that might otherwise be clouded by a preoccupation with short-term problems. And the existence of competent, well-informed private researchers provides some insurance against "group thinking" inside a bureaucracy. Remember the "Team B" intelligence analysis--something which would not have been possible if all the expertise were concentrated within the government.

Is Federal Funding the Answer?

I wish it weren't, but practically speaking I see no other source of funding which will be adequate to the task. Not that private money is totally absent--the universities still commit considerable resources, the Harriman gift will strengthen things at Columbia, and government research funds help keep the think tanks afloat--but this is not sufficient to maintain a strong overall base. And whereas other area studies can benefit from corporate donations and even support from governments of the countries in question (Arab money for chairs in ME studies, for example), neither is feasible for Soviet studies.

The Congressional Proposal: HR 601: This is the first concrete proposal, to my knowledge, which addresses the overall problem which we face. I am not in a position to pass judgment on its details--it clearly represents only one way to go, and there may well be others--but I am convinced that something like it is necessary, and necessary very soon. Unless the Executive Branch can gear up to produce very quickly an alternate--and I doubt that we can--I think that we should go with the bird in hand. If we detect any glaring deficiencies, we should of course try to get them corrected, but my initial impression is that it is a workable approach, although it might be desirable to spell out more specifically how the "trust fund" will work and provide more specifics as to how it would be managed.

While OMB is dubious about the multi-year funding aspects of the "trust fund" approach, I believe that this is justified in this instance, since we need to address a long-term problem, and erratic levels of annual funding would simply be a waste of money. The field needs predictable and steady--even if modest--support if the funds are to be used effectively.

That said, I am not certain that a \$50 million fund is necessary from the very beginning. It will take some time to plan expenditures and to obligate the funds wisely. One might consider as an alternative, an initial allocation of \$20-25 million, with the possibility of adding a like amount after a year or two, if the initial experience justifies it. A staged approach would also reduce the offset problem, facilitate course corrections in light of experience, and meet some of the concerns for future oversight.

As for the offsets required to stay within budget ceilings, I think it is clear that these should not be the burden of a single agency of the government. The need and potential benefits are quite general and each individual agency can argue logically that it has higher priorities. They will also resist reducing their own budgets to provide money for someone else. From their parochial points of view, they are doubtless right. Yet I believe this effort represents a fairly high national priority, and our task is to find a way to accommodate this to responsible fiscal planning.

MEMORANDUM FOR: Jack Matlock
FROM: Ty
SUBJECT: Soviet Bill Status

I talked with Paul Cook a few minutes ago and he passed on the following with respect to the appropriations on the Soviet package:

-- It came out of the subcommittee, as you noted, with zero. The rationale, apparently, is that there will be no new spending programs this year (The President's "Rose Garden" pledge)

-- Full committee tomorrow. Laxalt heads. He is the key.

-- Paul, of course, wants to get moving now and would like to influence the committee vote. Officially, State:

--- Feels that the Conference committee is the place to weigh in (Since the House has already appropriated).

--- Feels that there is a rank order of programs in the Title 8 (?) appropriations for State. This has been ranked low. (Therefore, for us or Paul to interfere now by a call over to Laxalt may go against State prioritization, or lead to the nixing of a higher-ranked program).

-- If you think we need to call over, we should get a memo to Bud, or to the Legislative people for clearance. Do you think we should?

--Ty

13330 11 June

JACK: - OK. - Ron Soble said it would be fine, in view of this memo.
- Either you or I should/could call Laxalt's office on this.
- which?

Ty

Chris -
Circulate to

~~JL~~

~~PD~~

~~TC~~

~~PD~~

Then establish
file for this
subject (if we
don't already
have one)

JS

For: Ambassador Matlock
Rm 368
From: John Zimmerman
EUR/SOV

Proposed Amendment

Soviet-East European Research and Training Act
of 1983

SHORT TITLE

Section 1. This title may be cited as the "Soviet-East European Research and Training Act of 1983."

FINDINGS AND DECLARATIONS

Section 2. The Congress finds and declares that --

(1) factual knowledge, independently verified, about the Soviet Union and East European countries is of the utmost importance for the national security of the United States, for the furtherance of our national interests in the conduct of foreign relations, and for the prudent management of our domestic affairs;

(2) the development and maintenance of knowledge about the Soviet Union and East European countries depends upon the national capability for advanced research by highly trained and experienced specialists, available for service in and out of Government;

(3) certain essential functions are necessary to ensure the existence of that knowledge and the capability to sustain it, including --

(A) graduate training;

(B) advanced research;

(C) public dissemination of research data, methods, and findings;

(D) contact and collaboration among Government and private specialists and the facilitation of research based on the extensive public holdings of the United States Government; and

(E) firsthand experience of the Soviet Union and East European countries by American specialists including on-site conduct of advanced training and research to the extent practicable; and

(4) it is in the national interest for the United States Government to provide a stable source of financial support for the functions described in this section and to supplement the financial support for those functions which is currently being furnished by Federal, State, local, regional, and private agencies, organizations, and individuals, and thereby to stabilize the conduct of these functions on a national scale, consistently, and on a long-range, unclassified basis.

DEFINITIONS

Section 3. As used in this title --

(1) the term "institution of higher education" has the same meaning given such term in section 1201 (a) of the Higher Education Act of 1965; and

(2) the term "Advisory Committee" means the Soviet-East European Studies Advisory Committee.

ESTABLISHMENT OF THE SOVIET-EAST EUROPEAN GENERAL ADVISORY COMMITTEE

Section 4.(a) There is established within the Department of State the Soviet-East European General Advisory Committee which shall be composed of the Secretary of State, the Librarian of Congress, the Director of Central Intelligence, the President of the American Association for the Advancement of Slavic Studies, and the President of the Association of American Universities. The Secretary of State shall be the Chairman of the Committee.

(b) The Advisory Committee shall meet at the call of the Chairman and shall hold at least one meeting each year. Three members of the Advisory Committee shall constitute a quorum.

(c) The Secretary of State may detail personnel of the Department of State to provide technical and clerical assistance to the Advisory Committee in carrying out its functions under this title.

(d) The Advisory Committee shall recommend grant policies for the advancement of the objectives of this Act. In proposing recipients for grants under this title, the Advisory Committee shall give the highest priority to national organizations with an interest in conducting research and training concerning Soviet and East European countries and in disseminating the results thereof. In making its recommendations, the Advisory Committee shall emphasize the development of stable, long-term unclassified programs.

AUTHORITY TO MAKE PAYMENTS

Section 5. (a) The Secretary of State, after consultation with the Advisory Committee, shall make grant payments, in accordance with the provisions of this section, out of funds made available to carry out this title.

(b)(1) One part of the payments made in each fiscal year shall be used to conduct a national research program at the postdoctoral or equivalent level, such program to include --

(A) the dissemination of information about the research program and the solicitation of proposals for research contracts from American institutions of higher education and not-for-profit corporations, which contracts shall contain shared-cost provisions; and

(B) the awarding of contracts for such research projects as the respective grantee institution determines will best serve to carry out the purposes of this title after reviewing the proposals submitted under clause (A).

(2) One part of the payments made in each fiscal year shall be used --

(A) to establish and carry out a program of graduate, postdoctoral, and teaching fellowships for advanced training in Soviet and East European studies and related studies, such program --

(i) to be coordinated with the research program described in paragraph (1);

(ii) to be conducted, on a shared-cost basis, at American institutions of higher education; and

(iii) to include --

(I) the dissemination of information on the fellowship program and the solicitation of applications for fellowships from qualified institutions of higher education and qualified individuals; and

(II) the awarding of such fellowships as the respective institution determines will best serve to carry out the purposes of this title after reviewing applications submitted under subclause (I); and

(B) to disseminate research, data, and findings on Soviet and East European studies and related fields in such a manner and to such extent as the respective institution determines will best serve to carry out the purposes of this title.

(3) One part of the payments made in each fiscal year shall be used --

(A) to provide fellowship and research support for specialists in the fields of Soviet and East European studies and related studies to conduct advanced research with particular emphasis upon the use of data on the Soviet Union and East European countries; and;

(B) to conduct seminars, conferences, and other similar workshops designed to facilitate research collaboration between Government and private specialists in the fields of Soviet and East European studies and related studies.

(4) One part of the payments made in each fiscal year shall be used to conduct specialized programs in advanced training and research on a reciprocal basis in the Union of Soviet Socialist Republics and the countries of Eastern Europe

designed to facilitate access for American specialists to research institutes, personnel, archives, documentation, and other research and training resources located in the Union of Soviet Socialist Republics and East European countries.

(5) The Advisory Committee may recommend payments to carry out other research and training in Soviet and East European studies not otherwise described in this section.

APPLICATIONS; PAYMENTS TO ELIGIBLE ORGANIZATIONS

Section 6.(a) Any institution seeking grant funding from the Secretary of State under this title shall prepare and submit an application to the Secretary of State once each fiscal year. Each such application shall --

(1) provide a description of the purposes for which the payments will be used in accordance with section 5; and

(2) provide such fiscal control and such accounting procedures as may be necessary (A) to insure a proper accounting of Federal funds paid under this title, and (B) to insure the verification of the costs of the continuing education and research programs conducted under this title.

(b) The Secretary of State, after consultation with the Advisory Committee, may approve or deny any application for whatever reasons the Secretary of State deems necessary to carry out the provisions of this title.

(c) Payments under this title may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments and underpayments.

REPORT

Section 7. The Secretary of State shall prepare and submit to the President and the Congress at the end of each fiscal year in which an institution receives assistance under this title a report of the activities of such institution supported by such assistance if the administrative expenses of such an institution represent more than 10 percent of such assistance, the report shall include an accounting of any such assistance together with such recommendations on this issue as the Advisory Committee deems advisable.

FEDERAL CONTROL OF EDUCATION PROHIBITED

Section 8. Nothing contained in this title may be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction or research, administration, or personnel of any educational institution.

ALLOCATION OF FUNDS

Section 9. Of the funds authorized to be appropriated for the fiscal years 1984 and 1985 by paragraph (1) of section 102, up to \$5,000,000 for each fiscal year shall be available only to carry out the provisions of this title.

TERMINATION OF PROVISIONS

Section 10. The provisions of this title shall terminate ten years after its date of enactment.

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PROPOSED AMENDMENT TO S.873

viz: Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

Section 1. This Act may be cited as the "Soviet-East European Research and Training Act of 1983."

FINDINGS AND DECLARATIONS

Sec. 2. The Congress finds and declares that --

(1) factual knowledge, independently verified, about the Soviet Union and Eastern Europe is of the utmost importance for the national security of the United States, for the furtherance of our national interests in the conduct of foreign relations, and for the prudent management of our domestic affairs;

(2) the development and maintenance of knowledge about the Soviet Union and Eastern Europe depends upon the national capability for advanced research by highly trained and experienced specialists, serving both in and out of Government;

(3) certain essential functions are necessary to ensure the existence of that knowledge and the capability to sustain it, including --

(A) graduate training;

(B) advanced research;

(C) public dissemination of research data, methods, and findings;

(D) contact and collaboration among Government and private specialists for the facilitation of research; and

(E) firsthand experience in the Soviet Union and Eastern Europe by American specialists including on-site conduct of advanced training and research; and

(4) it is in the national interest for the United States Government to provide a stable source of financial support for the functions described in this section and to supplement the financial support for those functions which is currently being furnished by Federal, State, local, regional, and private agencies, organizations, and individuals, and thereby to stabilize the conduct of these functions on a national scale, consistently, and on a long-range, unclassified basis.

DEFINITIONS

Sec. 3. As used in this Act --

(1) the term "Fund" means the Soviet-East European Research and Training Fund established by section 4;

(2) the term "Committee" means the Soviet-East European Fund Advisory Committee established in section 6, as set forth in the Federal Advisory Committee Act (Public Law 92-463, 1972) as amended;

(3) the term "institution of higher education" has the same meaning given such term in section 1201 (a) of the Higher Education Act of 1965;

(4) the term "Secretary" means the Secretary of State;
and

(5) the term "Department" means the Department of State.

ESTABLISHMENT OF THE SOVIET-EAST EUROPEAN RESEARCH AND TRAINING FUND

Sec. 4. There is established in the Department of State of the United States a fund to be known as the Soviet-East European Research and Training Fund. The Fund shall consist of amounts appropriated to it under section 5.

AUTHORIZATION OF APPROPRIATIONS FOR THE FUND

Sec 5. To carry out the provisions of this Act, there is hereby authorized to be appropriated to the Department of State \$5,000,000 for Fiscal Year 1985 and such sums as may be necessary for each succeeding fiscal year.

MANAGEMENT OF THE FUND

Sec. 6. The Secretary shall be responsible for the management of the Fund, including disbursing funds to non-government, national organizations representative of the profession which, in turn, would provide grants to institutional and individual recipients. The Secretary shall be assisted by the Soviet-East European Fund Advisory Committee (see section 7) consisting of distinguished Americans in and out of government service.

ESTABLISHMENT OF THE COMMITTEE

Sec. 7.(a) There is established the Soviet-East European Fund Advisory Committee which shall be composed of the Secretary of State, the Director of Central Intelligence, the Librarian of Congress, the President of the Association of American Universities, the Chairman of the Social Science Research Council, the President of the National Academy of Sciences, and a distinguished private citizen familiar with Soviet and East European affairs chosen by the Chairman. The Secretary shall serve as Chairman of the Committee. The Committee shall advise the Secretary regarding the overall policy of the Fund, recommend to the Secretary those private sector institutions best able to manage national programs of research and training grants, and provide him with an annual review of programs supported by the Fund.

(b) The Committee shall meet at the call of the Secretary and shall hold at least one meeting each year. Four members of the Committee shall constitute a quorum.

(c) The Secretary may detail personnel of the Department to provide technical and clerical assistance to the Committee in carrying out its functions under the Act. The Secretary may request other Government agencies concerned with the problems presented in section 2 to appoint representatives to advisory bodies to assist him in carrying out the purposes of this Act.

USES OF PAYMENTS TO THE FUND

Sec. 8.(a) Monies held in the Fund shall be available for payments, upon approval by the Secretary, of an application in accordance with section 9, for use in accordance with subsections (b) and (c).

(b) Payment shall be used --

(1) to implement a research agenda, as formulated by the Secretary with advice from the Committee, dealing with questions of interest both to the professional Soviet-East European studies community and to Government policymakers;

(2) to establish and implement a program of graduate, postdoctoral, and teaching fellowships for training and research in Soviet-East European studies;

(3) to disseminate research, data and other information on the Soviet Union and Eastern Europe;

(4) to conduct seminars, conferences, and workshops designed to facilitate research collaboration between Government and private specialists in Soviet-East European studies;

(5) to conduct exchange-of-specialists programs involving advanced training and research with the Soviet Union and the nations of Eastern Europe so as to facilitate access for American specialists to research institutes, archives, documents, personnel, and other research and training resources located in that geographic region.

(c) The Committee shall insure that all institutions receiving payments pursuant to section 9 will --

(1) be American institutions of higher education or not-for-profit organizations;

(2) disseminate information about fellowships, research contracts and grants, and other activities authorized by this Act;

(3) solicit applications for fellowships and research contracts and grants from qualified institutions and individuals; and

(4) where appropriate, give substantial preference to contracts and proposals which contain significant shared-cost provisions.

APPLICATIONS; PAYMENTS TO ELIGIBLE ORGANIZATIONS

Sec. 9.(a) Any institution or organization seeking funding under this Act shall prepare and submit an application to the Committee. Each such application shall --

(1) provide a description of the purposes for which the payments will be used in accordance with section 8; and

(2) provide such fiscal control and such accounting procedures as may be necessary (A) to insure a proper accounting of Federal funds paid under this Act, and (B) to insure the verification of the costs of the continuing education and research programs conducted under this Act.

(b) The Committee may approve or deny any application for whatever reasons it deems necessary to carry out the provisions of this Act.

(c) Payments under this Act may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments and underpayments.

FEDERAL CONTROL OF EDUCATION PROHIBITED

Sec. 10. Nothing contained in this Act may be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction or research, administration, or personnel of any educational institution.

98TH CONGRESS
1ST SESSION

S. 873

To help ensure the Nation's independent factual knowledge of the Soviet Union and Eastern European countries, to help maintain the national capability for advanced research and training on which that knowledge depends, and to provide partial financial support for national programs to serve both purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 21, 1983

Mr. LUGAR (for himself, Mr. BIDEN, Mr. COHEN, Mr. GLENN, Mr. HATCH, Mr. JACKSON, Mr. LEVIN, Mr. MATHIAS, Mr. PERCY, and Mr. BRADLEY) introduced the following bill; which was read twice and referred jointly to the Committees on Labor and Human Resources and Foreign Relations, by unanimous consent

A BILL

To help ensure the Nation's independent factual knowledge of the Soviet Union and Eastern European countries, to help maintain the national capability for advanced research and training on which that knowledge depends, and to provide partial financial support for national programs to serve both purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

SHORT TITLE

SECTION 1. This Act may be cited as the "Soviet-Eastern European Research and Training Act of 1983".

FINDINGS AND DECLARATIONS

SEC. 2. The Congress finds and declares that—

(1) factual knowledge, independently verified, about the Soviet Union and Eastern European countries is of the utmost importance for the national security of the United States, for the furtherance of our national interests in the conduct of foreign relations, and for the prudent management of our domestic affairs;

(2) the development and maintenance of knowledge about the Soviet Union and Eastern European countries depends upon the national capability for advanced research by highly trained and experienced specialists, available for service in and out of Government;

(3) certain essential functions are necessary to ensure the existence of that knowledge and the capability to sustain it, including—

(A) graduate training;

(B) advanced research;

(C) public dissemination of research data, methods, and findings;

(D) contact and collaboration among Government and private specialists and the facilitation of

1 research based on the extensive data holdings of
2 the United States Government; and

3 (E) firsthand experience of the Soviet Union
4 and Eastern European countries by American
5 specialists including on-site conduct of advanced
6 training and research to the extent practicable;

7 (4) three existing institutions already organized to
8 conduct the functions described in this section on a na-
9 tional scale are the National Council for Soviet and
10 East European Research, the Woodrow Wilson Inter-
11 national Center for Scholars, and the International Re-
12 search and Exchanges Board of the American Council
13 of Learned Societies; and

14 (5) it is in the national interest for the United
15 States Government to provide a stable source of finan-
16 cial support for the functions described in this section
17 and to supplement the financial support for those func-
18 tions which is currently being furnished by Federal,
19 State, local, regional, and private agencies, organiza-
20 tions, and individuals, and thereby to stabilize the con-
21 duct of these functions on a national scale, consistently,
22 and on a long range basis.

23 DEFINITIONS

24 SEC. 3. As used in this Act—

(1) the term "Board" means the International Research and Exchanges Board organized in 1968 by the American Council of Learned Societies and the Social Science Research Council;

(2) the term "Center" means the Woodrow Wilson International Center for Scholars of the Smithsonian Institution;

(3) the term "Fund" means the Soviet-Eastern European Research and Training Fund established by section 4;

(4) the term "institution of higher education" has the same meaning given such term in section 1201(a) of the Higher Education Act of 1965;

(5) the term "National Council" means the National Council for Soviet and East European Research, a not-for-profit corporation organized under the laws of the District of Columbia in 1978;

(6) the term "Oversight Committee" means the Soviet-Eastern European Studies Oversight Committee; and

(7) except where otherwise provided, the term "Secretary" means the Secretary of the Treasury.

1 ESTABLISHMENT OF THE SOVIET-EASTERN EUROPEAN
2 RESEARCH AND TRAINING FUND

3 SEC. 4. There is established in the Treasury of the
4 United States a trust fund to be known as the Soviet-Eastern
5 European Research and Training Fund. The Fund shall con-
6 sist of—

7 (1) amounts appropriated to it under section 5;
8 and

9 (2) interest and proceeds credited to it under sec-
10 tion (8)(c).

11 AUTHORIZATION OF APPROPRIATIONS FOR THE FUND

12 SEC. 5. Effective October 1, 1983, there are authorized
13 to be appropriated to the Fund, without fiscal year limitation,
14 \$50,000,000.

15 ESTABLISHMENT OF OVERSIGHT COMMITTEE

16 SEC. 6. (a) There is established the Soviet-Eastern Eu-
17 ropean Studies Oversight Committee which shall be com-
18 posed of the Secretary of State, the Secretary of Defense, the
19 Secretary of Education, the Librarian of Congress, the Chair-
20 man of the American Council of Learned Societies, and the
21 Chairman of the Social Science Research Council. The Sec-
22 retary of State shall serve as Chairman of the Oversight
23 Committee.

24 (b) The Oversight Committee shall meet at the call of
25 the Chairman and shall hold at least one meeting each year.

1 Four members of the Oversight Committee shall constitute a
2 quorum.

3 (c) The Secretary of State may detail personnel of the
4 Department of State to provide technical and clerical assist-
5 ance to the Oversight Committee in carrying out its functions
6 under this Act.

7 USES OF PAYMENTS FROM THE FUND

8 SEC. 7. (a) The interest on any obligations held in the
9 Fund shall be available for payments, upon approval of an
10 application by the Oversight Committee in accordance with
11 section 8, for use in accordance with subsection (b).

12 (b)(1) One part of the payments made in each fiscal year
13 shall be made to the National Council to be used—

14 (A) in consultation with officials of the United
15 States Government designated by the Secretary of
16 State, to develop and keep current a research agenda
17 of fundamental research dealing with major policy
18 issues and questions of Soviet and Eastern European
19 development; and

20 (B) to conduct a national research program at the
21 postdoctoral or equivalent level in accordance with that
22 agenda, such program to include—

23 (i) the dissemination of information about the
24 research program and the solicitation of proposals
25 for research contracts from American institutions

1 of higher education and not-for-profit corporations,
2 which contracts shall contain shared-cost provi-
3 sions; and

4 (ii) the awarding of contracts for such re-
5 search projects as the Board of Trustees of the
6 National Council determines will best serve to
7 carry out the purposes of this Act after reviewing
8 the proposals submitted under clause (i).

9 (2) One part of the payments made in each fiscal year
10 shall be made to the National Council to be used—

11 (A) to establish and carry out a program of gradu-
12 ate, postdoctoral, and teaching fellowships for ad-
13 vanced training in Soviet and Eastern European stud-
14 ies and related studies, such program—

15 (i) to be coordinated with the research pro-
16 gram described in paragraph (1);

17 (ii) to be conducted, on a shared-cost basis,
18 at American institutions of higher education; and

19 (iii) to include—

20 (I) the dissemination of information on
21 the fellowship program and the solicitation of
22 applications for fellowships from qualified in-
23 stitutions of higher education and qualified
24 individuals; and

1 (II) the awarding of such fellowships as
 2 the Board of Trustees of the National Coun-
 3 cil determines will best serve to carry out
 4 the purposes of this Act after reviewing ap-
 5 plications submitted under subclause (I); and

6 (B) to disseminate research, data, and findings on
 7 Soviet and Eastern European studies and related fields
 8 in such a manner and to such extent as the Board of
 9 Trustees of the National Council determines will best
 10 serve to carry out the purposes of this Act.

11 (3) One part of the payments made in each fiscal year
 12 shall be made to the Center to be used—

13 (A) to provide fellowship support and research
 14 facilities in the District of Columbia for American spe-
 15 cialists in the fields of Soviet and Eastern European
 16 studies and related studies to conduct advanced re-
 17 search with particular emphasis upon the use of data
 18 on the Soviet Union and Eastern European countries
 19 and

20 (B) to conduct seminars, conferences, and other
 21 similar workshops designed to facilitate research co-
 22 laboration between Government and private specialists
 23 in the fields of Soviet and East European studies and
 24 related studies.

1 (4) One part of the payments made in each fiscal year -
2 shall be made to the Board to be used to conduct specialized
3 programs in advanced training and research on a reciprocal
4 basis in the Union of Soviet Socialist Republics and the coun-
5 tries of Eastern Europe designed to facilitate access for
6 American specialists to research institutes, personnel, ar-
7 chives, documentation, and other research and training re-
8 sources located in the Union of Soviet Socialist Republics and
9 Eastern European countries.

10 (5) Payments may be made to any other organization
11 not referred to in this section to carry out research and train-
12 ing in Soviet and Eastern European studies.

13 APPLICATIONS; PAYMENTS TO ELIGIBLE ORGANIZATIONS

14 SEC. 8. (a) The National Council, the Center, and the
15 Board shall each prepare and submit an application to the
16 Oversight Committee once each fiscal year. In addition, any
17 other organization may submit an application to the Over-
18 sight Committee. Each such application shall—

19 (1) provide a description of the purposes for which
20 the payments will be used in accordance with section
21 7; and

22 (2) provide such fiscal control and such accounting
23 procedures as may be necessary (A) to insure a proper
24 accounting of Federal funds paid under this Act, and
25 (B) to insure the verification of the costs of the con-

1 tinuing education and research programs conducted
2 under this Act.

3 (b) The Oversight Committee shall expeditiously ap-
4 prove any application that meets the requirements of this sec-
5 tion.

6 (c)(1) Payments under this Act shall be made as soon
7 after approval of the application as practicable.

8 (2) Payments under this Act may be made in install-
9 ments, in advance, or by way of reimbursement, with neces-
10 sary adjustments on account of overpayments and underpay-
11 ments.

12 MANAGEMENT OF THE FUND

13 SEC. 9. (a) It shall be the duty of the Secretary, upon
14 request of the Oversight Committee, to invest such portion of
15 the Fund as is not, in the determination of the Oversight
16 Committee, required to meet current withdrawals. Such in-
17 vestments may be made only in interest-bearing obligations
18 of the United States or in obligations guaranteed as to both
19 principal and interest by the United States. For such pur-
20 pose, such obligations may be acquired on original issue at
21 the issue price or by purchase of outstanding obligations at
22 the market price. The purposes for which obligations of the
23 United States may be issued under the Second Liberty Bond
24 Act are extended to authorize the issuance at par of special
25 obligations exclusively to the Fund. Such special obligations

1 shall bear interest at a rate equal to the average rate of inter-
2 est, computed as to the end of the calendar month next pre-
3 ceding the date of such issue, borne by all marketable inter-
4 est-bearing obligations of the United States then forming a
5 part of the public debt; except that where such average rate
6 is not a multiple of one-eighth of 1 per centum, the rate of
7 interest of such special obligations shall be the multiple of
8 one-eighth of 1 per centum next lower than such average
9 rate. Such special obligations shall be issued only if the Sec-
10 retary determines that the purchase of other interest-bearing
11 obligations of the United States, or of obligations guaranteed
12 as to both principal and interest by the United States on
13 original issue or at the market price, is not in the public
14 interest.

15 (b) Any obligation acquired by the Fund (except special
16 obligations issued exclusively to the Fund) may be sold by the
17 Secretary at the market price, and such special obligations
18 may be redeemed at par plus accrued interest.

19 (c) The interest on, and the proceeds from the sale or
20 redemption of, any obligations held in the Fund shall be cred-
21 ited to and form a part of the Fund.

22 REPORT

23 SEC. 10. The Oversight Committee shall prepare and
24 submit to the President and the Congress at the end of each
25 fiscal year in which an organization receives assistance under

1 this Act a report of the activities of such organization sup-
2 ported by such assistance and an accounting of any such as-
3 sistance used to cover administrative expenses of such orga-
4 nization, together with such recommendations as the Over-
5 sight Committee deems advisable.

6 TERMINATION OF PROVISIONS

7 SEC. 11. (a) The provisions of this Act shall terminate
8 ten years after its date of enactment.

9 (b) Upon termination of this Act pursuant to subsection
10 (a), amounts remaining in the Fund shall be covered into the
11 miscellaneous funds of the Treasury of the United States.

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