

Postponed
Until 1995

ASIA RESOURCE CENTER



March 16, 1994

TO: Concerned Organizations and Individuals

FROM: Roger Rumpf *Roger Rumpf*

RE: Removing aid restriction on Laos and Viet Nam

In mid-April the House Foreign Affairs Committee will begin work on the new Foreign Assistance Act. The Administration has presented a new Act which continues to restrict aid to "communist countries" as designated by the President. Attached are the languages of the present and proposed legislation. I recommend we pressure Congress to remove the "communist countries" section from this legislation for the following reasons.

This restriction is not only political, but also creates many limitations on reconstruction and development aid to Laos and Viet Nam. U.S. non-governmental organizations (NGOs) cannot get U.S. aid money for programs in Viet Nam and Laos. At the same time the State Department complains that Laos won't take the numerous, complicated, small packages of U.S. "unrestricted aid." Officials should recognize that a comprehensive development program might be easier for the Lao to understand, less bureaucratic and more successful. In addition the Defense Department (DOD) gets money for clearing unexploded ordnance and MIA/POWs (to increase their budget and training programs, etc.) while the State Department says NGOs like the Mennonite Central Committee cannot get U.S. funds for their ordnance clearing project in Laos. An example of this waste is DOD's training teams who are constructing simple 5-room schools in Laos for \$50,000 plus, while NGOs cannot get U.S. money to build them for \$10,000.

There are other restricted programs that poorer "communist countries" are ineligible to receive like Most Favored Nation (MFN) status. The State Department points out that China gets MFN because of its size and the business lobby. Laos and Viet Nam will not likely have that lobby to help them in the near future. The "communist countries" language only punishes the small and poorer countries like Laos and Viet Nam.

Furthermore while U.S. development aid is restricted, "democracy" funds are "unrestricted." The National Endowment for Democracy and the International Republican Institute are targeting Viet Nam and Laos.

On strategy, Congress can remove the "communist countries" language. (It affects Cuba and north Korea also.) Or if the legislation is not changed we can seek Congressional and Administration assurances that the President will not put Laos and Viet Nam on the "communist countries" list. Now is the time to contact members of the Foreign Affairs Committees.

P.O. BOX 15275 • WASHINGTON DC 20003 • (202) 547-1114

ADMINISTRATION LANGUAGE IN PROPOSED NEW FOREIGN ASSISTANCE ACT

Table 7 Sec. 7201 Ineligible countries

a) Restrictions.-- Except as provided in subsection (b), assistance under Act may not be furnished to the government of a country that is:

(1) Communist countries. -- A communist country as designated under subsection (d)

(d) Communist Country List. --

(1) Establishment. -- The President shall designate those countries that are communist countries for purposes of subsection (a) (1).

(2) Publication of list -- The initial list of countries designated pursuant to this subsection shall be published in the Federal register and shall be provided to the Congress. Thereafter, any additions to or deletions from such list shall be similarly published and provided.

(3) Removal of countries from the list; exemptions. 1-- The President may remove a country from the communist country list established pursuant to this section, or may exempt a listed country from the application of subsection (a) (1) or other provision of law that reference subsection (a) (1) if the President promptly reports such removal or exemption to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate.

Language in the Present Foreign Assistance Act

Section 620 F No assistance shall be furnished under this ACT as amended (except section 214 (b), to any Communist country. This restriction may not be

waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that: (A) such assistance is vital to the security of the United States; (B) the recipient country is not controlled by the international Communist conspiracy; and (C) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase "Communist country" includes specifically, but is not limited to the following countries: ⁶⁶³

Czechoslovak Socialist Republic.
Democratic People's Republic of Korea.
Estonia.
German Democratic Republic.
Hungarian People's Republic.
Latvia.
Lithuania.
Mongolian People's Republic.
People's Republic of Albania.
People's Republic of Bulgaria.
People's Republic of China.
Polish People's Republic.
Republic of Cuba.
Socialist Federal Republic of Yugoslavia.
Socialist Republic of Romania.
Socialist Republic of Vietnam.
Tibet.

Union of Soviet Socialist Republics (including its captive constituent republics) ⁶⁶⁴

(2) ⁶⁶² Notwithstanding the provisions of paragraph (1) of this subsection, the President may remove a country, for such period as the President determines, from the application of this subsection, and other provisions which reference this subsection, if the President determines and reports to the Congress that such action is important to the national interest of the United States. It is the sense of the Congress that when consideration is given to authorizing assistance to a country removed from the application of this subsection, one of the factors to be weighed, among others, is whether the country in question is giving evidence of fostering the establishment of a genuinely democratic system, with respect for internationally recognized human rights.

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People's Republic of Bulgaria.
People's Republic of China.
Polish People's Republic.
Republic of Cuba.
Socialist Federal Republic of Yugoslavia.
Socialist Republic of Romania.
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Union of Soviet Socialist Republics (including its captive constituent republics) ⁶⁶⁴

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