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Withdrawer

LOJ 3/28/2007

File Folder USSR - SOVIET STUDIES (HR 601)

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F01-061

Box Number 35

ID	Doc Type	Document Description	No of Pages	Doc Date	
A	MEMO	MATLOCK TO ROBERT C MCFARLANE, RE HR 601, NSC 8304708 [15-16]	2	7/11/1983	<i>opened 05/14/2008 gk</i>
B	PAPER	RE HR 601 [17-19]	3	ND	<i>41</i>
C	MEMO	ALTON G KEEL TO MCFARLANE, RE HR 601 [20-21]	2	7/1/1983	<i>4</i>

file Congress

NSC/S PROFILE

UNCLASSIFIED

ID 8301730

RECEIVED 15 MAR 83 15

TO WHEELER

FROM PETERSON

DOCDATE 14 MAR 83

KEYWORDS: USSR EUROPE EAST
LEGISLATIVE REFERRAL

SUBJECT: STAFF DRAFT REPORTS ON H-601 RE SOVIET - EASTERN EUROPEAN RESEARCH &
TRAINING ACT OF 1983

ACTION: MEMO WHEELER TO PETERSON DUE: 17 MAR 83 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

~~DOBRIANSKY~~

ROBINSON

SOMMER

MYER

LEWCZOWSKI

DOBIZIANSKY

STEARMAN

KIMMITT

COMMENTS *Handled by phone on March 17. NFAR - JL*

REF# LOG NSCIFID (N /)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

NSC/S C 28 Mar see Lewczowski note 2

DISPATCH _____ W/ATTCH FILE _____ (C)



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

1730 2
SPECIAL

March 14, 1983

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer-
Department of Defense
National Security Council ✓
Department of Education
Department of the Treasury

SUBJECT: State draft reports (2) on H.R. 601, the Soviet-
Eastern European Research and Training Act of
1983.

(Hearing is scheduled for March 22, 1983).

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than C.O.B. THURSDAY, MARCH 17, 1983. Phone comments are acceptable.

Questions should be referred to Tracey Lawler (395-4710) the legislative analyst in this office.

Ronald K. Peterson
RONALD K. PETERSON FOR
Assistant Director for
Legislative Reference

Enclosures
cc: Roger Greene
Jim Barie

SPECIAL



DEPARTMENT OF STATE

Washington, D.C. 20520

Dear Mr. Chairman:

I have been asked to reply to your letter of February 15 to Secretary Shultz requesting the Departments views on H.R. 601, the Soviet-Eastern European Research and Training Act of 1983.

The Department strongly supports the purpose of this legislation, considering that it will assist in dealing with the problem of a declining national capability for research on the Soviet Union and Eastern Europe and help maintain a pool of experts available for government service. We believe it important that the bill contain provisions, as in Section 6 (b) (1) (A), under which adequate Executive Branch guidance can be provided to ensure that research funded under this legislation supports policy development.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

With cordial regards,

Sincerely,

Powell A. Moore
Assistant Secretary for
Congressional Relations

The Honorable
Clement J. Zablocki,
House of Representatives.



DEPARTMENT OF STATE

Washington, D.C. 20520

Dear Mr. Hamilton:

I have been asked to reply to your letter of January 28 to Deputy Secretary Dam requesting support for H.R. 601, "The Soviet-Eastern European Research and Training Act of 1983."

I am pleased to inform you that the Department agrees completely with your views on the value of and need for such legislation. Last year former Deputy Secretary Stoessel testified before the Senate Foreign Relations Committee's Subcommittee on European Affairs in favor of a similar bill introduced in that house. Secretary Shultz has also expressed his personal support for the purposes of such legislation and has committed himself to make his support known in discussions of the Administration's budget. He has made his position known to Judge Clark at the National Security Council and to David Stockman at the Office of Management and Budget.

The Department joins you in hoping for early passage of this legislation, which by assuring a steady supply of specialists in the critical area of studies of the Soviet Union and Eastern Europe will directly serve the national interest. We are pleased to note that H.R. 601 contains a provision in Section 6(b)(1)(A) establishing a mechanism by which the Executive Branch can provide guidance to ensure that research funded under this legislation supports policy development.

Please let me know if I can be of further assistance.

With cordial regards,

Sincerely,

Powell A. Moore
Assistant Secretary for
Congressional Relations

The Honorable
Lee E. Hamilton, M.C.,
House of Representatives.

98TH CONGRESS
1ST SESSION

H. R. 601

I

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".

FINDINGS AND DECLARATIONS

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

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

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

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

21 **DEFINITIONS**

22 **SEC. 3. As used in this Act—**

23 (1) the term "Board" means the International Re-
24 search 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 corporation
 2 which contracts shall contain shared-cost pro
 3 sions; and

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

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

11 (A) to establish and carry out a program of grad
 12 ate, postdoctoral, and teaching fellowships for a
 13 vanced training in Soviet and Eastern European stu
 14 dies and related studies, such program—

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

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

19 (iii) to include—

20 (I) the dissemination of information c
 21 the fellowship program and the solicitation
 22 applications for fellowships from qualified in
 23 stitutions of higher education and qualifie
 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
 2 the National Council shall be used for payments to the Boa
 3 to conduct specialized programs in advanced training and r
 4 search on a reciprocal basis in the Union of Soviet Social
 5 Republics and the countries of Eastern Europe designed
 6 facilitate access for American specialists to research inst
 7 tutes, personnel, archives, documentation, and other researc
 8 and training resources located in the Union of Soviet Socia
 9 ist Republics and Eastern European countries.

10 APPLICATIONS; PAYMENTS TO THE NATIONAL COUNCIL

11 SEC. 7. (a) The National Council shall prepare an
 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.

○

MEMORANDUM

NATIONAL SECURITY COUNCIL

July 11, 1983

ACTION

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

17

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

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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.

19

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.



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

PC70W

BUD

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

FROM: Alton G. Keel Jr. AL
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 -

HA (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

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FINDINGS AND DECLARATIONS

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16 tions which is currently being furnished by Federal,
17 local, State, regional, and private agencies, organiza-
18 tions, and individuals, and thereby to stabilize the con-
19 duct of these functions on a national scale, consistently,
20 and on a long range basis.

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22 SEC. 3. As used in this Act—

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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.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
ROUTE SLIP

TO Jack Matlock NSC
368 EOB

- Take necessary action
- Approval or signature
- Comment
- Prepare reply
- Discuss with me
- For your information
- See remarks below

FROM Jim Bane x4500 DATE 7/22

REMARKS

Attached H.R. 601 testimony
has been in State ~~file~~ since Nam
& awaits EUR and H review.

Sor Studies

We believe the need to reverse the decline in a vital national capability is clear. We are, however, unable to support H.R. 601 because some of its financial and managerial components. We believe a more effective approach would be to make a single federal agency clearly responsible for a special initiative of expanding soviet research and training. That agency could broadly define the areas needing further development and make grants to private, non-profit institutions, such as those identified in H.R. 601 and others, to expand or begin particular needed activities. With this approach federal fiscal and programmatic responsibilities will be clear. A larger number of competent institutions might receive grants than indicated in H.R. 601. Furthermore, a large \$50 million trust fund is neither needed nor appropriate to carry on grant making at the annual level contemplated by HR. 601.

Annual appropriations should fund the activity rather than interest on the public debt. You may be sure that, because of the importance of the research and training programs, the Administration will seek sustained annual funding for them from the Congress.

TO: Cy Alba 632-0430
FROM: Tracey Lawler 395-4710

Please pass on to Byron Morton ASAP.

NATIONAL SECURITY COUNCIL

Share notes on calendar - JS

October 19, 1984

Ambassador Matlock:

Susan Nelson from Paul Cook's Office, INR, telephoned the following message:

there will be a meeting on Soviet-Interview Project held October 30 from 1:00 to 5:00 pm Room 1912 -- meeting to resume the following morning of the 31st at 8:30 and continue till 11:45 a.m.

ROOM: 2925

done ma

ATTEND: _____ NOT ATTEND _____

ma

TELE: 653 5015

~~XXXXXXXXXXXXXXXXXX~~

*1- 2:45 P.M.
State
Dept.*

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

9/25/84

TO: JM
FROM: NK *[Handwritten initials]*
RE: Paul Cook's Advisory Committee

Paul said that they will be accepting statements on the 1st and perhaps for part of the 2d. On the 2d, actual business will take place.

It may turn out that by the afternoon of the 2d the meeting will have run out of steam, and may even adjourn. Paul Cook would like to have you come and speak, with the proviso that the meeting is still in session.



9/19

2/6

United States Department of State

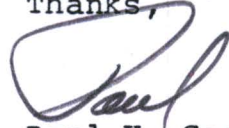
Washington, D.C. 20520

September 14, 1984

The Honorable
Jack Matlock
National Security Council
O.E.O.B.
Washington, D.C.

Dear ~~Ambassador Matlock~~ *Mr. Jacques*:

I am writing to draw your attention to the enclosed notice of the first session of the Soviet-Eastern European Studies Advisory Committee on October 1-2. Should you so wish, would you let me know if you would like to make a statement oral or written to the meeting.

Thanks,

Paul K. Cook
Executive Director,
Soviet-Eastern European
Studies Advisory Committee

Enclosure

PUBLIC NOTICE	DEPARTMENT OF STATE	ISSUED EFFECTIVE
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SOVIET AND EASTERN EUROPEAN STUDIES
ADVISORY COMMITTEE

Notice of Meeting

The Department of State announces that the Soviet and Eastern European Studies Advisory Committee will meet on October 1-2, 1984 starting at 10:00 a.m. in Room 1107, Department of State, 2201 C Street, N.W., Washington, D.C.

The Advisory Committee recommends grant policies for the advancement of the objectives of the Soviet-Eastern European Research and Training Act of 1983. The agenda will include: opening statements by the Chairman of the Committee and its members; oral statements by interested members of the public and receipt of written statements; and discussion, approval, and recommendation for a public call for proposals from "national organizations with an interest and expertise in conducting research and training concerning Soviet and Eastern European countries and in disseminating the results of such research" based on guidelines amplifying the purposes set forth in the 1983 Act.

Members of the general public may attend the meeting and join in the discussion subject to the instructions of the Chairman. Admittance of public members will be limited to the seating available. In that regard, entrance to the Department of State building is controlled and entry will be facilitated if arrangements are made in advance of the meeting. It is requested that prior to the meeting, persons who plan to attend, so advise Paul K. Cook, Executive Director, Soviet-Eastern European Studies Advisory Committee, INR, Department of State, Room 4643, Washington, D.C., 20520, (202) 653-5144.

All attendees must use the C Street entrance to the building.

Paul K. Cook
Executive Director, Soviet and
Eastern European Studies
Advisory Committee

September 4, 1984

Date

INR/OD:PKCook

Clearances:INR - Mr. Thorne
M/MO - Mrs. Tait

DEPARTMENT OF STATE

DISCRETIONARY GRANT PROGRAMS:

APPLICATION NOTICE ESTABLISHING
CLOSING DATE FOR TRANSMITTAL OF
CERTAIN FISCAL YEAR 1985 APPLICATIONS

Agency: The Department of State invites applications from "national organizations with interest and expertise in conducting research and training" concerning the USSR and Eastern Europe under the Soviet and Eastern European Research and Training Act.

Authority for this program is contained in the Soviet-Eastern European Research and Training Act of 1983, Pub. L. 98-164, Title VIII, 97 Stat. 1047-50.

Summary: The purpose of this application notice is to inform potential applicants of fiscal and programmatic information and closing dates for transmittal of applications for awards in Fiscal Year 1985 under a program administered by the Department of State.

Organization of Notice:

This notice contains three parts. Part I lists the closing date covered by this notice. Part II consists of a statement of purpose and priorities of the program. Part III provides the fiscal data for the program.

Part I

Closing Date for Transmittal of Applications

An application for an award must be mailed or hand-delivered by Friday, November 16, 1984.

Applications Delivered by Mail

An application sent by mail must be addressed to the U.S. Department of State, INR, Soviet-Eastern European Studies Advisory Committee, Room 4643, Washington, D.C. 20520.

An applicant must show proof of mailing consisting of one of the following:

- (1) a legibly dated U.S. Postal Service postmark.

(2) a legible mail receipt with the date of mailing stamped by the U.S. Postal Service.

(3) a dated shipping label, invoice, or receipt from a commercial center.

(4) any other proof of mailing acceptable to the U.S. Secretary of State.

If an application is sent through the U.S. Postal Service, the Secretary does not accept either of the following as proof of mailing: (1) a private metered postmark, or (2) a mail receipt that is not dated by the U.S. Postal Service.

An applicant should note that the U.S. Postal Service does not uniformly provide a dated postmark. Before relying on this method, an applicant should check with the local post office.

An applicant is encouraged to use registered or at least first class mail. Late applications will not be considered and will be returned to the applicant.

Applications Delivered by Hand

An application that is hand-delivered must be taken to the U.S. Department of State, INR, Soviet-Eastern European Studies Advisory Committee, Room 4643, 2201 C Street, N.W., Washington, D.C.

The Soviet-Eastern European Studies Advisory Committee will accept hand-delivered applications between 9:00 a.m. and 4:00 p.m. (Washington, D.C. time) daily, except Saturdays, Sundays, and Federal holidays.

An application that is hand-delivered will not be accepted after 4:00 p.m. on the closing date.

Part II

Program Information

The Soviet-Eastern European Research and Training Act of 1983 provides for U.S. Government assistance to develop and maintain a national capability for advanced research and training in the field of Soviet and Eastern European studies by authorizing support for graduate training, advanced research, public dissemination of research data and results, contact and collaboration among government and private specialists, and acquisition by specialists of first-hand experience in the

Soviet Union and the countries of Eastern Europe.

The purpose of the program and eligibility requirements are set forth in the Act, Pub. L. 98-164, Title VIII, 1047-50. Under Title VIII, the countries include Albania, Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, Romania, USSR, and Yugoslavia.

The Act establishes an Advisory Committee to recommend grant policies and recipients. The Secretary of State, after consultation with the Advisory Committee, shall approve policies and shall make final determination on awards.

Applications for funding under the Act are invited from organizations prepared to conduct national programs in the field of Soviet and Eastern European and related studies furthering the goals of the Act as follows:

- (1) programs of support for research on the Soviet Union and Eastern Europe at the postdoctoral or equivalent level, such research to be conducted, on a shared-cost basis by the sponsoring organization/institution and the government, through American institutions of higher education or not-for-profit corporations;
- (2) programs offering graduate, postdoctoral, and teaching fellowship support for advanced training in Soviet and Eastern European and related studies, including training in the languages of the Soviet Union and Eastern Europe, such training to be conducted, on a shared-cost basis by the sponsoring organization/institution and the government, at American institutions of higher education;
- (3) programs to carry out advanced training and research on a reciprocal basis in the Soviet Union and in the countries of Eastern Europe, and to facilitate access for American specialists to research facilities and resources in those countries;
- (4) programs to facilitate dissemination of research methods, data and findings in Soviet Union and Eastern European studies. Dissemination would include publication of papers, speeches, conference proceedings, the holding of meetings, funding of serial publications, bibliographical materials, etc.; and

- (5) programs to facilitate research collaboration among specialists and between government and private researchers in the field of Soviet and Eastern European studies and by conducting seminars, conferences, etc.

To be eligible for consideration, proposed programs must be national in scope as regards the constituencies to be served, and the competitions to be held in making awards. It is not intended to consider applications from individuals to further their own training or research, or from institutions or organizations proposing programs that do not meet the stipulated criteria for national scope.

In making its recommendations, the Committee will seek the development of a coherent, long-term, and stable effort directed toward developing and maintaining a national capability in Soviet and Eastern European studies. Program proposals can be for conduct of any of the functions enumerated, but in making its recommendations, the Committee will be concerned to develop a balanced effort which, over the life of the Act, will ensure attention to all the countries of the area, though with emphasis on the USSR. In choosing programs to recommend for funding it will also seek to foster interdisciplinary studies and the development of secondary competences. It will also seek to ensure special emphasis for those disciplines and topics (economics, geography, sociology, international relations, nationalities studies are possible examples) where the existing base of expertise most needs strengthening in the light of national needs.

Part III

Available Funds

Congress has authorized Title VIII funding through 1993 on an annual appropriation basis; in Fiscal Year 1985 the allocation is for \$4,800,000. Awards for future years will be based on an annual procedure subject to availability of funds.

Applications

Applications must be prepared and submitted in 7 copies in the form of a statement, the narrative part of which should not exceed 25 pages, double-spaced with a 1 page executive summary, a budget, and vitae of professional staff.

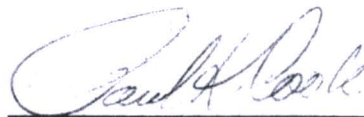
Technical Review

The Soviet-Eastern European Advisory Committee will evaluate applications on the basis of the nature and extent of the applicant's experience in administering programs of this kind in the Soviet-Eastern European field (35 points), their responsiveness to the objectives set forth above in Part II, Program Information (35 points), the quality of applicant key personnel and the adequacy of supporting resources (15 points), and budget and cost effectiveness (15 points).

Further Information

For further information, contact Paul K. Cook, Executive Director, Soviet-Eastern European Studies Advisory Committee, INR, Department of State, Room 4643, Washington, D.C. 20520. Telephone: (202) 653-5144.

Dated: October 2, 1984



(0717C)