

(16) Special tax treatment of below-market loans

Exempting bonds from Internal Revenue Code [title 26] rules relating to below-market loans.

(17) Exchange activities

Expanded exchange activities under the Fulbright, International Visitors, and other programs conducted by the United States Information Agency.

(18) Cultural centers

Contributions toward the establishment of reciprocal cultural centers that can facilitate educational and cultural exchange and expanded understanding of Western social democracy.

(19) Sister institutions

Establishment of sister institution programs between American and East European schools and universities, towns and cities, and other organizations in such fields as medicine and health care, business management, environmental protection, and agriculture.

(20) Scholarships

Scholarships to enable students to study in the United States.

(21) Science and technology exchanges

Grants for the implementation of bilateral agreements providing for cooperation in science and technology exchange.

(22) Assistance for democratic institutions

Assistance designed to support the development of legal, legislative, electoral, journalistic, and other institutions of free, pluralist societies.

(23) Environmental assistance

Environmental assistance directed at overcoming crucial deficiencies in air and water quality and other determinants of a healthful society.

(24) Medical assistance

Medical assistance specifically targeted to overcome severe deficiencies in pharmaceuticals and other basic health supplies.

(25) Encouragement for private investment and voluntary assistance

Encouraging private investment and voluntary private assistance, using a variety of means including a SEED Information Center System and the provision by the Department of Defense of transportation for private non-financial contributions.

(Pub. L. 101-179, §2, Nov. 28, 1989, 103 Stat. 1299; Pub. L. 102-549, title II, §202(e), Oct. 28, 1992, 106 Stat. 3658; Pub. L. 105-206, title V, §5003(b)(6), July 22, 1998, 112 Stat. 790.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (b), was in the original "this Act", meaning Pub. L. 101-179, Nov. 28, 1989, 103 Stat. 1298, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out below and Tables.

The Foreign Assistance Act of 1961, referred to in subsec. (c)(14), is Pub. L. 87-195, Sept. 4, 1961, 75 Stat. 424,

as amended, which is classified principally to chapter 32 (§2151 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2151 of this title and Tables.

AMENDMENTS

1998—Subsec. (c)(11). Pub. L. 105-206 in heading substituted "Normal trade relations" for "Most favored nation trade status" and in text struck out "(commonly referred to as 'most favored nation status')" after "nondiscriminatory treatment".

1992—Subsec. (c)(14). Pub. L. 102-549 substituted "Agency" for "Program".

SHORT TITLE

Pub. L. 101-179, §1(a), Nov. 28, 1989, 103 Stat. 1298, provided that: "This Act [enacting this chapter and section 2185 of this title, amending sections 2184 and 2199 of this title, section 1757 of Title 12, Banks and Banking, and section 2462 of Title 19, Customs Duties, enacting provisions set out as notes under sections 2185, 2199, and 2421 of this title, section 635 of Title 12, and section 7872 of Title 26, Internal Revenue Code, and amending provisions set out as a note under section 7872 of Title 26] may be cited as the 'Support for East European Democracy (SEED) Act of 1989'."

TRANSFER OF FUNCTIONS

United States Information Agency (other than Broadcasting Board of Governors and International Broadcasting Bureau) abolished and functions transferred to Secretary of State, see sections 6531 and 6532 of this title.

EX. ORD. NO. 12703. SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) PROGRAM

Ex. Ord. No. 12703, Feb. 20, 1990, 55 F.R. 6351, as amended by Ex. Ord. No. 13118, §10(2), Mar. 31, 1999, 64 F.R. 16598, provided:

By the authority vested in me as President by the Constitution and laws of the United States of America, including the Support for East European Democracy (SEED) Act (P.L. 101-179, hereinafter referred to as the "Act") [22 U.S.C. 5401 et seq.] and section 301 of Title 3 of the United States Code, it is hereby ordered as follows:

SECTION 1. *SEED Program Coordinator*. The functions conferred by Title VII of the Act [22 U.S.C. 5471 et seq.] relating to reports to the Congress are hereby delegated to the Coordinator of the SEED Program. The Coordinator is authorized to assign responsibility for particular aspects of the reports to appropriate agencies.

Sec. 2. *Department of State*. The functions conferred upon the President by section 201 of the Act [22 U.S.C. 5421] relating to Enterprise Funds for Poland and Hungary are hereby delegated to the Secretary of State.

SEC. 3. *Department of Commerce*. The functions conferred upon the President by section 602 of the Act [22 U.S.C. 5462] regarding the establishment of a SEED Information Center System in cooperation with the Governments of Poland and Hungary are hereby delegated to the Secretary of Commerce. This authority is to be exercised in consultation with the SEED Program Coordinator and in consultation with other agencies as appropriate.

SEC. 4. *Department of the Treasury*. The functions conferred upon the President by section 104 of the Act [22 U.S.C. 5414] regarding debt reduction of certain East European countries are hereby delegated to the Secretary of the Treasury. The Secretary shall consult, as appropriate, with other relevant agencies in exercising the functions herein delegated.

GEORGE BUSH.

§ 5402. Scope of authority**(a) General authorization**

The President is authorized to conduct activities for any East European country that are

similar to any activity authorized by this chapter to be conducted in Poland or Hungary (excluding those authorized by section 5412 of this title or the amendments made by sections 301 and 304) if such similar activities would effectively promote a transition to market-oriented democracy.

(b) Administration of justice programs

In order to strengthen the administration of justice in East European countries, the President may exercise the same authorities with respect to those countries as are available under section 2346c of this title, subject to the limitations and requirements of that section, other than subsection (c) and the last two sentences of subsection (e).

(c) “East European country” defined

For purposes of this chapter, the term “East European country” includes Albania, Bulgaria, the Czech and Slovak Federal Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and states that were part of the former Socialist Federal Republic of Yugoslavia.

(Pub. L. 101-179, §3, as added Pub. L. 102-511, title IX, §903(a), Oct. 24, 1992, 106 Stat. 3355.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a) and (c), was in the original “this Act”, meaning Pub. L. 101-179, Nov. 28, 1989, 103 Stat. 1298, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 5401 of this title and Tables.

Sections 301 and 304, referred to in subsec. (a), are sections 301 and 304 of Pub. L. 101-179, title III, Nov. 28, 1989, 103 Stat. 1311, 1312. Section 301 amended section 2462 of Title 19, Customs Duties. Section 304 enacted section 2185 of this title, amended section 2184 of this title, and enacted provisions set out as a note under section 2185 of this title.

SUBCHAPTER I—STRUCTURAL
ADJUSTMENT

§ 5411. Multilateral support for structural adjustment in Poland and Hungary

(a) Multilateral assistance for Poland and Hungary

(1) In general

To the extent that Poland and Hungary continue to evolve toward pluralism and democracy and to develop and implement comprehensive economic reform programs, the United States Government shall take the leadership in mobilizing international financial institutions, in particular the International Monetary Fund and the International Bank for Reconstruction and Development and its affiliated institutions in the World Bank group, to provide timely and appropriate resources to help Poland and Hungary.

(2) World Bank structural adjustment loan for Poland

In furtherance of paragraph (1), the Secretary of the Treasury shall direct the United States Executive Director of the International Bank for Reconstruction and Development to urge expeditious approval and disbursement by the Bank of a structural adjustment loan

to Poland in an appropriate amount in time to facilitate the implementation of major economic reforms scheduled for early 1990, including the termination of energy, export, and agricultural subsidies and wage indexation.

(b) Stabilization assistance, debt relief, and agricultural assistance for Poland

To the extent that Poland continues to evolve toward pluralism and democracy and to develop and implement comprehensive economic reform programs, the United States Government shall do the following:

(1) Stabilization assistance

The United States Government, in conjunction with other member governments of the Organization of Economic Cooperation and Development (OECD) and international financial institutions (including the International Monetary Fund), shall support the implementation of a plan of the Government of Poland to attack hyperinflation and other structural economic problems, address pressing social problems, carry out comprehensive economic reform, and relieve immediate and urgent balance of payments requirements in Poland, through the use of mechanisms such as—

(A) the Exchange Stabilization Fund pursuant to section 5302 of title 31 and in accordance with established Department of the Treasury policies and procedures; and

(B) the authority provided in section 5412(c) of this title.

(2) Debt relief

The United States Government—

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

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

(3) Agricultural assistance

The United States Government shall provide agricultural assistance for Poland in accordance with section 5413 of this title.

(Pub. L. 101-179, title I, §101, Nov. 28, 1989, 103 Stat. 1302.)

§ 5412. Stabilization assistance for Poland

(a) Immediate emergency assistance

To the extent that the ongoing International Monetary Fund review of the Polish economy projects a probable balance of payments shortage for the fourth quarter of 1989, the United States Government, in carrying out paragraph (1) of section 5411(b) of this title—

(1) should work closely with the European Community and international financial institutions to determine the extent of emergency