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HANDBOOK
OF
Mutual Security Legislation
and Related Documents

**(WITH EXPLANATORY NOTES,
INDEX AND CROSS-REFERENCES)**

DECEMBER 1954

U.S. Laws, Statutes

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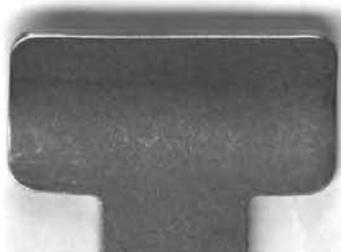
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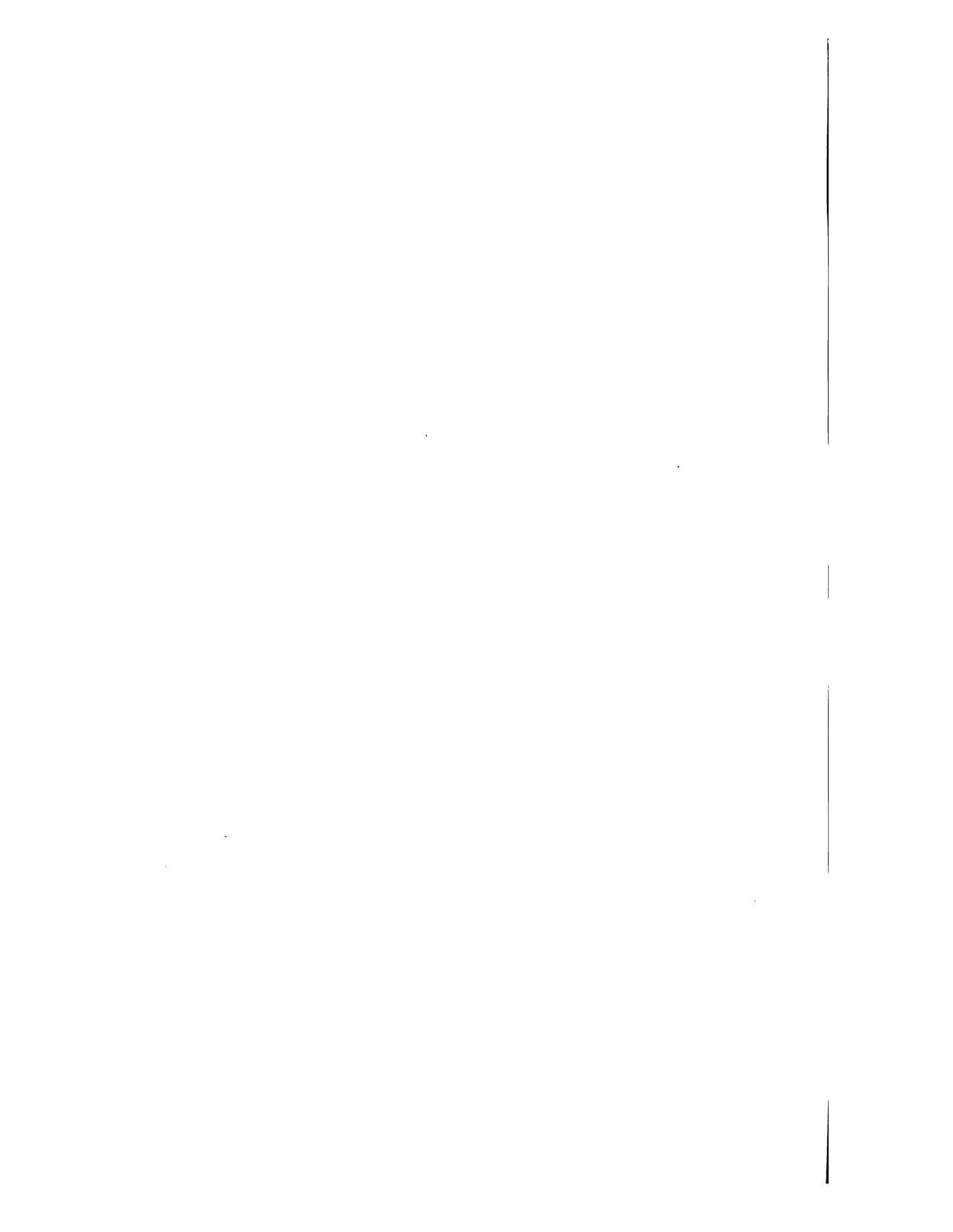
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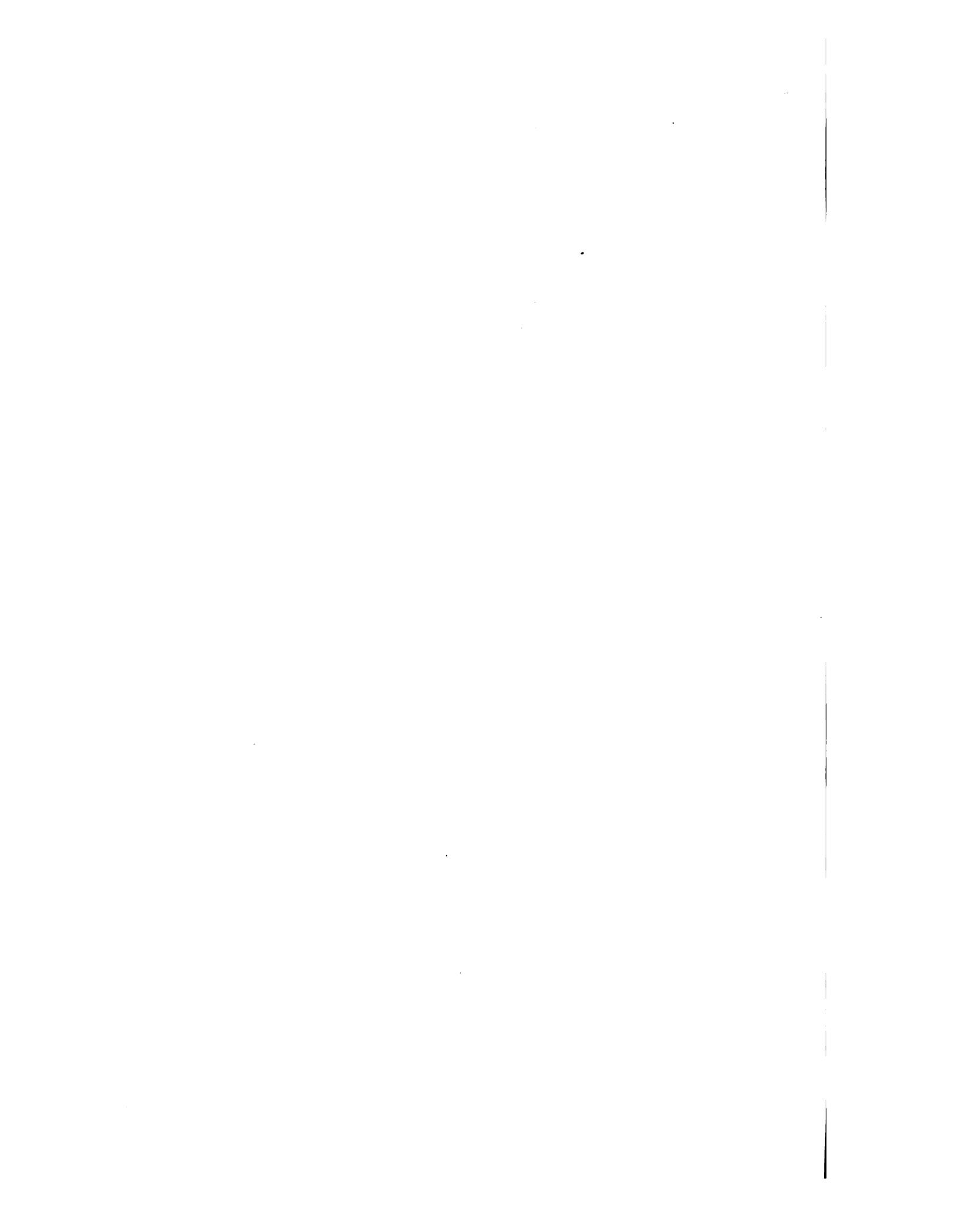
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FOREWORD

This compilation was prepared by the staff of the General Counsel's Office of the Foreign Operations Administration in collaboration with the staffs of the General Counsel, Department of Defense, and the Legal Adviser, Department of State. Its purpose is to provide an up-to-date collection of basic foreign aid legislation and related documents, including the changes made during the 83d Congress, 2d session.

The compilation contains the actual texts of the laws, together with an index, explanatory notes and footnotes for convenient cross reference. It is not intended to include any interpretative comments. No assumption as to the meaning or significance of any of the laws is to be made on the basis of their inclusion, location, or other treatment in this compilation.

HAROLD E. STASSEN, *Director,*
Foreign Operations Administration.



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A-1. MUTUAL SECURITY ACT OF 1954
(With Explanatory Notes and Cross-References)

A-1. MUTUAL SECURITY ACT OF 1954

**Text of Public Law 665, 83d Congress [H. R. 9678],
68 Stat. 832, approved August 26, 1954**

AN ACT To promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1954".

TITLE I—MUTUAL DEFENSE ASSISTANCE

CHAPTER 1. MILITARY ASSISTANCE

SEC. 101.¹ PURPOSE OF CHAPTER.—The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except in the common defense. The Congress hereby finds that the efforts of the United States and other nations to promote peace and security require additional measures of support based upon the principle of continuous and effective help-help and mutual aid. It is the purpose of this chapter to authorize measures in the common defense, including the furnishing of military assistance to friendly nations and international organizations² in order to promote the foreign policy, security, and general welfare of the United States and to facilitate the effective participation of such nations in arrangements for individual and collective self-defense. In furnishing such military assistance, it remains the policy of the United States to continue to exert maximum efforts to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including armed forces, under adequate safeguards to protect complying nations against violation and evasion.

The Congress reaffirms its previous expressions favoring the creation by the free peoples of the Far East and the Pacific of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic

¹ 22 U. S. C. § 1811.

² For text of the North Atlantic Treaty, see p. 165.

rights and liberties and to protect their security and independence.³

Communist
China.
Opposition to
UN seating.

The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

SEC. 102.⁴ GENERAL AUTHORITY.—Military assistance may be furnished under this chapter on a grant or loan basis⁵ and upon such other appropriate terms as may be agreed upon, by the procurement from any source and the transfer to eligible nations and international organizations of equipment, materials, and services or by the provision of any service, including the assignment or detail of members of the Armed Forces and other personnel of the Department of Defense solely to assist in an advisory capacity or to perform other duties of a non-combatant nature, including military training or advice.⁶

NOTE.—The amount appropriated by the Mutual Security Appropriation Act, 1955, appears as a footnote to each authorization in the Mutual Security Act of 1954. Section 108 of the Mutual Security Appropriation Act, 1955, states: "Not more than 25 per centum of any funds made available by this Act shall be obligated during the last two months of the fiscal year."

³ For text of the Southeast Asia Collective Defense Treaty and Pacific Charter, see p. 170.

⁴ 22 U. S. C. § 1812.

⁵ See also sec. 505 of this Act.

⁶ See also the Act of May 19, 1926, as amended, 44 Stat. 565, 10 U. S. C. 540, 34 U. S. C. 541a, which provides: "The President of the United States is authorized, upon application from the foreign governments concerned, and whenever in his discretion the public interests render such a course advisable, to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Republics of North America, Central America, and South America and of the Republics of Cuba, Haiti, and Santo Domingo and, during war or a declared national emergency, the governments of such other countries as the President deems it in the interest of national defense to assist, in military matters: *Provided*, That the officers and enlisted men so detailed are authorized to accept from the government to which detailed offices and such compensation and emoluments thereunto appertaining as may be first approved by the Secretary of the Army or the Secretary of the Navy: *Provided further*, That while so detailed such officers and enlisted men shall receive, in addition to the compensation and emoluments allowed them by such governments, the pay and allowances whereto entitled in the United States Army, Navy, and Marine Corps and shall be allowed the same credit for longevity, retirement, and for all other purposes that they would receive if they were serving with the forces of the United States."

SEC. 103.⁷ AUTHORIZATIONS.—(a) There is hereby authorized to be appropriated to the President, in addition to appropriations authorized by section 104, not to exceed \$1,270,000,000 to carry out the purpose of this chapter; and, in addition, unexpended balances of appropriations for military assistance under each paragraph of the Mutual Security Appropriation Act, 1954 (including the appropriation for mutual special weapons planning), are hereby authorized to be continued available for the purpose of this chapter and to be consolidated with the appropriation authorized by this subsection;⁸ all of which is hereby authorized to be continued available through June 30, 1955.

(b) Funds made available pursuant to subsection (a) of this section shall be available for the administrative and operating expenses of carrying out the purpose of this chapter⁹ including expenses incident to United States participation in international security organizations.

(c) Funds made available pursuant to subsection (a) of this section may be used for the procurement of equipment or materials outside the United States unless the President determines that such procurement will result in one or more of the following conditions:

(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;

(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the release to potential enemies of information detrimental to the security of the United States;

(3) Unjustifiable cost in comparison with procurement in the United States, taking into account transportation costs for delivery overseas; and

⁷ 22 U. S. C. § 1813.

⁸ Mutual Security Appropriation Act, 1955—\$1,092,700,000, plus not to exceed \$2,383,512,729 of unobligated balances: "Provided, That such unobligated balances shall be derived from balances of appropriations heretofore made for military assistance (Europe; Near East and Africa; Asia and the Pacific; American Republics; and mutual special weapons planning): * * * *Provided further*, That the military supplies and equipment (or the equivalent value thereof as the Secretary of Defense shall determine but not to exceed \$200,000,000 in inventory value) which have been procured and processed for delivery to foreign areas and which subsequently are returned to the custody of the United States because of a change in the international situation, shall remain available for military assistance authorized by law, and such amounts shall be in addition to the amounts herein otherwise provided for: *Provided further*, That this limitation on military supplies and equipment shall not apply to capital ships for which title has passed but which have been reclaimed by the Navy Department;" (p. 75).

⁹ Mutual Security Appropriation Act, 1955—"Not to exceed \$23,250,000 of such funds shall be available for administrative expenses to carry out the purposes of title I, ch. 1 until June 30, 1955" (p. 75).

(4) Delays in delivery incompatible with United States defense objectives.¹⁰

66 Stat. 646.

SEC. 104.¹¹ INFRASTRUCTURE.—(a) The President is authorized to make contributions to infrastructure programs of the North Atlantic Treaty Organization, in accordance with agreements already made between the member nations, out of funds made available pursuant to this section, or section 103, or chapter IX of the Supplemental Appropriation Act, 1953, of amounts totaling not more than \$780,000,000, less amounts already contributed for such purpose. There is hereby authorized to be appropriated to the President for such purpose, in installments prior to June 30, 1958, not to exceed \$321,000,000, to remain available until expended.¹² Such contributions by the United States shall not exceed its proportionate share, as heretofore agreed upon, of the expenses of such programs.

(b) When the President determines that it is in the interest of the security of the United States to participate in programs for the acquisition or construction of facilities in foreign nations for collective defense other than programs of the North Atlantic Treaty Organization, he may use for such purpose funds made available under section 103 or local currencies made available under section 402 in amounts totaling not more than \$50,000,000.

(c) Notwithstanding section 501 of this Act, no funds other than those referred to in subsections (a) and (b) of this section may be expended for the purposes of this section. No funds shall be expended under this section for rental or purchase of land or for payment of taxes.

SEC. 105.¹³ CONDITIONS APPLICABLE TO MILITARY ASSISTANCE.¹⁴—(a) Military assistance may be furnished under this chapter to any nation whose increased ability to defend itself the President shall have determined to be important to the security of the United States and which is otherwise eligible to receive such assistance. Equipment and materials furnished under this chapter shall be made available solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements and measures consistent with the Charter of the United Nations. The President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation.

¹⁰ See also sec. 510 of this Act and sec. 107 of Mutual Security Appropriation Act, 1955 (p. 81).

¹¹ 22 U. S. C. § 1814.

¹² Mutual Security Appropriation Act, 1955—“\$100,000,000, plus not to exceed \$39,000,000 of unobligated balances” (p. 75).

¹³ 22 U. S. C. § 1815.

¹⁴ See also secs. 141 and 142 of this Act.

(b) In addition to the authority and limitations contained in the preceding subsection, the following provisions shall apply to particular areas:

(1) In order to promote an integrated defense of the North Atlantic area and to support concrete measures for political federation, military integration, and economic unification in Europe, equipment and materials of the value programmed for fiscal years 1954 and 1955 for nations signing the treaty constituting the European Defense Community shall, pending the coming into force of the treaty, be delivered only to such of these nations as have ratified the treaty, and have joined together in or are developing collective defense programs in a manner satisfactory to the United States as determined by the President.

(2) Military assistance furnished to any nation in the Near East, Africa, and South Asia to permit it to participate in the defense of its area shall be furnished only in accordance with plans and arrangements which shall have been found by the President to require the recipient nation to take an important part therein.

(3) In furnishing military assistance in the Far East and the Pacific and in carrying out the provisions of section 121 of this Act, the President shall give the fullest assistance, as far as possible directly, to the free peoples in that area, including the Associated States of Cambodia, Laos, and Vietnam, in their creation of a joint organization,¹⁵ consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties, and to protect their security and independence.

(4) Military assistance may be furnished to the other American Republics only in accordance with defense plans which shall have been found by the President to require the recipient nation to participate in missions important to the defense of the Western Hemisphere.

(c) The Secretary of Defense shall insure that the value (as determined pursuant to section 545) of equipment, materials, and services heretofore furnished under military assistance programs authorized by Acts repealed by this Act or hereafter furnished pursuant to section 103 (a) to nations or organizations in each of the four areas named in this subsection shall not exceed the total of the funds heretofore made available for military assistance in that area pursuant to Acts repealed by this Act plus the amount herein specified for that area:

(1) In the European area (excluding Greece and Turkey), \$617,500,000.

¹⁵ For text of the Southeast Asia Collective Defense Treaty and Pacific Charter, see p. 170.

(2) In the Near East (including Greece and Turkey), Africa, and South Asia, \$181,200,000.

(3) In the Far East and the Pacific, \$583,600,000.

(4) In the Western Hemisphere, \$13,000,000.

(d) Whenever the President determines it to be necessary for the purpose of this title, equipment, materials, and services of a value not to exceed 15 per centum of the sum of (1) that portion of the unexpended balances referred to in section 103 (a) which was available on June 30, 1954, to furnish assistance in any of the areas named in subsection (c) of this section, and (2) the amount specified in the applicable paragraph of subsection (c) of this section for additional assistance in such area, may be furnished in any other such area or areas, notwithstanding the limitations set forth in subsection (c) of this section.¹⁶ Funds heretofore obligated or programed or hereafter made available solely for the purpose of section 104 (pertaining to infrastructure) shall not be included in the total fixed for each such area. Funds heretofore appropriated for military assistance in a particular geographic area but transferred from such use under section 513 of the Mutual Security Act of 1951, as amended, or under section 408 (c) of the Mutual Defense Assistance Act, shall be included in the total for the area for the benefit of which such transfer was made, and not in the total for the area from which the transfer was made.¹⁷

65 Stat. 382;
63 Stat. 720.
22 USC 1664;
1579 note.

SEC. 106.¹⁸ SALE OF MILITARY EQUIPMENT, MATERIALS, AND SERVICES.—(a) The President may, in order to carry out the purpose of this chapter, sell or enter into contracts (without requirement for charge to any appropriation or contract authorization) for the procurement for sale of equipment, materials, or services to any nation or international organization: *Provided*, That prior to the transfer of any such equipment, materials, or services to any nation which has not signed an agreement under section 142 of this Act or joined with the United States in a regional collective defense arrangement, the President shall have received commitments satisfactory to him that such equipment, materials, or services are required for and will be used by such nation solely to maintain its internal security, its legitimate self-defense, or to permit it to participate in the defense of the area of which it is a part, or in collective security arrangements and measures consistent with the Charter of the United Nations, and that it will not undertake any act of aggression against any other state.

(b) Whenever equipment or materials are sold from the stocks of or services are rendered by any United

¹⁶ See also sec. 501 of this Act.

¹⁷ See also sec. 110 of Mutual Security Appropriation Act, 1955 (p. 82).

¹⁸ 22 U. S. C. § 1816.

States Government agency to any nation or international organization as provided in subsection (a), such nation or international organization shall first make available the fair value, as determined by the President, of such equipment, materials, or services before delivery or, when the President determines it to be in the best interests of the United States, within sixty days thereafter or, as determined by the President, within a reasonable period not to exceed three years. The fair value for the purpose of this subsection shall not be less than the value as defined in subsection (h) of section 545: *Provided*, That with respect to excess equipment or materials the fair value may not be determined to be less than (i) the minimum value specified in that subsection plus the scrap value, or (ii) the market value, if ascertainable, whichever is the greater. Before a contract for new production is entered into, or rehabilitation work is undertaken, such nation or international organization shall (A) provide the United States with a dependable undertaking to pay the full amount of such contract or the cost of such rehabilitation which will assure the United States against any loss on the contract or rehabilitation work, and (B) shall make funds available in such amounts and at such times as may be necessary to meet the payments required by the contract or the rehabilitation work in advance of the time such payments are due, in addition to the estimated amount of any damages and costs that may accrue from the cancellation of such contract or rehabilitation work.

(c) Sections 105, 141, and 142 shall not apply with respect to assistance furnished under this section.

SEC. 107.¹⁹ WAIVERS OF LAW.—(a) The President may perform any of the functions authorized under this chapter without regard to (1) the provisions of title 10, United States Code, section 1262 (a), and title 34, United States Code, section 546 (e); and (2) such provisions as he may specify of the joint resolution of November 4, 1939 (54 Stat. 4), as amended.

54 Stat. 681.
10 USC 1262a;
34 USC 546e.
22 USC 441
note.

(b) Notwithstanding the provisions of Revised Statutes 1222 (10 U. S. C. 576), personnel of the Department of Defense may be assigned or detailed to any civil office for the purpose of enabling the President to furnish assistance under this Act.²⁰

SEC. 108.²¹ TRANSFER OF MILITARY EQUIPMENT TO JAPAN.—In addition to any program of military assistance for which funds may be appropriated pursuant to this Act, the President is hereby authorized to transfer to the Government of Japan, until June 30, 1955, upon such terms and conditions as he may specify, and upon its re-

¹⁹ 22 U. S. C. § 1817.

²⁰ See also secs. 526, 528 and 529 of this Act.

²¹ 22 U. S. C. § 1818.

quest, United States military equipment and supplies programed for Japan to meet its internal security requirements for which Department of Defense appropriations were obligated prior to July 1, 1953. No appropriation shall be requested to replace the military equipment and supplies so transferred, and no funds heretofore or hereafter appropriated for the purpose of this chapter shall be available for reimbursement to any United States Government agency on account of any transfer made pursuant to this section.

NOTE APPLICABLE TO ALL SUBSEQUENT SECTIONS OF THIS ACT.—Mutual Security Appropriation Act, 1955—“Funds appropriated under each paragraph of this Act (other than appropriations under the head of military assistance), including specified amounts of unobligated balances, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available during fiscal year 1955, may be consolidated in one account for each paragraph: *Provided*, That any apparent recorded obligation outstanding on June 30, 1954, against any such appropriation which is not eligible for certification under the terms of section 1311 of the Supplemental Appropriation Act, 1955, may be corrected and certified under section 1311 as an obligation if approved by the Director of the Foreign Operations Administration and the Director of the Budget not later than February 1, 1955” (p. 77).

CHAPTER 2—SOUTHEAST ASIA AND THE WESTERN PACIFIC, AND DIRECT FORCES SUPPORT

SEC. 121.²² SOUTHEAST ASIA AND THE WESTERN PACIFIC.—There is hereby authorized to be appropriated to the President for the fiscal year 1955, to be made available on such terms and conditions, including transfer of funds, as he may specify, not to exceed \$700,000,000²³ for expenses necessary for the support of the forces of nations in the area of Southeast Asia, including the furnishing, as far as possible, of direct assistance to the Associated States of Cambodia, Laos, and Vietnam as well

²² 22 U. S. C. § 1831.

²³ Mutual Security Appropriation Act, 1955—“\$700,000,000 *PROVIDED*, That none of the funds appropriated in this paragraph may be used for assistance to any nation which in the opinion of the President is not making satisfactory efforts against Communist penetration and/or aggressions” (p. 76).

as to the forces of other free nations in the area including those of France located in such Associated States and for other expenditures to accomplish in Southeast Asia and the Western Pacific the policies and purposes declared in this Act. In addition, the unexpended balances of funds allocated from appropriations made pursuant to sections 304 and 540 of the Mutual Security Act of 1951, as amended, for the purpose of support of the forces of the Associated States of Cambodia, Laos, and Vietnam and the forces of France located in the Associated States, are hereby authorized to be continued available for the purpose of this section through June 30, 1955, and to be consolidated with the appropriation authorized by this section. Assistance under this section shall be made available subject to the provisions of sections 141 and 142, except that (1) in the case of assistance to the Associated States of Cambodia, Laos, and Vietnam, and (2) in the case of assistance (not to exceed in the aggregate 10 per centum of the amount appropriated pursuant to this section, excluding unexpended balances of prior appropriations) to other nations, the President may waive specific provisions of section 142 to the extent he may deem necessary in the national interest to carry out the purposes of this Act. The President or such officer as he may designate shall report each instance of such waiver to the Foreign Relations, Appropriations, and Armed Services Committees of the Senate and the Foreign Affairs, Appropriations, and Armed Services Committees of the House of Representatives within thirty days.

67 Stat. 153,
152.
22 USC 1704,
1675l.

Report to Con-
gressional Com-
mittees.

It is the sense of the Congress that no part of the funds appropriated under this section shall be used on behalf of governments which are committed by treaty to maintain Communist rule over any defined territory of Asia.

SEC. 122.²⁴ PRODUCTION FOR FORCES SUPPORT.—There is hereby authorized to be appropriated to the President for the fiscal year 1955, to be made available on such terms and conditions, including transfer of funds, as he may specify, not to exceed \$35,000,000²⁵ for manufacture in the United Kingdom of military aircraft required by United Kingdom forces for the defense of the North Atlantic area. In addition, unexpended balances of appropriations made pursuant to section 102 of the Mutual Security Act of 1951, as amended, are hereby authorized to be continued available for their original purposes through June 30, 1955, and the unexpended balance of the appropriation made pursuant to the second clause of that section is authorized to be consolidated with the appropriation authorized by this section.

67 Stat. 153.
22 USC 1682.

²⁴ 22 U. S. C. § 1832.

²⁵ Mutual Security Appropriation Act, 1955—“\$35,000,000, all of which shall be in the form of United States surplus agricultural commodities” (p. 76).

SEC. 123.²⁶ COMMON USE ITEMS.—There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$60,000,000²⁷ for the provision of any common-use equipment, materials, commodities, or services which are to be used by military forces of nations receiving assistance under chapter 1 of this title. Programs authorized by this section shall be administered in accordance with the provisions of chapter 1 or chapter 3 of this title.

CHAPTER 3—DEFENSE SUPPORT

SEC. 131.²⁸ GENERAL AUTHORITY.—(a) The President is hereby authorized to furnish, to nations and organizations eligible to receive military assistance under chapter 1 of this title, or to nations which have joined with the United States in a regional collective defense arrangement, commodities, services, and financial and other assistance designed to sustain and increase military effort. In furnishing such assistance, the President may provide for the procurement and transfer from any source of any commodity or service (including processing, storing, transporting, marine insurance, and repairing) or any technical information and assistance.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1955 to carry out the provisions of this section, not to exceed—

- (1) \$46,000,000 for Europe (excluding Greece and Turkey);²⁹
- (2) \$73,000,000 for the Near East (including Greece and Turkey), Africa, and South Asia;³⁰ and
- (3) \$80,098,195 for the Far East and the Pacific.³¹

In addition, unexpended balances of appropriations heretofore made pursuant to section 541 of the Mutual Security Act of 1951, as amended, are hereby authorized to be continued available for the purpose of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized for the same area by this subsection: *Provided*, That portions of such unexpended balances which have been allocated to assistance for Greece and Turkey shall be consolidated with the appropriation authorized by paragraph (2) of this subsection.

SEC. 132.³² KOREAN PROGRAM.³³—(a) There is hereby authorized to be appropriated to the President for the

67 Stat. 152.
22 USC 1675j.

²⁶ 22 U. S. C. § 1833.

²⁷ Mutual Security Appropriation Act, 1955—\$60,000,000 (p. 76).

²⁸ 22 U. S. C. § 1841.

²⁹ Mutual Security Appropriation Act, 1955—\$45,000,000 (p. 76).

³⁰ Mutual Security Appropriation Act, 1955—\$73,000,000 (p. 76).

³¹ Mutual Security Appropriation Act, 1955—\$80,098,195 (p. 76).

³² 22 U. S. C. § 1842.

³³ See also sec. 412 of this Act re Korean students and sec. 102 of Mutual Security Appropriation Act, 1955, which provides for the payment of salaries in excess of \$12,000 to "not to exceed six employees assigned to the administration or implementation of the program authorized by section 132 of the Mutual Security Act of 1954; * * *" (p. 79).

fiscal year 1955 not to exceed \$205,000,000 to be expended, upon terms and conditions specified by the President, for defense support, relief and rehabilitation, and other necessary assistance (including payment of ocean freight charges on shipments for relief and rehabilitation, without regard to section 409 of this Act) in those parts of Korea which the President shall have determined to be not under Communist control. In addition, unexpended balances of funds heretofore allocated for the purpose of relief and rehabilitation in Korea pursuant to the paragraph entitled "Relief and Rehabilitation in Korea," chapter VII, Supplemental Appropriation Act, 1954, and unobligated balances of the appropriation for "Civilian Relief in Korea," title III, Department of Defense Appropriation Act, 1954, are hereby authorized to be continued available for the purposes of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized by this subsection.³⁴

67 Stat. 425.

67 Stat. 341.

(b) (1) Notwithstanding the provisions of any other law, the President is authorized, at any time prior to twenty-four months from the date of enactment of this Act, to transfer to the Republic of Korea, by sale or charter and on such terms and conditions as he may specify, not more than eight C1-M-AV1 vessels.³⁵ Any agency of the United States Government owning or operating such vessels is authorized to make such vessels available for the purpose of this subsection: *Provided*, That if after investigation it is determined by the President that there are privately owned C1-M-AV1 vessels offered and available for sale by American citizens as defined in section 2 of the Shipping Act, 1916, as amended, at prices equal to or less than those provided for in subsection (b) (2) below, such vessels shall be acquired by an owning or operating agency designated by the President for the purpose of this subsection. Funds made available pursuant to subsection (a) of this section shall be available for the purpose of this subsection.

39 Stat. 729.
46 USC 802.

(2) Such transfers shall be made at prices determined under section 3 of the Merchant Ship Sales Act of 1946 (50 U. S. C., App. 1736): *Provided*, That such vessels shall be placed in class in accordance with minimum requirements of the American Bureau of Shipping by the owning or operating agency, and the expense of placing in class shall be reimbursed to such agency.

60 Stat. 41.

³⁴ Mutual Security Appropriation Act, 1955—" \$205,000,000 and in addition, unobligated balances of the appropriation under the head 'Civilian Relief in Korea' in the Department of Defense Appropriation Act, 1954, are continued available for the purposes of section 132 (a) through June 30, 1955, and are hereby consolidated with this appropriation" (p. 76).

³⁵ For text of Act of August 5, 1953, authorizing transfer of certain vessels, equipment and facilities to friendly nations in the Far East, see p. 162.

65 Stat. 376.
22 USC 1703.

(c) There is hereby authorized to be appropriated for the fiscal year 1955 not to exceed \$3,452,615 for making contributions to the United Nations Korean Reconstruction Agency or expenditure through such other agency for relief and rehabilitation in Korea as the President may direct. In addition, the unexpended balance of the appropriation made pursuant to the last sentence of section 303 (a) of the Mutual Security Act of 1951, as amended, is hereby authorized to be continued available for the purpose of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized by this subsection.³⁶ Sections 141 and 142 of this Act shall not apply with respect to assistance furnished under this subsection.

(d) To the extent necessary to accomplish the purposes of this section (1) assistance may be furnished under this section without regard to the other provisions of this title and (2) the authority provided in section 307 may be exercised in furnishing assistance under subsection (a) of this section.

CHAPTER 4—GENERAL PROVISIONS RELATING TO MUTUAL DEFENSE ASSISTANCE

SEC. 141.³⁷ CONDITIONS OF ELIGIBILITY FOR ASSISTANCE.³⁸—No assistance shall be furnished under this title to any nation or organization unless the President shall have found that furnishing such assistance will strengthen the security of the United States and promote world peace. No such assistance shall be furnished to a nation unless it shall have agreed to the provisions required by section 142, and such additional provisions as the President deems necessary to effectuate the policies and provisions of this title and to safeguard the interests of the United States.

SEC. 142.³⁹ AGREEMENTS.⁴⁰—No assistance shall be furnished to any nation under this title unless such nation shall have agreed to—

- (1) join in promoting international understanding and good will, and maintaining world peace;
- (2) take such action as may be mutually agreed upon to eliminate causes of international tension;
- (3) fulfill the military obligations, if any, which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

³⁶ Mutual Security Appropriation Act, 1955—“\$3,000,000, and in addition, not to exceed \$16,000,000 of the unobligated balances of funds heretofore made available under this head” (p. 76).

³⁷ 22 U. S. C. § 1851.

³⁸ See also sec. 105 of this Act.

³⁹ 22 U. S. C. § 1852.

⁴⁰ See also sec. 543 (b) of this Act.

(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

(5) take all reasonable measures which may be needed to develop its defense capacities;

(6) take appropriate steps to insure the effective utilization of the assistance furnished under this title in furtherance of the policies and purposes of this title;

(7) impose appropriate restrictions against transfer of title to or possession of any equipment and materials, information, or services furnished under chapter 1 of this title, without the consent of the President;

(8) maintain the security of any article, service, or information furnished under chapter 1 of this title;

(9) furnish equipment and materials, services, or other assistance consistent with the Charter of the United Nations, to the United States or to and among other nations to further the policies and purpose of chapter 1 of this title;

(10) permit continuous observation and review by United States representatives of programs of assistance authorized under this title, including the utilization of any such assistance, or provide the United States with full and complete information with respect to these matters, as the President may require; and

(11) in cases where any commodity is furnished on a grant basis under any provision of this Act other than chapter 1 of title I under arrangements which will result in the accrual of proceeds to the recipient nation from the import or sale thereof, establish a Special Account, and—

Special
Account.

(i) deposit in the Special Account, under such terms and conditions as may be agreed upon, currency of the recipient nation in amounts equal to such proceeds;

(ii) make available to the United States such portion of the Special Account as may be determined by the President to be necessary for the requirements of the United States: *Provided*, That such portion shall not be less than 10 per centum in the case of any country to which such minimum requirement has been applicable under any Act repealed by this Act; and

(iii) utilize the remainder of the Special Account for programs agreed to by the United

States to carry out the purposes for which new funds authorized by this Act would themselves be available.⁴¹

Any unencumbered balances of funds which remain in the Account upon termination of assistance to such nation under this Act shall be disposed of for such purposes as may, subject to approval by the Act or joint resolution of the Congress, be agreed to between such country and the Government of the United States.

TITLE II—DEVELOPMENT ASSISTANCE

SEC. 201.⁴² AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1955, not to exceed—

(1) \$115,000,000 for assistance designed to promote the economic development of the Near East and Africa, and for other types of assistance designed to help maintain economic and political stability in the area;⁴³

(2) \$75,000,000 for assistance designed to promote the economic development of South Asia and to assist in maintaining economic and political stability in the area;⁴⁴ and

(3) \$9,000,000 for assistance designed to promote economic development in the other American Republics and non-self-governing territories of the Western Hemisphere.⁴⁵

Such assistance may be furnished on such terms and conditions as the President may specify, except that 30 per centum of the funds appropriated pursuant to this subsection shall be available only for furnishing assistance on terms of repayment in accordance with section 505.⁴⁶

(b) In addition, unexpended balances of appropriations heretofore made pursuant to sections 206 and 302 (b) of the Mutual Security Act of 1951, as amended, and unexpended balances of funds allocated to the emergency economic aid program for Bolivia are hereby authorized to be continued available for the purposes of this section through June 30, 1955, and to be consolidated with the appropriations authorized by paragraphs (1), (2), and (3) of subsection (a) of this section, respectively.

SEC. 202.⁴⁷ ADMINISTRATION.—Except as necessary to accomplish the purposes of section 201, programs of assistance authorized by that section shall be administered

66 Stat. 142;
65 Stat. 376.
22 USC 1696,
1547.

⁴¹ See also sec. 502 of this Act and secs. 104 (p. 80), 105 (p. 81) and 109 (p. 82) of Mutual Security Appropriation Act, 1955.

⁴² 22 U. S. C. § 1871.

⁴³ Mutual Security Appropriation Act, 1955—\$115,000,000 (p. 76).

⁴⁴ Mutual Security Appropriation Act, 1955—\$60,500,000 (p. 76).

⁴⁵ Mutual Security Appropriation Act, 1955—\$9,000,000 (p. 76).

⁴⁶ See also sec. 501 of this Act.

⁴⁷ 22 U. S. C. § 1872.

in accordance with sections 303 and 308 (relating to technical cooperation).

TITLE III—TECHNICAL COOPERATION

SEC. 301.⁴⁸ DECLARATION OF PURPOSE.—It is the policy of the United States and the purpose of this title to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital to countries which provide conditions under which such technical assistance and capital can effectively and constructively contribute to raising standards of living, creating new sources of wealth, increasing productivity and expanding purchasing power.

SEC. 302.⁴⁹ GENERAL AUTHORITY AND DEFINITION.—The President is authorized to furnish assistance in accordance with the provisions of this title through bilateral technical cooperation programs. As used in this title, the term “technical cooperation programs” means programs for the international interchange of technical knowledge and skills designed to contribute primarily to the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas. Such activities shall be limited to economic, engineering, medical, educational, labor, agricultural, forestry, fishery, mineral, and fiscal surveys, demonstration, training, and similar projects that serve the purpose of promoting the development of economic resources, productive capacities, and trade of economically underdeveloped areas, and training in public administration. The term “technical cooperation programs” does not include such activities authorized by the United States Information and Educational Exchange Act of 1948 (62 Stat. 6) as are not primarily related to economic development,⁵⁰ nor activities undertaken now or hereafter pursuant to the International Aviation Facilities Act (62 Stat. 450), nor activities undertaken now or hereafter in the administration of areas occupied by the United States Armed Forces.

22 USC 1431
note.
49 USC 1151
note.

SEC. 303.⁵¹ PREREQUISITES TO ASSISTANCE.⁵²—Assistance shall be made available under section 302 of this Act only where the President determines that the nation being assisted—

- (a) pays a fair share of the cost of the program;
- (b) provides all necessary information concerning such program and gives the program full publicity;

⁴⁸ 22 U. S. C. § 1891.

⁴⁹ 22 U. S. C. § 1892.

⁵⁰ For international educational exchange activities sponsored by the Secretary of State, see sec. 514 of this Act.

⁵¹ 22 U. S. C. § 1893.

⁵² See also section 543 (b) of this Act.

(c) seeks to the maximum extent possible full coordination and integration of technical cooperation programs being carried on in that nation;

(d) endeavors to make effective use of the results of the program; and

(e) cooperates with other nations participating in the program in the mutual exchange of technical knowledge and skills.

SEC. 304.⁵³ AUTHORIZATION.—There is hereby authorized to be appropriated to the President for the fiscal year 1955 \$88,570,000 for technical cooperation programs in the Near East, Africa, South Asia, and Far East and Pacific, and \$28,500,000 for such programs in Latin America.⁵⁴ In addition, unexpended balances of appropriations heretofore made pursuant to section 543 of the Mutual Security Act of 1951, as amended, are authorized to be continued available for the purposes of this section through June 30, 1955, and to be consolidated with the appropriation authorized by this section.

67 Stat. 154.
22 USC 1675l.

SEC. 305.⁵⁵ LIMITATION ON USE OF FUNDS.—Funds made available under section 304 may be expended to furnish assistance in the form of equipment or commodities only where necessary for instruction or demonstration purposes.

SEC. 306.⁵⁶ MULTILATERAL TECHNICAL COOPERATION.⁵⁷—As one means of accomplishing the purposes of this title, the United States is authorized to participate in multilateral technical cooperation programs carried on by the United Nations, the Organization of American States, their related organizations, and other international organizations, wherever practicable. There is hereby authorized to be appropriated to carry out the purpose of this section, in addition to the amounts authorized by section 304, not to exceed—

(a) \$17,958,000 for making contributions to the United Nations Expanded Program of Technical Assistance;⁵⁸

(b) \$1,500,000 for making contributions to the technical cooperation program of the Organization of American States.⁵⁹

SEC. 307.⁶⁰ ADVANCES AND GRANTS; CONTRACTS.—The President may make advances and grants-in-aid of tech-

⁵³ 22 U. S. C. § 1894.

⁵⁴ Mutual Security Appropriation Act, 1955—\$105,000,000 for all areas (p. 76).

⁵⁵ 22 U. S. C. § 1895.

⁵⁶ 22 U. S. C. § 1896.

⁵⁷ See also sec. 535 of this Act and accompanying footnote.

⁵⁸ Mutual Security Appropriation Act, 1955—"For contributions to cover the amount pledged by the United States for conducting the program during the calendar year 1954, \$9,957,621: *Provided*, That no commitment for the calendar year 1955 or thereafter shall be pledged on behalf of the United States until the Congress appropriates for said purpose" (p. 76).

⁵⁹ Mutual Security Appropriation Act, 1955—\$1,500,000 (p. 77).

⁶⁰ 22 U. S. C. § 1897.

nical cooperation programs to any person, corporation, or other body of persons or to any foreign government agency. The President may make and perform contracts and agreements in respect of technical cooperation programs on behalf of the United States Government with any person, corporation, or other body of persons however designated, whether within or without the United States, or with any foreign government or foreign government agency. A contract or agreement which entails commitments for the expenditure of funds appropriated pursuant to this title may, subject to any future action of the Congress, run for not to exceed three years.⁶¹

SEC. 308.⁶² INTERNATIONAL DEVELOPMENT ADVISORY BOARD.—There shall be an advisory board, referred to in this section as the “Board”, which shall advise and consult with the President, or such other officer as he may designate to administer this title, with respect to general or basic policy matters arising in connection with the operation of programs authorized by this title, title II, and section 413 (b). The Board shall consist of not more than thirteen members appointed by the President, one of whom, by and with the advice and consent of the Senate, shall be appointed by him as chairman. The members of the Board shall be broadly representative of voluntary agencies and other groups interested in the programs, including business, labor, agriculture, public health, and education. All members of the Board shall be citizens of the United States; none except the chairman shall be an officer or an employee of the United States (including any United States Government agency) who as such regularly receives compensation for current services. Members of the Board, other than the chairman if he is an officer of the United States Government, shall receive out of funds made available for the purpose of this title a per diem allowance of \$50 for each day spent away from their homes or regular places of business for the purpose of attendance at meetings of the Board or at conferences held upon the call of the chairman, and in necessary travel, and while so engaged they may be paid actual travel expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses.

TITLE IV—OTHER PROGRAMS

SEC. 401.⁶³ SPECIAL FUND.—Of the funds made available under this Act, not to exceed \$150,000,000 may be used in any fiscal year, without regard to the requirements of this Act or any other Act for which funds are

⁶¹ See also secs. 103 and 108 of Mutual Security Appropriation Act, 1955 (pp. 80, 82).

⁶² 22 U. S. C. § 1898.

⁶³ 22 U. S. C. § 1921.

authorized by this Act, in furtherance of any of the purposes of such Acts, when the President determines that such use is important to the security of the United States. Not to exceed \$100,000,000 of the funds available under this section may be expended for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia or the Communist-dominated or Communist-occupied areas of Germany and Austria, or any Communist-dominated or Communist-occupied areas of Asia and any other countries absorbed by the Soviet Union, either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when the President determines that such assistance will contribute to the defense of the North Atlantic area or to the security of the United States.⁶⁴ Certification by the President that he has expended amounts under this section not in excess of \$50,000,000, and that it is inadvisable to specify the nature of such expenditures, shall be deemed a sufficient voucher for such amounts.⁶⁵ Not more than \$20,000,000 of the funds available under this section may be allocated to any one nation in any fiscal year.

SEC. 402.⁶⁶ EARMARKING OF FUNDS.—Of the funds authorized to be made available pursuant to this Act not less than \$350,000,000 shall be used to finance the export and sale for foreign currencies of surplus agricultural commodities or products thereof produced in the United States,⁶⁷ in addition to surplus agricultural commodities or products transferred pursuant to the Agricultural Trade Development and Assistance Act of 1954,⁶⁸ and in accordance with the standards as to pricing and the use of private trade channels expressed in section 101 of said Act. Foreign currency proceeds accruing from such sales shall be used for the purposes of this Act and with particular emphasis on the purposes of section 104 of the Agricultural Trade Development and Assistance Act of 1954 which are in harmony with the purposes of this

60 Stat. 454.

⁶⁴ Mutual Security Appropriation Act, 1955—"Provided, That no funds appropriated in this Act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against communist infiltration in the Western Hemisphere" (p. 77).

⁶⁵ See also sec. 102 of Mutual Security Appropriation Act, 1955 which reads, in part, as follows: "* * * expenditures (not to exceed \$50,000) of a confidential character other than entertainment, provided that a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director or Deputy Director of the Foreign Operations Administration, and every such certificate shall be deemed a sufficient voucher for the amount therein specified; * * *" (p. 78).

⁶⁶ 22 U. S. C. § 1922.

⁶⁷ See also sec. 109 of Mutual Security Appropriation Act, 1955 (p. 82) and sec. 510 of this Act.

⁶⁸ See p. 131 for text of Agricultural Trade Development and Assistance Act of 1954, p. 139 for Conference Report No. 1947, p. 143 for Executive Order No. 10560, and p. 145 for Presidential letter setting forth its administration.

Act. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953,⁶⁹ or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use for such purposes the foreign currencies which accrue to the United States under this section.⁷⁰

SEC. 403.⁷¹ SPECIAL ASSISTANCE IN JOINT CONTROL AREAS.—The President is hereby authorized to furnish commodities, services, and financial and other assistance to nations and areas for which the United States has responsibility as a result of participation in joint control arrangements where found by the President to be in the interest of the security of the United States. There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$25,000,000 to carry out this section.⁷²

SEC. 404.⁷³ RESPONSIBILITIES IN GERMANY.—Upon approval by the Secretary of State, a part of the German currency now or hereafter deposited under the bilateral agreement of December 15, 1949, between the United States and the Federal Republic of Germany (or any supplementary or succeeding agreement) shall be deposited in the GARIOA (Government and Relief in Occupied Areas) Special Account under the terms of article V of that agreement, and currency which has been or may be deposited in said account, and any portion of funds made available for assistance to the Federal Republic of Germany pursuant to section 403 of this Act, may be used for expenses necessary to meet the responsibilities or objectives of the United States in Germany, including responsibilities arising under the supreme authority assumed by the United States on June 5, 1945, and under contractual arrangements with the Federal Republic of Germany. Expenditures may be made under authority of this section in amounts and under conditions determined by the Secretary of State after consultation with the official primarily responsible for administration of programs under chapter 3 of title I, and without regard to any provision of law which the President determines must be disregarded in order to meet such responsibilities or objectives.

64 Stat. B81.

SEC. 405.⁷⁴ MOVEMENT OF MIGRANTS AND REFUGEES.⁷⁵—
(a) The President is hereby authorized to continue membership for the United States on the Intergovernmental Committee for European Migration in accordance with

⁶⁹ See text, p. 91.

⁷⁰ See also secs. 104 (p. 80), 105 (p. 81) and 109 (p. 82) of Mutual Security Appropriation Act, 1955.

⁷¹ 22 U. S. C. § 1923.

⁷² Mutual Security Appropriation Act, 1955—\$25,000,000 (p. 76).

⁷³ 22 U. S. C. § 1924.

⁷⁴ 22 U. S. C. § 1925.

⁷⁵ For text of the Refugee Relief Act of 1953, as amended, and implementing Executive Order No. 10487, see p. 150 and p. 161, respectively.

its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of migrants, there is hereby authorized to be appropriated not to exceed \$11,189,190⁷⁶ for contributions during the calendar year 1955 to the Intergovernmental Committee for European Migration, and thereafter such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee and all necessary salaries and expenses incident to United States participation in the Committee. In addition, the unexpended balance of the appropriation made pursuant to section 534 of the Mutual Security Act of 1951, as amended, is hereby authorized to be continued available for the purpose of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized in this subsection.

66 Stat. 147.
22 USC 1675c.

(b) Of the funds made available under this Act, not more than \$800,000 may be used by the President to facilitate the migration to the other American Republics of persons resident in that portion of the Ryukyu Island Archipelago under United States control.

(c) There is hereby authorized to be appropriated for the fiscal year 1955 not to exceed \$500,000 for contributions to the United Nations Refugee Emergency Fund.⁷⁷

SEC. 406.⁷⁸ CHILDREN'S WELFARE.—There is hereby authorized to be appropriated not to exceed \$13,500,000 for contributions during the fiscal year 1955 to the United Nations Children's Fund.⁷⁹

SEC. 407.⁸⁰ PALESTINE REFUGEES IN THE NEAR EAST.—There is hereby authorized to be appropriated to the President for the fiscal year 1955, not to exceed \$30,000,000, to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East. In addition, the unexpended balance of the appropriation made for the Palestine refugee program in the Mutual Security Appropriation Act, 1954, is hereby authorized to be continued available for the purpose of this section through June 30, 1955.⁸¹ Whenever the President shall determine that it would more effectively contribute to the relief, rehabilitation, and

67 Stat. 479.

⁷⁶ Mutual Security Appropriation Act, 1955—"\$10,000,000, and in addition, not to exceed \$500,000 of the unobligated balance heretofore appropriated for 'Movement of Migrants': *Provided*, That no funds appropriated in this Act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against communist infiltration in the Western Hemisphere" (p. 77).

⁷⁷ No appropriation.

⁷⁸ 22 U. S. C. § 1926.

⁷⁹ Mutual Security Appropriation Act, 1955—" \$12,500,000 which shall constitute the total United States contribution through June 30, 1955 (p. 77).

⁸⁰ 22 U. S. C. § 1927.

⁸¹ Mutual Security Appropriation Act, 1955—"Not to exceed \$23,063,250 of the unobligated balances of funds appropriated under the head 'Palestine Refugee Program' in the Mutual Security Appropriation Act, 1954, are continued available through June 30, 1955" (p. 77).

resettlement of Palestine refugees in the Near East, he may expend any part of the funds made available pursuant to this section through any other agency he may designate.

SEC. 408.⁸² NORTH ATLANTIC TREATY ORGANIZATION.⁸³—(a) In order to provide for United States participation in the North Atlantic Treaty Organization, there is hereby authorized to be appropriated for the fiscal year 1955 not to exceed \$3,200,000⁸⁴ for payment by the United States of its share of the expenses of the Organization, and thereafter such amounts as may be necessary from time to time for the payment by the United States of its share of the expenses of the Organization and all necessary salaries and expenses of the United States permanent representative to the Organization, of such persons as may be appointed to represent the United States in the subsidiary bodies of the Organization or in any multilateral organization which participates in achieving the aims of the North Atlantic Treaty, and of their appropriate staffs, and the expenses of participation in meetings of such organizations, including salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801), and allowances and expenses as provided in section 6 of the Act of July 30, 1946 (22 U. S. C. 287r).

60 Stat. 999.
60 Stat. 714.

(b) The United States permanent representative to the North Atlantic Treaty Organization shall be appointed by the President by and with the advice and consent of the Senate and shall hold office at the pleasure of the President. Such representative shall have the rank and status of ambassador extraordinary and plenipotentiary and shall be a chief of mission, class 1, within the meaning of the Foreign Service Act of 1946, as amended (22 U. S. C. 801).

NATO.
Permanent representative.

60 Stat. 999.

(c) Persons detailed to the international staff of the North Atlantic Treaty Organization in accordance with section 529 of this Act who are appointed as Foreign Service Reserve officers may serve for periods of more than four years notwithstanding the limitation in section 522 of the Foreign Service Act of 1946, as amended (22 U. S. C. 922).

60 Stat. 1009.

SEC. 409.⁸⁵ OCEAN FREIGHT CHARGES.—(a) In order to further the efficient use of United States voluntary contributions for relief and rehabilitation in nations and areas eligible for assistance under this Act, the President may pay ocean freight charges from United States ports to designated ports of entry of such nations and areas on

⁸² 22 U. S. C. § 1928.

⁸³ For text of the North Atlantic Treaty, see p. 165.

⁸⁴ Mutual Security Appropriation Act, 1955—\$1,169,000 (p. 77).

⁸⁵ 22 U. S. C. § 1929.

shipments by United States voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid and shipments by the American Red Cross.

(b) Where practicable the President shall make arrangements with the receiving nation for free entry of such shipments and for the making available by that nation of local currencies for the purpose of defraying the transportation cost of such shipments from the port of entry of the receiving nation to the designated shipping point of the consignee.

(c) There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$4,400,000 to carry out the purposes of this section;⁸⁶ and, in addition, unexpended balances of appropriations heretofore made pursuant to section 535 of the Mutual Security Act of 1951, as amended, are authorized to be continued available for the purposes of this section through June 30, 1955, and to be consolidated with the appropriation authorized in this section.

66 Stat. 147.
22 USC 1675d.

(d) In addition, any funds made available under this Act may be used, in amounts determined by the President, to pay ocean freight charges on shipments of surplus agricultural commodities, including commodities made available pursuant to any Act for the disposal abroad of United States agricultural surpluses.⁸⁷

SEC. 410.⁸⁸ CONTROL ACT EXPENSES.—There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$1,300,000⁸⁹ for carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U. S. C. 1611).⁹⁰ In addition, in accordance with section 303 of that Act, funds made available for carrying out chapter 1 of title I of this Act shall be available for carrying out the purpose of this section in such amounts as the President may direct.

SEC. 411.⁹¹ ADMINISTRATIVE EXPENSES.—(a) Whenever possible, the expenses of administration of this Act shall be paid for in the currency of the nation where the expense is incurred.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$34,700,000⁹² for all necessary administrative expenses incident to carrying out the provisions of this Act other than chapter 1 of title I, including expenses for compensation, allowances and travel of personnel, including

⁸⁶ Mutual Security Appropriation Act, 1955—\$4,400,000 (p. 77).

⁸⁷ See sec. 402 of this Act and the Agricultural Trade Development and Assistance Act of 1954 (p. 131).

⁸⁸ 22 U. S. C. § 1930.

⁸⁹ Mutual Security Appropriation Act, 1955—\$1,175,000 (p. 77).

⁹⁰ For text of Mutual Defense Assistance Control Act of 1951, see p. 93.

⁹¹ 22 U. S. C. § 1931.

⁹² Mutual Security Appropriation Act, 1955—\$32,500,000 (p. 77).

Foreign Service personnel whose services are utilized primarily for the purposes of this Act, and, without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this Act.⁹³

SEC. 412.⁹⁴ CHINESE AND KOREAN STUDENTS.—Funds heretofore allocated to the Secretary of State pursuant to the last proviso of section 202 of the China Area Aid Act of 1950 (22 U. S. C. 1547) shall continue to be available until expended, under such regulations as the Secretary of State may prescribe, using private agencies to the maximum extent practicable, for necessary expenses of tuition, subsistence, transportation, and emergency medical care for selected citizens of China and of Korea for studying or teaching in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purpose, or for research and related academic and technical activities in the United States, and such selected citizens of China who have been admitted for the purpose of study in the United States shall be granted permission to accept employment upon application filed with the Commissioner of Immigration and Naturalization pursuant to regulations promulgated by the Attorney General.

64 Stat. 202;
65 Stat. 376.

SEC. 413.⁹⁵ ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION.—(a) The Congress recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to the economic progress and defensive strength of the free world. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other free nations to increase the flow of international trade, to foster private initiative and competition, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward the economic strength of other free nations, through private trade and investment abroad, private participation in the programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange

⁹³ See also sec. 102 of Mutual Security Appropriation Act, 1955 where other special types of permissible expenditures are listed, and sec. 106 (b) of Executive Order No. 10575 (p. 112).

⁹⁴ 22 U. S. C. § 1932.

⁹⁵ 22 U. S. C. § 1933.

of ideas and technical information on the matters covered by this section.

(b) In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President—

(1) shall make arrangements to find and draw the attention of private enterprise to opportunities for investment and development in other free nations;

(2) shall accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provisions to encourage and facilitate the flow of private investment to nations participating in programs under this Act;

(3) shall, consistent with the security and best interests of the United States, seek compliance by other countries or a dependent area of any country with all treaties for commerce and trade and taxes and shall take all reasonable measures under this Act or other authority to secure compliance therewith and to assist United States citizens in obtaining just compensation for losses sustained by them or payments exacted from them as a result of measures taken or imposed by any country or dependent area thereof in violation of any such treaty;⁸⁶ and

(4) may make, until June 30, 1957, under rules and regulations prescribed by him, guaranties to any person of investments in connection with projects, including expansion, modernization, or development of existing enterprises, in any nation with which the United States has agreed to institute the guaranty program: *Provided*, That—

(A) such projects shall be approved by the President as furthering any of the purposes of this Act, and by the nation concerned;

(B) the guaranty to any person shall be limited to assuring any or all of the following:

(i) the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof;

⁸⁶ See also sec. 105 of Mutual Security Appropriation Act, 1955, which reads, in part, as follows: * * * *Provided*, That none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction nor shall any of the counterpart funds generated as a result of assistance under this Act be made available to such nation" (p. 81).

(ii) the compensation in United States dollars for loss of all or any part of the investment in the approved project which shall be found by the President to have been lost to such person by reason of expropriation or confiscation by action of the government of a foreign nation;

(C) when any payment is made to any person pursuant to a guaranty as hereinbefore described, the currency, credits, assets, or investment on account of which such payment is made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim or cause of action existing in connection therewith;

(D) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the President plus actual earnings or profits on said project to the extent provided by such guaranty, and shall be limited to a term not exceeding twenty years from the date of issuance;

(E) a fee shall be charged in an amount not exceeding 1 per centum per annum of the amount of each guaranty under clause (i) of subparagraph (B), and not exceeding 4 per centum of the amount of each guaranty under clause (ii) of such subparagraph, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this section until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this section;

(F) the President is authorized to issue guaranties up to a total of \$200,000,000: *Provided* that any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, shall be available for allocation to other guaranties, the foregoing limitation notwithstanding. Any payments made to discharge liabilities under guaranties issued under this subsection shall be paid out of fees collected under subparagraph (E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, when necessary to discharge liabilities under any such guaranty;

(G) the guaranty program authorized by this paragraph shall be used to the maximum practicable

62 Stat. 146.
22 USC 1509
(c) (2).

extent and shall be administered under broad criteria so as to facilitate and increase the participation of private enterprise in achieving any of the purposes of this Act;

(H) as used in this paragraph—

(i) the term “person” means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States, and

(ii) the term “investment” includes any contribution of capital goods, materials, equipment, services, patents, processes, or techniques by any person in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of capital goods items and related services pursuant to a contract providing for payment in whole or in part after the end of the fiscal year in which the guaranty of such investment is made.

SEC. 414.⁹⁷ MUNITIONS CONTROL.—(a) The President is authorized to control, in furtherance of world peace and the security and foreign policy of the United States, the export and import of arms, ammunition, and implements of war, including technical data relating thereto, other than by a United States Government agency. The President is authorized to designate those articles which shall be considered as arms, ammunition, and implements of war, including technical data relating thereto, for the purposes of this section.⁹⁸

(b) As prescribed in regulations issued under this section, every person who engages in the business of manufacturing, exporting, or importing any arms, ammunition, or implements of war, including technical data relating thereto, designated by the President under subsection (a) shall register with the United States Government agency charged with the administration of this section, and, in addition, shall pay a registration fee which shall be prescribed by such regulations.

(c) Any person who willfully violates any provision of this section or any rule or regulation issued under this section, or who willfully, in a registration or license application, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall upon conviction be fined not more than \$25,000 or imprisoned not more than two years, or both.

⁹⁷ 22 U. S. C. § 1934.

⁹⁸ See also the Mutual Defense Assistance Control Act of 1951 on p. 93.

SEC. 415.⁹⁹ ASSISTANCE TO INTERNATIONAL ORGANIZATION.—Whenever it will assist in achieving purposes declared in this Act, the President is authorized to use funds available under sections 131 and 403 in order to furnish assistance, including by transfer of funds, directly to the North Atlantic Treaty Organization, for a strategic stockpile of foodstuffs and other supplies, or for other purposes.

SEC. 416.¹⁰⁰ FACILITATION AND ENCOURAGEMENT OF TRAVEL.—The President, through such officer or commission as he may designate, shall facilitate and encourage, without cost to the United States except for administrative expenses,¹⁰¹ the promotion and development of travel by citizens of the United States to and within countries receiving assistance under this Act and travel by citizens of such countries to the United States.

SEC. 417.¹⁰² IRISH COUNTERPART.—Pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended, the disposition within Ireland of the unencumbered balance, in the amount of approximately 6,000,000 Irish pounds, of the special account of Irish funds established under article IV of the Economic Cooperation Agreement between the United States of America and Ireland, dated June 28, 1948, for the purposes of—

62 Stat. 151.
22 USC 1513
(b) (6).

(1) scholarship exchange between the United States and Ireland;

(2) other programs and projects (including the establishment of an Agricultural Institute) to improve and develop the agricultural production and marketing potential of Ireland and to increase the production and efficiency of Irish industry; and

(3) development programs and projects in aid of the foregoing objectives,

is hereby approved, as provided in the agreement between the Government of the United States of America and the Government of Ireland, dated June 17, 1954.

62 Stat. 2910.

TITLE V—MISCELLANEOUS PROVISIONS

CHAPTER 1. GENERAL PROVISIONS

SEC. 501.¹⁰³ TRANSFERABILITY OF FUNDS.—Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available pursuant to any provision of this Act may be transferred to and consolidated with the funds

⁹⁹ 22 U. S. C. § 1935.

¹⁰⁰ 22 U. S. C. § 1936.

¹⁰¹ See sec. 112 of Mutual Security Appropriation Act, 1955—“Not to exceed \$30,000 of the funds appropriated in this Act shall be used to carry out the purposes of section 416” (p. 83).

¹⁰² 22 U. S. C. § 1937.

¹⁰³ 22 U. S. C. § 1753.

made available pursuant to any other provision of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount made available for such provision pursuant to this Act.¹⁰⁴ Funds transferred under this section to furnish military assistance under chapter 1 of title I may be expended without regard to the area limits imposed by section 105 (c). Of any funds transferred under this section for the purpose of furnishing assistance under section 201, 30 per centum shall be available only for furnishing assistance on terms of repayment in accordance with section 505. [Not less than 50 per centum of any assistance furnished under paragraph (1), (2), or (3) of section 201 (a) with funds transferred under this section shall be furnished on terms of repayment in accordance with section 505.¹⁰⁵]

SEC. 502.¹⁰⁶ USE OF FOREIGN CURRENCY.—(a) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953,¹⁰⁷ or any other provision of law, proceeds of sales made under section 550 of the Mutual Security Act of 1951, as amended, shall remain available and shall be used for any of the purposes of this Act,¹⁰⁸ giving particular regard to the following purposes—

67 Stat. 159.
22 USC 1675p.

(1) for providing military assistance to nations or mutual defense organizations eligible to receive assistance under this Act;

(2) for purchase of goods or services in friendly nations;

(3) for loans, under applicable provisions of this Act, to increase production of goods or services, including strategic materials, needed in any nation with which an agreement was negotiated, or in other friendly nations, with the authority to use currencies received in repayment for the purposes stated

¹⁰⁴ See also sec. 105 (d) of this Act.

¹⁰⁵ Editor's brackets. This sentence (which conflicts with the previous sentence) was not in the bill as finally passed by both Houses of Congress.

¹⁰⁶ 22 U. S. C. § 1754.

¹⁰⁷ For text, see p. 91.

¹⁰⁸ See also sec. 104 of Mutual Security Appropriation Act, 1955, which reads, in part, as follows: "Pursuant to section 1415 of the Supplemental Appropriation Act, 1953, and in addition to other amounts made available pursuant to said section, not to exceed the equivalent of \$25,000,000 of foreign currencies or credits owed to or owned by the United States shall remain available until expended, without reimbursement to the Treasury, for liquidation of obligations incurred against such currencies or credits prior to July 1, 1953, pursuant to authority contained in the Mutual Security Act of 1951, as amended, and Acts for which funds were authorized by that Act * * *" and sec. 105 of Mutual Security Appropriation Act, 1955 which reads, in part, as follows: "None of the funds provided by this Act nor any of the counterpart funds generated as a result of assistance under this or any other Act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts * * *" (p. 81). The text of sec. 550 of the Mutual Security Act of 1951, as amended (although repealed), appears at p. 147.

in this section or for deposit to the general account of the Treasury of the United States;

(4) for developing new markets on a mutually beneficial basis;

(5) for grants-in-aid to increase production for domestic needs in friendly countries; and

(6) for purchasing materials for United States stockpiles.

(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953,¹⁰⁹ or any other provision of law, local currencies owned by the United States shall be made available to appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, as amended, for their local currency expenses: *Provided*, That any such committee of the Congress which uses local currency shall make a full report thereof to the Committee on House Administration of the House of Representatives (if the committee using such currency is a committee of the House of Representatives) or to the Committee on Rules and Administration of the Senate¹¹⁰ (if the committee using such currency is a committee of the Senate), showing the total amount of such currency so used in each country and the purposes for which it was expended.

60 Stat. 832.

Report to
Congressional
Committee.

SEC. 503.¹¹¹ TERMINATION OF ASSISTANCE.—(a) If the President determines that the furnishing of assistance to any nation under any provision of this Act—

(1) is no longer consistent with the national interest or security or the foreign policy of the United States; or

(2) would no longer contribute effectively to the purposes for which such assistance is furnished; or

(3) is no longer consistent with the obligations and responsibilities of the United States under the Charter of the United Nations,

he shall terminate all or part of any assistance furnished pursuant to this Act. If the President determines that any nation which is receiving assistance under chapter 1 of title I of this Act is not making its full contribution to its own defense or to the defense of the area of which it is a part, he shall terminate all or part of such assistance. Assistance to any nation under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for twelve months from the date of termination under this subsec-

¹⁰⁹ For text, see p. 91.

¹¹⁰ Section 104 of the Mutual Security Appropriation Act, 1955, amended this proviso by striking out "Committee on Rules and Administration of the Senate" and inserting "Committee on Appropriations of the Senate".

¹¹¹ 22 U. S. C. § 1755.

tion for the necessary expenses of liquidating assistance programs.

(b) (1) After June 30, 1955, none of the authority conferred by this Act may be exercised for the purpose of carrying out any function authorized by title II; except that during the twelve months following such date (i) funds which have been obligated on or before that date shall remain available for expenditure, (ii) equipment, materials, commodities, and services with respect to which funds have been obligated on or before such date for procurement for, shipment to, or delivery in a recipient country may be transferred to such country, and (iii) funds appropriated under authority of this Act may be obligated (A) for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer and (B) for the necessary expenses of liquidating operations incident to such functions.

(2) At such time as the President shall find appropriate, the powers, duties, and authority conferred by this Act with respect to such function may be transferred for the purpose of liquidation to such other United States Government agencies as the President shall specify, and the relevant funds, records, property, and personnel may be transferred to the agencies to which the related functions are transferred.

(c) Unless sooner abolished under section 525, the Foreign Operations Administration shall cease to exist at the close of June 30, 1955.¹¹²

SEC. 504.¹¹³ SMALL BUSINESS.—(a) Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds authorized under titles II, III, and IV, and chapters 2 and 3 of title I, of this Act—

(1) by causing to be made available to suppliers in the United States and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds,

(2) by causing to be made available to prospective purchasers in the nations receiving assistance under this Act information as to commodities and services produced by small independent enterprises in the United States, and

(3) by providing for additional services to give small business better opportunities to participate in the furnishing of commodities and services financed with such funds.

¹¹² See also secs. 521 (b) and 525 of this Act.

¹¹³ 22 U. S. C. § 1756.

(b) There shall be an Office of Small Business, headed by a Special Assistant for Small Business, in such United States Government agency as the President may direct, to assist in carrying out the provisions of subsection (a) of this section.

Office of Small
Business.

(c) The Secretary of Defense, shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to chapter 1 of title I, such information to be furnished as far in advance as possible.

SEC. 505.¹¹⁴ LOAN ASSISTANCE.¹¹⁵—(a) Assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or other terms of repayment (including repayment in foreign currencies or by transfer to the United States of materials required for stockpiling or other purposes) as may be determined to be best suited to the achievement of the purposes of this Act.¹¹⁶

(b) Of the funds made available pursuant to this Act and foreign currencies accruing to the United States under section 402, the equivalent of not less than \$200,000,000 shall be available only for the furnishing of assistance on terms of repayment. Funds for the purpose of furnishing assistance on terms of repayment shall be allocated to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on such terms. Credits made by the Export-Import Bank of Washington with funds so allocated to it shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any loan made under this section shall be held by the Treasury to be used for such purposes, including further loans, as may be authorized from time to time by Congress. Amounts received in repayment of principal and interest on any credits made under paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be deposited into miscellaneous receipts of the Treasury, except that, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes heretofore authorized to be issued for the purpose of financing assistance on a credit basis under paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as

12 USC 635
note.

62 Stat. 146.
22 USC 1509
(c) (2).

¹¹⁴ 22 U. S. C. § 1757.

¹¹⁵ See also sec. 102 of this Act.

¹¹⁶ See also sec. 105 of Mutual Security Appropriation Act, 1955 (p. 81).

amended, shall be deposited into the Treasury for the purpose of the retirement of such notes.

SEC. 506.¹³⁷ PATENTS AND TECHNICAL INFORMATION.—

(a) As used in this section—

(1) the term “invention” means an invention or discovery covered by a patent issued by the United States; and

(2) the term “information” means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purposes of this Act—

(1) use within the United States, without authorization by the owner, shall be made of an invention; or

(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

(c) Before such suit against the United States has been instituted, the head of the appropriate United States Government agency, which has furnished any assistance in furtherance of the purposes of this Act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

(d) The provisions of the last sentence of section 1498 of title 28 of the United States Code shall apply to inventions and information covered by this section.

66 Stat. 757.

(e) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant

¹³⁷ 22 U. S. C. § 1758.

that his claim has been denied shall not be counted as part of the six years, unless suit is brought before the last-mentioned date.

SEC. 507.¹¹⁸ AVAILABILITY OF FUNDS.—Except as otherwise provided in section 104 (pertaining to infrastructure), 405 (pertaining to movement of migrants), 408 (a) (pertaining to North Atlantic Treaty Organization), and 412 (pertaining to Chinese and Korean students), funds shall be available to carry out the provisions of this Act (other than sections 414 and 416) as authorized and appropriated to the President each fiscal year.¹¹⁹

SEC. 508.¹²⁰ LIMITATION ON FUNDS FOR PROPAGANDA.—None of the funds herein authorized to be appropriated nor any counterpart funds shall be used to pay for personal services or printing, or for other expenses of the dissemination within the United States of general propaganda in support of the mutual security program, or to pay the travel or other expenses outside the United States of any citizen or group of citizens of the United States for the purpose of publicizing such program within the United States.

SEC. 509.¹²¹ SHIPPING ON UNITED STATES VESSELS.—Such steps as may be necessary shall be taken to assure, as far as practicable, that at least 50 per centum of the gross tonnage of commodities, materials and equipment procured out of funds made available under sections 103, 123, 131, 132 (a), 201, 304, and 403 of this Act and transported to or from the United States on ocean vessels, computed separately for dry bulk carriers, dry cargo liner and tanker services and computed separately for section 103, and for sections 123, 131, 132 (a), 201, 304, and 403 (taken together) is so transported on United States flag commercial vessels to the extent such vessels are available at market rates for United States flag commercial vessels provided such rates are fair and reasonable; and, in the administration of this provision, steps shall be taken, insofar as practicable and consistent with the purposes of this Act, to secure a fair and reasonable participation by United States flag commercial vessels in cargoes by geographic area.¹²²

SEC. 510.¹²³ PURCHASE OF COMMODITIES.—No funds made available under title II or chapter 3 of title I of this Act shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of the purchase

¹¹⁸ 22 U. S. C. § 1759.

¹¹⁹ See also sec. 108 of Mutual Security Appropriation Act, 1955—"Not more than 25 per centum of any funds made available by this Act shall be obligated during the last two months of the fiscal year" (p. 82).

¹²⁰ 22 U. S. C. § 1760.

¹²¹ 22 U. S. C. § 1761.

¹²² See also sec. 106 of Mutual Security Appropriation Act, 1955 (p. 81) and the 1954 amendment to the Merchant Marine Act of 1936 (p. 149). For provisions on ocean freight, see also sec. 409 of this Act.

¹²³ 22 U. S. C. § 1762.

adjusted for differences in the cost of transportation to destination, quality, and terms of payment.¹²⁴ A bulk purchase within the meaning of this section does not include the purchase of raw cotton in bales. Funds made available under title II or chapter 3 of title I of this Act may be used for the procurement of commodities outside the United States unless the President determines that such procurement will result in adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the economic advantages to the United States of less costly procurement abroad.¹²⁵ In providing for the procurement of any surplus agricultural commodity for transfer by grant under this Act to any recipient nation in accordance with the requirements of such nation, the President shall, insofar as practicable and where in furtherance of the purposes of this Act, authorize the procurement of such surplus agricultural commodity only within the United States except to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the nations receiving assistance under this Act.¹²⁶

SEC. 511.¹²⁷ RETENTION AND RETURN OF EQUIPMENT.—

(a) No equipment or materials may be transferred under title I out of military stocks if the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such transfer would be detrimental to the national security of the United States, or that such equipment or materials are needed by the reserve components of the Armed Forces to meet their training requirements.

(b) Any equipment, materials, or commodities procured to carry out this Act shall be retained by, or, upon reimbursement, transferred to and for the use of, such United States Government agency as the President may determine in lieu of being disposed of to a foreign nation or international organization whenever in the judgment of the President the best interests of the United States will be served thereby, or whenever such retention is called for by concurrent resolution. Any commodities so retained may be disposed of without regard to provisions of law relating to the disposal of Government-owned property, when necessary to prevent spoilage or wastage of such commodities or to conserve the usefulness thereof. Funds realized from any such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such equipment, materials, or com-

¹²⁴ See also "Subpart D—Price Provisions" of FOA Regulation 1.

¹²⁵ See also sec. 103 (c) of this Act and accompanying footnote.

¹²⁶ See also sec. 402 of this Act and accompanying footnotes.

¹²⁷ 22 U. S. C. § 1763.

modities or to appropriations currently available for such procurement.¹²⁸

(c) The President shall make appropriate arrangements with each nation receiving equipment or materials under chapter 1 of title I (other than equipment or materials sold under the provisions of section 106) for the return to the United States (1) for salvage or scrap, or (2) for such other disposition as the President shall deem to be in the interest of mutual security, of any such equipment or materials which are no longer required for the purposes for which originally made available.

SEC. 512.¹²⁹ PENAL PROVISION.—Whoever offers or gives to anyone who is or in the preceding two years has been an employee or officer of the United States any commission, payment, or gift, in connection with the procurement of equipment, materials, commodities, or services under this Act in connection with which procurement said officer, employee, former officer or former employee is or was employed or performed duty or took any action during such employment, and whoever, being or having been an employee or officer of the United States in the preceding two years, solicits, accepts, or offers to accept any commission, payment, or gift in connection with the procurement of equipment, materials, commodities, or services under this Act in connection with which procurement said officer, employee, former officer or former employee is or was employed or performed duty or took any action during such employment, shall upon conviction thereof be subject to a fine of not to exceed \$10,000 or imprisonment for not to exceed three years, or both: *Provided*, That this section shall not apply to persons appointed pursuant to sections 308 or 530 (a) of this Act.

SEC. 513.¹³⁰ NOTICE TO LEGISLATIVE COMMITTEES.—When any transfer is made under section 105 (d) or section 501, or any other action is taken under this Act which will result in furnishing assistance of a kind, for a purpose, or to an area, substantially different from that included in the presentation to the Congress during its consideration of this Act, or which will result in expenditures greater by 50 per centum or more than the proposed expenditures included in such presentation for the program concerned, the President or such officer as he may designate shall promptly notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives and, when mili-

¹²⁸ See also sec. 110 of Mutual Security Appropriation Act, 1955 which reads, in part, as follows: “* * * *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated * * *” (p. 83).

¹²⁹ 22 U. S. C. § 1764.

¹³⁰ 22 U. S. C. § 1765.

tary assistance is involved, the Committees on Armed Services of the Senate and House of Representatives, stating the justification for such change. Notice shall also be given to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives of any determination under the first sentence of section 401 (except with respect to unvouchered funds), and copies of any certification as to loyalty under section 531 shall be filed with such committees.¹³¹

SEC. 514.¹³² INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES.—Foreign currencies or credits owed to or owned by the United States, where arising from this Act or otherwise, shall, upon a request from the Secretary of State certifying that such funds are required for the purpose of international educational exchange activities under programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended, be reserved by the Secretary of the Treasury for sale to the Department of State for such activities on the basis of the dollar value at the time of the reservation.

60 Stat. 754.
50 USC app.
1641.

CHAPTER 2. ORGANIZATION AND ADMINISTRATION

SEC. 521.¹³³ DELEGATION OF AUTHORITY BY THE PRESIDENT.—(a) Except as provided in subsection (b), the President may exercise any power or authority conferred on him by this Act through such agency or officer of the United States as he shall direct, and the head of such agency or such officer may from time to time promulgate such rules and regulations as may be necessary and proper to carry out functions under this Act and may delegate authority to perform any of such functions to his subordinates acting under his direction.¹³⁴

(b) After June 30, 1955, the President shall exercise the powers conferred upon him under title III of this Act through the Secretary of State.

SEC. 522.¹³⁵ ALLOCATION AND REIMBURSEMENT AMONG AGENCIES.—(a) The President may allocate or transfer to any United States Government agency any part of any funds available for carrying out the purposes of this Act, including any advance to the United States by any nation or international organization for the procurement of equipment or materials or services. Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority

¹³¹ For other sections dealing with Congressional notifications see secs. 101, 121, 502 (b), 531, and 534 of this Act and secs. 103 (p. 80), 104 (p. 80) and 110 (p. 82) of the Mutual Security Appropriation Act, 1955.

¹³² 22 U. S. C. § 1766.

¹³³ 22 U. S. C. § 1781.

¹³⁴ See Executive Order No. 10575 (p. 109) and accompanying Presidential letter (p. 117).

¹³⁵ 22 U. S. C. § 1782.

granted in this Act or under authority governing the activities of the Government agencies to which such funds are allocated or transferred.¹³⁶ Funds allocated to the Department of Defense shall be governed as to reimbursement by the procedures of subsection (c) of this section.¹³⁷

(b) Any officer of the United States performing functions under this Act may utilize the services and facilities of, or procure commodities from, any United States Government agency as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

(c) Reimbursement shall be made to any United States Government agency, from funds available to carry out chapter 1 of title I of this Act, for any assistance furnished under that chapter from, by, or through such agency. Such reimbursement shall be in an amount equal to the value (as defined in section 545) of the equipment and materials, services (other than salaries of members of the Armed Forces of the United States), or other assistance furnished, plus expenses arising from or incident to operations under that chapter. The amount of any such reimbursement shall be credited as reimbursable receipts to current applicable appropriations, funds, or accounts of such agency and shall be available for, and under the authority applicable to, the purposes for which such appropriations, funds, or accounts are authorized to be used, including the procurement of equipment and materials or services, required by such agency, in the same general category as those furnished by it or authorized to be procured by it and expenses arising from and incident to such procurement.¹³⁷

(d) In the case of any commodity, service, or facility procured from any United States Government agency under any provision of this Act other than chapter 1 of title I, reimbursement or payment shall be made to such agency from funds available to carry out such provision. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owning or disposal agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason

¹³⁶ Sec. 108 of Mutual Security Appropriation Act, 1955—"Not more than 25 per centum of any funds made available by this Act shall be obligated during the last 2 months of the fiscal year" (p. 82).

¹³⁷ See also sec. 110 of Mutual Security Appropriation Act, 1955 (p. 82).

of this subsection, and when the owning agency determines that such replacement is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

(e) In furnishing assistance under this Act and in making surplus agricultural commodities available under section 402 accounts may be established on the books of any United States Government agency or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States, against which (i) letters of commitment may be issued which shall constitute obligations of the United States, and moneys due or to become due under such letters of commitment shall be assignable under the Assignment of Claims Act of 1940, as amended, and (ii) withdrawals may be made by recipient nations or agencies, organizations or persons upon presentation of contracts, invoices, or other appropriate documentation. Expenditure of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditure of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States may be accounted for exclusively on such certification as may be prescribed in regulations approved by the Comptroller General of the United States.¹³⁸

SEC. 523.¹³⁹ COORDINATION WITH FOREIGN POLICY.—

(a) Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

(b) The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.¹⁴⁰

SEC. 524.¹⁴¹ THE SECRETARY OF DEFENSE.—(a) In the case of aid under chapter 1 of title I of this Act, the Secretary of Defense shall have primary responsibility for—

- (1) the determination of military end-item requirements;
- (2) the procurement of military equipment in a manner which permits its integration with service programs;
- (3) the supervision of end-items used by the recipient countries;
- (4) the supervision of the training of foreign military personnel;

¹³⁸ See FOA Regulation 1 for rules pertaining to documentation.

¹³⁹ 22 U. S. C. § 1783.

¹⁴⁰ See part II of Executive Order No. 10575 on p. 113.

¹⁴¹ 22 U. S. C. § 1784.

(5) the movement and delivery of military end-items; and

(6) within the Department of Defense, the performance of any other functions with respect to the furnishing of military assistance.

(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense. The determination of the value of the program for any country under chapter 1 of title I shall be made by the President.

SEC. 525.¹⁴² FOREIGN OPERATIONS ADMINISTRATION.—Except as modified pursuant to this section or section 521, the Director of the Foreign Operations Administration (referred to in this chapter as the “Director”) shall continue to perform the functions vested in him on the effective date of this Act,¹⁴³ except insofar as such functions relate to continuous supervision and general direction of programs of military assistance.¹⁴⁴ The President may transfer to any agency or officer of the United States, and may modify or abolish, any function, office, or entity of the Foreign Operations Administration or any officer or employee thereof, and may transfer such personnel, property, records, and funds as may be necessary incident thereto.¹⁴⁵

SEC. 526.¹⁴⁶ MISSIONS AND STAFFS ABROAD.—The President may maintain special missions or staffs abroad in such nations and for such periods of time as may be necessary to carry out this Act. Each such special mission or staff shall be under the direction of a chief. The chief and his deputy shall be appointed by the President and may, notwithstanding any other law, be removed by the President at his discretion. The chief shall be entitled to receive (1) in cases approved by the President, the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Foreign Service Act of 1946 (22 U. S. C. 801), or (2) compensation and allowances in accordance with section 527 (c) of this Act, as the President shall determine to be appropriate.

60 Stat. 999.

SEC. 527.¹⁴⁷ EMPLOYMENT OF PERSONNEL.—(a) Any United States Government agency performing functions under this Act is authorized to employ such personnel

¹⁴² 22 U. S. C. § 1785.

¹⁴³ See sec. 543 of this Act, Reorganization Plan No. 7 of 1953 (p. 99), Memorandum by the President regarding the Reorganization of the Executive Branch for the conduct of Foreign Affairs, June 1, 1953 (p. 119), Executive Order No. 10575 (p. 109), and the Presidential letter accompanying Executive Order No. 10575 (p. 117).

¹⁴⁴ See sec. 524 of this Act.

¹⁴⁵ See secs. 503 (c) and 521 (b) of this Act.

¹⁴⁶ 22 U. S. C. § 1786.

¹⁴⁷ 22 U. S. C. § 1787.

as the President deems necessary to carry out the provisions and purposes of this Act.¹⁴⁸

63 Stat. 954.
5 USC 1071
note.

(b) Of the personnel employed in the United States on programs authorized by this Act, not to exceed sixty may be compensated without regard to the provisions of the Classification Act of 1949, as amended, of whom not to exceed thirty-five may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed fifteen may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$15,000 per annum. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.¹⁴⁹

5 USC 1105.

(c) For the purpose of performing functions under this Act outside the continental limits of the United States, the Director may—

60 Stat. 999.

22 USC 888.

22 USC 928.

22 USC 807.

(1) employ or assign persons, or authorize the employment or assignment of officers or employees of other United States Government agencies, who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946, as amended (22 U. S. C. 801), together with allowances and benefits established thereunder including, in all cases, post differentials prescribed under section 443 of the Foreign Service Act; and persons so employed or assigned shall be entitled to the same benefits as are provided by section 528 of the Foreign Service Act for persons appointed to the Foreign Service Reserve and, except for policy-making officials, the provisions of section 1005 of the Foreign Service Act shall apply in the case of such persons;¹⁵⁰ and

(2) utilize such authority, including authority to appoint and assign personnel for the duration of operations under this Act, contained in the Foreign Service Act of 1946, as amended (22 U. S. C. 801), as the President deems necessary to carry out functions under this Act. Such provisions of the Foreign Service Act as the President deems appropriate shall apply to personnel appointed or assigned under this paragraph, including, in all cases, the provisions of sections 443 and 528 of that Act.¹⁵⁰

(d) For the purpose of performing functions under this Act outside the continental limits of the United

¹⁴⁸ See sec. 531 of this Act and sec. 113 of the Mutual Security Appropriation Act, 1955 (p. 83).

¹⁴⁹ See also pertinent portions of sec. 102 of Mutual Security Appropriation Act, 1955 (p. 78).

¹⁵⁰ See Executive Orders Nos. 10575 (p. 109), 10477 (p. 125), and 10522 (p. 127).

States, the Secretary of State may, at the request of the Director, appoint for the duration of operations under this Act alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946, as amended (22 U. S. C. 801). 60 Stat. 990.

SEC. 528.¹⁵¹ **DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS.**¹⁵²—(a) Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any United States Government agency is authorized to detail or assign any officer or employee of his agency to any office or position to which no compensation is attached with any foreign government or foreign government agency: *Provided*, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government.

(b) Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds available to that agency or made available to that agency out of funds authorized under this Act.

SEC. 529.¹⁵³ **DETAIL OF PERSONNEL TO INTERNATIONAL ORGANIZATIONS.**—(a) Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any United States Government agency is authorized to detail, assign, or otherwise make available to any international organization any officer or employee of his agency to serve with or as a member of the international staff of such organization, or to render any technical, scientific or professional advice or service to or in cooperation with such organization.

(b) Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his allowances, privileges, rights, seniority and other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which detailed or assigned, and he shall continue to receive compensation, allowances, and benefits from funds available to that agency or made available to that agency out of funds authorized under this Act. He may also receive, under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 of the Foreign Service Act of 1946, as amended (22 U. S. C. 801). The 22 USC 1131.

¹⁵¹ 22 U. S. C. § 1788.

¹⁵² See also secs. 301–303 of the United States Information and Educational Exchange Act of 1948 (Smith-Mundt Act), 62 Stat. 6, 22 U. S. C. 1431.

¹⁵³ 22 U. S. C. § 1789.

5 USC 70.

authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 1765 of the Revised Statutes.

(c) Details or assignments may be made under this section—

(1) without reimbursement to the United States by the international organization;

(2) upon agreement by the international organization to reimburse the United States for compensation, travel expenses, and allowances, or any part thereof, payable to such officer or employee during the period of assignment or detail in accordance with subsection (b) of this section; and such reimbursement shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, or allowances, or to the appropriation, fund, or account currently available for such purposes;

(3) upon an advance of funds, property, or services to the United States accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate fund in the Treasury of the United States, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the international organization; or

(4) subject to the receipt by the United States of a credit to be applied against the payment by the United States of its share of the expenses of the international organization to which the officer or employee is detailed, such credit to be based upon the compensation, travel expenses and allowances, or any part thereof, payable to such officer or employee during the period of assignment or detail in accordance with subsection (b) of this section.¹⁵⁴

60 Stat. 810.

SEC. 530.¹⁵⁵ EXPERTS AND CONSULTANTS OR ORGANIZATIONS THEREOF.—(a) Experts and consultants or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), may be employed by any United States Government agency for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of \$75 per diem,¹⁵⁶ and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence and other ex-

¹⁵⁴ See also pertinent portions of sec. 102 of Mutual Security Appropriation Act, 1955 (p. 78).

¹⁵⁵ 22 U. S. C. § 1760.

¹⁵⁶ See section 531 of this Act and sec. 113 of the Mutual Security Appropriation Act, 1955 (p. 83).

penses at a rate not to exceed \$10 while so employed within the continental limits of the United States and at the applicable rate prescribed in the Standardized Government Travel Regulations (Foreign Areas) while so employed outside the continental limits of the United States.

(b) Persons of outstanding experience and ability may be employed without compensation by any United States Government agency for the performance of functions under this Act in accordance with the provisions of section 710 (b) of the Defense Production Act of 1950, as amended (50 U. S. C. App. 2160), and regulations issued thereunder. 64 Stat. 819.

SEC. 531.¹⁵⁷ SECURITY CLEARANCE.—No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Director under this Act for a period to exceed three months unless—

(a) such individual has been investigated as to loyalty and security by the Civil Service Commission, or by the Federal Bureau of Investigation in the case of specific positions which have been certified by the Director as being of a high degree of importance or sensitivity or in case the Civil Service Commission investigation develops data reflecting that the individual is of questionable loyalty, and a report thereon has been made to the Director, and until the Director has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never knowingly been a member of any organization advocating contrary views; or

(b) such individual has been investigated by a military intelligence agency and the Secretary of Defense has certified in writing that he believes such individual is loyal to the United States and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs.

This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate, nor shall it apply in the case of any person already employed under programs covered by this Act who has been previously investigated in connection with such employment.

¹⁵⁷ 22 U. S. C. § 1791.

SEC. 532.¹⁵⁸ EXEMPTION OF PERSONNEL FROM CERTAIN FEDERAL LAWS.—(a) Service of an individual as a member of the Board established pursuant to section 308 of this Act or as an expert or consultant under section 530 (a) shall not be considered as service or employment bringing such individual within the provisions of title 18, U. S. C., section 281, 283 or 284, or of section 190 of the Revised Statutes (5 U. S. C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service; nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 6 of the Act of May 22, 1920, as amended (5 U. S. C. 715), section 212 of the Act of June 30, 1932, as amended (5 U. S. C. 59a), or any other Federal law limiting the re-employment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

62 Stat. 697.

56 Stat. 14.
47 Stat. 406.

28 Stat. 205 ;
43 Stat. 245.
37 USC 231
note.

(b) Notwithstanding section 2 of the Act of July 31, 1894 (5 U. S. C. 62), which prohibits certain retired officers from holding certain office, any retired officer of any of the services mentioned in the Career Compensation Act of 1949 may hold any office or appointment under this Act or the Mutual Defense Assistance Control Act of 1951,¹⁵⁹ but the compensation of any such retired officer shall be subject to the provisions of the Act of June 30, 1932 (5 U. S. C. 59a), which does not permit retired pay to be added to the compensation received as a civilian officer.

SEC. 533.¹⁶⁰ WAIVERS OF CERTAIN FEDERAL LAWS.¹⁶¹—Whenever the President determines it to be in furtherance of purposes declared in this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951, as amended) regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

65 Stat. 7.
50 USC app.
1211 note.

¹⁵⁸ 22 U. S. C. § 1792.
¹⁵⁹ For text, see p. 93.
¹⁶⁰ 22 U. S. C. § 1793.
¹⁶¹ For waivers of other laws see secs. 107, 401, 404, 408 (c), 411, 502 (a) and (b), 505 (b), 527 (b), 532 of this Act and sec. 102 of Mutual Security Appropriation Act, 1955 (p. 78) and also Executive Order No. 10519 (p. 128).

SEC. 534.¹⁶² REPORTS.—The President, from time to time while funds appropriated for the purpose of this Act continue to be available for obligation, shall transmit to the Congress reports covering each six months of operations, in furtherance of the purposes of this Act, except information the disclosure of which he deems incompatible with the security of the United States. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session. Such reports shall include detailed information on the implementation of sections 504 and 413 (b) of this Act.¹⁶³

SEC. 535.¹⁶⁴ COOPERATION WITH INTERNATIONAL ORGANIZATIONS.¹⁶⁵—(a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organizations, in carrying out the purposes of this Act, and may make payments by advancements or reimbursements, for such purposes, out of funds made available for the purposes of this Act, as may be necessary therefor, to the extent that special compensation is usually required for such services and facilities: *Provided*, That nothing in this section shall be construed to authorize the delegation to any international or foreign organization or agency of authority to decide the method of furnishing assistance under this Act to any country or the amount thereof.

(b) Whenever the President determines it to be in furtherance of the purposes of this Act, United States Government agencies, on request of international organizations, are authorized to furnish supplies, materials, and services, on an advance of funds or reimbursement basis, to such organizations. Such advances or reimbursements may be credited to the current applicable appropriation or fund of the agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used.

SEC. 536.¹⁶⁶ JOINT COMMISSION ON RURAL RECONSTRUCTION IN CHINA.—The President is authorized to continue to participate in the Joint Commission on Rural Reconstruction in China and to appoint citizens of the United States to the Commission.

¹⁶² 22 U. S. C. § 1794.

¹⁶³ See also sec. 513 of this Act and accompanying footnote.

¹⁶⁴ 22 U. S. C. § 1795.

¹⁶⁵ For sections authorizing contributions to international organizations, see secs. 104, 132 (c), 306, 405, 406, 407, 408, and 536 of this Act.

¹⁶⁶ 22 U. S. C. § 1796.

CHAPTER 3. REPEAL AND MISCELLANEOUS PROVISIONS

- Effective date. SEC. 541.¹⁶⁷ EFFECTIVE DATE.—This Act shall take effect on the date of its enactment.
- Repeals. SEC. 542. STATUTES REPEALED.—(a) There are hereby repealed—
- (1) an Act to provide for assistance to Greece and Turkey, approved May 22, 1947, as amended;
 - (2) the joint resolution to provide for relief assistance to the people of countries devastated by war, approved May 31, 1947, as amended;
 - (3) the Foreign Aid Act of 1947;
 - (4) the Foreign Assistance Act of 1948, as amended; including the Economic Cooperation Act of 1948, as amended, the International Children's Emergency Fund Assistance Act of 1948, as amended, the Greek-Turkish Assistance Act of 1948, and the China Aid Act of 1948, as amended;
 - (5) the Mutual Defense Assistance Act of 1949, as amended;
 - (6) the Foreign Economic Assistance Act of 1950, as amended; including the Economic Cooperation Act of 1950, the China Area Aid Act of 1950, as amended, the United Nations Palestine Refugee Aid Act of 1950, and the Act for International Development, as amended;
 - (7) the Far Eastern Economic Assistance Act of 1950, as amended;
 - (8) the Yugoslav Emergency Relief Assistance Act of 1950;
 - (9) The Mutual Security Act of 1951, as amended;
 - (10) the Mutual Security Act of 1952;
 - (11) the Mutual Security Act of 1953;
 - (12) section 12 of the joint resolution of Congress approved November 4, 1939 (54 Stat. 10; 22 U. S. C. 452);
 - (13) section 4 of the Act of March 3, 1925 (50 Stat. 887; 50 U. S. C. 165); and
 - (14) section 968 of title 18, United States Code.
- (b) References in other Acts to the Acts listed in subsection (a) shall hereafter be considered to be references to the appropriate provisions of this Act.¹⁶⁸
- (c) The repeal of the Acts listed in subsection (a) shall not be deemed to affect amendments contained in such Acts to Acts not named in subsection (a).¹⁶⁸
- SEC. 543.¹⁶⁹ SAVING PROVISIONS.—
- (a) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions

61 Stat. 103.
22 USC 1401
note.
61 Stat. 125.
22 USC 1411-
1417.
61 Stat. 934.
22 USC 1411
note.
62 Stat. 137.
22 USC 1503
note, 1531, note
1409 note,
1541 note.
63 Stat. 714.
22 USC 1571
note.
64 Stat. 198.
22 USC 1509
note, 1547, note
1556 note,
1557 note.
64 Stat. 5.
22 USC 1551
note.
64 Stat. 1122.
22 USC 1558.
65 Stat. 373.
22 USC 1651
note.
66 Stat. 141.
22 USC 1651
note.
67 Stat. 152.
22 USC 16751
note.
62 Stat. 748.

¹⁶⁷ 22 U. S. C. § 1751 note.
¹⁶⁸ 22 U. S. C. § 1768 note.
¹⁶⁹ 22 U. S. C. § 1768.

issued, undertaken or entered into under authority of any provision of law repealed by section 542 shall continue in full force and effect until modified by appropriate authority.

(b) Where provisions of this Act establish conditions which must be complied with before use may be made of authority contained in or funds authorized by this Act, compliance with substantially similar conditions under Acts named in section 542 shall be deemed to constitute compliance with the conditions established by this Act.

(c) No person in the service or employment of the United States or otherwise performing functions under an Act repealed by section 542 or under section 408 shall be required to be reappointed or reemployed by reason of the entry into force of this Act, except that appointments made pursuant to section 110 (a) (2) of the Economic Cooperation Act of 1948, as amended, shall be converted to appointments under section 527 (c) of this Act.

62 Stat. 143.
22 USC 1508
(a) (2).

SEC. 544.¹⁷⁰ AMENDMENTS TO OTHER LAWS.—(a) Title X of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1431), is amended by adding the following new section:

62 Stat. 13.
22 USC 1431,
1434-1440.

“INFORMATIONAL MEDIA GUARANTIES

“SEC. 1011. The Director of the United States Information Agency may make guaranties, in accordance with the provisions of subsection (b) of section 413 of the Mutual Security Act of 1954, of investments in enterprises producing or distributing informational media consistent with the national interests of the United States against funds heretofore made available by notes issued to the Secretary of the Treasury pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, for purposes of guaranties of investments: *Provided, however,* That the amount of such guaranties in any fiscal year shall be determined by the President but shall not exceed \$10,000,000.”

62 Stat. 146.
22 USC 1509
(c) (2).

(b) Section 1 of Public Law 283, Eighty-first Congress, is repealed. The Institute of Inter-American Affairs, created pursuant to Public Law 369, Eightieth Congress (22 U. S. C. 281),¹⁷¹ shall have succession until June 30, 1960, and may make contracts for periods not to exceed five years: *Provided,* That any contract extending beyond June 30, 1960, shall be made subject to termination by the said Institute upon notice: *And provided further,* That the said Institute shall, on and after July 1, 1954, be subject to the applicable provisions of the Budget and Accounting Act, 1921, as amended (31 U. S. C.

Repeal.
Institute of
Inter-American
Affairs.

42 Stat. 20.

¹⁷⁰ 22 U. S. C. § 1442.

¹⁷¹ For text, see p. 103.

59 Stat. 597.

1), in lieu of the provisions of the Government Corporation Control Act, as amended (31 U. S. C. 841).

SEC. 545.¹⁷² DEFINITIONS.—For the purposes of this Act—

(a) The term “commodity” includes any commodity, material, article, supply, or goods.

(b) The term “surplus agricultural commodity” means any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States either publicly or privately owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

(c) The terms “equipment” and “materials” shall mean any arms, ammunition, or implements of war, or any other type of material, article, raw material, facility, tool, machine, supply or item that would further the purpose of chapter 1 of title I, or any component or part thereof, used or required for use in connection therewith, or required in or for the manufacture, production, processing, storage, transportation, repair, or rehabilitation of any equipment or materials, but shall not include merchant vessels.¹⁷³

(d) The term “mobilization reserve”, as used with respect to any equipment or materials, means the quantity of such equipment or materials determined by the Secretary of Defense under regulations prescribed by the President to be required to support mobilization of the Armed Forces of the United States in the event of war or national emergency until such time as adequate additional quantities of such equipment or materials can be procured.

(e) The term “excess,” as used with respect to any equipment or materials, means the quantity of such equipment or materials owned by the United States which is in excess of the mobilization reserve of such equipment or materials.

(f) The term “services” shall include any service, repair, training of personnel, or technical or other assistance or information necessary to effectuate the purposes of this Act.

(g) The term “Armed Forces of the United States” shall include any component of the Army of the United States, of the United States Navy, of the United States Marine Corps, of the Air Force of the United States, of the United States Coast Guard, and the Reserve components thereof.

¹⁷² 22 U. S. C. § 1751.

¹⁷³ For limitations on the transfer of naval vessels, see the Act of March 10, 1951, 65 Stat. 4, 34 U. S. C. 493-a-1; for text of Act of August 5, 1953, authorizing transfer of certain vessels, see p. 162.

(h) The term "value" means—

(1) with respect to any excess equipment or materials furnished under chapter 1, of title I, the gross cost of repairing, rehabilitating, or modifying such equipment or materials prior to being so furnished;

(2) with respect to any nonexcess equipment or materials furnished under chapter 1 of title I which are taken from the mobilization reserve (other than equipment or materials referred to in paragraph (3) of this subsection), the actual or the projected (computed as accurately as practicable) cost of procuring for the mobilization reserve an equal quantity of such equipment or materials or an equivalent quantity of equipment or materials of the same general type but deemed to be more desirable for inclusion in the mobilization reserve than the equipment or materials furnished;

(3) with respect to any nonexcess equipment or materials furnished under chapter 1 of title I which are taken from the mobilization reserve but with respect to which the Secretary of Defense has certified that it is not necessary fully to replace such equipment or materials in the mobilization reserve, the gross cost to the United States of such equipment and materials or its replacement cost, whichever the Secretary of Defense may specify; and

(4) with respect to any equipment or materials furnished under chapter 1 of title I which are procured for the purpose of being so furnished, the gross cost to the United States of such equipment and materials.

In determining the gross cost incurred by any agency in repairing, rehabilitating, or modifying any excess equipment furnished under chapter 1 of title I, all parts, accessories, or other materials used in the course of repair, rehabilitation, or modification shall be priced in accordance with the current standard pricing policies of such agency. For the purpose of this subsection, the gross cost of any equipment or materials taken from the mobilization reserve means either the actual gross cost to the United States of that particular equipment or materials or the estimated gross cost to the United States of that particular equipment or materials obtained by multiplying the number of units of such particular equipment or materials by the average gross cost of each unit of that equipment and materials owned by the furnishing agency.

(i) The term "United States Government agency" means any department, agency, board, wholly or partly owned corporation, or instrumentality, commission, or establishment of the United States Government.

SEC. 546.¹⁷⁴ CONSTRUCTION.—(a) If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of the Act and applicability of such provision to other circumstances or persons shall not be affected thereby.

60 Stat. 755.

(b) Nothing in this Act shall alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1946, as amended (42 U. S. C. 1801).

(c) Nothing in this Act is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any nation or nations, or to any international organization.

SEC. 547.¹⁷⁵ REDUCTION OF AUTHORIZATIONS.—Notwithstanding the foregoing provisions of this Act, such provisions shall not be construed to authorize the appropriation for the fiscal year 1955, for the purposes of titles I, II, and IV of this Act, of amounts (exclusive of unexpended balances of prior appropriations authorized to be continued available under such provisions) aggregating in excess of \$2,918,040,000.¹⁷⁶

¹⁷⁴ 22 U. S. C. § 1752.

¹⁷⁵ 22 U. S. C. § 1767.

¹⁷⁶ See Mutual Security Appropriation Act, 1955, which complied with this provision (p. 75).

A-1. INDEX TO MUTUAL SECURITY ACT OF 1954



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**A-1. CONFERENCE REPORT ON THE MUTUAL
SECURITY ACT OF 1954 (NO. 2637)**

**Statement of the Managers on the Part of the House
(August 5, 1954)**

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent data collection practices and the use of advanced analytical techniques to derive meaningful insights from the data.

3. The third part of the document focuses on the implementation of data-driven decision-making processes. It provides a framework for how to integrate data analysis into the organization's strategic planning and operational decision-making.

4. The final part of the document discusses the challenges and opportunities associated with data management and analysis. It offers practical recommendations for overcoming common obstacles and maximizing the value of the organization's data assets.

**CONFERENCE REPORT ON THE MUTUAL
SECURITY ACT OF 1954**

Partial Text of Conference Report No. 2637, 83d Congress [to accompany H. R. 9678], August 5, 1954

* * * * *

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and necessary conforming changes, the differences are noted below:

THE FUNDS AUTHORIZED

The committee on conference agreed on a total authorization of \$3,252,868,000. This is a reduction of \$314,040,000 from the House bill and an increase of \$314,040,000 over the Senate amendment.

The following formula was used to determine the authorization:

House bill, total.....	\$3, 566, 908, 000
Less future year authorization for infrastructure.....	198, 300, 000
<hr/>	
House bill, total 1955 authorization.....	3, 368, 608, 000
Less House bill, title III.....	131, 528, 000
<hr/>	
House bill, titles I, II, and IV.....	3, 237, 080, 000
Senate bill, titles I, II, and IV (Senator Long's amendment).....	2, 599, 000, 000
<hr/>	
Difference between House and Senate....	638, 080, 000
Half of difference between House and Senate....	319, 040, 000
Senate bill, titles I, II, and IV.....	2, 599, 000, 000
<hr/>	
Conference agreement.....	2, 918, 040, 000
Conference agreement, title III.....	136, 528, 000
<hr/>	
Conference agreement, total 1955.....	3, 054, 568, 000
Add future year authorization for infrastructure.....	198, 300, 000
<hr/>	
	3, 252, 868, 000

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It was clear from the debate on the Long amendment that it was intended as a limitation on fiscal year 1955 appropriations although this was not specified in the amendment. The conferees placed this date in the limitation. The authorization for future appropriations for infrastructure, \$198,300,000, was in both the Senate and House bills and was not affected by the agreement on the Long amendment. Therefore the total authorized by the conference agreement is:

\$3, 054, 568, 000
 198, 300, 000
 3, 252, 868, 000

The comparable overall totals are as follows:

	House authorization bill	Senate authorization bill	Conference agreement
Authorization for titles I, II, IV.....	\$3, 435, 380, 000	\$2, 797, 300, 000	\$2, 918, 040, 000
Authorization for title III.....	131, 528, 000	141, 528, 000	136, 528, 000
Total authorization.....	3, 566, 908, 000	2, 938, 828, 000	3, 054, 568, 000
Future years authorization for infrastructure.....			198, 300, 000
Total.....			3, 252, 868, 000
Less funds for which no 1955 appropriation will be requested:			
Sec. 104. Infrastructure.....	198, 300, 000	198, 300, 000	198, 300, 000
Sec. 407. UNRWA.....	30, 000, 000	30, 000, 000	30, 000, 000
Total.....	228, 300, 000	228, 300, 000	228, 300, 000
Total 1955 money request.....	3, 338, 608, 000	2, 710, 528, 000	3, 024, 568, 000

The detailed authorizations in the House bill, the Senate amendment, and in the conference agreement are as follows:

Items	House authorization bill	Senate authorization bill	Conference agreement
Title I—Mutual Defense Assistance:			
Chapter 1. Military assistance:			
Sec. 103. Authorization.....	\$1, 430, 300, 000	\$1, 265, 300, 000	\$1, 270, 000, 000
Sec. 106:			
Europe.....	(617, 500, 000)	(617, 500, 000)	(617, 500, 000)
Near East.....	(181, 200, 000)	(181, 200, 000)	(181, 200, 000)
Far East.....	(583, 600, 000)	(583, 600, 000)	(583, 600, 000)
Latin America.....	(13, 000, 000)	(13, 000, 000)	(13, 000, 000)
Sec. 104. Infrastructure.....	321, 000, 000	321, 000, 000	321, 000, 000
Sec. 105. Special weapons.....		27, 000, 000	
Total, chapter 1.....	1, 751, 300, 000	1, 613, 300, 000	1, 591, 000, 000
Chapter 2. Direct forces support:			
Sec. 121. Southeast Asia.....	800, 000, 000	712, 000, 000	700, 000, 000
Sec. 122. Production for forces support.....		70, 000, 000	35, 000, 000
Sec. 123. Common-use items.....	70, 000, 000	64, 000, 000	60, 000, 000
Total, chapter 2.....	870, 000, 000	846, 000, 000	795, 000, 000

CONFERENCE REPORT ON MUTUAL SECURITY ACT

Items	House authori- zation bill	Senate authori- zation bill	Conference agreement
Title I—Mutual Defense Assist- ance—Continued			
Chapter 3. Defense support:			
Sec. 131 (b):			
(1) Europe.....	¹ \$45,000,000	\$71,000,000	\$46,000,000
(2) Near East.....	81,850,000	73,000,000	73,000,000
(3) Far East.....	96,430,000	86,230,195	80,098,195
Sec. 132:			
(a) Korean program....	230,000,000	205,000,000	205,000,000
(b) UNKRA.....	11,300,000	3,452,615	3,452,615
Total, chapter 3.....	464,580,000	438,682,810	407,550,810
Total, title I.....	3,085,880,000	2,897,982,810	2,793,550,810
Title II—Development assistance:			
Near East and Africa.....	130,000,000	115,000,000	115,000,000
South Asia.....	85,000,000	76,000,000	75,000,000
Latin America.....	9,000,000	9,000,000	9,000,000
Total, title II.....	224,000,000	200,000,000	199,000,000
Title III—Technical cooperation:			
Sec. 303 (304). Bilateral.....	112,070,000	122,070,000	117,070,000
Sec. 305 (306). Multilateral:			
(a) United Nations.....	17,958,000	17,958,000	17,958,000
(b) OAS.....	1,500,000	1,500,000	1,500,000
Total, title III.....	131,528,000	141,528,000	136,528,000
Title IV—Other programs:			
Sec. 403. Joint control areas.....	\$25,000,000	(²)	\$25,000,000
Sec. 405:			
(a) Migrants.....	11,700,000	\$11,189,190	11,189,190
(b) UNREF.....	500,000	500,000	500,000
Sec. 406. Children's Fund.....	13,500,000	13,500,000	13,500,000
Sec. 407. UNRWA.....	30,000,000	30,000,000	30,000,000
Sec. 408. NATO.....	3,200,000	3,200,000	3,200,000
Sec. 409. Ocean freight.....	4,400,000	4,400,000	4,400,000
Sec. 410. Control Act expenses..	1,300,000	1,300,000	1,300,000
Sec. 411. Administrative ex- penses.....	35,900,000	34,700,000	34,700,000
Total, title IV.....	125,500,000	98,789,190	123,789,190
Totals.....	3,566,908,000	3,338,300,000	3,252,868,000

¹ House bill excludes \$25,000,000 for joint control areas. This is carried in sec. 403.

² Senate bill includes \$25,000,000 for this item in sec. 131 (b) (1).

SEATING OF COMMUNIST CHINA IN UNITED NATIONS
(SEC. 101)

The Senate amendment contained a provision reiterating congressional opposition to seating the Communist regime in China as China's representative in the United Nations, and requesting the President, if that regime should be seated in the Security Council or General Assembly, to inform the Congress of the implications on United States foreign policy and to present his recommendations, if any. No such provision was included in the House bill, but the House on July 15, 1954, adopted House Resolution 627, reiterating its opposition to, and supporting the President in his efforts to prevent, the seating of that regime as the representative of China in the United Nations or any of its specialized agencies.

The conference agreement retains the language of the Senate amendment.

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DEVELOPMENT OF WEAPONS OF ADVANCED DESIGN (SECS. 103 AND 105)

The Senate amendment authorized an appropriation of \$27,000,000 for the development of weapons of advanced design together with the unexpended balance previously authorized for that purpose. The House bill authorized the carryover of unexpended balances but did not provide any new funds for such weapons.

The committee of conference believes that the development of weapons of advanced design is important to the military program authorized in this legislation. There is no reason, however, for placing any limit on the funds available for such use. Moreover, there are certain advantages in not informing potential enemies of the amounts of money being spent for such purposes, and it is not necessary to do so since the nature of the assistance involved, as described in detail in closed sessions during the hearings, may properly be carried out under the general authorization to provide military assistance. Money authorized for the procurement of conventional weapons could be used for the development of newer weapons whenever funds can be effectively used in this way. For this reason it was decided that no special provision should be made for such a program. Under the program to develop weapons of advanced design funds will continue to be used to finance those research and development projects and items of a classified nature that are not in the usual category of weapons. The authorization for direct military assistance was increased by \$27,000,000, the amount requested by the Executive for weapons of advanced design, to make clear that there was no indication that this program should be curtailed because it was being included in the general military authorization. The unexpended balance for weapons of advanced design was made available under section 103 and may be used insofar as needed for such weapons.

CONDITIONS OF MILITARY ASSISTANCE TO THE FAR EAST AND THE PACIFIC (SEC. 105 (B) (3))

The Senate amendment contained language providing that military assistance to the Far East and Pacific should be given directly to the free peoples of the area including the Associated States of Cambodia, Laos, and Viet Nam insofar as possible. This language was not contained in the House bill. The House conferees accepted the Senate provision because it was believed that the directive to give military aid directly rather than channeling it through another nation in that area would more effectively promote the effective use of United States aid.

CONFERENCE REPORT ON MUTUAL SECURITY ACT

TRANSFER PROVISION (SEC. 105 (D))

Both the House bill and the Senate amendment fixed ceilings on the dollar value of military aid which may be delivered in each of four areas. These ceilings are fixed by adding, to the funds previously made available for military assistance in each area, the following figures:

Europe.....	\$617,500,000
Near East, Africa, and South Asia.....	181,200,000
Far East and Pacific.....	583,600,000
Western Hemisphere.....	13,000,000

The House bill provided that, notwithstanding these ceilings, military aid programed for any one of these areas may be furnished in any other area, if its value does not exceed 10 percent of the sum of (1) the figure specified above for the area from which the transfer is made, and (2) the unexpended balances available on June 30, 1954, for military aid for that area. The Senate amendment contained a corresponding provision with a 15 percent limit in place of the House bill's limit of 10 percent.

The managers for the House accepted the 15 percent limit in order to assure adequate flexibility for meeting changing military situations.

ASSISTANCE IN SOUTHEAST ASIA AND THE WESTERN PACIFIC
(SEC. 121)

Sections 141 and 142 of the House bill established certain conditions of eligibility for mutual defense assistance, including a requirement as to agreements on the part of nations to which such assistance is furnished. Substantially similar provisions were included in the Senate amendment, but the Senate amendment authorized the President to waive these requirements, in the case of assistance to Southeast Asia and the Western Pacific, to the extent necessary to carry out the purposes of the act. The Senate amendment also provided that a report of any such waiver should be made to the interested congressional committees within 30 days. No similar waiver authority was contained in the House bill.

The committee of conference agreed to this waiver authority with two modifications. In the case of the Associated States of Cambodia, Laos, and Viet Nam the President was given discretion to waive provisions of section 142 since it is not now clear what agreements those nations will be able to negotiate and carry out. It may be undesirable to require mutual defense agreements from certain other governments in the area which have only recently attained independence, but which need help in resistance to communism. Therefore, provision was made that up to an aggregate of 10 percent of the funds

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made available in this section can be made available to such other nations not complying with all the conditions of section 142.

All exceptions to the requirements of section 142 must be reported to the appropriate committees of the Congress.

Language similar to that accepted by the committee of conference in section 105 (b) (3) providing for direct assistance as far as possible was also included in this section.

PRODUCTION FOR FORCES SUPPORT (SEC. 122)

The House bill contained a provision authorizing the carryover of unexpended fiscal year 1953 funds for support of manufacture of military aircraft required by United Kingdom forces for North Atlantic defense. The Senate amendment authorized the carryover plus an additional sum of \$70,000,000 for fiscal 1955.

The conference agreement retains the language of the Senate amendment, except that the amount of new funds is reduced to \$35,000,000.

DEFENSE SUPPORT—GENERAL AUTHORITY (SEC. 131 (A))

The House bill authorized the President to furnish defense support assistance to nations and organizations eligible to receive military assistance. The Senate amendment authorized the furnishing of such assistance without regard to whether the recipient nation or organization is eligible to receive military assistance.

The committee of conference agreed to the House language with the addition of language to make eligible any nation which has joined with the United States in a regional defense arrangement. As thus modified, the conference agreement will permit the furnishing of defense support, when it is in the interest of the United States to do so, in order to help such a nation sustain and increase military effort.

KOREAN PROGRAM—VESSELS (SEC. 132 (B) (1))

The Senate amendment contained language requiring that the President investigate to determine whether privately owned vessels were available for sale and, if so, that these vessels be purchased before any Government-owned vessels were transferred to Korea under section 132 (b) (1). The House bill contained no such language.

The committee of conference agreed that privately owned vessels available for sale should be purchased for transfer under this section, but did not feel that transfers of Government-owned vessels should be delayed pending negotiation of purchases from private owners.

CONFERENCE REPORT ON MUTUAL SECURITY ACT

The conference agreement therefore adopts the Senate language except for the final phrase requiring purchase of privately owned vessels "prior to the transfer hereunder of any other vessels."

COUNTERPART (SEC. 142 (11))

Both the House bill and the Senate amendment provided for deposit of counterpart funds, under certain circumstances, by nations receiving mutual defense assistance. The House bill provided that not less than 10 percent of these funds should be allocated to the use of the United States. The Senate amendment provided that a portion of these funds, to be mutually agreed upon by the United States and the nation concerned, should be made available to the United States.

The House conferees accepted the Senate language with the amendment that not less than 10 percent shall be deposited by any country to which such minimum requirement has been applicable under previous legislation. This would permit necessary flexibility in the case of countries which had not previously been required to deposit 10 percent.

The House bill also provided that any unencumbered balances of counterpart funds which are deposited after the date of enactment of the bill and which remain after termination of assistance to the nation concerned shall be disposed of as may be authorized by act of Congress. The Senate amendment provided for disposition of these balances for purposes to be mutually agreed between the nation and the United States, subject to approval by act of Congress.

The conference agreement includes the Senate language in order to avoid the renegotiation and other difficulties which would result if such a change in policy was required. It was noted that the volume of counterpart deposits is declining rapidly as economic aid declines.

DEVELOPMENT ASSISTANCE (SEC. 201)

Section 201 of the House bill authorized development assistance to each of three areas: the Near East and Africa, South Asia, and Latin America. It also provided that at least half of the assistance furnished under the section to each such area should be furnished on a loan basis (except for assistance furnished with unexpended balances carried over under the section). The Senate amendment contained no such requirement as to loans for development assistance, although section 505 of the Senate amendment did earmark, for furnishing assistance on a loan basis, \$150 million of the funds available under the act.

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The conference agreement provides that 30 percent of the new funds appropriated for development assistance shall be used only for loans. This percentage should be applied to the total new funds available for all areas, rather than to the funds expended in each area. It is hoped that more than 30 percent of the funds provided under this title will be effectively utilized for purposes which would justify a loan, but the 50 percent requirement was felt to be too high.

TECHNICAL COOPERATION—DECLARATION OF PURPOSE (SEC. 301)

The House bill contained a provision setting forth the President's general authority to conduct bilateral technical cooperation programs together with a brief statement of the purpose of such programs. The Senate amendment contained a provision setting forth a comprehensive statement of purpose, formerly section 403 of the Act for International Development.

The conference agreement contains the Senate language. Within the program changes in emphasis and limitations in scope may be necessary. But it is the intent of the conferees that such changes give the Administrator no basis for departing from the original concepts and fundamental objectives of the technical cooperation program.

TECHNICAL COOPERATION—AUTHORIZATION (SEC. 304)

The House bill authorized \$112,070,000 for technical cooperation programs in the Near East, Africa, South Asia, Far East and Pacific, and Latin America. The Senate amendment authorized \$88,570,000 for the Near East, Africa, South Asia, the Far East and the Pacific, and \$33,500,000 specifically for Latin America, representing an additional sum of \$10,000,000 for that area.

In view of the forthcoming Rio Conference and recent developments in Latin America since the preparation of the authorization requests by the executive branch, it was the view of the committee of conference that a sum of \$5,000,000 additional to that requested would be desirable. The conference agreement, therefore, contains the specific earmarking of \$28,500,000 for Latin America and preserves \$88,570,000 for the other areas.

EARMARKING OF FUNDS—SURPLUS AGRICULTURAL COMMODITIES (SEC. 402)

Section 402 of the House bill earmarked \$500,000,000 of the funds authorized to be made available under the bill for the purchase and export of surplus agricultural commodities. The Senate amendment revised this sec-

CONFERENCE REPORT ON MUTUAL SECURITY ACT

tion, reducing the amount earmarked from \$500,000,000 to \$350,000,000 and making several technical changes, the main purposes of which were to make it clear that these commodities are in addition to those covered by the Agricultural Trade Development and Assistance Act of 1954, and to insure that the foreign currencies accruing to the United States under the section shall be used as far as practicable for the same purpose for which the dollars used to finance the purchase of the commodities were originally programmed.

The conference agreement combines certain features of both provisions, together with clarifying language. The funds earmarked are set at \$350,000,000. It is made clear that the agricultural commodities utilized under this section are to be sold for foreign currencies rather than supplied on a grant basis. Language is included providing that prices at which commodities are sold will not unduly disrupt world prices and that private channels of trade will be utilized to the maximum extent practicable. It is provided that the foreign currencies obtained under this provision will be spent to promote the objectives of this Act but with particular emphasis on the purposes expressed in section 104 of the Agricultural Trade and Development Act of 1954 which are in harmony with the purposes of the Mutual Security Act.

MOVEMENT OF MIGRANTS AND REFUGEES (SEC. 405)

The House bill authorized funds for United States contributions to the Intergovernmental Committee for European Migration (ICEM). The Senate amendment in addition specifically authorized the President to continue membership in ICEM in accordance with its constitution, approved on October 19, 1953.

While this was the intent of the House bill, it was felt desirable by the committee of conference specifically to express congressional approval of continued United States membership and United States acceptance of the new constitution. The conference agreement therefore preserves the additional language of the Senate amendment.

PALESTINE REFUGEES IN THE NEAR EAST (SEC. 407)

The House bill authorized the President to make use of the unexpended balance of funds previously appropriated for the United Nations Relief and Works Agency for Palestine Refugees through any other agency he might designate. The Senate amendment included this provision but in addition gave the President the same discretion as to the new money made available under this section.

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The conference agreement retains the Senate language because it is believed that it fully maintains the position of the House in supporting the United Nations Relief and Works Agency for Palestine Refugees, but made allowance for the fact that circumstances which would justify the use of another agency for spending the funds carried over might justify the same course of action as to the new money.

NORTH ATLANTIC TREATY ORGANIZATION (SEC. 408)

Both the House bill and the Senate amendment authorized the appropriation for 1955 of \$3,200,000 for payment by the United States of its share of expenses of NATO. The Senate amendment, however, provided in addition for a continuing authorization. The conference agreement retains the Senate language.

In adopting this language, the committee of conference believes it is desirable to include appropriations for as many international organizations in which the United States participates, on other than a temporary basis, in the Department of State appropriation bill. This would in such cases obviate the necessity of seeking new authorizations in succeeding years and thus facilitate the mechanism for continued United States participation.

STRATEGIC MATERIALS

The House bill (sec. 412) authorized the carryover of unexpended funds previously appropriated to assist in procuring and stimulating increased production of materials in which the United States or nations receiving United States assistance are deficient. The Senate amendment did not include such authorization.

The conference agreement eliminates this section. Information supplied to the committee of conference indicated that only a small sum remained unobligated under this section and the prospective uses for these unobligated funds appeared so vague and indefinite that a continuing authorization did not seem justified.

ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION (SEC. 413)

Section 413 (a) : In declaring congressional policy on encouragement of free enterprise and private participation in the mutual security program, the Senate amendment broadened the House bill to include a statement of congressional recognition of "the vital role of free enterprise in achieving rising levels of production and standards of living essential to the economic progress and defensive strength of the free world."

CONFERENCE REPORT ON MUTUAL SECURITY ACT

Since it was the intent of the House bill to reaffirm congressional policy in this subsection, the committee of conference agreed to include this language, contained in prior mutual security legislation, in the conference agreement.

Section 413 (b) (2) : The House bill provided that the President "shall accelerate a program of negotiating treaties for commerce and trade, or other temporary arrangements where more suitable or expeditious, which shall include provisions to encourage and facilitate the flow of private investment to nations participating in programs under this act." The Senate amendment deleted "or other temporary arrangements where more suitable or expeditious" and substituted the phrase "including tax treaties."

In adopting the Senate language, it is the view of the committee of conference that the substitution of tax treaties spells out a specific field of treaty negotiation important to the program of encouraging and facilitating the flow of private investment overseas.

Section 413 (b) (3) : The Senate amendment required the President to insist upon full compliance by other countries with commercial-type treaties which they have entered into with the United States. It further directed the President to use all reasonable measures which may be available to him under this or any other law to secure compliance with treaties which have been declared to be valid by the International Court of Justice and to secure damages, when these are provable on the basis of valid and properly submitted claims, for any American citizen who has suffered as a result of unfair action in violation of such treaties. The House bill contained no such provisions.

The committee of conference agreed to a modification of the Senate language. The conference agreement carries out the purpose of the Senate amendment to help in obtaining protection of the rights of American citizens abroad, in conformity with the objectives of the mutual security program.

Section 413 (b) (4) (B) (ii) : The House bill extended the coverage of investment guaranties to include war, revolution or insurrection. The Senate amendment did not include this coverage. While the conference agreement omits the broadened coverage of the House bill, the committee of conference expressed its view that the investment guaranty program as contained in the agreement is an important part of private enterprise participation in the mutual security program.

MUNITIONS CONTROL (SEC. 414)

The Senate amendment included "technical data relating thereto" within the items subject to control under this

MUTUAL SECURITY HANDBOOK

section. The House bill did not include such language.

The conference agreement includes the Senate provision. It is believed that control over technical data, although difficult to administer except when wartime censorship is in effect, is important to United States security and that those responsible for controlling the export and import of munitions should be given such authority.

ASSISTANCE TO INTERNATIONAL ORGANIZATIONS (SEC. 415)

The House bill authorized the use of funds available for defense support and joint control areas for a strategic stockpile of foodstuffs for NATO. The Senate amendment made available defense support, development assistance, and joint control area funds for aid to NATO, the European Coal and Steel Community, the Organization of European Economic Cooperation (OEEC), and the European Payments Union and similar organizations.

The conference agreement retains the language of the House bill. In adopting the House language, the committee of conference made it clear that no lack of United States interest in encouraging these organizations was intended. The Senate language was considered unnecessary, since no programs were presented to the Congress which would justify the Senate language at this time.

EMIGRATION TO U. S. S. R.

The House bill (sec. 415) contained a provision authorizing payment of expenses of travel of any resident in the United States to the Union of Soviet Socialist Republics for the purpose of establishing permanent residence there, with the stipulation that such resident shall not be readmitted to the United States. The Senate amendment did not contain this provision. Certain psychological advantages to be derived from such a proposal are obvious, but the question of administrative difficulties led to its omission from the conference agreement.

IRISH COUNTERPART (SEC. 417)

When assistance to Ireland under the Economic Cooperation Act of 1948 was terminated, a balance amounting to approximately 6 million Irish pounds remained in the counterpart account established by Ireland as required by that act. The United States and Ireland entered into an agreement on June 17 of this year providing for the disposition of this balance within Ireland for the purposes of scholarship exchange between the two countries and other programs and projects to improve and develop

CONFERENCE REPORT ON MUTUAL SECURITY ACT

the agricultural production and marketing potential of Ireland and to increase the production and efficiency of Irish industry.

Under the Economic Cooperation Act of 1948, this agreement is subject to approval by the Congress. The Senate amendment contained a provision approving the agreement. No such provision was in the House bill. The conference agreement retains the Senate language.

TRANSFERABILITY OF FUNDS (SEC. 501)

The House bill provided that the funds available to carry out any provision of the bill may be increased by not more than 10 percent of the amount appropriated pursuant to that provision (including any unexpended balances carried over), through a transfer from the funds available to carry out any other provision, so long as the latter funds are not reduced, by reason of the transfer, by more than 10 percent of the amount appropriated (including carryover) pursuant to that provision.

The Senate amendment provided broader transfer authority. It fixed no limit on the amount by which any funds may be increased by such a transfer. Also, because the Senate amendment applied the 10-percent limit on reductions to the total amounts available under titles, chapters, and sections it permitted a greater than 10-percent reduction in the case of funds (such as those for defense support for Europe) appropriated pursuant to a provision within a section.

The committee of conference adopted the language of the House bill except that limit on the increase of any provision by transfer was made 20 percent. This change would make possible a more adequate increase to meet unforeseen developments in the case of certain small authorizations where a 10-percent increase, as provided in the House bill, would permit the transfer of an inadequate sum.

TERMINATION OF ASSISTANCE (SEC. 503)

The committee of conference recognized a certain danger in maintaining a separate agency concerned exclusively with the administration of foreign aid. There is inevitably a tendency for such an agency to regard the supplying of aid to foreign nations as a normal, continuing process.

The committee of conference believes that aid to other countries should be supplied only in exceptional circumstances to meet specific situations. Although the United States may be required to give aid every year during the period of acute danger from the Soviet Union, each total annual program should be made up of individual tempo-

MUTUAL SECURITY HANDBOOK

rary programs to meet emergency situations in particular countries or areas.

It is desirable that permanent legislation be in effect, setting forth the conditions, procedures and limitations of such aid programs, in order that assistance can be given promptly and effectively when necessary.

It is not desirable to maintain a special agency devoted to developing and administering assistance programs throughout the world. Under the circumstances such programs tend to become an end in themselves. Instead, the regular departments of Government responsible for foreign policy and for defense should exercise the legislative authority which this bill provides to make available necessary aid when an emergency justifies such action. There should be no incentive, however, for those responsible for such action to perpetuate these aid programs.

For these reasons the committee of conference agreed to a provision specifically terminating the Foreign Operations Administration on June 30, 1955, and providing for the transfer of its remaining functions to appropriate departments of the executive branch.

LOANS (SEC. 505)

The House bill provided that not less than 10 percent of the amounts obligated from appropriations made under titles I and II of the bill (excluding amounts carried over from prior appropriations) shall be used to make loans. The Senate amendment provided that of the funds made available under the bill (excluding military assistance funds, but including foreign currencies accruing under sec. 402, the surplus agricultural commodity program) the equivalent of not less than \$150 million shall be used to make loans.

The conference agreement provides that not less than \$200,000,000 shall be used to make loans, and funds under chapter 1 of title I (direct military) are included within this provision. The percentage provision of the House bill would have required that approximately \$300,000,000 would be loaned. The figure agreed upon reflects the evaluation of the committee of conference of the possibilities for using funds effectively on a loan basis.

SHIPPING ON UNITED STATES VESSELS (SEC. 509)

The Senate amendment contained language not included in the House bill which made clear that 50 percent of cargoes destined for joint control areas should be transported on United States vessels and that shipments on United States vessels should only be made when the rates are fair and reasonable.

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The managers on the part of the House accepted this language since it is consistent with and clarifies the intent of the House.

NOTICE TO LEGISLATIVE COMMITTEES (SEC. 513)

The House bill required notice to be given to the appropriate committees of Congress whenever action is taken under the bill which will result in furnishing assistance substantially different from the program presented to the Congress during its consideration of the bill. The Senate amendment replaced this provision with a provision requiring that the appropriate committees be kept currently informed of substantial changes in programs and of the reasons therefor, except for changes directly resulting from changes made by Congress in the legislative proposals submitted by the executive branch.

The committee of conference adopted the House language with one clarifying modification. Particular attention was given to the danger that this requirement might impose an intolerable administrative burden on the executive branch in reporting program changes. The conclusion was reached that the requirements of this section need not impose an undue administrative burden on the Executive. It is not required or desired that day-to-day operating adjustments in programs should be reported to the committees of Congress. It is anticipated that a new type of cooperation between the administrators of the mutual security program and the committees of Congress will result from the enactment of this section.

INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES (SEC. 514)

The Senate amendment included a provision authorizing the Secretary of the Treasury to reserve, at the request of the Secretary of State, foreign currencies owed to or owned by the United States for sale to the Department of State for use in the international educational exchange program (Fulbright). Sales of such currencies on the basis of the dollar value at the time of reservation was authorized.

The managers on the part of the House accepted the Senate provision. All local currencies used in this program must be purchased from the United States Treasury with dollars appropriated by the Congress, and these dollars are specifically limited for use to purchase such foreign currencies. If such foreign currencies are not available in the United States Treasury, these dollars cannot be used and the educational exchange program is correspondingly reduced.

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DELEGATION OF AUTHORITY BY THE PRESIDENT—TECHNICAL COOPERATION (SEC. 521)

The House bill provided that the President "may exercise any power or authority conferred on him by this act through such agency or officer of the United States as he shall direct." The Senate amendment contained the same provision but added a mandate that after June 30, 1955, the President shall exercise the powers conferred upon him under title III (technical cooperation) through the Secretary of State.

It was the view of the committee of conference that the technical cooperation program is a long-range program representing an important feature of United States foreign policy, and hence should be placed in the Department of State following the termination of the Foreign Operations Administration. The conference agreement reflects this view by including the additional Senate language.

EMPLOYMENT OF PERSONNEL (SEC. 527 (C) (1))

The Senate amendment provided that section 1005 of the Foreign Service Act shall apply to persons employed or assigned under section 527 of the bill by the Director of the Foreign Operations Administration to carry out mutual security programs abroad. Section 1005 of the Foreign Service Act includes a prohibition against the application of any political test in employment matters. No such provision was included in the House bill.

In order to make possible the appointment of policy-making officials who are in full sympathy with the program of the Administration the conference agreement incorporates the Senate language with a modification exempting policymaking officials from the operation of section 1005 of the Foreign Service Act.

WAIVERS OF CERTAIN FEDERAL LAWS (SEC. 533)

The Senate amendment included authorization for the President to waive provisions of law relating to the making of contracts and the expenditure of Government funds. An identical provision was stricken from the bill by the House.

The managers on the part of the House accepted the Senate language with an amendment which does not permit waiving the provisions of the Renegotiation Act of 1951. It is understood that this amendment meets the objection raised to this section in the House.

Under the Renegotiation Act the Renegotiation Board has authority to waive the applicability of renegotiation

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to any contract entered into with a foreign entity upon recommendation of an executive department.

ROBERT B. CHIPERFIELD,

JOHN M. VORYS,

WALTER H. JUDD,

THOMAS S. GORDON,

LAURIE BATTLE,

Managers on the Part of the House.

**A-2. MUTUAL SECURITY APPROPRIATION
ACT, 1955**

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A-2. MUTUAL SECURITY APPROPRIATION ACT, 1955

**Text of Public Law 778, 83d Congress, [H. R. 10051],
68 Stat. 1219, approved September 3, 1954**

**AN ACT Making appropriations for Mutual Security for the fiscal
year ending June 30, 1955, and for other purposes.**

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury, not otherwise appropriated, for the fiscal year ending June 30, 1955, namely:

MUTUAL SECURITY

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, Public Law 665, approved August 26, 1954 (H. R. 9678), as follows: 68 Stat. 832.

Military assistance: For military assistance as authorized by title I, chapter 1, 1,192,700,000 plus unobligated balances, as follows: For general military assistance authorized by section 103, \$1,092,700,000 plus not to exceed \$2,383,512,729 of unobligated balances; for infrastructure authorized by section 104 (a), \$100,000,000, plus not to exceed \$39,000,000 of unobligated balances: *Provided*, That such unobligated balances shall be derived from balances of appropriations heretofore made for military assistance (Europe; Near East and Africa; Asia and the Pacific; American Republics; and mutual special weapons planning): *Provided further*, That not to exceed \$23,250,000 of such funds shall be available for administrative expenses to carry out the purposes of title I, chapter 1 until June 30, 1955: *Provided further*, That the military supplies and equipment (or the equivalent value thereof as the Secretary of Defense shall determine but not to exceed \$200,000,000 in inventory value) which have been procured and processed for delivery to foreign areas and which subsequently are returned to the custody of the United States because of a change in the international situation, shall remain available for military assistance authorized by law, and such amounts shall be in addition to the amounts herein otherwise provided for: *Provided further*, That this limitation on military supplies and equipment shall not apply to capital ships for

Capital ships.

which title has passed but which have been reclaimed by the Navy Department;

Southeast Asia and the Western Pacific: For assistance authorized by section 121, \$700,000,000: *Provided*, That none of the funds appropriated in this paragraph may be used for assistance to any nation which in the opinion of the President is not making satisfactory efforts against Communist penetration and/or aggression;

Production for forces support: For assistance authorized by section 122, \$35,000,000, all of which shall be in the form of United States surplus agricultural commodities;

Common-use items: For assistance authorized by section 123, \$60,000,000;

Defense support, Europe: For assistance authorized by section 131 (b) (1), \$45,000,000;

Special assistance in joint control areas in Europe, as authorized by section 403, \$25,000,000;

Defense support, Near East, Africa and South Asia: For assistance authorized by section 131 (b) (2), \$73,000,000;

Defense support, Far East and the Pacific: For assistance authorized by section 131 (b) (3), \$80,098,195;

Korean program: For assistance authorized by section 132 (except subsection (c)), \$205,000,000 and in addition, unobligated balances of the appropriation under the head "Civilian Relief in Korea" in the Department of Defense Appropriation Act, 1954, are continued available for the purposes of section 132 (a) through June 30, 1955, and are hereby consolidated with this appropriation;

Contributions to United Nations Korean Reconstruction Agency: For making contributions authorized by section 132 (c), \$3,000,000, and in addition, not to exceed \$16,000,000 of the unobligated balances of funds heretofore made available under this head;

Development assistance, Near East and Africa: For assistance authorized by section 201 (a) (1), \$115,000,000;

Development assistance, South Asia: For assistance authorized by section 201 (a) (2), \$60,500,000;

Development assistance, American Republics and non-self-governing territories of the Western Hemisphere: For assistance authorized by section 201 (a) (3), \$9,000,000;

Technical cooperation, general authorization: For assistance authorized by section 304, \$105,000,000;

Contributions to the United Nations expanded program of technical assistance: For contributions to cover the amount pledged by the United States for conducting the program during the calendar year 1954, \$9,957,621: *Provided*, That no commitment for the calendar year 1955 or thereafter shall be pledged on behalf of the

MUTUAL SECURITY APPROPRIATION ACT, 1955

United States until the Congress appropriates for said purpose;¹

Contributions for programs of the Organization of American States: For contributions authorized by section 306 (b), \$1,500,000;

Contributions to the Intergovernmental Committee for European Migration: For contributions authorized by section 405 (a), \$10,000,000, and in addition, not to exceed \$500,000 of the unobligated balance heretofore appropriated for "Movement of Migrants": *Provided*, That no funds appropriated in this Act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against communist infiltration in the Western Hemisphere;

Contributions to the United Nations children's fund: For contributions authorized by section 406, \$12,500,000 which shall constitute the total United States contribution through June 30, 1955;

Contributions to the United Nations Relief and Works Agency: Not to exceed \$23,063,250 of the unobligated balances of funds appropriated under the head "Palestine Refugee Program" in the Mutual Security Appropriation Act, 1954, are continued available through June 30, 1955, for the purposes authorized by section 407;

67 Stat. 479.

Contributions to the North Atlantic Treaty Organization: For payments authorized by section 408, \$1,169,000;

Ocean freight charges: For payments authorized by section 409, \$4,400,000;

Control Act expenses: For carrying out the purposes of the Mutual Defense Assistance Control Act of 1951,² as authorized by section 410, \$1,175,000;

Administrative expenses: For expenses authorized by section 411, \$32,500,000.

Funds appropriated under each paragraph of this Act (other than appropriations under the head of military assistance), including specified amounts of unobligated balances, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955,³ as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available during fiscal year 1955, may be consolidated in one account for each paragraph: *Provided*, That any apparent recorded obligation outstanding on June 30, 1954, against any such appropriations which is not eligible for certification under the terms of section 1311 of the Supplemental Appropriation Act, 1955,³ may be corrected and certified under section 1311 as an obligation if approved by the

¹ 22 U. S. C. 1896a.

² For text, see p. 93.

³ For text, see p. 87.

Director of the Foreign Operations Administration and the Director of the Budget not later than February 1, 1955.

GENERAL PROVISIONS

35 Stat. 1027.

SEC. 102. Appropriations in this Act for the purposes of chapters 2 and 3 of title I and titles II, III, and IV of the Mutual Security Act of 1954, and allocations to the Foreign Operations Administration, from any other appropriations shall be available for rents in the District of Columbia; expenses of attendance at meetings concerned with the purposes of such appropriations including (notwithstanding the provision of section 9 of the Act of March 4, 1909 (31 U. S. C. 673)), expenses in connection with meetings of persons whose employment is authorized by section 530 of the Mutual Security Act of 1954; employment of aliens, by contract, for services abroad;⁴ maintenance, operation, and hire of aircraft; hire of passenger motor vehicles and, in addition, passenger motor vehicles abroad may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including the exchange allowance, of each such replacement shall not exceed \$3,000 in the case of an automobile for the chief of any special mission or staff abroad established under section 526, and \$1,400 in the case of all other such passenger vehicles except station wagons; transportation of privately owned automobiles; entertainment within the United States (not to exceed \$15,000); exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); loss by exchange; expenditures (not to exceed \$50,000) of a confidential character other than entertainment, provided that a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director or Deputy Director of the Foreign Operations Administration, and every such certificate shall be deemed a sufficient voucher for the amount therein specified;⁵ insurance of official motor vehicles in foreign countries; rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, necessary repairs and alterations to quarters; actual expenses of preparing and transporting to their former homes in the United States or elsewhere the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under the Mutual Security Act of 1954 or other Act admin-

47 Stat. 412.

⁴ For other provisions concerning employment of personnel for services abroad, see also secs. 527 (c) and (d) of Mutual Security Act of 1954 (p. 40).

⁵ See also sec. 401 of Mutual Security Act of 1954 (p. 17).

istered by the Foreign Operations Administration; purchase of uniforms; employment of chauffeurs for passenger carrying vehicles abroad notwithstanding the provisions of any other law; medical examinations of dependents of overseas personnel or candidates for overseas positions on the same basis as for employees or candidates; payment of per diem in lieu of subsistence to persons participating in any program of furnishing technical information and assistance, while in countries other than their own and other than the continental United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding section 107 of the Department of State Appropriation Act, 1955; expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801-1158), not otherwise provided for⁶; ice and drinking water for use abroad; and services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the Regular Corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized: *Provided*, That no part of the administrative expenses shall be used to pay the salary of any civilian employee at a rate greater than that paid by the State Department for comparable work or services in the same area: *Provided further*, That none of the funds provided herein shall be used to pay any employee a basic salary of \$12,000 or more per annum, except that this prohibition shall not apply to two-thirds of the number of employees being paid at the basic salary of \$12,000 or more per annum on June 30, 1953, and except that this prohibition shall not apply to employees receiving salaries in excess of \$12,000 as the result of general pay raise legislation enacted during the fiscal year 1955,⁷ nor to not to exceed six employees assigned to the administration or implementation of the program authorized by section 132 of the Mutual Security Act of 1954: *Provided further*, That appropriations made under this Act shall be available for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel when any part of such travel or transportation begins in the current fiscal year

68 Stat. 418.

60 Stat. 999.

62 Stat. 47.

Salary prohibition.

Travel expenses.

⁶ See also sec. 527 (c) of Mutual Security Act of 1954 (p. 40).

⁷ See also sec. 527 (b) of Mutual Security Act of 1954 (p. 40).

pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the current fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of an employee of the Foreign Operations Administration who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Director of the Foreign Operations Administration may prescribe: *Provided further*, That no part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of five thousand pounds net but not exceeding nine thousand pounds net in any one shipment, but the limitations imposed herein shall not be applicable in the case of employees transferred to or serving in stations outside the continental United States under orders relieving them from a duty station within the United States prior to August 1, 1953.

Engineering fees; report to Congress.

SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

65 Stat. 373.
22 USC 1651
note.

SEC. 104. Pursuant to section 1415 of the Supplemental Appropriation Act, 1953,⁸ and in addition to other amounts made available pursuant to said section, not to exceed the equivalent of \$25,000,000 of foreign currencies or credits owed to or owned by the United States shall remain available until expended, without reimbursement to the Treasury, for liquidation of obligations incurred against such currencies or credits prior to July 1, 1953, pursuant to authority contained in the Mutual Security Act of 1951, as amended, and Acts for which funds were authorized by that Act and hereafter, foreign currencies generated under the provisions of this Act⁹ shall be utilized only for the purposes for which the funds providing the commodities which generated the currency were appropriated (except as specifically provided in section 109 of this Act): *Provided*, That the proviso in section 502 (b) of the Mutual Security Act of 1954 is amended as follows: (1) Strike out "Committee on Rules and Administration of the Senate" and insert "Committee on Appropriations of the Senate".¹⁰

⁸ For text, see p. 91.

⁹ See also secs. 142 (11), 402 and 502 of Mutual Security Act of 1954 (pp. 13, 18, 28).

¹⁰ 22 U. S. C. § 1754 (b).

SEC. 105. None of the funds provided by this Act nor any of the counterpart funds generated as a result of assistance under this or any other Act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts:¹¹ *Provided*, That none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction nor shall any of the counterpart funds generated as a result of assistance under this Act be made available to such nation.

Foreign debts,
restriction.

European Pay-
ments Union.

SEC. 106. The Director shall, in providing for the procurement of commodities under authority of this Act, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this Act and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.¹²

Transportation
on U. S. flag
vessels.

SEC. 107. Funds made available pursuant to this Act may not be used for the procurement of equipment or materials outside the United States unless the President or an official of Cabinet rank designated by him determines that such procurement will not result in one or more of the following conditions:

Offshore
procurement.

(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;

(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the release to potential enemies of information detrimental to the security of the United States;

(3) Unjustifiable cost in comparison with procurement in the United States; and

(4) Delays in delivery incompatible with United States defense objectives.¹³

¹¹ 22 U. S. C. § 1760a.

¹² See also sec. 509 of Mutual Security Act of 1954 (p. 33) and the 1954 amendment to Merchant Marine Act of 1936 (p. 149).

¹³ See also sec. 103 (c) of Mutual Security Act of 1954 and accompanying footnote (p. 3).

Restriction on obligations.

SEC. 108. Not more than 25 per centum of any funds made available by this Act shall be obligated during the last two months of the fiscal year.

Surplus agricultural commodities.

SEC. 109. \$55,000,000 of the unobligated balances continued available under this Act shall be available only for the procurement and sale, in accordance with provisions of section 402 of the Mutual Security Act of 1954, of surplus agricultural commodities as assistance to Spain during the current fiscal year: *Provided*, That 80 per centum of the foreign currencies generated hereunder shall be used to strengthen and improve the civilian economy of Spain, the balance to be available for use of the United States: *Provided, however*, That this provision shall not be construed as a precedent or as an abrogation of any agreement heretofore entered into.

Funds allocated to Defense Department, Accounting, etc.

SEC. 110. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (except funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred.⁴ Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations during the current fiscal year shall be reserved and shall remain available until June 30, 1957, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter beginning with the period ending December 31, 1954, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the

Reports to Congress.

⁴ 22 U. S. C. § 1819.

preceding quarter: *Provided further*, That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this Act for military assistance (including specified amounts of unobligated balances), and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955,¹⁵ as having been obligated against appropriations heretofore made for such purposes, shall be maintained in one account which shall be used for all transactions involving military assistance during the current fiscal year, and no expenditures shall be made from such account except as may be within the limits of the sum of the amounts mentioned in this proviso: *Provided further*, That any apparent recorded obligation exceeding \$5,000,000, outstanding on June 30, 1954, which is not eligible for certification under the terms of section 1311 of the Supplemental Appropriation Act, 1955,¹⁶ may be corrected and certified under section 1311 as an obligation if approved by the Secretary of Defense and the Director of the Budget not later than February 1, 1955: *Provided further*, That nothing in this Act shall be construed as making any appropriation or fund available for obligation after June 30, 1955, except as may be necessary for reimbursements authorized herein or as authorized by the Mutual Security Act of 1954.

Restriction on reimbursements

SEC. 111. The appropriations, authorizations, and authority with respect thereto in this Act shall be available from July 1, 1954, for the purposes provided in such appropriations, authorizations, and authority. All obligations incurred during the period between June 30, 1954, and the date of enactment of this Act in anticipation of such appropriations, authorizations, and authority are hereby ratified and confirmed if in accordance with the terms hereof and the terms of Public Law 475, Eighty-third Congress.¹⁶

Availability of funds, etc.

SEC. 112. Not to exceed \$30,000 of the funds appropriated in this Act shall be used to carry out the purposes of section 416 of the Mutual Security Act of 1954.

SEC. 113. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any

Strikes or overthrow of Government.

¹⁵ For text, see p. 87.

¹⁶ For text, see p. 87.

Affidavit. person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this paragraph engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Penalty.

This Act may be cited as the "Mutual Security Appropriation Act, 1955".

**A-3. JOINT RESOLUTION (TEMPORARY
APPROPRIATIONS FOR 1955)**

A-3. JOINT RESOLUTION (TEMPORARY APPROPRIATIONS FOR 1955)

Text of Public Law 475, 83d Congress [H. J. Res. 552], 68 Stat. 448, approved July 6, 1954

JOINT RESOLUTION Making temporary appropriations for the fiscal year 1955, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units in the executive branch of the Government, such amounts as may be necessary for continuing the projects or activities enumerated in this section as follows:

(a) At a rate not in excess of the current rate or, in the case of any such project or activity for which a budget estimate is pending, at a rate not in excess of the current rate or the rate permitted by the budget estimate, whichever is lower:

Refugee relief;
Civilian relief in Korea;
Government and relief in occupied areas;
Government in occupied areas;
Federal Civil Defense Administration, Operations;
Washington National Airport;
Rubber, tin, and abaca programs.

(b) Mutual Security Programs, \$290,000,000, to be derived from unobligated balances of appropriations heretofore made for such purposes and to be expended in accord with provisions of laws applicable to such programs during the fiscal year ending June 30, 1954: *Provided*, That the rate hereunder for any individual program shall not exceed the current rate: *Provided further*, That administrative expenses for such programs shall not exceed \$4,000,000.

(c) Relief and Rehabilitation in Korea, the unobligated balance of the appropriation available in fiscal year 1954 is continued available.

SEC. 2. (a) Except as otherwise herein provided, appropriations and funds made available and authority granted pursuant to this joint resolution shall be subject to the General Provisions of Chapter XIII of the Supplemental Appropriation Act, 1954, to the same extent as the comparable appropriations, funds, and authority were subject to such provisions in the fiscal year 1954.

(b) Except as otherwise specifically provided therein, appropriations and funds made available and authority

67 Stat. 435.
5 USC 59c; 40
USC 33a, 483b.

granted pursuant to any regular annual appropriation Act for the fiscal year 1955 shall be subject to the General Provisions of Chapter XIII of the Supplemental Appropriation Act, 1954, to the same extent as the comparable appropriations, funds, and authority were subject to such provisions in the fiscal year 1954.

Termination:

SEC. 3. Appropriations and funds made available and authority granted pursuant to this joint resolution shall remain available until (a) enactment into law of an appropriation for any project or activity provided for herein, or (b) enactment of the applicable appropriation Act by both Houses without any provision for such project or activity, or (c) July 31, 1954, whichever first occurs.

31 USC 665.

SEC. 4. Appropriations and funds made available and authority granted pursuant to this joint resolution may be used without regard to the time limitations set forth in subsection (d) (2) of section 3679, Revised Statutes, and expenditures therefrom shall be charged to any applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

Restriction.

SEC. 5. No appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity which was not being conducted during the fiscal year 1954. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for the pertinent project or activity.

A-4. SUPPLEMENTAL APPROPRIATION ACT, 1955

**(Section 1310—Availability of Foreign Currencies)
(Section 1311—Definition of and Reports on Obligations)**

**A-4. SUPPLEMENTAL APPROPRIATION ACT,
1955**

**Partial Text of Public Law 663, 83d Congress, [H. R.
9936], 68 Stat. 800, approved August 26, 1954**

CHAPTER XIII—GENERAL PROVISIONS

* * * * *

SEC. 1310. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits) and for liquidation of obligations legally incurred against such credits prior to July 1, 1953, only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchange allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury: *Provided further*, That nothing in section 1415 of the Act of July 15, 1952, or in this section shall be construed to prevent the making of new or the carrying out of existing contracts, agreements, or executive agreements for periods in excess of one year, in any case where such contracts, agreements, or executive agreements for periods in excess of one year were permitted prior to the enactment of this Act under section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b) (2)), and the performance of all such contracts, agreements, or executive agreements shall be subject to the availability of appropriations for the purchase of credits as provided by law.

Foreign
credits.
31 USC 724.

60 Stat. 754.

SEC. 1311. (a) After the date of enactment hereof no amount shall be recorded as an obligation of the Government of the United States unless it is supported by documentary evidence of—

Documentary
evidence of
obligation.

(1) a binding agreement in writing between the parties thereto, including Government agencies, in a manner and form and for a purpose authorized by law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered,

real property to be purchased or leased, or work or services to be performed; or

(2) a valid loan agreement, showing the amount of the loan to be made and the terms of repayment thereof; or

(3) an order required by law to be placed with a Government agency; or

(4) an order issued pursuant to a law authorizing purchases without advertising when necessitated by public exigency or for perishable subsistence supplies or within specific monetary limitations; or

(5) a grant or subsidy payable (i) from appropriations made for payment of or contributions toward, sums required to be paid in specific amounts fixed by law or in accord with formulae prescribed by law, or (ii) pursuant to agreement authorized by, or plans approved in accord with and authorized by, law; or

(6) a liability which may result from pending litigation brought under authority of law; or

(7) employment or services of persons or expenses of travel in accord with law, and services performed by public utilities; or

(8) any other legal liability of the United States against an appropriation or fund legally available therefor.

Reports to Congress.

(b) Not later than September 30 of each year, the head of each Federal agency shall report, as to each appropriation or fund under the control of such agency, the amount thereof remaining obligated but unexpended and the amount thereof remaining unobligated on June 30 of such year and copies of such report shall be forwarded by him to the chairman of the Committees on Appropriations of the Senate and the House of Representatives, to the Comptroller General of the United States, and to the Director of the Bureau of the Budget: *Provided*, That such report for the fiscal year ending June 30, 1954, shall be made not later than December 31, 1954, and shall include only such obligations as could have been recorded under the provisions of subsection (a) hereof.

Certifications.

(c) Each report made pursuant to subsection (b) shall be supported by certifications of the officials designated by the head of the agency, and such certifications shall be supported by records evidencing the amounts which are reported therein as having been obligated. Such certifications and records shall be retained in the agency in such form as to facilitate audit and reconciliation for such period as may be necessary for such purposes. The officials designated by the head of the agency to make certifications may not redelegate the responsibility.

Restriction.

(d) No appropriation or fund which is limited for obligation purposes to a definite period of time shall be

available for expenditure after the expiration of such period except for liquidation of amounts obligated in accord with subsection (a) hereof; but no such appropriation or fund shall remain available for expenditure for any period beyond that otherwise authorized by law.

(e) Any statement of obligation of funds furnished by any agency of the Government to the Congress or any committee thereof shall include only such amounts as may be valid obligations as defined in subsection (a) hereof.

Statement of obligation.

* * * * *

A-5. SUPPLEMENTAL APPROPRIATION ACT, 1953
Section 1415 (Availability of Foreign Credits)

**A-5. SUPPLEMENTAL APPROPRIATION ACT,
1953**

**Partial Text of Public Law 547, 82d Congress, [H. R.
8370], 66 Stat. 637, approved July 15, 1952**

* * * * *

CHAPTER XIV—GENERAL PROVISIONS

* * * * *

SEC. 1415. Foreign credits owed to or owned by the United States Treasury will not be available for expenditure by agencies of the United States after June 30, 1953, except as may be provided for annually in appropriation Acts and provisions for the utilization of such credits for purposes authorized by law are hereby authorized to be included in general appropriation Acts.

Foreign
credits.

* * * * *

NOTE.—Executive Order 10488 of September 23, 1953, 18 F. R. 5699, authorizes the Secretary of the Treasury to issue regulations governing the purchase, custody, transfer or sale of foreign exchange by agencies of the United States. See also sec. 637 of the Dept. of Defense Appropriation Act, 1954, Public Law 179, 83d Congress, 67 Stat. 336, 356.

**A-6. MUTUAL DEFENSE ASSISTANCE CONTROL
ACT OF 1951 (BATTLE ACT)**

A-6. MUTUAL DEFENSE ASSISTANCE CONTROL ACT OF 1951 (BATTLE ACT)

Text of Mutual Defense Assistance Control Act of 1951, Public Law 213, 82d Congress [H. R. 4550], 65 Stat. 644, approved October 26, 1951

AN ACT To provide for the control by the United States and cooperating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Defense Assistance Control Act of 1951."¹

TITLE I—WAR MATERIALS

SEC. 101.² The Congress of the United States, recognizing that in a world threatened by aggression the United States can best preserve and maintain peace by developing maximum national strength and by utilizing all of its resources in cooperation with other free nations, hereby declares it to be the policy of the United States to apply an embargo on the shipment of arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, in order to (1) increase the national strength of the United States and of the cooperating nations; (2) impede the ability of nations threatening the security of the United States to conduct military operations; and (3) to assist the people of the nations under the domination of foreign aggressors to reestablish their freedom.

U. S. policy of embargo.

It is further declared to be the policy of the United States that no military, economic, or financial assistance shall be supplied to any nation unless it applies an embargo on such shipments to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

¹ 22 U. S. C. § 1611 note.
² 22 U. S. C. § 1611.

Administration
of Act.

This Act shall be administered in such a way as to bring about the fullest support for any resolution of the General Assembly of the United Nations, supported by the United States, to prevent the shipment of certain commodities to areas under the control of governments engaged in hostilities in defiance of the United Nations.

Administrator.

SEC. 102.³ Responsibility for giving effect to the purposes of this Act shall be vested in the person occupying the senior position authorized by subsection (e) of section 406 of the Mutual Defense Assistance Act of 1949, as amended, or in any person who may hereafter be charged with principal responsibility for the administration of the provisions of the Mutual Defense Assistance Act of 1949. Such person is hereinafter referred to as the "Administrator."

NOTE.—Section 2 (b) of Reorganization Plan No. 7 of 1953 (see p. 100) transferred to the Director of the Foreign Operations Administration all functions vested by the Mutual Defense Assistance Control Act of 1951 in the Administrator created by that Act. See also Executive Order No. 10575, p. 109.

Determination
of items to be
embargoed.

SEC. 103.⁴ (a) The Administrator is hereby authorized and directed to determine within thirty days after enactment of this Act after full and complete consideration of the views of the Departments of State, Defense, and Commerce; the Economic Cooperation Administration; and any other appropriate agencies, and notwithstanding the provisions of any other law, which items are, for the purpose of this Act, arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and those items of primary strategic significance used in the production of arms, ammunition, and implements of war which should be embargoed to effectuate the purposes of this Act: *Provided*, That such determinations shall be continuously adjusted to current conditions on the basis of investigation and consultation, and that all nations receiving United States military, economic, or financial assistance shall be kept informed of such determinations.

Adjustments.
Information
to nations
receiving U. S.
assistance.

Termination of
assistance.

(b) All military, economic, or financial assistance to any nation shall, upon the recommendation of the Administrator, be terminated forthwith if such nation after sixty days from the date of a determination under section 103 (a) knowingly permits the shipment to any

³ 22 U. S. C. § 1611a.

⁴ U. S. C. § 1611b.

nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, of any item which he has determined under section 103 (a) after a full and complete investigation to be included in any of the following categories: Arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation material of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war: *Provided*, That the President after receiving the advice of the Administrator and after taking into account the contribution of such country to the mutual security of the free world, the importance of such assistance to the security of the United States, the strategic importance of imports received from countries of the Soviet bloc, and the adequacy of such country's controls over the export to the Soviet bloc of items of strategic importance, may direct the continuance of such assistance to a country which permits shipments of items other than arms, ammunition, implements of war, and atomic energy materials when unusual circumstances indicate that the cessation of aid would clearly be detrimental to the security of the United States: *Provided further*, That the President shall immediately report any determination made pursuant to the first proviso of this section with reasons therefor to the Appropriations and Armed Services Committees of the Senate and of the House of Representatives, the committee on foreign relations of the Senate, and the Committee on Foreign Affairs of the House of Representatives, and the President shall at least once each quarter review all determinations made previously and shall report his conclusions to the foregoing committees of the House and Senate, which reports shall contain an analysis of the trade with the Soviet bloc of countries for which determinations have been made.

Continuance of assistance by direction of President.

Reports to Congress.

SEC. 104.⁵ Whenever military, economic, or financial assistance has been terminated as provided in this Act, such assistance can be resumed only upon determination by the President that adequate measures have been taken by the nation concerned to assure full compliance with the provisions of this Act.

Resumption of assistance.

SEC. 105.⁶ For the purpose of this Act the term "assistance" does not include activities carried on for the purpose of facilitating the procurement of materials in which the United States is deficient.

"Assistance"—activities not included.

⁵ 22 U. S. C. § 1611c.

⁶ 22 U. S. C. § 1611d.

TITLE II—OTHER MATERIALS

Regulations of exports.

SEC. 201.⁷ The Congress of the United States further declares it to be the policy of the United States to regulate the export of commodities other than those specified in title I of this Act to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, in order to strengthen the United States and other cooperating nations of the free world and to oppose and offset by nonmilitary action acts which threaten the security of the United States and the peace of the world.

Negotiations with recipient countries for controlling certain exports.

SEC. 202.⁸ The United States shall negotiate with any country receiving military, economic, or financial assistance arrangements for the recipient country to undertake a program for controlling exports of items not subject to embargo under title I of this Act, but which in the judgment of the Administrator should be controlled to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

Termination of assistance.

SEC. 203.⁹ All military, economic, and financial assistance shall be terminated when the President determines that the recipient country (1) is not effectively cooperating with the United States pursuant to this title, or (2) is failing to furnish to the United States information sufficient for the President to determine that the recipient country is effectively cooperating with the United States.

TITLE III—GENERAL PROVISIONS

Cooperation of non-recipient countries.

SEC. 301.¹⁰ All other nations (those not receiving United States military, economic, or financial assistance) shall be invited by the President to cooperate jointly in a group or groups or on an individual basis in controlling the export of the commodities referred to in title I and title II of this Act to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

Duties of Administrator.

SEC. 302.¹¹ The Administrator with regard to all titles of this Act shall—

(a) coordinate those activities of the various United States departments and agencies which are concerned with security controls over exports from other countries;

⁷ 22 U. S. C. § 1612.

⁸ 22 U. S. C. § 1612a.

⁹ 22 U. S. C. § 1612b.

¹⁰ 22 U. S. C. § 1613.

¹¹ 22 U. S. C. § 1613a.

(b) make a continuing study of the administration of export control measures undertaken by foreign governments in accordance with the provisions of this Act, and shall report to the Congress from time to time but not less than once every six months recommending action where appropriate; and

(c) make available technical advice and assistance on export control procedures to any nation desiring such cooperation.

SEC. 303.¹² The provisions of subsection (a) of section 403, of section 404, and of subsections (c) and (d) of section 406 of the Mutual Defense Assistance Act of 1949 (Public Law 329, 81st Congress) as amended, insofar as they are consistent with this Act, shall be applicable to this Act. Funds made available for the Mutual Defense Assistance Act of 1949, as amended, shall be available for carrying out this Act in such amounts as the President shall direct.¹³

Applicability
of designated
provisions.

Availability
of funds.

SEC. 304.¹⁴ In every recipient country where local currency is made available for local currency expenses of the United States in connection with assistance furnished by the United States, the local currency administrative and operating expenses incurred in the administration of this Act shall be charged to such local currency funds to the extent available.

Expenses
chargeable to
local currency
funds.

SEC. 305. Subsection (d) of section 117 of the Foreign Assistance Act of 1948 (Public Law 472, Eightieth Congress), as amended, and subsection (a) of section 1302 of the Third Supplemental Appropriation Act, 1951 (Public Law 45, 82d Congress),¹⁵ are repealed.

Repeals.
62 Stat. 154.
22 U. S. C.
§ 1515.
65 Stat. 63.
22 U. S. C.
§ 1623a.

¹² 22 U. S. C. § 1613b.

¹³ Section 410 of the Mutual Security Act of 1954 provides: "Control Act Expenses. There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$1,300,000 for carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U. S. C. 1611). In addition, in accordance with sec. 303 of that Act, funds made available for carrying out chapter 1 of title I of this Act shall be available for carrying out the purpose of this section in such amounts as the President may direct". Mutual Security Appropriation Act, 1955, p. 77, appropriated \$1,175,000 for this purpose. The Mutual Defense Assistance Act of 1949, as amended, was repealed by sec. 542 of the Mutual Security Act of 1954, p. 46.

¹⁴ 22 U. S. C. § 1613c.

¹⁵ Sec. 1302 (a) of the Third Supplemental Appropriation Act, 1951, known as the Kem Amendment Public Law 45, 82d Cong., approved June 2, 1951, provided:

"During any period in which the Armed Forces of the United States are actively engaged in hostilities while carrying out any decision of the Security Council of the United Nations, no economic or financial assistance shall be provided, out of any funds appropriated to carry out the purposes of the Economic Cooperation Act of 1948, as amended, or any other Act to provide economic or financial assistance (other than military assistance) to foreign countries, to any country which exports, or knowingly permits the exportation of, to the Union of Soviet Socialist Republics or any of its satellite countries (including Communist China and Communist North Korea) arms, or armaments, or military matériel, or articles or commodities which the Secretary of Defense shall have certified to the Administrator for Economic Cooperation may be used in the manufacture of arms, armaments, or military matériel, or shipment of which to the Soviet bloc is embargoed by the United States in the interest of national security; and the Secretary of Defense is hereby authorized and directed to so certify to the Administrator for Economic Cooperation any article or commodity of the nature or class described: *Provided*, That after the 15th day following the date of enactment of this Act and prior to the termination of the period heretofore referred

to no country shall be eligible for economic or financial assistance under any such Act unless within thirty days prior to the date on which such assistance is to be provided such country shall have certified to the United States that it has not, subsequent to the 15th day following the date of enactment of this Act, exported, or knowingly permitted the exportation of, arms, armaments, military matériel, articles, or commodities which are subject to the foregoing provisions of this section, to any of the countries referred to in such provision: *Provided further*, That such certification shall not relieve the Administrator for Economic Cooperation or any other officer of the United States Government of responsibility for enforcing the foregoing provisions of this section: *Provided further*, That exceptions to these provisions may be made upon an official determination of the National Security Council that such exception is in the security interest of the United States: *Provided further*, That the National Security Council shall immediately report any exception made with reasons therefor to the Appropriations and Armed Services Committees of the Senate and of the House of Representatives, the Committee on Foreign Relations of the Senate, and the Committee on Foreign Affairs of the House of Representatives, and the National Security Council shall at least once each quarter review all exceptions made previously and shall report its determination to the foregoing committees of the House and Senate, which reports shall contain an analysis of the trade with the Soviet bloc of countries for which an exception is made."

Subsec. (b) of sec. 1302 of the Third Supplemental Appropriation Act, 1951, repealed sec 1304 of the Supplemental Appropriation Act, 1951, Public Law 843. 81st Cong., approved Sept. 27, 1950, 64 Stat. 1066, 22 U. S. C. § 1523, which had provided:

"During any period in which the Armed Forces of the United States are actively engaged in hostilities while carrying out any decision of the Security Council of the United Nations, no economic or financial assistance shall be provided out of any funds appropriated to carry out the purposes of the Economic Cooperation Act of 1948, as amended, or any other act to provide economic or financial assistance (other than military assistance) to foreign countries, to any country whose trade with the Union of Soviet Socialist Republics or any of its satellite countries (including Communist China and Communist North Korea) is found by the National Security Council to be contrary to the security interests of the United States."

A-7. REORGANIZATION PLAN NO. 7 OF 1953
(Foreign Operations Administration)

A-7. REORGANIZATION PLAN NO. 7 OF 1953

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, June 1, 1953, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949, as amended. Effective August 1, 1953, under the provisions of section 6 of the act; published pursuant to section 11 of the act (63 Stat. 203; 5 U. S. C. Sup. 133z), 18 F. R. 4541

FOREIGN OPERATIONS ADMINISTRATION

SECTION 1. *Establishment of Foreign Operations Administration.* (a) There is hereby established a new agency which shall be known as the Foreign Operations Administration, hereinafter referred to as the "Administration".

(b) There shall be at the head of the Administration a Director of the Foreign Operations Administration, hereinafter referred to as the "Director." The Director shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate of \$22,500 a year. The Secretary of State shall advise with the President concerning the appointment and tenure of the Director.

(c) There shall be in the Administration a Deputy Director of the Foreign Operations Administration, who shall be appointed by the President by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$17,500 a year. The Deputy Director shall perform such functions as the Director shall from time to time designate, and shall act as Director during the absence or disability of the Director or in the event of a vacancy in the office of Director.

(d) There are hereby established in the Administration six new offices with such title or titles as the Director shall from time to time determine. Appointment thereto shall be by the President, by and with the advice and consent of the Senate. The compensation for each of two of the said offices shall be at the rate of \$16,000 a year and the compensation for each of the other four offices shall be at the rate of \$15,000 a year. The persons appointed to the said new offices shall perform such functions as the Director shall from time to time designate, and are authorized to act as Director, as the Director may designate, during the absence or disability of the Director

and the Deputy Director or in the event of vacancies in the offices of Director and Deputy Director.

SEC. 2. *Transfer of functions to the Director.* There are hereby transferred to the Director :

(a) All functions vested by the Mutual Security Act of 1951, as amended, or by any other statute in the Director for Mutual Security provided for in section 501 of that Act, or in the Mutual Security Agency created by that Act, or in any official or office of that Agency, including the functions of the Director for Mutual Security as a member of the National Security Council.

(b) All functions vested by the Mutual Defense Assistance Control Act of 1951 in the Administrator created by that Act.

(c) The functions vested by section 6 of the Yugoslav Emergency Relief Assistance Act of 1950 in the Secretary of State.

SEC. 3. *Institute of Inter-American Affairs.* The Institute of Inter-American Affairs, together with its functions, is hereby transferred to the Administration. All functions vested by the Institute of Inter-American Affairs Act in the Secretary of State are hereby transferred to the Director. Functions with respect to serving as employees of the said Institute or as members of the board of directors thereof, including eligibility, as the case may be, to be detailed as such employees or to serve as such members, are hereby transferred from the officials and employees of the Department of State to the officials and employees of the Administration. The Institute shall be administered subject to the direction and control of the Director.

SEC. 4. *National Advisory Council.* The Director shall be a member of the National Advisory Council on International Monetary and Financial Problems (22 U. S. C. 286b).

SEC. 5. *Performance of functions transferred to the Director.* The Director may from time to time make such provisions as he shall deem appropriate authorizing the performance by an other officer, or by any employee or organizational entity, of the Administration, of any function of the Director, except the function of being a member of the National Security Council and the function of being a member of the National Advisory Council on International Monetary and Financial Problems.

SEC. 6. *Transfer of functions to the President.* All functions vested in the Secretary of State by the United Nations Palestine Refugee Aid Act of 1950 are hereby transferred to the President.

SEC. 7. *Incidental transfers.* (a) Personnel, property, records, and unexpended balances of appropriations, allocations, and other funds, employed, used, held, available, or to be made available in connection with func-

tions transferred or vested by this reorganization plan shall be transferred, at such time or times as the Director of the Bureau of the Budget shall direct, as follows:

(1) So much of those relating to functions transferred to or vested in the Director or the Administration as the Director of the Bureau of the Budget shall determine shall be transferred to the Administration.

(2) Those of the Institute of Inter-American Affairs shall be transferred along with the Institute.

(3) So much of those relating to the functions transferred by section 6 hereof as the Director of the Bureau of the Budget shall determine shall be transferred to the agency or agencies of the Government to which the President delegates the said functions.

(b) Such further measures and dispositions as the Director of the Bureau of the Budget shall deem to be necessary in order to effectuate the transfers provided for in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

SEC. 8. *Abolitions.* (a) There are hereby abolished:

(1) The offices of Director for Mutual Security and Deputy Director for Mutual Security, provided for in sections 501 and 504, respectively, of the Mutual Security Act of 1951, as amended (including the organization in the Executive Office of the President known as the Office of the Director for Mutual Security).

(2) The Mutual Security Agency.

(3) The title of Administrator provided for in the Mutual Defense Assistance Control Act.

(4) The four positions provided for in section 406 (e) of the Mutual Defense Assistance Act of 1949, as amended.

(5) The offices of Administrator and Deputy Administrator for Technical Cooperation, provided for in section 413 (a) of the Act for International Development, as amended, together with the functions vested in the Administrator by the said section 413 (a), as amended.

(6) The offices of the Special Representative in Europe and Deputy Special Representative in Europe, provided for in section 504 (a) of the Mutual Security Act of 1951, as amended. The abolition of the said offices of Representative, and Deputy Representative shall become effective on September 1, 1953 (unless a later date is required by the provisions of section 6 (a) of the Reorganization Act of 1949, as amended).

(b) The Director shall wind up any outstanding affairs of the aforesaid abolished agencies and offices not otherwise provided for in this reorganization plan.

SEC. 9. *Interim provisions.* The President may authorize the persons who, immediately prior to the effective date of this reorganization plan, hold offices or occupy

positions abolished by section 8 hereof to hold offices and occupy positions under section 1 hereof until the latter offices and positions are filled pursuant to the provisions of the said section 1 or by recess appointment, as the case may be, but in no event for any period extending more than 60 days after the said effective date, as follows:

(a) The Director and Deputy Director for Mutual Security as the Director and Deputy Director of the Foreign Operations Administration, respectively.

(b) The Administrator for Technical Cooperation and the person occupying the senior position provided for in section 406 (e) of the Mutual Defense Assistance Act of 1949, as amended, to serve in the two senior positions created by section 1 (d) thereof.

(c) The Deputy Administrator for Technical Cooperation and the persons occupying the three positions provided for in section 406 (e) of the Mutual Defense Assistance Act of 1949, as amended, to serve in the four positions created by section 1 (d) hereof which have compensation at the rate of \$15,000 a year.

**A-8. INSTITUTE OF INTER-AMERICAN AFFAIRS
ACT**

**A-8. INSTITUTE OF INTER-AMERICAN
AFFAIRS ACT**

**Text of Public Law 369, 80th Congress [H. R. 4168],
61 Stat. 780, approved August 5, 1947, as amended
by Public Law 283, 81st Congress [S. 1250], 63 Stat.
685, approved September 3, 1949**

AN ACT To provide for the reincorporation of The Institute of
Inter-American Affairs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there be, as of the date of enactment of this Act, created as an agency of the United States of America a body corporate with the name of "The Institute of Inter-American Affairs" (in this Act called the "Institute").¹

Institute of
Inter-American
Affairs Act.

NOTE.—Section 3 of Reorganization Plan No. 7 of 1953, see p. 100, transfers the Institute of Inter-American Affairs together with its functions to the Foreign Operations Administration and directs that its administration shall be subject to the direction of the Director of the Foreign Operations Administration.

SEC. 2.² The purposes of this corporation are to further the general welfare of, and to strengthen friendship and understanding among, the peoples of the American Republics through collaboration with other governments and governmental agencies of the American Republics in planning, initiating, assisting, financing, administering, and executing technical programs and projects, especially in the fields of public health, sanitation, agriculture, and education.

Purposes.

SEC. 3.³ The Institute, as a corporation—

(a) Shall have succession for a period of three years unless sooner dissolved by an Act of Congress.

Rights and
powers.

¹ 22 U. S. C. § 281.
² 22 U. S. C. § 281a.
³ 22 U. S. C. § 281b.

NOTE.⁴—Section 544 (b) of the Mutual Security Act of 1954 provides:

“The Institute of Inter-American Affairs, created pursuant to Public Law 369, Eightieth Congress (22 U. S. C. 281), shall have succession until June 30, 1960, and may make contracts for periods not to exceed five years: *Provided*, That any contract extending beyond June 30, 1960, shall be made subject to termination by the said Institute upon notice.”

- (b) May adopt, alter, and use a corporate seal, which shall be judicially noticed.
 - (c) May make and perform contracts with any individual, corporation, or other body of persons however designated, whether within or without the United States of America, and with any government or governmental agency, domestic or foreign.
 - (d) Shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid.
 - (e) May, as necessary for the transaction of the business of the Institute, employ officers, employees, agents, and attorneys in accordance with the provisions of the civil service and classification laws, except that the Institute may, without regard to the civil service and classification laws, employ, and fix the compensation of, officers, employees, agents, and attorneys of the Institute employed for service outside the continental limits of the United States: *Provided*, That the salary of any person thus employed shall not exceed the maximum salary established by the classification laws, and that the Institute may require bonds of any employee and pay the premiums of such bonds: *Provided further*, That no person who is a citizen of the United States not presently employed by the Institute of Inter-American Affairs or the Inter-American Educational Foundation, Inc., shall be employed under authority of this paragraph (e) until such person has been investigated by the Civil Service Commission: ⁵ *Provided further*, That no person not a citizen of the United States shall be employed under authority of this paragraph (e) for service in any American Republic
- Employment.
- Salary ; bonds.
- Investigation by Civil Service Commission.
- Employment of noncitizens.

⁴ Sec. 544 (b) of the Mutual Security Act of 1954 repealed sec. 1 of Public Law 283, 81st Cong. (63 Stat. 685), which had extended the Institute until June 30, 1955.

⁵ Public Law 298, 82d Cong. (66 Stat. 44), substituted the Civil Service Commission for the Federal Bureau of Investigation as the primary investigating agency but retained certain investigating provisions for the Federal Bureau of Investigation.

of which such person is not a citizen except with the specific approval of the Government of the American Republic concerned.

(f) May acquire by purchase, devise, bequest, or gift, or otherwise, lease, hold, and improve such real and personal property as it finds to be necessary to its purposes, whether within or without the United States, and in any manner dispose of all such real and personal property held by it and use as general funds all receipts arising from the disposition of such property.

Acquisition and disposal of property.

(g) Shall be entitled to the use of the United States mails in the same manner and on the same conditions as the executive departments of the Government.

Use of U. S. mails.

(h) May, with the consent of any board, corporation, commission, independent establishment, or executive department of the Government, including any field service thereof, avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this Act.

Use of services, etc., of Government agencies.

(i) May accept money, funds, property, and services of every kind by gift, devise or bequest, or grant, or otherwise, and make advances and grants to any individual, corporation, or other body of persons, whether within or without the United States of America, or to any government or governmental agency, domestic or foreign, when deemed advisable by the Institute in furtherance of its purposes.

Acceptance of money etc.

(j) May sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction.

(k) Shall have such other powers as may be necessary and incident to carrying out its powers and duties under this Act.

Other powers.

SEC. 4.⁶ Upon termination of the corporate life of the Institute all of its functions shall be liquidated and, thereafter, unless otherwise provided by Congress, the assets shall be transferred to the United States Treasury as the property of the United States.

Termination of Institute.

SEC. 5.⁷ (a) The management of the Institute shall be vested in a board of directors (hereinafter referred to as the "Board") of not less than five in number, each of whom shall be appointed by the Secretary of State from among the officials and employees of the Department of State and, in the discretion of the Secretary of State and with the consent of the Chiefs of other departments or agencies respectively concerned from among the officials and employees of other United States Government de-

Board of directors.

⁶ 22 U. S. C. § 281c.
⁷ 22 U. S. C. § 281d.

Investigation
by FBI.

partments and agencies: *Provided*, That no person shall be appointed as a director under authority of this paragraph (a) until such person has been investigated by the Federal Bureau of Investigation.

(b) The Secretary of State shall designate one director as Chairman of the Board.

(c) The directors shall hold office at the pleasure of the Secretary of State.

Compensation.

(d) The directors shall receive no additional compensation for their services as directors but may be allowed actual necessary traveling and subsistence expenses incurred by them in the performance of their duties as directors.

(e) The Board shall direct the exercise of all the powers of the Institute.

Rules, etc.

(f) The Board may prescribe, amend, and repeal by-laws, rules, and regulations governing the manner in which the business of the Institute may be conducted and in which the powers granted to it by law may be exercised and enjoyed: *Provided*, That a majority of the Board shall be required as a quorum.

Quorum.

Committees.

(g) In furtherance and not in limitation of the powers conferred upon it, the Board may appoint such committees for the carrying out of the work of the Institute as the Board finds to be for the best interests of the Institute, each committee to consist of two or more of the directors, which committees, together with officers and agents duly authorized by the Board and to the extent provided by the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the Institute.

NOTE.—The function of appointing Board members and the function of serving on the Board were transferred by section 3 of Reorganization Plan No. 7 of 1953 (see p. 100) to the Director of the Foreign Operations Administration and officials of that agency, respectively.

Nonprofit
corporation.

SEC. 6.^s The Institute shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of its directors, officers, and employees and such revenue, earnings, or other income, or property shall be used for the carrying out of the corporate purposes herein set forth. No director, officer, or employee of the corporation shall in any manner directly or indirectly participate in the deliberation upon or the determination

^s 22 U. S. C. § 281e.

of any question affecting his personal interests or the interests of any corporation, partnership, or organization in which he is directly or indirectly interested.

SEC. 7.⁹ When approved by the Institute, in furtherance of its purposes, the officers and employees of the Institute may accept and hold offices or positions to which no compensation is attached with governments or governmental agencies of the other American Republics.

Positions with other American Republics.

SEC. 8.¹⁰ The Secretary of State shall have authority to detail employees of the Department of State to the Institute under such circumstances and upon such conditions as he may determine: *Provided*, That any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of the Government by virtue of such detail.

Detail of employees.

SEC. 9.¹¹ The principal office of the institute shall be located in the District of Columbia, but there may be established agencies, branch offices, or other offices in any place or places within the United States or the other American Republics in any of which locations the Institute may carry on all or any of its operations and business under bylaws or rules and regulations.

Principal office, agencies, etc.

SEC. 10.¹² The Institute, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, or any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

Exemption from taxation.

SEC. 11.¹³ The right to alter, amend, or repeal this Act is hereby expressly reserved. If any clause, sentence, paragraph, or part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act, but shall be confined in its operations to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Rights reserved.

SEC. 12.¹⁴ The Institute of Inter-American Affairs and the Inter-American Educational Foundation, Inc., two Government corporations caused to be created under the laws of the State of Delaware on March 31, 1942, and September 25, 1943, respectively, by the Coordinator of Inter-American Affairs, shall, within ten days following the enactment of this Act, transfer to the corporation created by this Act all necessary personnel, the assets, funds, and property—real, personal, and mixed—and all debts, liabilities, obligations, and duties, and all rights, privileges, and powers subject to all restrictions, dis-

Separability of provisions.

Transfer of funds, property, etc.

⁹ 22 U. S. C. § 281f.
¹⁰ 22 U. S. C. § 281g.
¹¹ 22 U. S. C. § 281h.
¹² 22 U. S. C. § 281i.
¹³ 22 U. S. C. § 281j.
¹⁴ 22 U. S. C. § 281k.

abilities, and duties of the two said corporations, and the corporation created by this Act, shall accept full title to and ownership of all the assets, funds, and property—real, personal, and mixed—and all debts, liabilities, obligations, and duties, and all rights, privileges, and powers subject to the said restrictions, disabilities, and duties of the two said corporations and all such debts, liabilities, obligations, and duties of the two said corporations shall henceforth attach to the corporation created by this Act and may be enforced against it to the same extent as if said debts, liabilities, obligations, and duties had been incurred or contracted by the corporation created by this Act: *Provided*, That all citizens of the United States presently employed by the Institute of Inter-American Affairs or the Inter-American Educational Foundation, Inc., and transferred under authority of this section 12 to the corporation created by this Act shall be investigated by the Federal Bureau of Investigation within six months following the date of enactment of this Act: *Provided further*, That no person not a citizen of the United States presently employed by the Institute of Inter-American Affairs or the Inter-American Educational Foundation, Inc., for service in an American Republic of which such person is not a citizen, and transferred under authority of this section 12, shall be retained in such service for a period exceeding three months from the date of enactment of this Act except with the specific approval of the government of the American Republic concerned.

Investigation of employees by FBI.

Retention of noncitizens.

59 Stat. 597.
31 U. S. C.
§ 841 et seq.

SEC. 13. The Institute shall be subject to the provisions of the Government Corporation Control Act (Public Law 248, Seventy-ninth Congress).

NOTE.—Section 544 (b) of the Mutual Security Act of 1954 provides that the Institute shall, on and after July 1, 1954, be subject to the applicable provisions of the Budget and Accounting Act, 1921, as amended (31 U. S. C. 1), in lieu of the provisions of the Government Corporation Control Act, as amended (31 U. S. C. 841).

SEC. 14.¹⁵ There are authorized to be appropriated, at a rate not to exceed \$5,000,000 annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this Act.

This Act may be cited as the "Institute of Inter-American Affairs Act."

¹⁵ 22 U. S. C. § 281 note.

B. EXECUTIVE DOCUMENTS IMPLEMENTING THE MUTUAL SECURITY PROGRAM

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B-1. EXECUTIVE ORDER NO. 10575

Text of Executive Order No. 10575, November 6, 1954,
19 F. R. 7249

ADMINISTRATION OF FOREIGN AID FUNCTIONS

By virtue of the authority vested in me by the Mutual Security Act of 1954 (68 Stat. 832), by section 301 of title 3 of the United States Code, and as President of the United States and Commander in Chief of the armed forces of the United States, it is hereby ordered as follows:

PART I. ASSIGNMENT OF FUNCTIONS AND FUNDS

SEC. 101. *Foreign Operations Administration.* (a) Exclusive of the functions otherwise delegated, or excluded from delegation, by this order, and subject to the provisions of this order, there are hereby delegated to the Director of the Foreign Operations Administration all functions conferred upon the President by the Mutual Security Act of 1954 (hereinafter referred to as the Act) and by the Mutual Defense Assistance Control Act of 1951 (65 Stat. 644; 22 U. S. C. 1611-1613c).

(b) Subject to sections 103 and 107 (b) of this order, the Director of the Foreign Operations Administration shall administer sections 402, 505, and 201 of the Act. In determining upon the furnishing of assistance on terms of repayment pursuant to sections 201 (a) and 505 of the Act, and upon the amounts and terms of such assistance, the Director of the Foreign Operations Administration shall consult with the National Advisory Council on International Monetary and Financial Problems in respect of policies relating to such assistance and terms. Whenever assistance on terms of repayment, under the said section 505, involves funds available under chapter 1 of Title I of the Act, the said Director shall consult with the Secretary of Defense with respect to the amounts and terms of such assistance. The Director of the Foreign Operations Administration shall also consult the said Council with respect to policies concerning the utilization of funds in the Special Account provided for in section 142 (11) of the Act and concerning such other matters as are within the cognizance of the Council pursuant to section 4 of the Bretton Woods Agreements Act.

(c) Pursuant to section 527 (c) (2) of the Act, it is directed that the authority made available to the Director

of the United States Information Agency with respect to his functions by section 2 of Executive Order No. 10477 of August 1, 1953 (18 F. R. 4540), and by Executive Order No. 10522 of March 26, 1954 (19 F. R. 1689), subject to the provisions of law applicable in connection with such authority, may be utilized by the Director of the Foreign Operations Administration with respect to his functions.

(d) It is hereby directed that the Office of Small Business provided for in section 504 (b) of the Act shall be in the Foreign Operations Administration.

SEC. 102. *Department of Defense.* (a) Subject to the provisions of this order, there are hereby delegated to the Secretary of Defense:

(1) The functions conferred upon the President by chapter 1 of Title I of the Act, exclusive of (i) those so conferred by section 105 (b) (3) of the Act, (ii) so much of those so conferred by section 106 (b) of the Act as consists of determining that a nation or international organization may make available the fair value of equipment, materials, or services, sold thereto or rendered therefor, at a time or at times other than in advance of delivery of the equipment, materials, or services, and (iii) the functions reserved to the President by section 107 of this order.

(2) The functions conferred upon the President by sections 142 (7) and 511 (c) of the Act.

(3) So much of the functions conferred upon the President by sections 142 (10), 511 (b), 527 (a), 528, and 529 (a) of the Act as relates to other functions under the Act administered by the Department of Defense.

(b) The Secretary of Defense is hereby designated to make, with respect to equipment or materials procured for military assistance, the determinations provided for in section 107 of the Mutual Security Appropriation Act, 1955 (68 Stat. 1224).

(c) The Secretary of Defense (1) shall exercise the responsibility and authority vested in him by the Act and the responsibility and authority delegated to him by this order subject to coordination by the Director of the Foreign Operations Administration, and (2) shall keep the Director of the Foreign Operations Administration fully and currently informed of all matters, including prospective action, relating to the utilization of funds under the Act, the establishment of priorities under section 524 (b) of the Act, and the furnishing of military items under chapter 1 of Title I of the Act.

SEC. 103. *Department of State.* (a) There are hereby delegated to the Secretary of State:

(1) The functions conferred upon the President by the laws referred to in section 101 (a) of this

order with respect to negotiating and entering into international agreements.

(2) The functions conferred upon the President by sections 105 (b) (3), 405 (a), 413 (b) (2), and (3), and 529 (b) and (c) of the Act.

(3) The functions conferred upon the President by section 504 (a) (2) of the Act so far as they may relate to countries in which the Foreign Operations Administration does not have missions or employees.

(4) So much of the functions conferred upon the President by section 535 (a) of the Act as consists of requesting the cooperation of the United Nations, its organs, and specialized agencies or other international organizations in carrying out the purposes of the Act.

(b) The functions conferred upon the President by section 414 of the Act are hereby delegated to the Secretary of State. In connection with the carrying out of the said functions the Secretary of State shall consult with appropriate agencies of the Government. The designation by the Secretary of State of articles which shall be considered as arms, ammunition, and implements of war, including technical data relating thereto, under the said section 414 shall require the concurrence of the Secretary of Defense.

(c) The Secretary of State shall be responsible (1) for making the United States contributions under the Act to, and formulating and presenting with the assistance of the Director of the Foreign Operations Administration the policy of the United States with respect to the assistance programs of, the international organizations referred to in sections 132 (c), 306, 405 (a) and (c), 406, and 407 of the Act, and (2) for making the United States contribution under section 408 of the Act to the North Atlantic Treaty Organization for the United States' share of the expenses of the Organization.

(d) All functions under the Act and the other statutes referred to in sections 101 (a), 102 (b), and 105 (a) of this order, however vested, delegated, or assigned, shall be subject to the responsibilities of the Secretary of State with respect to the foreign policy of the United States.

(e) The maintenance of special missions or staffs abroad, the fixing of the ranks of the chiefs thereof after the chiefs of the United States diplomatic missions, and the authorization of the same compensation and allowances as the chief of mission, Class 3 or Class 4, within the meaning of the Foreign Service Act of 1946 (22 U. S. C. 801 *et seq.*), all under section 526 of the Act, shall require the approval of the Secretary of State.

SEC. 104. *Department of Commerce.* (a) There is hereby delegated to the Secretary of Commerce so much of the functions conferred upon the President by section

413 (b) (1) of the Act as consists of drawing the attention of private enterprise to opportunities for investment and development in other free nations.

(b) The Secretary of Commerce is hereby designated as the officer through whom shall be carried out the functions provided for in section 416 of the Act.

SEC. 105. *United States Information Agency.* (a) The functions conferred upon the President by section 1011 of the United States Information and Educational Exchange Act of 1948 (62 Stat. 6), as amended, are hereby delegated to the Director of the United States Information Agency and shall be carried out in consultation with the Director of the Foreign Operations Administration.

(b) The United States Information Agency shall perform the functions provided for by law with respect to publicizing abroad the activities carried out under the Act.

SEC. 106. *Allocation of funds.* (a) Funds appropriated or otherwise made available to the President shall be deemed to be allocated without any further action of the President as follows:

(1) Funds for carrying out chapter 1 of Title I of the Act are allocated to the Secretary of Defense, but, for the purposes of the second sentence of section 110 of the Mutual Security Appropriation Act, 1955 (68 Stat. 1224), such funds shall be available only when and in such amounts as they have been apportioned, for use, by the Bureau of the Budget.

(2) All funds for carrying out the Act except those for carrying out chapter 1 of Title I of the Act are allocated to the Director of the Foreign Operations Administration.

(b) The said funds may be allocated by the Secretary of Defense and the Director of the Foreign Operations Administration, respectively, to any agency, department, establishment, or wholly owned corporation of the Government for obligation or expenditure thereby consistent with applicable law, subject, however, to the provisions of section 107 (a) (2) hereof. The utilization of funds without regard to the existing laws governing the obligation and expenditure of Government funds as authorized by section 411 (b) of the Act shall be limited as far as practicable and shall in any event be confined to instances in which such utilization is deemed (1) to further the more economical, efficient, or expeditious carrying out of functions under the Act, and (2) to obviate or mitigate hardship occurring with respect to personnel administering functions under the Act in connection with the administration of these functions or with respect to the families of personnel by reason of the duties of the respective heads of families under the Act.

(c) The Director of the Foreign Operations Administration shall allocate funds to the Department of State for the contributions referred to in section 103 (c) of this order.

SEC. 107. Reservation of functions to the President.

(a) There are hereby excluded from the functions delegated by the foregoing provisions of this order:

(1) The functions conferred upon the President by the Act with respect to the appointment of officers required to be appointed by and with the advice and consent of the Senate, the transmittal of periodic or special reports to the Congress, and the termination or withdrawal of assistance.

(2) The functions conferred upon the President with respect to findings, determinations, certifications, agreements, directives, or transfers of funds, as the case may be, by sections 104 (b), 105, 132 (a), 141, 401, 403, 404, 410, 501, 503, 521, and 522 (b) of the Act, and by sections 103 (b), 104, 203, and 301 of the Mutual Defense Assistance Control Act of 1951.

(3) The functions conferred upon the President by sections 101, 107 (a) (2), 415, 523, 525, and 545 (d) of the Act and, subject to Part II hereof, the functions so conferred by section 523 (b) of the Act.

(4) The functions conferred upon the President by section 121 of the Act, including all of the functions so conferred with respect to waiving specific provisions of section 142 of the Act, but otherwise excluding so much of the functions conferred upon the President by the said section 121 as may relate to assistance for the support of forces and other expenditures within Indo-China and either is financed from the unexpended balances of appropriations made pursuant to sections 304 and 540 of the Mutual Security Act of 1951, as amended, or is within an obligational limitation of \$150,000,000 additional to the said unexpended balances.

(5) So much of the functions conferred upon the President by section 409 (d) of the Act as may relate to funds allocated to the Department of Defense by this order.

(b) The President shall hereafter determine the portions of the sum of \$350,000,000 provided for in section 402 of the Act and the portions of the sum of \$200,000,000 provided for in section 505 (b) of the Act which shall be applicable to funds allocated pursuant to the Act to the Foreign Operations Administration and the Department of Defense, respectively.

PART II. PROCEDURES FOR COORDINATION ABROAD

SEC. 201. Functions of the Chief of the United States Diplomatic Mission. (a) The Chief of the United

States Diplomatic Mission in each country, as the representative of the President, shall serve as the channel of authority on foreign policy and shall provide foreign policy direction to all representatives of United States agencies in such country.

(b) The Chief of the United States Diplomatic Mission in each country, as the representative of the President and acting on his behalf, shall coordinate the activities of the representatives of United States agencies (including the chiefs of economic and technical assistance missions, military assistance advisory groups, foreign information staffs, and other representatives of agencies of the United States Government) in such country engaged in carrying out programs under the Act, programs under the Mutual Defense Assistance Control Act of 1951, and the programs transferred by section 2 of Reorganization Plan No. 8 of 1953 (67 Stat. 642); and he shall assume responsibility for assuring the unified development and execution of the said programs in such country. More particularly, the functions of each Chief of United States Diplomatic Mission shall include, with respect to the programs and the country concerned, the functions of:

(1) Exercising general direction and leadership of the entire effort.

(2) Assuring that recommendations and prospective plans and actions of representatives of United States agencies are effectively coordinated and are consistent with, and in furtherance of, the established policy of the United States.

(3) Assuring that the interpretation and application of instructions received by representatives of United States agencies from higher authority are in accord with the established policy of the United States.

(4) Guiding the representatives of the United States agencies in working out measures to prevent duplication in their efforts and to promote the most effective and efficient use of all United States officers and employees engaged in work on the said programs.

(5) Keeping the representatives of United States agencies fully informed as to current and prospective United States policies.

(6) Prescribing procedures governing the coordination of the activities of representatives of United States agencies, and assuring that such representatives shall have access to all available information essential to the accomplishment of their prescribed duties.

(7) Preparing and submitting such reports on the operation and status of the programs referred to in the introductory portion of this subsection as may be

requested of the Secretary of State by the Secretary of Defense, the Director of the Foreign Operations Administration, or the Director of the United States Information Agency, with respect to their respective responsibilities.

(8) Recommending the withdrawal of United States personnel from the country whenever in his opinion the interests of the United States warrant such action.

(c) Each Chief of United States Diplomatic Mission shall perform his functions under this part in accordance with instructions from higher authority and subject to established policies and programs of the United States. Only the President and the Secretary of State shall communicate instructions directly to the Chief of the United States Diplomatic Mission.

(d) No Chief of United States Diplomatic Mission shall delegate any function conferred upon him by the provisions of this Part which directly involves the exercise of direction, coordination, or authority.

SEC. 202. *Referral of unresolved matters.* The Chief of the United States Diplomatic Mission in each country shall initiate steps to reconcile any divergent views arising between representatives of United States agencies in the country concerned with respect to programs referred to in the introductory portion of section 201 (b) of this order. If agreement cannot be reached the Chief of the United States Diplomatic Mission shall recommend a course of action, and such course of action shall be followed unless a representative of a United States agency requests that the issue be referred to the Secretary of State and the United States agencies concerned for decision. If such a request is made, the parties concerned shall promptly refer the issue for resolution prior to taking action at the country level.

SEC. 203. *Further coordination procedures and relationships.* (a) All representatives of United States agencies in each country shall be subject to the responsibilities imposed upon the Chief of the United States Diplomatic Mission in such country by section 523 (b) of the Act and by this part.

(b) Subject to compliance with the provisions of this part and with the prescribed procedures of their respective agencies, all representatives of United States agencies affected by this part (1) shall have direct communication with their respective agencies and with such other parties and in such manner as may be authorized by their respective agencies, (2) shall keep the respective Chiefs of United States Diplomatic Missions and each other fully and currently informed on all matters, including prospective plans, recommendations, and actions, relating

to the programs referred to in the introductory portion of section 201 (b) of this order, and (3) shall furnish to the respective Chiefs of United States Diplomatic Missions, upon their request, documents and information concerning the said programs.

PART III. GENERAL PROVISIONS

SEC. 301. *Definition.* As used in this order, the word "functions" embraces duties, powers, responsibilities, authority, and discretion.

SEC. 302. *Prior orders.* (a) This order supersedes Executive Order No. 10476 of August 1, 1953 (18 F. R. 4537).

(b) The reference in section 3 (c) of Executive Order No. 10560 of September 9, 1954 (19 F. R. 5927), to Part III of Executive Order No. 10476 shall after the date of this order be deemed to be a reference to Part II of this order.

(c) Except to the extent inconsistent with law or with this order, and except as revoked, superseded, or otherwise made inapplicable before the time of issuance of this order, (1) all determinations, authorizations, regulations, rulings, certificates, orders, directives, contracts, agreements, and other actions issued, undertaken or entered into with respect to any function affected by this order shall continue in full force and effect until amended, modified, or revoked by appropriate authority, (2) each reference in any Executive order to any provision of law repealed by the Mutual Security Act of 1954 shall be deemed also to refer to the corresponding provision, if any, of the Mutual Security Act of 1954.

SEC. 303. *Effective date.* Without prejudice to anything done under proper authority with respect to any function under the Act at any time subsequent to the approval of the Act and prior to the approval of this order, the effective date of this order shall be deemed to be the date of the approval of the Act.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *November 6, 1954.*

B-2. TEXT OF THE LETTER BY THE PRESIDENT TO THE HEADS OF SELECTED AGENCIES CONCERNING EXECUTIVE ORDER NO. 10575

NOVEMBER 6, 1954.

To: The Secretary of State.
The Secretary of the Treasury.
The Secretary of Defense.
The Secretary of Agriculture.
The Secretary of Commerce.
The Director of the Foreign Operations Administration.
The Director of the Office of Defense Mobilization.
The Chairman of the Board of Directors of the Export-Import Bank of Washington.
The Director of the United States Information Agency.

I have today signed an Executive order which is designed to carry out the provisions of the Mutual Security Act of 1954.

My letter of June 1, 1953, regarding the organization of the executive branch for the conduct of foreign affairs, continues to represent my instructions on the subjects discussed in that letter. This letter supplements my previous letter and the Executive order signed today.

The Director of the Foreign Operations Administration is responsible for coordinating all operations of the foreign assistance programs. He should establish appropriate machinery to achieve this coordination and to assure that all aspects of the mutual security program are consistent with and further the attainment of foreign policy, military policy, and financial and monetary policy objectives. This should include provisions for the Secretaries of State, Defense, and Treasury to receive adequate reports on the operations and projected plans with respect to each program under the Mutual Security Act.

The delegation to the Secretary of State of responsibility for negotiations with foreign governments is intended to give recognition to the central responsibility of the Department of State in this area. Other agencies directly concerned with the substance of the negotiation must continue to carry substantial responsibility in such negotiations, however. Moreover, it is assumed that these other agencies will conduct day-to-day discussions with representatives of the foreign governments in implementing basic agreements reached with such governments. Such discussions, of course, must be in con-

formance with the foreign policy responsibilities of the State Department and of the chiefs of our diplomatic missions.

The Director of the Foreign Operations Administration will coordinate the implementation of the statutory requirement that a certain minimum amount of the Mutual Security funds be used to finance the export and sale for foreign currencies of surplus agricultural commodities. He shall coordinate this surplus disposal program with that under the Agricultural Trade Development and Assistance Act of 1954. He shall consult with the interagency committee established by the President to assist in the administration of that Act, but I am looking to the Director for the successful implementation of this important part of our mutual security program.

The Secretary of Commerce is designated as the officer to carry out the program to encourage travel. This assignment in no way diminishes the responsibilities of the Department of State or the Foreign Operations Administration to operate exchange and technical assistance programs, nor does it affect the responsibility of the Department of State to carry on diplomatic negotiations with other countries regarding the removal of legal barriers to international travel and similar matters.

The responsibility of finding opportunities for investment and development abroad under the Mutual Security Act is delegated to the Director of the Foreign Operations Administration. The Secretaries of State and Commerce are to continue their regular work through the Foreign Service relating to finding opportunities abroad. The Secretary of Commerce shall be responsible for the regularized publishing and circularization to American business of opportunities abroad, but the Director may continue his normal, direct contacts with individual business firms that arise as a result of his other functions under the Act, such as making investment guarantees and promoting economic development. The Departments of State and Commerce and the Foreign Operations Administration should make arrangements for appropriate consultation and cooperation in respect of their programs relating to encouraging American private investment abroad.

The arrangements described above and in the Executive order issued today are to continue in effect during fiscal year 1955 or until other arrangements for the administration of foreign aid functions are prescribed by the President after further study has been given to this problem in the executive branch of the Government.

DWIGHT D. EISENHOWER.

B-3. MEMORANDUM BY THE PRESIDENT REGARDING THE REORGANIZATION OF THE EXECUTIVE BRANCH FOR THE CONDUCT OF FOREIGN AFFAIRS

JUNE 1, 1953.

To: The Heads of All Executive Departments.
The Director for Mutual Security.

I have today transmitted two reorganization plans to the Congress and taken other actions by Executive order providing for a significant reorganization of the executive branch for the conduct of foreign affairs. This letter further defines relationships which will govern executive branch officials in the conduct of our international responsibilities.

The over-all foreign affairs reorganization which I desire to achieve is designed to emphasize the primary position of the Secretary of State within the executive branch in matters of foreign policy. I personally wish to emphasize that I shall regard the Secretary of State as the Cabinet officer responsible for advising and assisting me in the formulation and control of foreign policy. It will be my practice to employ the Secretary of State as my channel of authority within the executive branch on foreign policy. Other officials of the executive branch will work with and through the Secretary of State on matters of foreign policy. I shall also look to the Secretary of Defense as the Cabinet officer responsible, within the framework of foreign policy, for advising and assisting me in the formulation and control of military policy. Similarly, the Secretary of the Treasury, within the framework of foreign policy, shall continue to be the Cabinet officer responsible for advising and assisting me in the formulation and control of monetary and financial policy.

The Secretary of State, the Secretary of Defense, and the Secretary of the Treasury, as appropriate, shall review plans and policies relative to military and economic assistance programs, foreign information programs, and legislative proposals of the Foreign Operations Administration and the United States Information Agency, to assure that in their conception and execution, such plans, policies and proposals are consistent with and further the attainment of foreign policy, military policy, and financial and monetary policy objectives. The Director of the Foreign Operations Administration and the Di-

rector of the United States Information Agency will assure the concurrence or participation of the appropriate Secretary before taking up with me any policy matters of concern to that Secretary.

The heads of these new agencies should furnish information to the Secretaries of State, Defense, and Treasury in such manner and form as may be agreed between the head of the agency and the Secretary concerned to insure that the program of the agencies and the implementation of such programs conform with foreign policy, military policy, and financial and monetary policy objectives.

To the maximum feasible extent consistent with efficiency and economy, the internal organization of the new agencies should be designed to permit ready coordination with subordinate levels of the Department of State. This would suggest parallel areas of responsibility for constituent units of the State Department and of the two new operating agencies wherever feasible. The two operating agencies should also enter into appropriate arrangements to insure the necessary coordination with each other. Overseas regional staffs should ordinarily be established for the operating agencies only where there is a regional organization or multilateral activity of sufficient importance to warrant the establishment of a diplomatic mission. The Chief of the United States diplomatic mission in each foreign country must provide effective coordination of, and foreign policy direction with respect to, all United States Government activities in the country. To the maximum practicable extent, there should be integrated supervision of personnel performing related economic or information activities in each foreign country. Appointments of all chief representatives abroad of the two new agencies, and of the chiefs of military assistance advisory groups abroad, should be cleared with the Secretary of State.

The Director of the Foreign Operations Administration should take full advantage of the advice and assistance available in other agencies. He should coordinate his operations with related operations in other agencies. At the same time, I expect the Director of the Foreign Operations Administration to maintain full control and direction over all foreign economic and technical assistance programs rather than turn this responsibility over to other agencies. We must have an integrated direction of technical assistance and other foreign assistance activities.

Since I am assigning to the Mutual Security Agency responsibility for paying ocean freight on voluntary relief shipments, I wish to make a corresponding change respecting the Advisory Committee on Voluntary Foreign Aid. This Committee, which was created pursuant to the President's letter to the Secretary of State, dated

EXECUTIVE ORDER 10575

May 14, 1946, operates under the guidance of the Department of State, and coordinates public and private programs for foreign relief. The Committee should hereafter operate under the guidance of the Director for Mutual Security or the Director of the Foreign Operations Administration, as the case may be, and the State Department staff now assisting the Committee should be transferred to the Mutual Security Agency and thereafter to the Foreign Operations Administration.

The reorganization plan which creates the United States Information Agency also assigns exclusive responsibility to the Secretary of State for the control of the content of a program designed to assure accurate statements of United States official positions on important issues and current developments. It is my desire that this program be so administered as to keep these official United States positions before the governments and peoples of other countries. No material which is not a statement of official United States views, regardless of its nature, or origin, or the medium used for its dissemination, should be identified by the exclusive label which is provided.

The United States Information Agency will be the normal outlet for this program, but the Secretary of State may use other channels for disseminating this program abroad when in his judgment the use of such channels is required. The Director of the United States Information Agency should give full cooperation in providing the services and facilities necessary for the preparation, translation, transmission and distribution of materials for this program.

The Director of the United States Information Agency shall report to and receive instructions from me through the National Security Council or as I may otherwise direct. I am directing that the necessary changes be made in existing arrangements for Government-wide coordination of foreign information activities to enable the Director of the United States Information Agency to serve as Chairman of the Psychological Operations Coordinating Committee.

The Secretary of State has an obligation to develop means of providing foreign policy guidance fully and promptly. The Foreign Operations Administration and the United States Information Agency must seek such guidance and establish appropriate means of assuring that its programs at all times conform to such foreign policy guidance.

The instructions in this letter supplement the actions which I have taken by Executive order and the reorganization plans. They will in turn be supplemented as necessary by other orders and by interagency arrangements. I am confident that the members of the executive

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branch, under the clear assignments of responsibility which I have provided, will continue to work together even more effectively as a team. Such teamwork is essential to our success in the conduct of foreign affairs and to the achievement thereby of a greater measure of peace, well-being, and freedom throughout the world.

DWIGHT D. EISENHOWER.

B-4. MEMORANDUM APPROVED BY THE PRESIDENT WITH RESPECT TO THE REORGANIZATION OF THE SPECIAL REPRESENTATIVE IN EUROPE

JUNE 16, 1953.

1. To succeed the United States Special Representative in Europe, a United States Mission to the North Atlantic Treaty Organization and European Regional Organizations (USRO) is to be established on a pattern similar to the United States country team pattern.

2. The head of the USRO team will be the United States Permanent Representative on the North Atlantic Council, and will be appointed by the President. He will report directly to the Secretary of State, and will be responsible to the Secretary of State. He will also serve as the United States Representative to the Ministerial Council of the OEEC. He will have a Deputy appointed by the Secretary of State who will be the head of the Political Section of USRO, will serve as alternate Permanent Representative to NAC, and will act as Chargé d'Affaires of the Mission in the absence of the Chief of USRO. At the Washington level, the Secretary of State will provide necessary coordination with responsible departments and agencies.

3. The Secretary of Defense will have a principal representative on USRO, appointed by him, who will report to him through the Chief of USRO, will be the Defense advisor to the Chief of USRO concerning the Secretary's responsibilities in NATO and his responsibilities for multilateral aspects of the MSP in Europe and the head of the Defense section of USRO.

There will be full coordination between the Chief of USRO and U. S. CINCEUR. The Chief of USRO may secure advice from U. S. CINCEUR and other military officers designated by the Secretary of Defense or the Joint Chiefs of Staff on problems falling within USRO's responsibility.

4. The Director for Mutual Security will have a principal representative on USRO, appointed by him, who will report to him through the Chief of USRO, will handle DMS responsibilities for multilateral Mutual Security Program operations in Europe, will be the alternate U. S. Representative to the Ministerial Council of the OEEC, the U. S. observer on OEEC at the working level, will be the economic advisor to the Chief of USRO and the head of the economic section of USRO.

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5. The Secretary of the Treasury will have a principal representative on USRO, appointed by him, who will report to him, through the Chief of USRO, and will be the financial advisor to the Chief of USRO.

6. USRO will function only with NATO, OEEC, and such other multilateral or supra-national organizations as may be determined, and will not have any supervisory powers over the U. S. country teams of Europe.

7. The communications channels of USRO will be similar to the communications channels of a country team and subject to the same limitations. The Ambassador will report to and receive instructions from the Secretary of State on all matters relating to foreign policy.

8. The Chief of USRO, as U. S. Permanent Representative on the North Atlantic Council, will be the only one with rank of Ambassador, and his principal advisors will have the rank of Minister. The staff of USRO will be integrated in the sense that the Chief of USRO will be responsible for providing it with general direction, leadership and coordination and that he has authority to utilize it as he deems necessary for the effective conduct of the operations of the Mission.

9. It is anticipated that:

(a) It will constantly be necessary for the departments concerned in Washington to reach, under the leadership of the Secretary of State, U. S. positions which will be transmitted in joint messages to USRO and will be carried out by the multilateral team;

(b) USRO, under the leadership of the Chief of USRO, will consistently seek to work out agreed joint recommendations on multilateral problems to the representative Washington departments concerned;

(c) Administrative services will be provided by the Department of State;

(d) The members of USRO will not (repeat not) initiate directly with officials of other governments, except for those governments' representatives on the multilateral organization, any item of United States business.

Approved:

DEPARTMENT OF STATE,
/s/ WALTER B. SMITH.
DEPARTMENT OF THE TREASURY,
/s/ G. M. HUMPHREY.
DEPARTMENT OF DEFENSE,
/s/ C. E. WILSON.
DIRECTOR FOR MUTUAL SECURITY,
/s/ H. E. STASSEN.

Approved /s/ D. E. June 16, 1953.

B-5. EXECUTIVE ORDER NO. 10477

Partial Text of Executive Order No. 10477, August 1, 1953, 18 F. R. 4540

AUTHORIZING THE DIRECTOR OF THE UNITED STATES INFORMATION AGENCY TO EXERCISE CERTAIN AUTHORITY AVAILABLE BY LAW TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE FOREIGN OPERATIONS ADMINISTRATION

By virtue of the authority vested in me by section 2 (d) of Reorganization Plan No. 8 of 1953, and as President of the United States, it is ordered as follows:

* * * * *

SEC. 2. Authority under the Foreign Service Act and related laws.

(a) Except as provided in section 2 (c) of this order, the Director is authorized to exercise, with respect to Foreign Service Reserve officers, Foreign Service staff officers and employees, and alien clerks and employees employed to perform the said transferred functions, the authority available to the Secretary of State under the Foreign Service Act of 1946, 60 Stat. 999, as heretofore or hereafter amended, or under any other provision of law pertaining specifically, or generally applicable, to Foreign Service Reserve officers, Foreign Service staff officers and employees, and alien clerks and employees, including the authority to prescribe regulations, not inconsistent with applicable laws, incident to the exercise of such authority. The Director is further authorized to exercise in the performance of the said transferred functions the authority available to the Secretary of State under sections 561 and 562 of the Foreign Service Act of 1946, as amended, and under sections 1021 through 1071 thereof.

(b) The prohibitions and requirements contained in sections 1001 through 1005 and section 1011 of the Foreign Service Act of 1946, as amended, shall be applicable to the personnel of the United States Information Agency.

(c) There are hereby excluded from the authority granted to the Director by section 2 (a) of this order the following-described powers now vested in or delegated to the Secretary of State:

(1) The authority of the Secretary of State to make recommendations to the President for the commissioning of Foreign Service Reserve officers as diplomatic or con-

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sular officers, or both, under section 524 of the Foreign Service Act of 1946, as amended, and to make recommendations for the commissioning of Foreign Service staff officers or employees as consuls under section 533 of such act, and the authority of the Secretary to commission Foreign Service staff officers as vice consuls under the said section 533. The Director may, whenever he considers it necessary to carry out the functions transferred to him by the said Reorganization Plan No. 8 of 1953, request the Secretary of State to recommend to the President that persons employed under section 2 (a) of this order be commissioned as diplomatic or consular officers, or both, or to grant such persons diplomatic or consular commissions, as appropriate.

(2) The authority vested in the President by sections 443 and 901 of the Foreign Service Act of 1946, as amended, which has been delegated to the Secretary of State by Executive Orders Nos. 10000 and 10011, and successive amendments thereof, to designate places, fix rates, and prescribe regulations governing the payment of additional compensation, known as "foreign post differential", to employees in foreign areas of executive departments and independent establishments of the United States, and to designate places, fix rates, and prescribe regulations, with respect to civilian employees of the Government serving abroad, governing living-quarters allowances, cost-of-living allowances, and representation allowances.

* * * * *

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 1, 1953.*

B-6. EXECUTIVE ORDER NO. 10522

**Text of Executive Order No. 10522, March 26, 1954,
19 F. R. 1689**

AUTHORIZING THE DIRECTOR OF THE UNITED STATES INFORMATION AGENCY TO CARRY OUT CERTAIN FUNCTIONS OF THE BOARD OF THE FOREIGN SERVICE

By virtue of the authority vested in me by Chapter III of the Supplemental Appropriation Act of 1954 (Public Law 207, 83d Congress; 67 Stat. 419), and as President of the United States, it is ordered as follows:

SEC. 1. The Director of the United States Information Agency is hereby authorized to carry out the functions of the Board of the Foreign Service, provided for by the Foreign Service Act of 1946 (60 Stat. 999; 22 U. S. C. 801 *et seq.*), with respect to personnel appointed or assigned for service in the United States Information Agency under the provisions of such Act, as amended: *Provided*, That nothing herein contained shall be construed as transferring to the said Director any function of the said Board relating to any Foreign Service Officer.

SEC. 2. The Director of the United States Information Agency is hereby authorized to prescribe such regulations and issue such orders and instructions, not inconsistent with law, as may be necessary or desirable for carrying out his functions under section 1 of this order.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 26, 1954.*

B-7. EXECUTIVE ORDER NO. 10519

**Text of Executive Order No. 10519, March 5, 1954,
19 F. R. 1333**

SPECIFICATION OF LAWS FROM WHICH FUNCTIONS AUTHORIZED BY MUTUAL SECURITY ACT OF 1951, AS AMENDED,¹ SHALL BE EXEMPT.

By virtue of the authority vested in me by section 532 of the Mutual Security Act of 1951, as added by section 7 (m) of the Mutual Security Act of 1952 (Public Law 400, approved June 20, 1952, 66 Stat. 146), it is hereby determined that, to the extent hereinafter indicated, the performance of functions authorized by the said Mutual Security Act of 1951, as amended (including, except as hereinafter otherwise specified, the performance of functions authorized by the Act for International Development, as amended, the Institute of Inter-American Affairs Act, as amended, and the Mutual Defense Assistance Act of 1949, as amended), without regard to the laws specified in the lettered subdivisions of sections 1 and 2 of this order will further the purposes of the said Mutual Security Act of 1951, as amended.

SEC. 1. With respect to functions authorized by the Mutual Security Act of 1951, as amended, except those exercised by the Department of Defense under authority of section 506 of said Act or the Mutual Defense Assistance Act of 1949, as amended:

(a) The act of March 26, 1934, c. 90, 48 Stat. 500, as amended (15 U. S. C. 616 a).

(b) Section 3648 of the Revised Statutes, as amended, 60 Stat. 809 (31 U. S. C. 529).

(c) Section 305 of the act of June 30, 1949 (the Federal Property and Administrative Services Act of 1949), c. 288, 63 Stat. 396 (41 U. S. C. 255).

(d) Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5).

(e) Section 3710 of the Revised Statutes (41 U. S. C. 8).

(f) Section 2 of the act of March 3, 1933, c. 212, 47 Stat. 1520 (41 U. S. C. 10a).

(g) Section 3735 of the Revised Statutes (41 U. S. C. 13).

¹Sec. 302 (c) (2) of Executive Order No. 10575 (the full text of which appears on p. 109) provides: "each reference in any Executive order to any provision of law repealed by the Mutual Security Act of 1954 shall be deemed also to refer to the corresponding provision, if any, of the Mutual Security Act of 1954."

(h) Section 901 of the act of June 29, 1936, c. 858, 49 Stat. 2015 (46 U. S. C. 1241).

SEC. 2. With respect to purchases authorized to be made outside the continental limits of the United States under the Mutual Security Act of 1951, as amended.

(a) Section 10 (1) of the act of July 2, 1926, c. 721, 44 Stat. 787, as amended (10 U. S. C. 310 (1)).

(b) Section 4 (c) of the act of February 19, 1948 (the Armed Services Procurement Act of 1947), c. 65, 62 Stat. 23, as amended, 65 Stat. 700 (41 U. S. C. 153 (c)).

(c) Section 304 (c) of the act of June 30, 1949 (the Federal Property and Administrative Services Act of 1949), c. 288, 63 Stat. 295, as amended, 65 Stat. 700 (41 U. S. C. 254 (c)).

(d) The last proviso of section 201 of the act of December 18, 1949 (the First War Powers Act, 1941), c. 593, 55 Stat. 839, as amended, 64 Stat. 1257 (50 U. S. C. App. 611).

(e) Section 1301 of the act of March 27, 1942 (the Second War Powers Act, 1942), c. 199, 56 Stat. 185 (50 U. S. C. App. 643).

This order supersedes Executive Order No. 10387 of August 25, 1952, 17 F. R. 7799, entitled "Specification of Laws from Which Certain Functions Authorized by the Mutual Security Act of 1951, as amended, shall be Exempt," and Executive Order No. 10446 of April 17, 1953, 18 F. R. 2209, entitled "Specification of Laws from Which the Escapee Program Administered by the Department of State shall be Exempt."

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 5, 1954.*

C. SURPLUS AGRICULTURAL COMMODITIES

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C-1. AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Text of Public Law 480, 83d Congress, [S. 2475], 68 Stat. 454, approved July 10, 1954

AN ACT To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Trade Development and Assistance Act of 1954".

SEC. 2.¹ It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this Act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, to promote collective strength, and to foster in other ways the foreign policy of the United States.

TITLE I—SALES FOR FOREIGN CURRENCY

SEC. 101.² In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—

(a) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities;

Sale of surplus commodities. Agreements.

U. S. marketings.

¹ 7 U. S. C. § 1691.
² 7 U. S. C. § 1701.

Private trade. (b) take appropriate steps to assure that private trade channels are used to the maximum extent practicable both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation;

New market areas, etc. (c) give special consideration to utilizing the authority and funds provided by this Act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;

Resale prevention, etc. (d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this Act, without specific approval of the President; and

Purchase opportunity. (e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this Act and to make effective use of the foreign currencies received to carry out the purposes of this Act.

CCC surplus commodities. SEC. 102.³ (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with regulations issued by the President pursuant to subsection (b) of this section, (1) shall make available for sale hereunder at such points in the United States as the President may direct surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities from stocks owned by the Corporation or pledged or mortgaged as security for price support loans or from stocks privately owned if the Corporation is not in a position to supply the commodity from its owned stocks: *Provided*, That to facilitate the use of private trade channels the Corporation, even though it is in a position to supply the commodity, may finance the sale and exportation of privately owned stocks if the Corporation's stocks are reduced through arrangements whereby the private exporter acquires the same commodity of comparable value or quantity from the Commodity Credit Corporation. In supplying commodities to private exporters under such arrangements Commodity Credit Corporation shall not be subject to the sales price restriction in section 407 of the Agricultural Act of 1949, as amended.⁴

Availability.

Funds for export, etc.

Private exporters.

³ 7 U. S. C. § 1702.

⁴ See sec. 301 of this Act.

(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this Act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.

Letters of commitment.

54 Stat. 1029.
81 U. S. C. 203;
41 U. S. C. 15.

SEC. 103.⁵ (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this Act, including processing, packaging, transportation, and handling costs, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this Act.

Appropriation.
CCC payments.

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$700,000,000.

Limitation.

SEC. 104.⁶ Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953,⁷ or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

Use of foreign currencies.

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

⁵ 7 U. S. C. § 1703.
⁶ 7 U. S. C. § 1704.
⁷ For text, see p. 91.

80 Stat. 596.
50 U. S. C. 98
note.

(b) To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States stockpile of such materials as the President may determine from time to time under contracts, including advance payment contracts, for supply extending over periods up to ten years. All strategic and critical materials acquired under authority of this title shall be placed in the above named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act;

50 USC 98b.

(c) To procure military equipment, materials, facilities, and services for the common defense;

(d) For financing the purchase of goods or services for other friendly countries;

(e) For promoting balanced economic development and trade among nations;

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)).

58 Stat. 782.

Provided however, That section 1415 of the Supplemental Appropriation Act, 1953,⁸ shall apply to all foreign currencies used for grants under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title: *Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

Waiver.

Special account.

SEC. 105.⁹ Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the government using any of such currencies for a pur-

⁸ For text, see p. 91.
⁹ 7 U. S. C. § 1705.

pose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

SEC. 106.¹⁰ As used in this Act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

"Surplus agricultural commodity."

SEC. 107.¹¹ As used in this Act, "friendly nation" means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

"Friendly nation."

SEC. 108.¹² The President shall make a report to Congress with respect to the activities carried on under this Act at least once each six months and at such other times as may be appropriate and such reports shall include the dollar value, at the exchange rates in effect at the time of the sale, of the foreign currency for which commodities exported pursuant to section 102 (a) hereof are sold.

Report to Congress.

SEC. 109.¹³ No transactions shall be undertaken under authority of this title after June 30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.

Termination.

TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

SEC. 201.¹⁴ In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) f. o. b. vessels in United States ports, as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

Emergency relief.

SEC. 202.¹⁵ The President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to assist programs undertaken with friendly governments or through vol-

¹⁰ 7 U. S. C. § 1706.
¹¹ 7 U. S. C. 1707.
¹² 7 U. S. C. 1708.
¹³ 7 U. S. C. 1709.
¹⁴ 7 U. S. C. 1721.
¹⁵ 7 U. S. C. 1722.

untary relief agencies: *Provided*, That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.

Limitation.

SEC. 203.¹⁶ Not more than \$300,000,000 (including the Corporation's investment in the commodities) shall be expended for all transfers, including delivery on board vessels in United States ports, under this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable.

Termination.

SEC. 204.¹⁷ No programs of assistance shall be undertaken under the authority of this title after June 30, 1957.

TITLE III—GENERAL PROVISIONS

63 Stat. 1055.
7 USC 1427.
Sale of farm
commodities.
U. S. relief.

SEC. 301.¹⁸ Section 407 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U. S. C. 1855). Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State."

64 Stat. 1109.
42 USC 1855-
1855g.

SEC. 302.¹⁹ Section 416 of the Agricultural Act of 1949 is amended to read as follows:

7 USC 1431.

Perishable
commodities.
Disposal.

"SEC. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as

¹⁶ 7 U. S. C. § 1723.

¹⁷ 7 U. S. C. § 1724.

¹⁸ 7 U. S. C. § 1427.

¹⁹ 7 U. S. C. § 1431.

the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. For the purpose of this section the terms 'State' and 'United States' include the District of Columbia and any Territory or possession of the United States."

Reprocessing,
etc., charges.

SEC. 303.²⁰ Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for (a) strategic materials en-

Barter
authority.

²⁰ 7 U. S. C. § 1692.

62 Stat. 1071.
15 USC 714b.

tailing less risk of loss through deterioration or substantially less storage charges, or (b) materials, goods or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs, he is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private trade channels, such barter or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barter or exchanges. Agencies of the United States Government procuring such materials, goods or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.

Independent
trade, etc.

SEC. 304.²¹ The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

Marking of
packages.

SEC. 305.²² All Commodity Credit Corporation stocks disposed of under title II of this Act and section 416 of the Agricultural Act of 1949, as amended,²³ shall be clearly identified by, as far as practical, appropriate marking on each package or container as being furnished by the people of the United States of America.

²¹ 7 U. S. C. § 1693.

²² 7 U. S. C. § 1694.

²³ See sec. 302 of this Act.

C-2. CONFERENCE REPORT ON THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Partial Text of Conference Report No. 1947, 83d Congress [to accompany S. 2475], June 29, 1954

* * * * *

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of the amendments.

EXPLANATION OF CHANGES

The House amendment struck out all after the enacting clause of the Senate bill and inserted new language therefor. The Senate disagreed to the House amendment in toto without specific instructions to its conferees and the conference report agreed to by the conferees and submitted herewith is basically the amendment as approved by the House with such changes as were agreed upon in conference.

Except for minor and clarifying amendments the following is an explanation of the differences between the House amendment and the amendment agreed to by the conferees.

Section 101 (a): The committee of conference has added to this subsection the words "and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities". This language is substantially similar to that in the bill as reported by the House Agriculture Committee and is meant to reassure friendly nations that there is no intention on the part of the United States of undertaking a surplus dumping program.

Section 102 (a): The conferees struck out of the first sentence the House language "direction of the President" and substituted "regulations issued by the President pursuant to subsection (b) of this section". The purpose of this change was to make this subsection consistent with

the terminology of subsection (b). The committee of conference further amended this section by reinstating, with the exception noted above, the language of the bill substantially as reported by the House Agriculture Committee.

Section 103 (b) : The committee of conference struck out "\$1,000,000,000" and substituted "\$700,000,000". This will have the effect of limiting operations under title I to a total of not to exceed \$700,000,000 for the 3 years ending June 30, 1957.

Section 104 : The committee of conference amended this section by deleting the reference to section 2, the policy statement of the act. This has the effect of limiting the use of the foreign currencies acquired pursuant to the act to those purposes set out in section 104.

Section 104 (b) : Language was added by the conference committee making it clear that in purchasing or contracting to purchase strategic materials pursuant to the provisions of this subsection for a supplemental stockpile the President is not limited to those strategic materials which may have heretofore been purchased, but may acquire new or additional materials.

Subsections 104 (d), (e), and (f) : No change is made in the language of these subsections but their intent is modified by language which has been added in the first proviso of section 104 making it clear that foreign currency used for grants under subsections (d) and (e) and to pay United States obligations involved in grants under (f) shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953, unless waived by the President.

These provisos in section 104 spell out the situation in which Government agencies and departments must, in the absence of a Presidential determination to the contrary, pay dollars to the Treasury as a prerequisite to expending foreign currency proceeds of sales made under this act. Section 105 (in which the conference committee made no change) requires that any dollars thus disbursed to the Treasury by Government agencies and departments out of appropriated funds, as a prerequisite to their use of foreign currency sales proceeds, shall be used as part of the total reimbursement to the Commodity Credit Corporation.

Section 106 : A change made in this section will permit the Secretary of Agriculture to determine in advance that an agricultural commodity may be in surplus.

Section 108 : Language added by the conferees will require that reports submitted to the Congress shall include the dollar value of the foreign currency for which commodities are sold.

Section 202 : A proviso added by the conference committee requires that the President take reasonable pre-

cautions that commodities transferred pursuant to this section will not displace or interfere with sales that might otherwise be made.

Section 203: This section was eliminated from the amendment adopted by the House.

Section 301: The committee of conference adopted language changes recommended by the Department of Agriculture to place on the Secretary of Agriculture the responsibility for establishing terms and conditions for surplus disposal under section 407 of the Agricultural Act of 1949, as amended by this section, and to make the authority for supervising distribution of such commodities consistent with the authority contained in section 416 of the 1949 act and other legislation. The language change also makes it possible to include processed foods (such as cheddar cheese or nonfat dry-milk solids) as well as agricultural commodities.

Section 302: The committee of conference has approved language changes which will broaden the authority to barter surplus commodities for strategic or other materials not produced in adequate quantities in the United States, limiting provisions 3 and 4 of the section to food commodities, eliminating State or Federal penal and corrective institutions as eligible recipients of donated commodities, and changing the language of the sentence relating to assurances that donated food will not diminish normal expenditures for food so that it can be more effectively administered. The new language also eliminates publicly owned hospitals as eligible recipients and substituted the words "charitable institutions, including hospitals, to the extent that needy persons are served". The committee understands that this language and other authority in the section will make possible donation of surplus foods to eleemosynary institutions such as State mental hospitals, etc.

Section 303 of the House amendment was eliminated. This would have amended the "section 32" authority to permit distribution of surplus commodities under that authority to State penal and corrective institutions and the change is made in order to keep this law consistent with the basic authority under section 416 of the Agricultural Act of 1949, as amended by section 302 of this bill.

Section 304 is amended by the adoption of language proposed by the Department of Agriculture which will substantially broaden the barter directive given to the Secretary of Agriculture to include not only strategic materials but also materials, goods, or equipment required in connection with foreign assistance programs and materials or equipment required for offshore construction programs.

Section 305: As approved by the committee of conference the new language of this section is intended to carry out the objectives of section 305 of the House amendment without imposing on the President the virtually impossible administrative responsibility of making a detailed investigation and determination before authorizing the transfer or sale of any surplus agricultural commodity to any nation. The requirement of section 305 (2) as approved by the committee of conference, that the President "assure" that sales of agricultural commodities under this act do not result in increased exports of the same or like commodities to unfriendly nations, is consistent with the same type of requirement of section 102 (d) and means that the President shall obtain assurance from foreign governments that they do not intend, as a result of a purchase under this act, to resell an equivalent quantity of the same or similar commodity to the Soviet bloc.

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
HAROLD D. COOLEY,
W. R. POAGE,

Managers on the Part of the House.

C-3. EXECUTIVE ORDER NO. 10560

**Text of Executive Order No. 10560, September 9, 1954,
19 F. R. 5927**

ADMINISTRATION OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

By virtue of the authority vested in me by section 301 of title 3 of the United States Code (65 Stat. 713) and as President of the United States, it is ordered as follows:

SECTION 1. *Department of Agriculture.* Except as otherwise provided in this order, the functions conferred upon the President by Title I of the Agricultural Trade Development and Assistance Act of 1954 are hereby delegated to the Secretary of Agriculture.

SEC. 2. *Foreign Operations Administration.* The functions conferred upon the President by Title II of the Act are hereby delegated to the Director of the Foreign Operations Administration.

SEC. 3. *Department of State.* (a) The functions of negotiating and entering into agreements with friendly nations or organizations of friendly nations conferred upon the President by the Act are hereby delegated to the Secretary of State.

(b) All functions under the Act, however vested, delegated, or assigned, shall be subject to the responsibilities of the Secretary of State with respect to the foreign policy of the United States as such policy relates to the said functions.

(c) The provisions of Part III of Executive Order No. 10476 of August 1, 1953 (18 F. R. 4537, ff.),¹ are hereby extended and made applicable to functions provided for in the Act and to United States agencies and personnel concerned with the administration abroad of the said functions.

SEC. 4. *Foreign currencies.* (a) There are hereby delegated to the Director of the Bureau of the Budget (1) so much of the functions conferred upon the President by the Act as consists of fixing from time to time the amounts of foreign currencies which accrue under Title I of the Act to be used for each of the several purposes described in paragraphs (a) to (h), inclusive, of

¹ Sec. 302 (b) of Executive Order No. 10575 (the full text of which appears on p. 109) provides: "The reference in sec. 3 (c) of Executive Order No. 10560 of September 9, 1954 (19 F. R. 5927), to part III of Executive Order No. 10476 shall after the date of this order be deemed to be a reference to part II of this order."

section 104 of the Act, and (2) the function conferred upon the President by the last proviso in section 104 of the Act of waiving the applicability of section 1415 of the Supplemental Appropriation Act, 1953.

(b) The Secretary of the Treasury is hereby authorized to prescribe regulations governing the purchase, custody, deposit, transfer, and sale of foreign currencies received under the Act.

(c) The foregoing provisions of this section shall not limit section 3 of this order and the foregoing subsection (b) shall not limit subsection (a) above.

(d) Purposes described in the lettered paragraphs of section 104 of the Act shall be carried out, with foreign currencies made available pursuant to section 4 (a) of this order, as follows:

(1) Those under section 104 (a) of the Act by the Department of Agriculture.

(2) Those under section 104 (b) of the Act by the Office of Defense Mobilization. The function, conferred upon the President by that section, of determining from time to time materials to be purchased or contracted for for a supplemental stockpile is hereby delegated to the Director of the Office of Defense Mobilization.

(3) Those under section 104 (c) of the Act by the Department of Defense.

(4) Those under sections 104 (d), (e), and (g) of the Act by the Foreign Operations Administration. The function, conferred upon the President by section 104 (g) of the Act, of determining the manner in which the loans provided for in the said section 104 (g) shall be made, is hereby delegated to the Director of the Foreign Operations Administration.

(5) Those under section 104 (f) of the Act by the respective agencies of the Government having authority to pay United States obligations abroad.

(6) Those under section 104 (h) of the Act by the Department of State.

SEC. 5. *Reports to Congress.* The functions under section 108 of the Act, with respect to making reports to Congress, are reserved to the President.

SEC. 6. *Definition.* As used in this order the term "the Act" means the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, approved July 10, 1954, 68 Stat. 454) and includes, except as may be inappropriate, the provisions thereof amending other laws.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *September 9, 1954.*

C-4. TEXT OF THE LETTER BY THE PRESIDENT TO ALL EXECUTIVE DEPARTMENTS CONCERNING EXECUTIVE ORDER NO. 10560

SEPTEMBER 9, 1954.

MY DEAR _____: I have today issued an Executive order providing for the administration of the Agricultural Trade Development and Assistance Act of 1954. It is the purpose of this letter to further define relationships among the several agencies of the executive branch which will have key responsibilities in assuring successful administration of this program.

The act provides for the use of surplus commodities to further many of our existing domestic and foreign programs, and in some instances, it expands or liberalizes them. These programs are currently carried on by many agencies of the Government. Accordingly, it is desirable to place the administration of the new act in those agencies and to make it possible for them to make their proper contribution in connection with the disposition of agricultural surpluses.

The very fact that a number of agencies have a responsibility in one or another aspect of surplus disposition makes effective coordination absolutely essential. It is therefore directed that a committee, to be known as "The Interagency Committee on Agricultural Surplus Disposal," be established to assist the agencies concerned in bringing into harmonious action, consistent with the overall policy objectives of this Government, the various agricultural surplus disposal activities vested in them by, or assigned to them pursuant to, the Act. The Committee should be composed of a representative of the White House Office, as Chairman, and one representative of each Government department and agency which is, consonant with law, designated by the Chairman to have representation on the committee. I shall look to the Chairman to advise me concerning policy issues which arise. I shall expect the Secretary of Agriculture to assure the effective coordination of day-to-day operations through appropriate interagency relationships.

The following arrangements are prescribed in order to facilitate the best administration of the Act:

1. Existing pertinent interagency coordination arrangements are to be followed.
2. This program must be carried out in accordance with and in furtherance of our foreign policy objectives. I wish to reemphasize that the Secretary of State is the officer responsible for advising and assisting me in the formulation and control of foreign policy. I look to him as the channel of authority within the executive branch on foreign policy as I do to the Secretaries of Defense and Treasury in their respective fields.

MUTUAL SECURITY HANDBOOK

3. The delegation to the State Department of responsibility for negotiations with foreign governments is intended to give recognition to State Department's central responsibility in this area. Other agencies directly concerned with the substance of the negotiation, however, must continue to carry substantial responsibility in such negotiations. Moreover, it is assumed that these other agencies will conduct day-to-day discussions with representatives of the foreign governments in implementing basic agreements reached with such governments. Such discussions, of course, must be in conformance with the foreign policy responsibilities of the State Department and the chiefs of our diplomatic missions.

4. It is imperative that we continue to coordinate United States programs affecting other nations. For this reason, the accompanying Executive order makes this program subject to my previous instructions with respect to coordination of United States activities in foreign countries. Under those instructions, the chief of the diplomatic mission is the principal officer of the United States in each country and has full responsibility and authority for assuring effective action in that country.

5. In order to coordinate most effectively the various agricultural surplus disposal programs abroad, I shall expect the Secretary of Agriculture to utilize to the maximum extent practicable the facilities, services and experience of the Foreign Operations Administration.

6. I am requesting the Secretary of Commerce to provide the focal point in the Government for assisting private enterprise with respect to barter transactions referred to in the act. This arrangement would be one more step toward assuring the maximum utilization of private channels in the execution of this program.

7. It is contemplated that the Office of Defense Mobilization shall utilize the facilities and services of the General Services Administration for the purchase and handling of materials under section 104 (b) of the act.

In January of this year, I stated in my message on Agriculture that surplus agricultural stocks can be used for constructive purposes that will benefit the people of the United States and our friends abroad. Enactment of this legislation is a major step forward in achieving that broad objective. With effective administration, mobilizing the total resources of Government and private channels of trade, we should make substantial strides towards achieving the above goals.

I have forwarded an identical letter to the other officers of the Government principally concerned with carrying out the Executive order.

Sincerely,

DWIGHT D. EISENHOWER.

**C-5. MUTUAL SECURITY ACT OF 1951, AS
AMENDED—(Section 550—Use of Surplus Agri-
cultural Commodities)**

**Partial Text of Mutual Security Act of 1953, Public
Law 118, 83d Congress [H. R. 5710], 67 Stat. 159,
approved July 16, 1953, which by its section 706 (h),
added section 550**

NOTE.—This section was repealed by sec. 542 of
the Mutual Security Act of 1954, p. 46.

* * * * *

USE OF SURPLUS AGRICULTURAL COMMODITIES

SEC. 550. (a) Not less than \$100,000,000 and not more than \$250,000,000 of the funds authorized to be appropriated under this Act, shall be used, directly or indirectly, to finance the purchase of surplus agricultural commodities, or products thereof, produced in the United States.

(b) The President is authorized to enter into agreements with friendly countries for the sale and export of such surplus agricultural commodities under conditions negotiated by him with such countries and to accept in payment therefor local currency for the account of the United States. In negotiating agreements for the sale of such commodities, the President shall—

Agreements.

(1) take special precaution to safeguard against the substitution or displacement of usual marketings of the United States or friendly countries, and to assure to the maximum extent practicable that sales prices of such commodities are consistent with maximum world market prices of like commodities of similar quality, and to obtain the recommendations of the Secretary of Agriculture in carrying out the provisions of this subsection;

(2) use private trade channels to the maximum extent practicable;

(3) give appropriate emphasis to underdeveloped and new market areas;

(4) obtain assurance that the purchasing countries will not resell or transship to other countries or use for other than domestic consumption commodities purchased under this program without specific approval by the President.

Use of sales
proceeds.

(c) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President shall use the proceeds of such sales for the purpose of this Act, giving particular regard to the following purposes—

(1) for providing military assistance to countries or mutual defense organizations eligible to receive assistance under this Act;

(2) for purchase of goods or services in friendly countries;

(3) for loans, under applicable provisions of this Act, to increase production of goods or services, including strategic materials, needed in any country with which an agreement was negotiated, or in other friendly countries, with the authority to use currencies received in repayment for the purposes stated in this section or for deposit to the general account of the Treasury of the United States;

(4) for developing new markets on a mutually beneficial basis;

(5) for grants-in-aid to increase production for domestic needs in friendly countries;

(6) for purchasing materials for United States stockpiles.

(d) In carrying out the provisions of this section, the President shall take special precaution to safeguard against the displacement of foreign exchange earnings which would otherwise accrue to the United States or any friendly nations.

(e) The President is authorized to enter into such agreements with third countries receiving goods accruing from the proceeds of sales made pursuant to this section as he deems necessary to effectuate the purpose of this Act.

D. OTHER RELATED LEGISLATION AND DOCUMENTS

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**D-1. 1954 AMENDMENT TO MERCHANT MARINE
ACT OF 1936**

**Text of Public Law 664, 83d Congress, [S. 3233], 68
Stat. 832, approved August 26, 1954**

**AN ACT To amend the Merchant Marine Act, 1936, to provide
permanent legislation for the transportation of a substantial
portion of waterborne cargoes in United States-flag vessels.**

*Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assem-
bled, That section 901 of the Merchant Marine Act, 1936,
as amended, is hereby amended by inserting "(a)" after
"Sec. 901." and by adding at the end of the section the
following new subsection:*

*"(b) Whenever the United States shall procure, con-
tract for, or otherwise obtain for its own account, or
shall furnish to or for the account of any foreign nation
without provision for reimbursement, any equipment,
materials, or commodities, within or without the United
States, or shall advance funds or credits or guarantee
the convertibility of foreign currencies in connection
with the furnishing of such equipment, materials, or
commodities, the appropriate agency or agencies shall
take such steps as may be necessary and practicable to
assure that at least 50 per centum of the gross tonnage of
such equipment, materials, or commodities (computed
separately for dry bulk carriers, dry cargo liners, and
tankers), which may be transported on ocean vessels
shall be transported on privately owned United States-
flag commercial vessels, to the extent such vessels are
available at fair and reasonable rates for United States-
flag commercial vessels, in such manner as will insure a
fair and reasonable participation of United States-flag
commercial vessels in such cargoes by geographic areas:
Provided, That the provisions of this subsection may be
waived whenever the Congress by concurrent resolution
or otherwise, or the President of the United States or
the Secretary of Defense declares that an emergency
exists justifying a temporary waiver of the provisions of
section 901 (b) and so notifies the appropriate agency
or agencies: And provided further, That the provisions
of this subsection shall not apply to cargoes carried in
the vessels of the Panama Canal Company. Nothing
herein shall repeal or otherwise modify the provisions
of Public Resolution Numbered 17, Seventy-third Con-
gress (48 Stat. 500) as amended."*

U. S. merchant
vessels.
Cargo prefer-
ence.
49 Stat. 2015.
46 USC 1241.

15 USC 616a.

**D-2. REFUGEE RELIEF ACT OF 1953, AS
AMENDED**

**Text of Public Law 203, 83d Congress [H. R. 6481],
67 Stat. 400, approved August 7, 1953, as amended
by Public Law 751, 83d Congress [H. R. 8193], 68
Stat. 1044, approved August 31, 1954**

AN ACT For the relief of certain refugees, and orphans, and
for other purposes.

*Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assem-
bled, That this Act may be cited as the "Refugee Relief
Act of 1953."*¹

NOTE.—Funds for carrying out the Refugee Re-
lief Act of 1953 were appropriated in chapter VII
of the Supplemental Appropriation Act, 1954,
Public Law 207, 83d Congress [H. R. 6200], 67 Stat.
418.

DEFINITIONS

SEC. 2. (a) "Refugee" means any person in a country
or area which is neither Communist nor Communist-
dominated, who because of persecution, fear of persecu-
tion, natural calamity or military operations is out of
his usual place of abode and unable to return thereto,
who has not been firmly resettled, and who is in urgent
need of assistance for the essentials of life or for trans-
portation.

(b) "Escapee" means any refugee who, because of per-
secution or fear of persecution on account of race, reli-
gion, or political opinion, fled from the Union of Soviet
Socialist Republics or other Communist, Communist-
dominated or Communist-occupied area of Europe in-
cluding those parts of Germany under military occupa-
tion by the Union of Soviet Socialist Republics, and who
cannot return thereto because of fear of persecution on
account of race, religion or political opinion.

(c) "German expellee" means any refugee of German
ethnic origin residing in the area of the German Federal

¹ 50 App. U. S. C. §§ 1971-1971q.

Republic, western sector of Berlin, or in Austria who was born in and was forcibly removed from or forced to flee from Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, Union of Soviet Socialist Republics, Yugoslavia, or areas provisionally under the administration or control or domination of any such countries, except the Soviet zone of military occupation of Germany.

(d) "Administrator" means the administrator of the Bureau of Security and Consular Affairs established in the Department of State pursuant to subsection (b) of section 104 of the Immigration and Nationality Act.

66 Stat. 174.
8 U. S. C. 1104.

SPECIAL NONQUOTA VISAS; NUMBERS

SEC. 3. There are hereby authorized to be issued two hundred five thousand special nonquota immigrant visas to aliens, specified in section 4 of this Act, seeking to enter the United States as immigrants and to their spouses and their unmarried sons or daughters under twenty-one years of age, including stepsons or stepdaughters and sons or daughters adopted prior to July 1, 1953, if accompanying them.

ALLOCATION OF SPECIAL NONQUOTA VISAS

SEC. 4. (a) Special nonquota immigrant visas authorized to be issued under section 3 of this Act shall be allotted as follows:

(1) Not to exceed fifty-five thousand visas to German expellees residing in the area of the German Federal Republic or in the western sectors of Berlin or in Austria: *Provided*, That the visas issued under this paragraph shall be issued only in the German Federal Republic or in the western sector of Berlin or in Austria.

(2) Not to exceed thirty-five thousand visas to escapees residing in the area of the German Federal Republic or the western sectors of Berlin or in Austria: *Provided*, That the visas issued under this paragraph shall be issued only in the German Federal Republic or in the western sector of Berlin or in Austria.

(3) Not to exceed ten thousand visas to escapees residing within the European continental limits of the member nations of the North Atlantic Treaty Organization or in Turkey, Sweden, Iran or in the Free Territory of Trieste and who are not nationals of the area in which they reside: *Provided*, That such visas shall be issued only in the area or areas mentioned in this paragraph.

(4) Not to exceed two thousand visas to refugees who (a) during World War II were members of the armed forces of the Republic of Poland, (b) were honorably discharged from such forces, (c) reside on the date of the

enactment of this Act in the British Isles, and (d) have not acquired British citizenship.

(5) Not to exceed forty-five thousand visas to refugees of Italian ethnic origin, residing on the date of the enactment of this Act in Italy or in the Free Territory of Trieste: *Provided*, That such visas shall be issued only in the area or areas mentioned in this paragraph.

66 Stat. 178.
8 U. S. C. 1153.

(6) Not to exceed fifteen thousand visas to persons of Italian ethnic origin, residing on the date of the enactment of this Act in Italy or in the Free Territory of Trieste, who qualify under any of the preferences specified in paragraph (2), (3) or (4) of section 203 (a) of the Immigration and Nationality Act: *Provided*, That such visas shall be issued only in Italy or in the Free Territory of Trieste.

(7) Not to exceed fifteen thousand visas to refugees of Greek ethnic origin residing on the date of the enactment of this Act in Greece: *Provided*, That such visas shall be issued only in Greece.

(8) Not to exceed two thousand visas to persons of Greek ethnic origin, residing on the date of the enactment of this Act in Greece, who qualify under any of the preferences specified in paragraph (2), (3) or (4) of section 203 (a) of the Immigration and Nationality Act: *Provided*, That such visas shall be issued only in Greece.

(9) Not to exceed fifteen thousand visas to refugees of Dutch ethnic origin residing on the date of the enactment of this Act in continental Netherlands: *Provided*, That such visas shall be issued only in continental Netherlands.

(10) Not to exceed two thousand visas to persons of Dutch ethnic origin, residing on the date of the enactment of this Act in continental Netherlands, who qualify under any of the preferences specified in paragraph (2), (3) or (4) of section 203 (a) of the Immigration and Nationality Act: *Provided*, That such visas shall be issued only in continental Netherlands.

(11) Not to exceed two thousand visas to refugees, residing within the district of an American consular office in the Far East: *Provided*, That such visas shall be issued only in said consular office district and only to refugees who are not indigenous to the area described in this paragraph.

(12) Not to exceed three thousand visas to refugees, residing within the district of an American consular office in the Far East: *Provided*, That such visas shall be issued only in said consular office district and only to refugees who are indigenous to the area described in this paragraph.

(13) Not to exceed two thousand visas to refugees of Chinese ethnic origin whose passports for travel to the United States are endorsed by the Chinese National Government or its authorized representatives.

(14) Not to exceed two thousand visas to refugees who on the date of the enactment of this Act are eligible to receive assistance from the United Nations Relief and Works Agency for Palestine Refugees in the Near East: *Provided*, That such visas shall be issued only in the area described in this paragraph.

(b) The allotments provided in subsection (a) of this section shall be available for the issuance of immigrant visas to the spouses and unmarried sons or daughters under twenty-one years of age, including stepsons or stepdaughters and sons or daughters adopted prior to July 1, 1953, referred to in section 3 of this Act, of persons referred to in subsection (a) of this section.

Spouses, etc.

(c) Any allotments of visas provided in paragraphs (5) and (6), paragraphs (7) and (8), and paragraphs (9) and (10) of subsection (a) of this section, shall be available bilaterally within each of the three ethnic groups therein defined.²

50 USC app.
1971b.

ORPHANS

SEC. 5. (a) Not to exceed four thousand special non-quota immigrant visas may be issued to eligible orphans as defined in this Act who are under ten years of age at the time the visa is issued: *Provided*, That not more than two such special nonquota immigrant visas may be issued to eligible orphans adopted or to be adopted by any one United States citizen and spouse, unless necessary to prevent the separation of brothers or sisters.

(b) When used in this Act the term "eligible orphan" shall mean an alien child (1) who is an orphan because of the death or disappearance of both parents, or because of abandonment or desertion by, or separation or loss from, both parents, or who has only one parent due to the death or disappearance of, abandonment or desertion by, or separation or loss from the other parent and the remaining parent is incapable of providing care for such orphan and has in writing irrevocably released him for emigration and adoption; (2) (a) who has been lawfully adopted abroad by a United States citizen and spouse, or (b) for whom assurances, satisfactory to the consular officer to whom a visa application on behalf of the orphan is made, have been given by a United States citizen and spouse that if the orphan is admitted into the United States they will adopt him in the United States and will care for him properly; and (3) who is ineligible for admission into the United States solely because the nonpreference portion of the quota to which he would otherwise be chargeable is oversubscribed by applicants registered on the consular waiting list at the time his

"Eligible orphan."

² Subdivision (c) was added by Public Law 751, 83d Cong. [H. R. 8193], 68 Stat. 1044, approved August 31, 1954.

66 Stat. 163.
8 U. S. C. 1101
note.

50 U. S. C. app.
1971e.

visa application is made: *Provided*, That no natural parent of any eligible orphan who shall be admitted into the United States pursuant to this Act shall thereafter, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

(c) The assurances required in this section shall be in lieu of the assurances required in section 7 of this Act, [and the provisions of section 7 (d) (2) shall not apply to eligible orphans as defined in this section].³

ADJUSTMENT OF STATUS

8 U. S. C. 1101
note.

SEC. 6. Any alien who establishes that prior to July 1, 1953, he lawfully entered the United States as a bona fide nonimmigrant and that [he is unable to return to the country of his birth, or nationality, or last residence because of persecution or fear of persecution on account of race, religion, or political opinion, or who was brought to the United States from other American republics for internment, may, not later than June 30, 1955, apply to the Attorney General of the United States for an adjustment of his immigration status.]⁴ If the Attorney General shall, upon consideration of all the facts and circumstances of the case, determine that such alien has been of good moral character for the preceding five years and that the alien was physically present in the United States on the date of the enactment of this Act and is otherwise qualified under all other provisions of the Immigration and Nationality Act except that the quota to which he is chargeable is oversubscribed, the Attorney General shall report to the Congress all the pertinent facts in the case. If, during the session of the Congress in which a case is reported or prior to the end of the session of the Congress next following the session in which a case is reported, the Congress passes a concurrent resolution stating in substance that it approves the granting of the status of an alien lawfully admitted for permanent residence to such alien, the Attorney General is authorized, upon the payment of the required visa fee, which shall be deposited in the Treasury of the United States to the account of miscellaneous receipts, to record the alien's lawful admission for permanent residence as of the date of the passage of such concurrent

³ The material in brackets was added by Public Law 751, 83d Cong. [H. R. 8193], 68 Stat. 1044, approved August 31, 1954.

⁴ The material in brackets was substituted by Public Law 751, 83d Cong. [H. R. 8193], 68 Stat. 1044, approved August 31, 1954, for the following language which appeared in the original act: "because of events which have occurred subsequent to his entry into the United States he is unable to return to the country of his birth, or nationality, or last residence, because of persecution or fear of persecution on account of race, religion, or political opinion, may, within one year after the effective date of this Act, apply to the Attorney General of the United States for an adjustment of his immigration status."

resolution. If, within the above specified time, the Congress does not pass such a concurrent resolution, or, if either the Senate or the House of Representatives passes a resolution stating in substance that it does not approve the granting of the status of an alien lawfully admitted for permanent residence, the Attorney General shall thereupon deport such alien in the manner provided by law: *Provided*, That the provisions of this section shall not be applicable to any aliens admitted into the United States under the provisions of Public Law 584, Seventy-ninth Congress, second session (60 Stat. 754), Public Law 402, Eightieth Congress, second session (62 Stat. 6): *Provided further*, That the number of aliens who shall be granted the status of aliens lawfully admitted for permanent residence pursuant to this section shall not exceed five thousand.

22 U. S. C. 1431
note.

ASSURANCES

SEC. 7. (a) Except as otherwise herein provided, no visa shall be issued to any alien under this Act unless an assurance, in accordance with regulations promulgated pursuant to this Act, shall first have been given by a citizen or citizens of the United States that such alien, if admitted into the United States, will be suitably employed without displacing some other person from employment and that such alien and the members of such alien's family who shall accompany such alien and who propose to live with such alien will not become public charges and will have housing without displacing some other person from such housing. The spouse and unmarried dependent sons and daughters under twenty-one years of age, including stepsons and stepdaughters and sons or daughters adopted prior to July 1, 1953, of such alien, shall not be required to have such assurances made in their behalf. The assurances shall be submitted to the Administrator and it shall be the duty of the Administrator to verify the authenticity and bona fides of such assurances and such assurances shall be subject to final acceptance and approval by consular and immigration officers. Blanket assurances, or assurances not submitted by a responsible individual citizen or citizens, shall not be considered as satisfying the requirements of this section. The assurances for employment and housing shall be indexed and filed in such manner so as to show the specific address or addresses in the United States in which both the employment and housing are available, the type of employment and housing which are available, and the conditions and terms of the employment. Each assurance shall be a personal obligation of the individual citizen or citizens giving or submitting such assurance. This subsection shall have no

applicability to the alien eligible under paragraph (6), (8) or (10) of section 4 (a) of this Act, if such alien provides satisfactory evidence that he will not become a public charge. [No visa shall be issued under the allotment of forty-five thousand visas heretofore made by paragraph (5) of subsection 4 (a) of this Act to refugees in Italy, or under the allotment of fifteen thousand visas heretofore made by paragraph (7) of subsection 4 (a) of this Act to refugees in Greece, or under the allotment of fifteen thousand visas heretofore made by paragraph (9) of subsection 4 (a) of this Act to refugees in the Netherlands, to an alien who qualifies under the preferences specified in paragraph (2), (3), or (4) of section 203 (a) of the Immigration and Nationality Act, until satisfactory evidence is presented to the responsible consular officer to establish that the alien in question will have suitable employment and housing, without displacing any other person therefrom, after arrival in the United States. Verification of such available employment and housing shall be made in accordance with such regulations as the Administrator may, in his discretion, prescribe for the administration of the Act, including job order clearances by the United States Employment Service and its affiliated State employment services, and a certification by local housing authorities wherever they exist and are authorized and prepared to make such certifications.]⁶

Visas.

Italy.

Greece.

Netherlands.

66 Stat. 178.
8 U. S. C. 1153.

Verification of employment.

(b) Any alien admitted under this Act and subsequently determined to have been inadmissible under the provisions of this Act at the time of entry shall, irrespective of the date of his entry, be taken into custody and deported in the manner provided by sections 242 and 243 of the Immigration and Nationality Act (66 Stat. 208-214).

8 U. S. C. 1252.
1253.

(c) Assistance rendered an alien in connection with his transportation to and resettlement in the United States shall not be regarded as a cause for excludability as an alien likely to become a public charge. No alien with respect to whom assurances have been furnished as provided in this section shall be deemed to be a pauper under paragraph (8) of section 212 (a) of the Immigration and Nationality Act (66 Stat. 182).

8 U. S. C. 1182.

(d) No alien shall be issued a visa under this Act or be admitted into the United States unless he shall present to the consular officer at the time of making application for a visa or to the immigration officer at the time of application for admission (1) a valid unexpired passport or other suitable travel document, or document of identity or nationality, or other documentary evidence

⁶ The material in brackets was added by Public Law 751, 83d Cong. [H. R. 8198], 68 Stat. 1044, approved August 31, 1954.

that he will be assured of readmission to the country of his nationality, foreign residence or in which he obtains a visa under this Act and (2) a certificate of readmission guaranteeing his readmission to the country in which he obtains a visa under this Act if it is subsequently found that he obtained a visa under this Act by fraud or by misrepresenting a material fact.

INTERGOVERNMENTAL ARRANGEMENTS

SEC. 8. The Secretary of State may, for the purposes of this Act, make such arrangements with foreign governments and with the Intergovernmental Committee for European Migration as are necessary and appropriate for the purpose of financing the overseas transportation of persons who may be issued visas under this Act, such arrangements to be mutually beneficial to the economies of the United States and the countries concerned, as well as to such persons. Such arrangements, where appropriate, may seek to enable immigrants under this Act to transfer into dollar currency personal assets necessary for defraying the cost of transportation and for use in the United States. Arrangements between the United States and the other governments concerned and the Intergovernmental Committee for European Migration should also provide for such cooperation and assistance as may be required in the administration of the program authorized under this Act in the territory of the intending immigrant's residence. All transportation by ships or airplanes of aliens under this Act to the United States, the cost of which is defrayed in whole or in part by the Government of the United States, shall be by ships or airplanes registered under the United States flag, if available.

SEC. 9. Within the categories established in section 4 of this Act the determination of the eligibility of persons to receive visas and of the admissibility of such persons into the United States under this Act shall be made without discrimination in favor of or against a race, religion, or the national origin of such persons.

EXEMPTIONS FROM VISA FEES

SEC. 10. Persons receiving visas under this Act shall be exempt from paying the fees prescribed in paragraphs (1) and (2) of section 281 of the Immigration and Nationality Act (66 Stat. 230-231). 8 U. S. C. 1351.

SECURITY AND OTHER INVESTIGATION ; EFFECT OF MISREPRESENTATION

SEC. 11. (a) No alien shall be issued a visa under this Act or be admitted into the United States unless there

shall have first been a thorough investigation and written report made and prepared by such investigative agency or agencies of the Government of the United States as the President shall designate, regarding such person's character, reputation, mental and physical health, history and eligibility under this Act, and such investigations in each case shall be conducted in a manner and in such time as the investigative agency or agencies shall determine to be necessary.

(b) No person shall be issued a visa or be admitted into the United States under this Act if the consular officer or the immigration officer knows or has reason to believe that such person is ineligible for a visa or is subject to exclusion from the United States under any provision of the immigration laws or is not eligible under the terms of this Act.

(c) No person shall be issued a visa or be admitted into the United States under this Act unless the consular officer and the immigration officer, after an inspection and examination of such person abroad, are entirely satisfied upon the basis of affirmative evidence adduced by the applicant that the applicant has established his eligibility for a visa and his admissibility into the United States under this Act and under the immigration laws and regulations: *Provided*, That no person to whom a visa shall be issued shall be exempt from inspection and examination at a port of entry.

(d) No person shall be issued a visa under this Act or be admitted into the United States unless complete information shall be available regarding the history of such person covering a period of at least two years immediately preceding his application for a visa: *Provided*, That this provision may be waived on the recommendation of the Secretaries of State and Defense when determined by them to be in the national interest.

(e) Any person who shall make a material misrepresentation to any agency of the Government entrusted directly or indirectly with the administration, investigation, enforcement, or any other function relating to the implementation of this Act, for the purpose of gaining admission into the United States as an alien eligible hereunder, shall be excluded from admission into the United States under section 212 (a) (19) of the Immigration and Nationality Act (66 Stat. 183).

8 U. S. C. 1182.

PRIORITIES

SEC. 12. Priorities in the consideration of visa applications under this Act, except in the case of applications filed under paragraph (6), (8) or (10) of section 4 (a), without priority in time of issuance of visas as between

such priorities or as between priority and nonpriority cases under this Act shall be given to—

(1) Persons whose services or skills are needed in the United States, if such need has been certified to the Administrator, at his request, by the United States Employment Service and who are to be employed in a capacity calling for such services or such skills; and

(2) Persons who are (A) the parents of citizens of the United States, such citizens being at least twenty-one years of age, or (B) spouses or unmarried sons or daughters under twenty-one years of age, including stepsons or stepdaughters and sons or daughters adopted prior to July 1, 1953, of aliens lawfully admitted for permanent residence, or (C) brothers, sisters, sons or daughters of citizens of the United States.

SEC. 13. No priority in the consideration of visa applications under this Act shall be given to persons who were determined to be eligible or preliminarily eligible under the provisions of section (2) (c) of Public Law 774, Eightieth Congress, as amended, solely because such persons were determined to be so eligible or preliminarily eligible.

62 Stat. 1009.
50 U. S. C. app.
1951.

PERSONS INELIGIBLE; OATH ON ADMISSION; PENALTIES

SEC. 14. (a) No visa shall be issued under this Act to any person who personally advocated or assisted in the persecution of any person or group of persons because of race, religion, or national origin.

(b) Before being issued a visa every alien eighteen years of age or older, authorized to be admitted under this Act, shall take and subscribe an oath or affirmation that he is not and never has been a person specified in subparagraph (A), (B), (C), (D), (E), (F), (G), or (H) of section 212 (a) (28) of the Immigration and Nationality Act (66 Stat. 184-186), except as provided in subparagraph (I) of such section, and shall be liable to prosecution for perjury if such oath or affirmation is willfully false. If any alien not entitled to be issued a visa under this Act and not entitled to be admitted into the United States shall nevertheless gain admission, such alien shall, regardless of the date of his entry, be taken into custody and deported in the manner provided in sections 242 and 243 of the Immigration and Nationality Act (66 Stat. 208-214).

8 U. S. C. 1182.

8 U. S. C. 1252.
1253.

(c) Any person or persons who shall knowingly violate, conspire to violate, induce or attempt to induce any person to violate any provision of this Act shall be guilty of a felony, and upon conviction thereof shall be fined not more than \$10,000 or shall be imprisoned not more than ten years, or both.

APPLICABILITY OF IMMIGRATION AND NATIONALITY ACT

8 U. S. C. 1101
note.

SEC. 15. Except as otherwise expressly provided by this Act all of the provisions of the Immigration and Nationality Act (66 Stat. 163) shall be applicable under this Act.

LOANS

62 Stat. 1009.
50 U. S. C. app.
1951 note.

SEC. 16. Notwithstanding the provisions of any other law, the Secretary of the Treasury is authorized and directed to make loans not to exceed \$5,000,000 in the aggregate, to public or private agencies of the United States for the purpose of financing the transportation from ports of entry within the United States to the places of their resettlement, of persons receiving immigrant visas under this Act, and who lack resources to finance the expenses involved. Such loans, which shall mature not later than June 30, 1963, shall be made under rules and regulations promulgated pursuant to this Act: *Provided*, That such loans shall bear interest at a rate of 3 per centum per annum on the unpaid balance from their maturity date until final payment. No public or private agency shall be eligible to receive a loan under the provisions of this Act while such agency is in default in the payment of any loan made to it pursuant to the provisions of the Displaced Persons Act of 1948, as amended.

ELIGIBLE ALIENS TO BE NONQUOTA IMMIGRANTS

8 U. S. C. 1101
note.

SEC. 17. Any alien granted a visa under this Act shall be deemed a nonquota immigrant for the purposes of the Immigration and Nationality Act (66 Stat. 163).

AUTHORIZATION OF APPROPRIATIONS

SEC. 18. There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act.

REPORTS

SEC. 19. The Administrator shall report to the President and the Congress on the operation of the program established under this Act on or about January 15 and June 15 of each year and shall submit a final report not later than June 15, 1957. Such reports shall include full and complete details regarding the administration of the Act and the administration of the funds provided for in section 16 of this Act.

TERMINATION

SEC. 20. No immigrant visa shall be issued under this Act after December 31, 1956.

D-3. EXECUTIVE ORDER NO. 10487

**Text of Executive Order No. 10487, September 16,
1953, 18 F. R. 5635**

PROVIDING FOR THE ADMINISTRATION OF THE REFUGEE RELIEF ACT OF 1953

By virtue of the authority vested in me by the Constitution and statutes, including section 11 (a) of the Refugee Relief Act of 1953 (Public Law 203, 83d Congress, approved August 7, 1953), and as President of the United States, it is hereby ordered as follows:

SEC. 1. The Department of State is designated as the agency of the Government of the United States which shall, subject to the provisions of section 2 hereof, make or prepare the thorough investigations and written reports required by section 11 (a) of the said Refugee Relief Act of 1953, regarding the character, reputation, mental and physical health, history, and eligibility under the said act, of persons seeking admission into the United States under the act.

SEC. 2. The Department of the Army and such other agencies of the Government as the Department of State may request shall, in accordance with arrangements agreed upon between the Department of State and any such agency, furnish the Department of State such assistance as it may need in carrying out its responsibilities under section 1 of this order.

SEC. 3. The funds appropriated under the heading "Emergency Migration" appearing in Chapter VII of the Supplemental Appropriation Act, 1954 (Public Law 207, 83d Congress, approved August 7, 1953), are hereby transferred to the Department of State. The Secretary of State may allocate to agencies other than the Department of State such portions of the transferred funds as he shall determine.

SEC. 4. The Director of the Bureau of the Budget is authorized and empowered to exercise the authority conferred upon the President by the paragraph appearing under the aforesaid heading "Emergency Migration" to transfer not to exceed sixty-five passenger motor vehicles, without reimbursement, to carry out the migration program authorized by the said Refugee Relief Act of 1953.

SEC. 5. The Secretary of State shall promulgate the regulations provided for in section 7 (a) of the said Refugee Relief Act of 1953.

SEC. 6. The Secretary of the Treasury shall promulgate the rules and regulations provided for in section 16 of the said Refugee Relief Act of 1953.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *September 16, 1953.*

**D-4. LOAN OF VESSELS TO ITALY, FRANCE,
AND FRIENDLY NATIONS IN THE FAR
EASTERN AREA**

**Text of Public Law 188, 83d Congress, [S. 2277], 67
Stat. 363, approved August 5, 1953**

AN ACT To authorize the loan of two submarines to the Govern-
ment of Italy and a small aircraft carrier to the Government
of France.

*Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress as-
sembled,* That the President is authorized to lend to the
Government of Italy, for a period of not more than five
years, two submarines for use by that Government to
provide training for Italian units in antisubmarine war-
fare.

Italy.
Loan of sub-
marines.

SEC. 2. The President is authorized to lend to the
Government of France a small aircraft carrier until six
months after the cessation of hostilities in Indochina, as
determined by the President, or five years after the date
of this Act, whichever is earlier.

France.
Loan of air-
craft carrier.

SEC. 3. The loan of the submarines and the aircraft
carrier shall be made subject to the condition that they
be returned in substantially the same condition as when
loaned unless damaged or lost through enemy action.

Far Eastern
area.
65 Stat. 4.
34 U. S. C.
493a-1.

SEC. 4. (a) Notwithstanding section 4 of the Act of
March 10, 1951, or any other provision of law, the Presi-
dent is authorized to lend or otherwise make available
to any friendly foreign nation in the Far Eastern area,
with or without reimbursement and on such terms and
under such conditions as the President may deem appro-
priate, such naval vessels not larger than the destroyer
type and not to exceed twenty-five in number, and such
assorted minor miscellaneous craft, naval services, train-
ing, technical advice, facilities and equipment, as he may
deem proper. No vessels shall be made available under
this section unless the Secretary of Defense, after con-
sultation with the Joint Chiefs of Staff, determines such
transfer to be in the best interests of the United States.
The President may, from time to time, promulgate such
rules and regulations as he may deem necessary to carry
out any of the provisions of this section.

(b) No information, plans, advice, material, docu-
ments, blueprints, or other papers bearing a secret or
top secret classification shall be communicated, trans-
mitted, or disposed of under the authority of this section.

The Secretary of Defense shall keep the respective Committees on Armed Services of the Senate and the House of Representatives currently advised of all transfers or other dispositions under this section.

(c) The authority of the President under this section shall terminate on December 31, 1956.

SEC. 5. All expenses involved in the activation of the submarines, the carrier, and the other vessels including repairs, alterations, outfitting, and logistic support shall be charged to funds programed for the respective governments under the Mutual Security Act.

E. INTERNATIONAL TREATIES

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2. Southeast Asia Collective Defense Treaty, Protocol and The Pacific Charter (signed at Manila September 8, 1954)-----	170

E-1. NORTH ATLANTIC TREATY

Text of the North Atlantic Treaty, 63 Stat. 2241, Treaties and Other International Acts Series 1964; Signed at Washington, April 4, 1949; Ratification advised by the Senate July 21, 1949; Ratified by the President July 25, 1949; Proclaimed by the President and Entered into Force August 24, 1949; as modified by Article II of the Protocol to the North Atlantic Treaty on the Accession of Greece and Turkey, Treaties and Other International Acts Series 2390; Signed at London October 17, 1951; Ratification advised by the Senate February 7, 1952; Ratified by the President February 11, 1952; Entered into Force February 15, 1952

The Parties to this Treaty¹ reaffirm their faith in the purposes and principles of the Charter of the United Nations² and their desire to live in peace with all peoples and all governments.

They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.

They seek to promote stability and well-being in the North Atlantic area.

They are resolved to unite their efforts for collective defense and for the preservation of peace and security.

They therefore agree to this North Atlantic Treaty:

ARTICLE 1

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

ARTICLE 2

The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon

¹ Belgium, Canada, Denmark, France, Greece, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, Turkey, United Kingdom, and the United States.

² Treaty Series 993; 59 Stat. 1031.

MUTUAL SECURITY HANDBOOK

which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

ARTICLE 3

In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

ARTICLE 4

The Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened.

ARTICLE 5

The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE 6³

For the purpose of Article 5, an armed attack on one or more of the Parties is deemed to include an armed attack—

(i) on the territory of any of the Parties in Europe or North America, on the Algerian Depart-

³ As modified by the Protocol on the Accession of Greece and Turkey. The Article originally read as follows:

"ARTICLE 6

"For the purpose of Article 5 an armed attack on one or more of the Parties is deemed to include an armed attack on the territory of any of the Parties in Europe or North America, on the Algerian departments of France, on the occupation forces of any Party in Europe, on the islands under the jurisdiction of any Party in the North Atlantic area north of the Tropic of Cancer or on the vessels or aircraft in this area of any of the Parties."

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ments of France, on the territory of Turkey or the islands under the jurisdiction of any of the Parties in the North Atlantic area north of the Tropic of Cancer;

(ii) on the forces, vessels or aircraft of any of the Parties, when in or over these territories or any other area in Europe in which occupation forces of any of the Parties were stationed on the date when the Treaty entered into force or the Mediterranean Sea or the North Atlantic area north of the Tropic of Cancer.

NOTE.—Article I of the Protocol to the North Atlantic Treaty on Guarantees Given by the Parties to the North Atlantic Treaty to the Members of the European Defence Community (signed at Paris May 27, 1952, ratification advised by the Senate July 1, 1952, ratified by the President August 2, 1952) provides:

“An armed attack

(i) on the territory of any of the members of the European Defence Community in Europe or in the area described in Article 6 (i) of the North Atlantic Treaty or

(ii) on the forces, vessels or aircraft of the European Defence Community when in the area described in Article 6 (ii) of the said Treaty,

“shall be considered an attack against all the Parties to the North Atlantic Treaty, within the meaning of Article 5 of the said Treaty, and Article 5 shall apply accordingly.

“The expression ‘member of the European Defence Community’ in paragraph (i) of this Article means any of the following States which is a member of the Community, namely, Belgium, France, the German Federal Republic, Italy, Luxembourg, and the Netherlands.”

ARTICLE 7

This Treaty does not affect, and shall not be interpreted as affecting, in any way the rights and obligations under the Charter of the Parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security.

ARTICLE 8

Each Party declares that none of the international engagements now in force between it and any other of

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the Parties or any third state is in conflict with the provisions of this Treaty, and undertakes not to enter into any international engagement in conflict with this Treaty.

ARTICLE 9

The Parties hereby establish a council, on which each of them shall be represented, to consider matters concerning the implementation of this Treaty. The council shall be so organized as to be able to meet promptly at any time. The council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defense committee which shall recommend measures for the implementation of Articles 3 and 5.

ARTICLE 10

The Parties may, by unanimous agreement, invite any other European state in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area to accede to this Treaty. Any state so invited may become a party to the Treaty by depositing its instrument of accession with the Government of the United States of America. The Government of the United States of America will inform each of the Parties of the deposit of each such instrument of accession.

ARTICLE 11

This Treaty shall be ratified and its provisions carried out by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which will notify all the other signatories of each deposit. The Treaty shall enter into force between the states which have ratified it as soon as the ratifications of the majority of the signatories, including the ratifications of Belgium, Canada, France, Luxembourg, the Netherlands, the United Kingdom and the United States, have been deposited and shall come into effect with respect to other states on the date of the deposit of their ratifications.

ARTICLE 12

After the Treaty has been in force for ten years, or at any time thereafter, the Parties shall, if any of them so requests, consult together for the purpose of reviewing the Treaty, having regard for the factors then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

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ARTICLE 13

After the Treaty has been in force for twenty years, any Party may cease to be a party one year after its notice of denunciation has been given to the Government of the United States of America, which will inform the Governments of the other Parties of the deposit of each notice of denunciation.

ARTICLE 14

This Treaty, of which the English and French texts are equally authentic, shall be deposited in the archives of the Government of the United States of America. Duly certified copies thereof will be transmitted by that Government to the Governments of the other signatories.

E-2. SOUTHEAST ASIA COLLECTIVE DEFENSE TREATY

Text¹ of the Southeast Asia Collective Defense Treaty; signed at Manila, September 8, 1954; modified by the Protocol signed at Manila on the same day; also text of the Pacific Charter; Signed at Manila, September 8, 1954

The Parties to this Treaty,²

Recognizing the sovereign equality of all the parties,
Reiterating their faith in the purposes and principles set forth in the Charter of the United Nations and their desire to live in peace with all peoples and all governments,

Reaffirming that, in accordance with the charter of the United Nations, they uphold the principle of equal rights and self-determination of peoples, and declaring that they will earnestly strive by every peaceful means to promote self-government and to secure the independence of all countries whose peoples desire it and are able to undertake its responsibilities,

Intending to declare publicly and formally their sense of unity, so that any potential aggressor will appreciate that the parties stand together in the area, and

Desiring further to coordinate their efforts for collective defense for the preservation of peace and security,
Therefore agree as follows:

ARTICLE I

The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

ARTICLE II

In order more effectively to achieve the objectives of this treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid will

¹Text taken from State Department Press Release dated September 9, 1954.

²The United States, Great Britain, France, Australia, New Zealand, Pakistan, Thailand, and the Philippines.

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maintain and develop their individual and collective capacity to resist armed attack and to prevent and counter subversive activities directed from without against their territorial integrity and political stability.

ARTICLE III

The parties undertake to strengthen their free institutions and to cooperate with one another in the further development of economic measures, including technical assistance, designed both to promote economic progress and social well-being and to further the individual and collective efforts of governments toward these ends.

PROTOCOL

Designation of states and territory as to which provisions of Article IV and Article III are to be applicable:

The parties to the Southeast Asia collective defense treaty unanimously designate for the purposes of Article IV of the treaty the States of Cambodia and Laos and the Free Territory under the jurisdiction of the State of Viet-Nam.

The parties further agree that the above-mentioned states and territory shall be eligible in respect of the economic measures contemplated by Article III.

This protocol shall come into force simultaneously with the coming into force of the treaty.

In witness whereof, the undersigned Plenipotentiaries have signed this protocol to the Southeast Asia Collective Defense Treaty.

Done at Manila, this eighth day of September, 1954.

ARTICLE IV

1. Each party recognizes that aggression by means of armed attack in the treaty area against any of the parties or against any state or territory which the parties by unanimous agreement may hereafter designate, would endanger its own peace and safety, and agrees that it will in that event act to meet the common danger in accordance with its constitutional processes. Measures taken under this paragraph shall be immediately reported to the Security Council of the United Nations.

2. If, in the opinion of any of the parties, the inviolability or the integrity of the territory or the sovereignty or political independence of any party in the treaty area or of any other State or territory to which the provisions

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of Paragraph 1 of this Article from time to time apply is threatened in any way other than by armed attack or is affected or threatened by any fact or situation which might endanger the peace of the area, the parties shall consult immediately in order to agree on the measures which should be taken for the common defense.

3. It is understood that no action on the territory of any State designated by unanimous agreement under Paragraph 1 of this Article or on any territory so designated shall be taken except at the invitation or with the consent of the government concerned.

ARTICLE V

The parties hereby establish a Council, on which each of them shall be represented, to consider matters concerning the implementation of this Treaty. The Council shall provide for consultation with regard to military and any other planning as the situation obtaining in the Treaty area may from time to time require. The Council shall be so organized as to be able to meet at any time.

ARTICLE VI

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of any of the parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security. Each party declares that none of the international engagements now in force between it and any other of the parties or any third party is in conflict with the provisions of this Treaty, and undertakes not to enter into any international engagement in conflict with this Treaty.

ARTICLE VII

Any other State in a position to further the objectives of this Treaty and to contribute to the security of the area may, by unanimous agreement of the parties, be invited to accede to this Treaty. Any State so invited may become a party to the Treaty by depositing its instrument of accession with the Government of the Republic of the Philippines. The Government of the Republic of the Philippines shall inform each of the parties of the deposit of each such instrument of accession.

ARTICLE VIII

As used in this Treaty, the "treaty area" is the general area of Southeast Asia, including also the entire territories of the Asian parties, and the general area of the Southwest Pacific not including the Pacific area north of

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21 degrees 30 minutes North Latitude. The parties may, by unanimous agreement, amend this Article to include within the treaty area the territory of any State acceding to this Treaty in accordance with Article VII or otherwise to change the treaty area.

ARTICLE IX

1. This Treaty shall be deposited in the archives of the Government of the Republic of the Philippines. Duly certified copies thereof shall be transmitted by that Government to the other signatories.

2. The Treaty shall be ratified and its provisions carried out by the parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the Republic of the Philippines, which shall notify all of the other signatories of such deposit.

3. The Treaty shall enter into force between the States which have ratified it as soon as the instruments of ratification of a majority of the signatories shall have been deposited, and shall come into effect with respect to each other State on the date of the deposit of its instrument of ratification.

ARTICLE X

This Treaty shall remain in force indefinitely, but any party may cease to be a party one year after its notice of denunciation has been given to the Government of the Republic of the Philippines, which shall inform the governments of the other parties of the deposit of each notice of denunciation.

ARTICLE XI

The English text of this treaty is binding on the parties, but when the parties have agreed to the French text thereof and have so notified the Government of the Republic of the Philippines, the French text shall be equally authentic and binding on the parties.

Understanding of the United States of America

The delegation of the United States of America in signing the present treaty does so with the understanding that its recognition of the effect of aggression and armed attack and its agreement with reference thereto in Article IV, Paragraph 1, apply only to communist aggression but affirms that in the event of other aggression or armed attack it will consult under the provisions of Article IV, paragraph 2.

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In witness whereof, the undersigned plenipotentiaries have signed this treaty.

Done at Manila, this eighth day of September 1954.

The Pacific Charter

The Delegates of Australia, France, New Zealand, Pakistan, the Republic of the Philippines, the Kingdom of Thailand, the United Kingdom of Great Britain and Northern Ireland, the United States of America,

Desiring to establish a firm basis for common action to maintain peace and security in South East Asia and the South West Pacific,

Convinced that common action to this end, in order to be worthy and effective, must be inspired by the highest principles of justice and liberty,

Do hereby proclaim:

First, in accordance with the provisions of the United Nations Charter, they uphold the principle of equal rights and self-determination of peoples, and they will earnestly strive by every peaceful means to promote self-government and to secure the independence of all countries whose peoples desire it and are able to undertake its responsibilities;

Second, they are each prepared to continue taking effective practical measures to ensure conditions favorable to the orderly achievement of the foregoing purposes in accordance with their constitutional procedures;

Third, they will continue to cooperate in the economic, social and cultural fields in order to promote higher living standards, economic progress and social well-being in this region;

Fourth, as declared in the Southeast Asia collective defense treaty, they are determined to prevent or counter by appropriate means any attempt in the treaty area to subvert their freedom or to destroy their sovereignty or territorial integrity.

Signed at Manila on September 8, 1954.

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