

1954 allotment.

SEC. 4. Notwithstanding any other provision of law (a) the national acreage allotment for the 1954 crop of wheat shall not be less than sixty-two million acres; and (b) the referendum with respect to the 1954 crop of wheat may be held as late as August 15, 1953.

Referendum.

SEC. 5. Sections 1, 2, and 3 of this Act shall become effective with respect to the 1954 and subsequent crops of wheat.

7 USC 1301.

SEC. 6. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection "(d)" to read as follows:

Carryovers.
53 Stat. 1051.
7 USC 1421 note.

"(d) In making any determination under this Act or under the Agricultural Act of 1949 with respect to the carryover of any agricultural commodity, the Secretary shall exclude from such determination the stocks of any commodity acquired pursuant to, or under the authority of, the Strategic and Critical Materials Stock Piling Act (60 Stat. 596)."

50 USC 98 note.

Approved July 14, 1953.

Public Law 118

CHAPTER 195

AN ACT

July 16, 1953
[H. R. 5710]

To amend further the Mutual Security Act of 1951, as amended, and for other purposes.

Mutual Security
Act of 1953.

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 1953".

CHAPTER I—MILITARY ASSISTANCE

65 Stat. 373.
22 USC 1651
note.

SEC. 101. AUTHORIZATION OF APPROPRIATION.—The Mutual Security Act of 1951, as amended, is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

Post, p. 156.

"SEC. 540. There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed \$2,129,689,870 to be available under section 101 (a) (1) (relating to military assistance for Europe): *Provided*, That of the equipment and materials made available under section 101 (a) (1) with funds appropriated pursuant to the authorization contained in this section, 50 per centum shall be transferred to the organization referred to in clause (C) of section 2 (b) or to the countries which become members thereof, unless the Congress, upon the recommendation of the President, shall hereafter otherwise provide; \$305,212,637 to be available under section 201 (relating to military assistance for the Near East and Africa); \$1,081,620,493 to be available under section 301 (relating to military and other assistance for Asia and the Pacific); and \$15,000,000 to be available under section 401 (relating to military assistance for Latin America) "

66 Stat. 141.
22 USC 1651(b).

22 USC 1691.

22 USC 1701.

22 USC 1711.

CHAPTER II—MUTUAL DEFENSE FINANCING

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.—(a) The Mutual Security Act of 1951, as amended, is amended by adding after section 540 the following new section:

"SEC. 541. There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed \$250,000,000 to carry

out the provisions of section 101 (a) (2) (relating to defense support and economic assistance for Europe), and not to exceed \$84,000,000 to carry out the provisions of section 302 (a) (relating to defense support, economic and technical assistance), including the exploration and development of mineral and petroleum resources, for the National Government of the Republic of China and the Associated States of Cambodia, Laos, and Vietnam."

22 USC 1681.

22 USC 1702.

(b) Such Act, as amended, is further amended by inserting after section 101 the following new section:

22 USC 1681.

"SEC. 102. There is hereby authorized to be appropriated to the President for the fiscal year 1954, to be made available on such terms and conditions, including transfer of funds, as he may specify, (1) not to exceed \$100,000,000 for manufacture in France of artillery, ammunition, and semiautomatic weapons required by French forces for the defense of the North Atlantic area, and (2) not to exceed \$100,000,000 for manufacture in the United Kingdom of military aircraft required by United Kingdom forces for the defense of the North Atlantic area."

(c) Such Act, as amended, is further amended by inserting after section 303 the following new section:

22 USC 1703.

Cambodia, etc.

"SEC. 304. There is hereby authorized to be appropriated to the President for the fiscal year 1954, to be made available on such terms and conditions, including transfer of funds, as he may specify, not to exceed \$400,000,000 for the procurement of equipment, materials, and services (as defined in section 411 of the Mutual Defense Assistance Act of 1949, as amended) which are required by and are to be made available to, or are necessary for the support of, the forces of the Associated States of Cambodia, Laos, and Vietnam and the forces of France located in such Associated States."

Post, p. 161.

CHAPTER III—MUTUAL SPECIAL WEAPONS PLANNING

SEC. 301. AUTHORIZATION OF APPROPRIATION.—The Mutual Security Act of 1951, as amended, is amended by adding after section 541 the following new section:

"SEC. 542. There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed \$100,000,000 for the purpose of furnishing special weapons to nations eligible to receive military assistance under this Act or to the international organizations referred to in section 2 (b) (A) and 2 (b) (C) of this Act: *Provided*, That, prior to the obligation of funds for this purpose, the President shall determine that such obligation is of direct importance to the security interest of the United States and is in furtherance of the policies and purposes of the Mutual Defense Assistance Act of 1949, as amended: *And provided further*, That, prior to the transfer of such weapons, the President shall determine (1) that the recipient is adequately prepared to safeguard the security of such weapons; (2) that the transfer of such weapons will be of direct importance to the security interest of the United States; and (3) that such transfer will further the purposes and policies of the Mutual Defense Assistance Act of 1949, as amended. Nothing contained in this section shall alter, amend, revoke, repeal, or otherwise affect the provisions of any law restricting, limiting, or prohibiting the transfer of any such weapons. Notwithstanding any other provisions of this Act, funds made available pursuant to this section may be used only for the purpose of this section."

22 USC 1651.

Post, p. 160.

CHAPTER IV—TECHNICAL ASSISTANCE

SEC. 401. AUTHORIZATION OF APPROPRIATION.—The Mutual Security Act of 1951, as amended, is amended by adding after section 542 the following new section:

22 USC 1693. "SEC. 543. There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed \$43,792,500 to carry out the provisions of section 203 (relating to economic and technical assistance for the Near East and Africa); \$72,100,000 to carry out the provisions of section 302 (a) (relating to defense support, economic and technical assistance) other than for the National Government of the Republic of China and the Associated States of Cambodia, Laos, and Vietnam; and \$24,342,000 to carry out the provisions of section 402 (relating to technical assistance for Latin America)."

Post, p. 156.

22 USC 1712.

22 USC 1665. SEC. 402. AUTHORIZATION OF APPROPRIATION FOR BASIC MATERIALS.—Section 514 (relating to basic materials) of the Mutual Security Act of 1951, as amended, is amended by adding at the end thereof the following sentence: "There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed \$7,500,000 to carry out the provisions of this section."

CHAPTER V—SPECIAL REGIONAL ECONOMIC ASSISTANCE

66 Stat. 142. SEC. 501. NEAR EAST AND AFRICA.—Section 206 (relating to refugees) of the Mutual Security Act of 1951, as amended, is amended to read as follows:

22 USC 1696.

66 Stat. 144. "SEC. 206. In order to further the purpose of this Act in the Near East and Africa, there is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed \$194,000,000 to be used, on such terms and conditions as he may specify, to furnish special economic assistance designed to promote the economic development of the area, for relief and rehabilitation of refugees in the area, and for other types of economic assistance to assist in maintaining economic and political stability in the area. The applicable provisions of the Act for International Development (64 Stat. 204; 22 U. S. C. 1557), except the provisions relating to the purpose for which assistance may be given, or of section 503 (b) (3) of this Act, shall apply to the expenditure of funds pursuant to this section to the extent that they are not inconsistent with the purposes of this section."

22 USC 1654.

22 USC 1702. SEC. 502. INDIA AND PAKISTAN.—Section 302 (relating to economic and technical assistance for Asia and the Pacific) of the Mutual Security Act of 1951, as amended, is amended by redesignating subsection (b) as subsection (c), and by inserting after subsection (a) the following new subsection (b):

22 USC 1557 note. "(b) In order to further the purpose of this Act in India and Pakistan, there is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed \$94,400,000 to be used, on such terms and conditions as he may specify, to furnish special economic assistance designed to promote the economic development of such countries, to assist in maintaining economic and political stability therein, and to enable the countries designated in this subsection to make greater progress toward solving their mutual problems in cooperation with each other. The applicable provisions of the Act for International Development, except the provisions relating to the purpose for which assistance may be given, or of section 503 (b) (3) of this Act, shall apply to the expenditure of funds pursuant to this section to the extent that they are not inconsistent with the purposes of this section."

22 USC 1654.

CHAPTER VI—MULTILATERAL ORGANIZATIONS

66 Stat. 147. SEC. 601. MOVEMENT OF MIGRANTS.—Section 534 (relating to the movement of migrants) of the Mutual Security Act of 1951, as amended, is amended by adding at the end thereof the following new

22 USC 1675c.

sentence: "There is hereby authorized to be appropriated to the President not to exceed \$10,000,000 for contributions during the calendar year 1954 to the Intergovernmental Committee for European Migration."

SEC. 602. MULTILATERAL TECHNICAL COOPERATION.—The Mutual Security Act of 1951, as amended, is amended by adding after section 543 the following new section:

"SEC. 544. There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed \$13,750,000 for multilateral technical cooperation under section 404 (b) of the Act for International Development."

64 Stat. 205.
22 USC 1557b.

SEC. 603. CHILDREN'S WELFARE.—The Mutual Security Act of 1951, as amended, is amended by adding after section 544 the following new section:

"SEC. 545. There is hereby authorized to be appropriated to the President not to exceed \$9,000,000 for contributions during the calendar year 1954 for the support of international children's welfare work in such manner and on such terms and conditions as he may deem to be in the interests of the United States."

SEC. 604. OCEAN FREIGHT ON RELIEF SHIPMENTS.—Section 535 (relating to the payment of ocean freight charges on voluntary relief shipments) of the Mutual Security Act of 1951, as amended, is amended by adding at the end thereof the following new sentence: "There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed \$1,825,000 for use in paying ocean freight charges under section 117 (c) of the Economic Cooperation Act of 1948, as amended."

66 Stat. 147.
22 USC 1675d.

62 Stat. 153.
22 USC 1515.

SEC. 605. UNITED NATIONS KOREAN RECONSTRUCTION AGENCY.—Section 303 (a) (relating to Korean relief) of the Mutual Security Act of 1951, as amended, is amended as follows:

22 USC 1703.

(a) Add at the end the following new sentence: "There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed \$71,000,000 for making contributions to the United Nations Korean Reconstruction Agency, or such other agency for relief and rehabilitation in Korea as the President may direct."

(b) In the third sentence, strike out "\$67,500,000" and insert in lieu thereof "\$40,750,000".

CHAPTER VII—FURTHER CHANGES IN EXISTING MUTUAL SECURITY LEGISLATION

SEC. 701. TRANSFERS OF FUNDS.—(a) Section 101 (b) of the Mutual Security Act of 1951, as amended, is amended to read as follows:

22 USC 1681.

"(b) Not to exceed 10 per centum of the total of the appropriations made available under this section may be transferred, when determined by the President to be necessary for the purpose of this Act, between appropriations made available under either paragraph of subsection (a): *Provided*, That whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives."

Congressional
Committees.
Notification.

(b) Section 202 of such Act, as amended, is amended by striking out "(excluding balances of prior appropriations continued available) pursuant to section 201" and inserting in lieu thereof "under section 201".

22 USC 1692.

22 USC 1691.

(c) The first sentence of section 513 (a) of such Act, as amended, is amended to read as follows: "Whenever the President determines it to be necessary for the purpose of this Act, funds made available under

22 USC 1664.

22 USC 1681,
1691, 1701, 1711.

22 USC 1681,
1693, 1702, 1712.

sections 101 (a) (1), 201, 301, and 401 may be transferred among such sections, except that not more than 10 per centum of the funds available under any such section may be transferred from that section; and funds made available under sections 101 (a) (2), 203, 302 (a), and 402 may be transferred among such sections, except that not more than 10 per centum of the funds available under any such section may be transferred from that section. Funds so transferred shall be consolidated with the funds available under the section to which they are transferred.

SEC. 702. UNEXPENDED BALANCES.—The Mutual Security Act of 1951, as amended, is amended by adding after section 545 the following new section:

“UNEXPENDED BALANCES

66 Stat. 652.

“SEC. 546. The unexpended balance under each paragraph of title III, Mutual Security, of the Supplemental Appropriation Act, 1953, is hereby authorized to be continued available for its original purposes through June 30, 1954, and may be consolidated with the appropriate fiscal year 1954 appropriation made for the same general purpose under the authority of this Act.”

22 USC 1681.

SEC. 703. ESCAPEES.—Paragraph 101 (a) (1) of title I (relating to Europe) of the Mutual Security Act of 1951, as amended, is amended (1) by deleting the word “similarly” before the word “determined”, (2) by inserting “or any Communist-dominated or Communist-occupied areas of Asia” immediately after “Austria,” and before “and any other countries absorbed by the Soviet Union”, and (3) by striking out “and to the security of the United States” and inserting in lieu thereof “or to the security of the United States”.

22 USC 1692.

SEC. 704. MILITARY AID IN THE NEAR EAST AND AFRICA.—Section 202 of the Mutual Security Act of 1951, as amended, is amended by inserting “(a)” after “Sec. 202.”, and by adding at the end thereof the following new subsection:

Post, p. 160.

“(b) There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed \$50,000,000 to be available, whenever the President determines that such action is essential for the purpose of this Act, in order to provide assistance, pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended, in the area of the Near East and Africa. Such assistance may be furnished to any organization created pursuant to a regional defense arrangement in the area, to any nation in the general area participating in such an arrangement, or to any other nation in the general area which the President determines to be of direct importance to the defense of the area and whose increased ability to defend itself the President determines to be important to the security of the United States (any such determination to be reported forthwith to the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives). No assistance shall be furnished under this subsection unless the recipient nation has agreed (1) that the equipment, materials, or services provided will be used solely to maintain its internal security, its legitimate self-defense, or to permit it to participate in the defense of the area, or in United Nations collective security arrangements and measures, and (2) that it will not undertake any act of aggression against any other nation.”

Report to Congressional Committees.

22 USC 1702.

SEC. 705. AUTHORITY FOR ASSISTANCE TO KOREA.—The first sentence of section 302 (a) (relating to economic aid and technical assistance) of the Mutual Security Act of 1951, as amended, is amended by striking out “(but not including the Republic of Korea)”.

SEC. 706. Title V (relating to organization and general provisions) of the Mutual Security Act of 1951, as amended, is further amended as follows:

(a) PERSONNEL CEILING EXEMPTION FOR NEW MILITARY ASSISTANCE PROGRAMS.—Amend section 504 (d) (relating to reduction in personnel) to read as follows:

22 USC 1655.

“(d) (1) Ninety days after the enactment of the Mutual Security Act of 1952, the number of civilian employees who are United States citizens, receiving compensation or allowances from the administrative expense appropriations authorized by this Act, employed in the United States and overseas by or assigned to the Mutual Security Agency, or employed by or assigned to the Department of State or the Department of Defense for carrying out programs the appropriations for which are authorized by this Act, and the military personnel assigned to such programs, shall be in the aggregate at least 5 per centum less than the number so employed or assigned on June 1, 1952, except for such personnel of the Department of Defense engaged in the manufacturing, repair, rehabilitation, packing, handling, crating, or delivery of materiel.

66 Stat. 141.
22 USC 1651
note.

“(2) One hundred twenty days after the enactment of the Mutual Security Act of 1953, the number of civilian employees who are United States citizens, receiving compensation or allowances from the administrative expense appropriations authorized by this Act, employed in the United States and overseas by or assigned to the Director for Mutual Security or the Mutual Security Agency or employed by or assigned to the Department of State or the Department of Defense and other participating agencies for carrying out programs the appropriations for which are authorized by this Act shall be in the aggregate at least 10 per centum less than the number so employed or assigned to comparable positions on January 31, 1953, except for such personnel of the Department of Defense engaged in the manufacturing, repair, rehabilitation, packing, handling, crating, or delivery of materiel.

“(3) After the Director has determined the reduction to be effected in each agency under paragraph (2), the determination as to which individual employee shall be retained shall be made by the head of the agency concerned.

“(4) The Director for Mutual Security shall cause studies to be made from time to time for the purpose of determining whether further reductions in personnel are feasible and consistent with the accomplishment of the purposes of this Act.

“(5) After July 1, 1953, the following categories of civilian employees and military personnel carrying out programs under the Mutual Defense Assistance Act of 1949, as amended, shall be in addition to the personnel ceiling established under paragraph (2) of this subsection:

Post, p. 160.

“(A) Civilian employees and military personnel carrying out such programs in the Associated States of Cambodia, Laos, and Vietnam, over and above the number so engaged before July 1, 1953,

“(B) Civilian employees and military personnel carrying out such programs for any countries in which no such programs were in operation on July 1, 1953,

“(C) Civilian employees and military personnel carrying out such programs for international organizations and headquarters established after July 1, 1953.”

(b) SPECIAL USE OF FUNDS.—Amend section 513 (b) (relating to special use of funds) to read as follows:

66 Stat. 145.
22 USC 1664.

“(B) Not more than \$100,000,000 of the funds made available under this Act, of which not more than \$20,000,000 may be allocated to any one country, may be used in any fiscal year by the President, to be expended, without regard to the requirements of this Act, or any other Act for which funds are authorized by this Act, in furtherance of the purposes of such Acts, when the President determines that such use is important to the security of the United States. The President shall notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives upon making any such determination.”

Congressional
Committees.
Notification.

22 USC 1671.

(c) **GUARANTIES.**—Amend section 520 (relating to investment guaranties) to read as follows:

“GUARANTIES

“SEC. 520. Funds realized from the sales of notes pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be available for making guaranties of investments in accordance with the applicable provisions of sections 111 (b) (3) and 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, in any country with which the United States has agreed to institute the guaranty program, notwithstanding the provisions of section 511 of this Act.”

66 Stat. 146.
22 USC 1509.
Post, p. 161.

22 USC 1662.

22 USC 1675.

(d) **TERMINATION OF PROGRAM.**—Amend section 530 (relating to the expiration of the Mutual Security Program) by striking out “twelve months” and “twelve-month” wherever appearing therein and inserting in lieu thereof “twenty-four months” and “twenty-four-month”, respectively, and by inserting before the period at the end of subsection (a) the following: “: *Provided*, That such part of the equipment, materials, and services referred to above as is to be transferred to recipient countries under the Mutual Defense Assistance Act of 1949, as amended, or the Act of May 22, 1947, as amended, may be so transferred until June 30, 1957, and that part of the funds referred to above which is appropriated to carry out such Acts may be obligated for the purposes set forth above, and for liquidating operations under this proviso, until June 30, 1957: *Provided*, That guaranties authorized under section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, may be issued until June 30, 1957, out of any funds remaining available for that purpose”.

Post, p. 160.
61 Stat. 103.
22 USC 1401-
1410.

Post, p. 161.

(e) **UNDERDEVELOPED AREAS.**—Add after section 546 the following new section:

“UNDERDEVELOPED AREAS

“SEC. 547. Whenever funds are made available under this Act for assistance, other than military assistance, to any economically underdeveloped area, such funds may be used under the applicable provisions of section 503 (b) (3) or the applicable provisions of the Act for International Development. Where administrative arrangements, including provisions relating to compensation and allowances of personnel, authorized under section 503 (b) (3), differ from those authorized by the Act for International Development, the Director may make use of arrangements authorized under either statute, in carrying out such programs, except that before extending the provisions of section 109 (a) of the Economic Cooperation Act of 1948, as amended, to countries in which programs authorized under the Act for International Development are being carried out, the Director will secure the approval of the Secretary of State.”

66 Stat. 144.
22 USC 1654.
64 Stat. 204.
22 USC 1557 note.

22 USC 1507.

22 USC 1672.

(f) **USE OF LOCAL CURRENCY.**—

(1) Strike out the next to the last sentence of section 521 (relating to administrative expenses).

(2) Add after section 547 the following new section:

“UNITED STATES USE OF FOREIGN CURRENCY

“SEC. 548. (a) The several amounts otherwise authorized by this Act to be appropriated are authorized to be increased by amounts which shall not, in the aggregate, exceed \$98,396,000.

“(b) Amounts appropriated pursuant to any authorization contained in this Act are authorized to be made available for purchase of foreign currencies (including foreign currencies or credits owed to or owned by the United States): *Provided*, That such currencies or credits are authorized to be made available for use, without reimbursement to the Treasury, for liquidation of obligations legally incurred against such currencies prior to July 1, 1953.”

(g) NEAR EAST REFUGEES.—Add after section 548 the following new section:

“NEAR EAST REFUGEES

“SEC. 549. (a) In order to contribute to the peace and stability of the Near East in particular and of the world in general, the Director for Mutual Security shall, in consultation with the Secretary of State, make a survey of the refugee situation in the Near East and report the results of the survey to the Congress within one hundred fifty days after the Mutual Security Act of 1953 is enacted, together with recommendations for seeking a solution. In the making of such report and recommendations, especial consideration shall be given to a program which would utilize the services and talents of these refugees to develop and expand the resources of the area, including its water resources.

Report to Congress.

“(b) In carrying out his duties under this section, the Director for Mutual Security shall consult with the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, and shall keep these committees constantly and fully informed of the action which he takes to carry out the provisions of this section.”

(h) USE OF SURPLUS AGRICULTURAL COMMODITIES.—Add after section 549 the following new section:

“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.

“(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.”

SEC. 707. The Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571–1604), is further amended as follows:

(a) EXCESS EQUIPMENT.—Immediately before the period in the next to last sentence of section 403 (d) (relating to limitation on furnishing of excess equipment), insert a comma and the following: “and after June 30, 1953, by an additional \$200,000,000”.

(b) SALES OF MILITARY EQUIPMENT.—Strike out the word “The” where it appears at the beginning of section 408 (e) (1) (relating to sales of military equipment) and insert in lieu thereof the following: “Notwithstanding the provisions of section 530 (a) of the Mutual Security Act of 1951, as amended, the”.

(c) DEPENDABLE UNDERTAKING PROCEDURE.—Amend the last sentence of section 408 (e) (2) (relating to sales of military equipment) to read as follows: “Before a contract is entered into, or rehabilitation work is undertaken, such nation, or international military organization or headquarters, 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: *Provided*, That the total amount of outstanding contracts under this subsection,

66 Stat. 662.
31 USC 724.

63 Stat. 714.

22 USC 1574.

64 Stat. 376.
22 USC 1580.

Ante, p. 158.

22 USC 1580.

less the amounts which have been paid to the United States by such nations, shall at no time exceed \$700,000,000."

(d) **LOANS OF EQUIPMENT.**—Amend section 411 (d) (containing definitions) to read as follows:

22 USC 1583.

"(d) 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, including loans of limited quantities of equipment for designated periods solely for test and study purposes."

"Services."

SEC. 708. The remaining provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1503–1519), are further amended as follows:

62 Stat. 137.

(a) **TERM OF GUARANTIES.**—Amend section 111 (b) (3) (relating to guaranties) by striking out "which guaranties shall terminate not later than fourteen years from the date of enactment of this Act", and by inserting in lieu thereof "which guaranties shall be limited to terms not exceeding twenty years from the date of issuance".

22 USC 1509.

(b) **COUNTERPART LOANS.**—Amend the last proviso of section 115 (b) (6) (relating to counterpart funds) to read as follows: "*And provided further,* That whenever funds from such special account are used by a country to make loans, all funds received in repayment of such loans prior to termination of assistance to such country shall be reused only for such purposes as shall have been agreed to between the country and the Government of the United States."

66 Stat. 150.
22 USC 1513.

(c) **USE OF LOCAL CURRENCY.**—Amend section 115 (h) by striking out "including" and inserting in lieu thereof the following: "and, without regard to section 1415 of the Supplemental Appropriations Act, 1953, for".

22 USC 1513.

66 Stat. 662.
31 USC 724.

SEC. 709. UNITED NATIONS TECHNICAL COOPERATION PROGRAMS.—Amend the last proviso in section 404 (b) of the Act for International Development by striking out the word "fiscal" and inserting in lieu thereof the word "calendar".

66 Stat. 150.
22 USC 1557b.

SEC. 710. AMENDMENT AND REPEAL OF CERTAIN PROVISIONS.—(a) (1) Section 516 (a) of the Mutual Security Act of 1951, as amended, is amended to read as follows:

22 USC 1667.

"(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, in furtherance of the objectives of this Act, to encourage the efforts of other free countries in fostering private initiative and competition, in discouraging monopolistic practices, in improving the technical efficiency of their industry, agriculture, and commerce, and in the strengthening of free labor unions; and to encourage American enterprise in contributing to the economic strength of other free countries through private investment abroad and the exchange of ideas and technical information on the matters covered by this subsection."

Free enterprise.
Encouragement.

(2) Section 516 (b) of such Act, as amended, is amended by striking out the words "To accomplish the purpose of clause (1) of subsection (a) of this section, under" and inserting in lieu thereof the word "Under".

66 Stat. 146.
22 USC 1667.

(b) Section 115 (k) of the Economic Cooperation Act of 1948, as amended, is repealed. Nothing in this subsection shall be construed to prevent the carrying out of any commitment or agreement entered into pursuant to such section 115 (k) prior to the date of enactment of this Act.

Repeal.
66 Stat. 150.
22 USC 1513(k)

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