Sec. 5. The provision of land, facilities, and project modifications which furnish outdoor recreation and fish and wildlife enhancement benefits in connection with the Nebraska Mid-State division shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213).

Sec. 6. There is authorized to be appropriated for construction of the Nebraska Mid-State division as authorized in this Act, the sum of $106,185,000 (January 1967 price levels) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the division.

Sec. 7. In order to assure repayment of the irrigation portion of this project, no funds shall be appropriated for construction nor shall any construction be started until firm and binding contracts have been signed by the owners of the full one hundred and forty thousand acres of land to be irrigated from waters furnished by the Mid-State reclamation project, said contracts to be certified by the Mid-State Board of Directors.

Approved November 14, 1967.

Public Law 90-137

AN ACT
To amend further the Foreign Assistance Act of 1961, as amended, 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 "Foreign Assistance Act of 1967".

PART I
CHAPTER 1—POLICY

Sec. 101. Section 102 of the Foreign Assistance Act of 1961, as amended, which relates to the statement of policy, is amended to read as follows:

"Sec. 102. STATEMENT OF POLICY.—The Congress declares that the freedom, security, and prosperity of the United States are best sustained in a community of free, secure, and prospering nations. In particular, the Congress recognizes the threat to world peace posed by aggression and subversion wherever they occur, and that ignorance, want, and despair breed the extremism and violence which lead to aggression and subversion. The Congress declares therefore that it is not only expressive of our sense of freedom, justice, and compassion but also important to our national security that the United States, through private as well as public efforts, assist the people of less developed countries in their efforts to acquire the knowledge and resources essential for development and to build the economic, political, and social institutions which will meet their aspirations for a better life, with freedom, and in peace."
"In addition, the Congress declares that it is the policy of the United States to support the principles of increased economic cooperation and trade among countries, freedom of the press, information, and religion, freedom of navigation in international waterways, and recognition of the right of all private persons to travel and pursue their lawful activities without discrimination as to race or religion. The Congress further declares that any distinction made by foreign nations between American citizens because of race, color, or religion in the granting of, or the exercise of, personal or other rights available to American citizens is repugnant to our principles.

"The Congress further declares that to achieve the objectives of this Act, programs authorized by this Act should be carried out in accordance with the following principles:

"First, development is primarily the responsibility of the people of the less developed countries themselves. Assistance from the United States shall be used in support of, rather than substitution for, the self-help efforts that are essential to successful development programs, and shall be concentrated in those countries that take positive steps to help themselves. Maximum effort shall be made, in the administration of this Act, to stimulate the involvement of the people in the development process through the encouragement of democratic participation in private and local governmental activities and institution-building appropriate to the requirements of the recipient nations.

"Second, the tasks of successful development in some instances require the active involvement and cooperation of many countries on a multilateral basis. Therefore, to the maximum extent practicable, other countries shall be encouraged to increase their contributions to development programs and projects so that the cost of such common undertakings, which are for the benefit of all, may be shared equitably by all.

"Third, assistance shall be utilized to encourage regional cooperation by less developed countries in the solution of common problems and the development of shared resources.

"Fourth, the first objects of assistance shall be to support the efforts of less developed countries to meet the fundamental needs of their peoples for sufficient food, good health, home ownership and decent housing, and the opportunity to gain the basic knowledge and skills required to make their own way forward to a brighter future. In supporting these objectives, particular emphasis shall be placed on utilization of resources for food production and voluntary family planning.

"Fifth, assistance shall wherever practicable be constituted of United States commodities and services furnished in a manner consistent with other efforts of the United States to improve its balance of payments position.

"Sixth, assistance shall be furnished in such a manner as to promote efficiency and economy in operations so that the United States obtains maximum possible effectiveness for each dollar spent."
"Seventh, to the maximum extent practicable, the furnishing of agricultural commodities, disposal of excess property, and United States payments to international lending institutions, undertaken pursuant to this or any other Act, shall complement and be coordinated with assistance provided under this part.

"It is the sense of the Congress that every effort must be made to obtain a permanent peace in the Middle East. To help promote that objective, the United States should encourage, as part of pacific settlement, direct talks among the parties concerned, using such third party or United Nations assistance as they may wish. To this end, the President should undertake immediately (1) a thorough review of the needs of the several countries of that area, and (2) a reevaluation of United States policies aimed at helping meet those needs and securing a permanent peace in the area.

"It is further the sense of the Congress that in any case in which any foreign country has severed diplomatic relations with the United States, the President should suspend assistance to such country under this or any other Act, including any program designed to complement assistance under this Act (such as sales of agricultural commodities under the Agricultural Trade Development and Assistance Act of 1954). When diplomatic relations are resumed, a further study should be made on a country-by-country basis to determine whether United States foreign policy objectives would be served by extending assistance under this or any other Act, including any program designed to complement such assistance."

CHAPTER 2—DEVELOPMENT ASSISTANCE

TITLE I—DEVELOPMENT LOAN FUND

Sec. 102. Title I of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to the Development Loan Fund, is amended as follows:

(a) Section 201(b), which relates to general authority, is amended by striking out the last sentence and inserting in lieu thereof: "Funds made available under this title, except funds made available pursuant to section 205, shall not be used to make loans in more than twenty countries in any fiscal year."

(b) Section 201(d), which relates to rates of interest, is amended by striking out "1964" and substituting "1967" and by striking out "1 per centum" and substituting "2 per centum".

(c) Section 202(a), which relates to authorization, is amended (1) by striking out "and $750,000,000 for each of the fiscal years 1968 and 1969" and substituting "and $450,000,000 for the fiscal year 1968", and (2) by striking out "June 30, 1969" and substituting "June 30, 1968".

(d) Section 205, which relates to transfers to international lending institutions, is amended as follows:

(1) Strike out "only".

(2) Strike out "or the International Finance Corporation" and substitute "the International Finance Corporation, or the Asian Development Bank".
SEC. 207. PURPOSES OF DEVELOPMENT ASSISTANCE.—In furnishing development assistance under this chapter the President shall place appropriate emphasis on—

(a) assuring maximum participation in the task of economic development by the people of less developed countries through the encouragement of strong economic, political, and social institutions needed for a progressive democratic society;

(b) programs directed at enabling a country to meet the food needs of its people from its own resources, including the furnishing of technical knowledge and of resources necessary to increase agricultural productivity; assistance for improved storage, transportation, marketing, and credit facilities (including provision for foreign currency loans to small farmers), cooperatives, water conservation programs, and adaptive research programs; and technological advice.

Provided, That relief from the immediate threat of famine, hunger, and malnutrition may be provided by the United States and other countries, and that assistance provided under the Agricultural Trade Development and Assistance Act [7 U.S.C. 1321 et seq.] should complement assistance furnished under this Act;

(c) assisting recipient countries in their efforts to meet increasing needs for trained manpower in their development efforts by improving education planning and research, training teachers and administrators, developing and constructing educational institutions, and using modern educational technology;

(d) developing programs to combat malnutrition, to control and eradicate disease, to clear slums, and to provide adequate and safe drinking water, adequate sewage disposal systems, and industrial and community sanitation, and to construct and improve health, education, nutrition, and child care and family planning services which shall, where feasible, be included as part of programs of maternal and child care and other public health assistance; and

(e) other important development activities including assistance for programs to assist industrial development; the growth of free labor unions, cooperatives, and voluntary agencies; improvement of transportation and communication systems; development of capabilities for sound economic planning and public administration; improvement of transit and communication systems; and extension of the benefits of law enforcement, international cooperation, and organizational development to countries which have a demonstrated capacity to take such action.

SEC. 208. SELF-HELP CRITERIA.—In determining whether and to what extent the United States should furnish development assistance to a country under this chapter the President shall take into account—

(a) the extent to which the country is taking such measures as may be appropriate to its needs and capabilities to increase food production and improve the means for storage and distribution of food; and

(b) the extent to which the country is taking such measures as may be appropriate to its needs and capabilities to increase food production and improve the means for storage and distribution of food.
“(b) the extent to which the country is creating a favorable climate for private enterprise and investment, both domestic and foreign;
“(c) the extent to which the government of the country is increasing the role of the people in the developmental process;
“(d) the extent to which the country’s governmental expenditures are allocated to key developmental areas, including agriculture, health, and education, and not diverted for unnecessary military purposes or to intervention in the affairs of other free and independent nations;
“(e) the extent to which the country is willing to make contributions of its own to the projects and programs for which the assistance is provided;
“(f) the extent to which the country is making economic, social, and political reforms, such as tax collection improvements and changes in land tenure arrangements, that will enable it to achieve developmental objectives more efficiently and justly; and
“(g) the extent to which the country is otherwise showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures.

“SEC. 209. MULTILATERAL AND REGIONAL PROGRAMS.—(a) MULTILATERAL PROGRAMS.—The Congress recognizes that planning and administration of development assistance by, or under the sponsorship of, multilateral lending institutions and other international organizations may, in some instances, contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance.

“(b) REGIONAL PROGRAMS.—It is further the sense of the Congress (1) that where problems or opportunities are common to two or more countries in a region, in such fields as agriculture, education, transportation, communications, power, watershed development, disease control, and establishment of development banks, these countries often can more effectively resolve such problems and exploit such opportunities by joining together in regional organizations or working together on regional programs, (2) that assistance often can be utilized more efficiently in regional programs than in separate country programs, and (3) that to the maximum extent practicable consistent with the purposes of this Act assistance under this Act should be furnished so as to encourage less developed countries to cooperate with each other in regional development programs.”

TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

Sec. 103. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to technical cooperation and development grants, is amended as follows:

(a) Section 211(a), which relates to general authority, is amended by striking out all after “fiscal year,” in the last sentence and substituting “except that up to $600,000 may be used for self-help projects in additional countries during such fiscal year.”

(b) Section 212, which relates to authorization, is amended to read as follows:

“SEC. 212. AUTHORIZATION.—To carry out the purposes of section 211, there is authorized to be appropriated to the President $210,000,000 for the fiscal year 1968, which amounts are authorized to remain available until expended.”
(c) Section 214, which relates to American schools and hospitals abroad, is amended as follows:

1. In subsection (c) strike out “1967, $10,989,000” and substitute “1968, $14,000,000”.

2. In subsection (d) strike out “1967, $1,000,000” and substitute “1968, $2,986,000”.

(d) At the end of such title II of chapter 2, add the following new section:

“SEC. 218. FISH AND OTHER PROTEIN CONCENTRATES.—(a) The President is authorized to conduct a program designed to demonstrate the potential and to encourage the use of fish and other protein concentrates as a practical means of reducing nutritional deficiencies in less developed countries and areas. This program shall include—

1. studies and activities relating to food technology;
2. development of suitable marketing techniques;
3. development of consumer acceptance programs; and
4. feeding programs designed to demonstrate the nutritional value of fish and other protein concentrates as a diet supplement.

In carrying out his functions under this section, the President shall consult with the National Council on Marine Resources and Engineering Development, appropriate Government agencies and other such technical groups or agencies as may be helpful with such activities. In accordance with section 601(b) of this Act, the President shall encourage full participation in such program by United States private enterprise.

(b) The President is authorized to use funds made available under this part for the purposes of this section, and is urged to use at least $2,500,000 of such funds for such purposes.”

TITLE III—INVESTMENT GUARANTIES

Sec. 104. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to investment guaranties, is amended as follows:

(a) Section 221(b), which relates to general authority for investment guaranties, is amended as follows:

1. In paragraph (1), amend the proviso by striking out “$7,000,000,000” and substituting “$8,000,000,000”.

2. Paragraph (2) is amended to read as follows:

“(2) where the President determines such action to be important in the furtherance of the purposes of this title, assuring against loss, due to such risks and upon such terms and conditions as the President may determine, of—

1. any loan investment for housing projects with appropriate participation by the private investor in the loan risk.

2. any loan investment for credit unions where the loan investment is made by a credit union, or an association of credit unions, which is an eligible United States investor, or

3. not to exceed 75 per centum of any other investment: Provided, That guaranties issued under this paragraph (2) shall emphasize economic development projects furthering social progress and the development of small independent business enterprises; Provided further, That no payment may be made under this paragraph (2) for any loss of equity investment arising out of fraud or misconduct for which the investor is responsible, or for any loss of loan investment arising out of fraud or misrepresentation for which the investor is responsible: Provided further, That the total face amount of the guaranties issued under this paragraph (2) outstanding at any one time shall not exceed $475,000,000, guaranties issued under this paragraph (2) for other
than housing projects similar to those insured by the Department of Housing and Urban Development, shall not exceed $315,000,000, and guaranties issued under this paragraph (2) for credit unions shall not exceed $1,000,000: Provided further, That this authority shall continue until June 30, 1970."

(b) Section 222, which relates to general provisions for investment guaranties, is amended as follows:

(1) In subsection (b), after the words "shall be available for meeting" insert the words "necessary administrative and operating expenses of carrying out the provisions of sections 221, 224, and 231 (including, but not limited to, expenses pertaining to personnel, supplies, and printing) subject to such limitations as may be imposed in annual appropriation Acts, for meeting".

(2) In subsection (d), after the words "in section 222 (b)" insert the following: "(excluding fees required for purposes other than the discharge of liabilities under guaranties)".

(3) At the end of subsection (h) add the following new sentence: "The allowable rate of interest under this subsection shall be prescribed by the Administrator as of the date the project covered by the investment is officially authorized by him and, prior to the execution of the contract, he may amend such rate at his discretion, consistent with the provisions of this subsection."

(c) Section 223, which relates to definitions, is amended as follows:

(1) In paragraph (a), after the words "services pursuant to a" insert the words "lease or".

(2) Paragraph (c) is amended by striking out the period at the end thereof and inserting a colon and the following: "Provided further, That in the case of any loan investment a final determination of eligibility may be made at the time the guaranty is issued; in all other cases, the investor must be eligible at the time a claim arises as well as at the time the guaranty is issued."

(d) Section 224 (c), which relates to housing projects in Latin American countries, is amended (1) by striking out "$450,000,000" and "$300,000,000" and substituting "$500,000,000" and "$325,000,000", respectively, (2) by striking out "misconduct" and substituting "misrepresentation", and (3) by striking out "1969" and substituting "1971".

TITLE IV—SURVEYS OF INVESTMENT OPPORTUNITIES

Sec. 105. Section 232 of title IV of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to surveys of investment opportunities, is amended by striking out "1965" and substituting "1968".

TITLE VI—ALLIANCE FOR PROGRESS

Sec. 106. Title VI of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to the Alliance for Progress, is amended as follows:

(a) Section 251 (h) of the Foreign Assistance Act of 1961, as amended, which relates to transfers to international lending institutions, is amended as follows:

(1) Immediately after "named in section 205" insert "(other than the Asian Development Bank)".

(2) Immediately after "for use" insert "in Latin America".

(b) Section 252, which relates to authorization, is amended as follows:

(1) In the first sentence strike out "and for each of the fiscal years 1968 and 1969, $750,000,000" and substitute "and for the fiscal year 1968, $578,000,000".

75 Stat. 430. 22 USC 2182.
77 Stat. 381. 22 USC 2182.
80 Stat. 798.
75 Stat. 431. 22 USC 2183.
79 Stat. 654.
75 Stat. 432; 78 Stat. 1010. 22 USC 2192.
(2) The second sentence is hereby repealed.
(3) In the third sentence strike out “June 30, 1969” and substitute “June 30, 1968”.
(4) Insert “(a)” immediately after “SEC. 252. AUTHORIZATION.—” and at the end thereof add the following new subsection:
“(b) There is hereby authorized to be appropriated to the President for the fiscal year 1968, $714,000 for grants to carry out programs and activities of the Partners of the Alliance in accordance with the purposes of this title.”

TITLE VIII—SOUTHEAST ASIA MULTILATERAL AND REGIONAL PROGRAMS

Sec. 107. Title VIII of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to Southeast Asia multilateral and regional programs, is amended by striking out section 273.

TITLE IX—UTILIZATION OF DEMOCRATIC INSTITUTIONS IN DEVELOPMENT

Sec. 108. Section 281 of title IX of the Foreign Assistance Act of 1961, as amended, which relates to utilization of democratic institutions in development, is amended by inserting “(a)” immediately after “SEC. 281.” and by adding at the end thereof the following new subsections:
“(b) In order to carry out the purposes of this title, programs under this chapter shall—
“(1) recognize the differing needs, desires, and capacities of the people of the respective developing countries and areas;
“(2) use the intellectual resources of such countries and areas in conjunction with assistance provided under this Act so as to encourage the development of indigenous institutions that meet their particular requirements for sustained economic and social progress; and
“(3) support civic education and training in skills required for effective participation in governmental and political processes essential to self-government.
“(c) In the allocation of funds for research under this chapter, emphasis shall be given to research designed to examine the political, social, and related obstacles to development in countries receiving assistance under part I of this Act.
“(d) Emphasis shall also be given to the evaluation of relevant past and current programs under part I of this Act and to applying this experience so as to strengthen their effectiveness in implementing the objectives of this title.”

TITLE X—PROGRAMS RELATING TO POPULATION GROWTH

Sec. 109. Chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, is amended by adding at the end thereof the following new titles:

“TITLE X—PROGRAMS RELATING TO POPULATION GROWTH

“SEC. 291. GENERAL PROVISIONS.—(a) It is the sense of the Congress that, while every nation is and should be free to determine its own policies and procedures with respect to problems of population growth and family planning within its own boundaries, nevertheless, voluntary family planning programs to provide individual couples with the knowledge and medical facilities to plan their family size in
accordance with their own moral convictions and the latest medical information, can make a substantial contribution to improve health, family stability, greater individual opportunity, economic development, a sufficiency of food, and a higher standard of living.

"(b) To carry out the intent of Congress as expressed in subsection (a), the President is authorized to provide assistance for programs relating to population growth in friendly foreign countries and areas, on such terms and conditions as he shall determine, to foreign governments, the United Nations, its specialized agencies, and other international organizations and programs, United States and foreign non-profit organizations, universities, hospitals, accredited health institutions, and voluntary health or other qualified organizations.

"(c) In carrying out programs authorized in this title, the President shall establish reasonable procedures to insure, whenever family-planning assistance from the United States is involved, that no individual will be coerced to practice methods of family planning inconsistent with his or her moral, philosophical, or religious beliefs.

"(d) As used in this title, the term ‘programs relating to population growth’ includes but is not limited to demographic studies, medical, psychological, and sociological research and voluntary family planning programs, including personnel training, the construction and staffing of clinics and rural health centers, specialized training of doctors and paramedical personnel, the manufacture of medical supplies, and the dissemination of family-planning information, and provision of medical assistance and supplies.

"SEC. 292. AUTHORIZATION.—Of the funds provided to carry out the provisions of part I of this Act for the fiscal year 1968, $35,000,000 shall be available only to carry out the purposes of this title and, notwithstanding any other provision of this Act, funds used for such purposes may be used on a loan or grant basis.

"TITLE XI—FOOD PRODUCTIOX TARGETS AND REPORTS

"SEC. 295. FOOD PRODUCTION TARGETS AND REPORTS.—In making his recommendations to the Congress for programs for the fiscal year 1969 and each fiscal year thereafter, wherever appropriate, the President shall, for each country receiving assistance under this Act which he finds has a substantial food deficit, include—

"(1) descriptions of proposed programs, if any, in the areas of food production, storage, and distribution, and voluntary family planning;

"(2) information on achievement targets in food production, storage, and distribution, and their relationship to expected changes in total population; and

"(3) a detailed report on progress with respect to food production, storage, and distribution, and the relationship of this progress to population."

CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Sec. 110. Chapter 3 of part I of the Foreign Assistance Act of 1961, as amended, which relates to international organizations and programs, is amended as follows:

(a) Section 301, which relates to general authority, is amended by adding at the end thereof the following new subsection:

"(d) In any case in which a fund established solely by United States contributions under this or any other Act is administered by an international organization under the terms of an agreement between the United States and such international organization, such agreement
shall provide that the Comptroller General of the United States shall conduct such audits as are necessary to assure that such fund is administered in accordance with such agreement. The President shall undertake to modify any existing agreement entered into before the date of enactment of this subsection to conform to the requirements of the preceding sentence."

(b) Section 302, which relates to authorization, is amended as follows:

(1) In subsection (a) strike out all after “for such purposes,” and substitute “for the fiscal year 1968, $141,000,000.”

(2) Subsection (b) is amended to read as follows:

"(b) There is authorized to be appropriated to the President for loans for Indus Basin Development to carry out the purposes of this section, in addition to funds available under this or any other Act for such purposes, for use beginning in the fiscal year 1969, $51,220,000. Such amounts are authorized to remain available until expended."

(c) Immediately after section 303, add the following new section:

"SEC. 304. UNITED NATIONS PEACEKEEPING.—It is the sense of the Congress that the cause of international order and peace can be enhanced by the establishment, within the United Nations Organization, of improved arrangements for standby forces being maintained by United Nations members for United Nations peacekeeping purposes in accordance with the United Nations Charter. The President is therefore requested to explore through the United States Representative to the United Nations, and in cooperation with other members of the United Nations and the United Nations Secretariat, both the means and the prospects of establishing such peacekeeping arrangements. The President shall submit to the Congress, not later than March 31, 1968, a report upon the outcome of his initiatives, together with such recommendations as he may deem appropriate."

CHAPTER 4—SUPPORTING ASSISTANCE

Sec. 111. Chapter 4 of part I of the Foreign Assistance Act of 1961, as amended, which relates to supporting assistance, is amended as follows:

(a) Section 401, which relates to general authority, is amended (1) by striking out all after “political stability” and substituting a period, and (2) by adding at the end thereof a new sentence as follows: “The authority of this chapter shall not be used to furnish assistance to more than twelve countries in any fiscal year.”

(b) Section 402, which relates to authorization, is amended (1) by striking out “1967” and substituting “1968”, and (2) by striking out “$715,000,000” and substituting “$660,000,000”.

(c) At the end of such chapter 4 add the following new section:

"SEC. 403. UNITED STATES REFUND CLAIMS.—It is the sense of the Congress that the President should seek the agreement of the Government of Vietnam to the establishment and maintenance of a separate special account of United States dollars, which account shall be available solely for withdrawals by the United States, at such times and in such amounts as the President may determine, in satisfaction of United States dollar refund claims against the Government of Vietnam arising out of operations conducted under this Act. Such account should be established in an amount not less than $10,000,000 and maintained thereafter at a level sufficient to cover United States refund claims as they arise.”
CHAPTER 5—CONTINGENCY FUND

SEC. 112. Section 451 of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended by striking out "1967" and "$110,000,000" and substituting "1968" and "$50,000,000", respectively.

CHAPTER 6—ASSISTANCE TO COUNTRIES HAVING AGRARIAN ECONOMIES

SEC. 113. Section 461 of chapter 6 of the Foreign Assistance Act of 1961, as amended, which relates to assistance to countries having agrarian economies, is amended by inserting "(a)" immediately before "Wherever" and by adding at the end thereof the following new subsection:

"(b) In presenting proposals to the Congress for fiscal year 1969 the President shall include recommendations for improving and establishing agricultural research and training facilities in tropical and subtropical regions of Latin America, Africa, and Asia. These recommendations shall be developed after consultation with the Department of Agriculture, land-grant colleges of agriculture, and other appropriate institutions and organizations, including those in the regions concerned."

PART II

MILITARY ASSISTANCE AND SALES

SEC. 201. Part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance and sales, is amended as follows:

(a) Section 502, which relates to statement of policy, is amended as follows:

(1) Section 502 is redesignated as section 501.

(2) In such new section 501, immediately before the last paragraph insert the following new paragraph:

"It is the sense of the Congress that in the administration of this part priority shall be given to the needs of those countries in danger of becoming victims of active Communist or Communist-supported aggression or those countries in which the internal security is threatened by Communist-inspired or Communist-supported internal subversion."

(b) Section 503, which relates to general authority, is amended as follows:

(1) Subsection (a) is amended by striking out "; lease, sale, exchange, grant, or any other means" and substituting "or grant".

(2) Subsection (d) is amended by striking out "; and" and substituting a period.

(3) Subsection (e) is amended as follows:

(A) Subsection (e) is redesignated as section 525.

(B) In such new section 525, strike out "guarantying, insuring, coinsuring, and reinsuring" and substitute "GUARANTIES.—(a) Until June 30, 1968, the President may guarantee, insure, coinsure, and reinsure".

(C) In such new section 525(a), strike out "such" the second place it appears and substitute "any".

(c) Section 504(a), which relates to authorizations, is amended as follows:
(1) Strike out all of the first sentence up to, but excluding, the colon and the proviso, and substitute “There is authorized to be appropriated to the President to carry out the purposes of this part not to exceed $510,000,000 for the fiscal year 1968”.

(2) Immediately after the first sentence, insert the following: “Of the amount appropriated pursuant to this subsection for the fiscal year 1968, $24,100,000 shall be available solely for cost-sharing expenses of United States participation in the international military headquarters and related agencies program. No part of any funds made available under any other provision of law shall be used for the cost-sharing expenses referred to in the preceding sentence.”.

(d) Section 505(a), which relates to utilization of assistance, is amended as follows:

(1) Subsection (a) is redesignated as section 502.

(2) At the beginning of such new section 502, strike out “Utilization of Assistance.—(a) Military assistance” and substitute “Utilization of Defense Articles and Defense Services.—Defense articles and defense services”.

(e) Section 506, which relates to conditions of eligibility, is redesignated as section 505.

(f) Section 507(a), which relates to sales, is amended as follows:

(1) Subsection (a) is redesignated as section 522.

(2) In such new section 522, strike out “Sales” as the section caption and substitute “Sales From Stock”.

(3) In such new section 522, strike out “subsection” each place it appears and substitute in each such place “section”.

(g) Section 507(b), which relates to sales, is amended as follows:

(1) Subsection (b) is redesignated as section 523.

(2) In such new section 523, insert “Procurement for Sales.—” as the section caption.

(3) In the third sentence of such new section 523, strike out “credited to the account established under section 508” and substitute “transferred to the general fund of the Treasury”.

(h) Section 508, which relates to reimbursements, is amended as follows:

(1) Section 508 is redesignated as section 524.

(2) In such new section 524, insert “(a)” immediately after “Reimbursements.—”.

(3) Insert the following new subsection at the end of such new section 524:

“(b) (1) The special fund account established under subsection (a) of this section shall terminate as of the end of June 30, 1968, or on such earlier date as may be selected by the President.

(2) Upon the termination of such fund account pursuant to paragraph (1), all of the assets of such fund account (including loans and other payments receivable) shall be transferred to a special account in the Treasury, which special account shall be available solely for the purpose of discharging outstanding liabilities and obligations of the United States arising out of credit sales agreements entered into, and guaranties issued, under this part, prior to June 30, 1968. Any moneys in such special account in excess of the aggregate United States dollar amount of such liabilities and obligations shall be transferred from time to time to the general fund of the Treasury.

(3) After the termination of such fund account pursuant to paragraph (1), the President may finance sales of defense articles and defense services to foreign countries and international organizations only from appropriations made available pursuant to section 504 to carry out this part and only if such countries or
international organizations agree to pay not less than the value thereof in United States dollars. All payments of principal and interest on account of such sales shall be transferred to the general fund of the Treasury: Provided, That the limitations of this paragraph shall not apply to sales made pursuant to sections 529 and 528."

(i) Section 509, which relates to exchanges and guaranties, is amended as follows:

(1) Subsection (a) is hereby repealed.
(2) Subsection (b) is redesignated as section 525(b) and is amended by adding at the end thereof the following: "The total face amount of contracts of guaranty, insurance, coinsurance, and reinsurance (including contracts with any agency of the United States Government) issued in the fiscal year 1968 shall not exceed $190,000,000."

(j) Section 510, which relates to special authority, is amended as follows:

(1) Section 510 is redesignated as section 506.
(2) Strike out "1967" each place it appears and substitute in each such place "1968".
(k) Section 511, which relates to restrictions on military aid to Latin America, is amended as follows:

(1) Section 511 is redesignated as section 507.
(2) In subsection (a), strike out "section 507" and substitute "chapter 3"; and strike out the colon and the proviso.

(l) Section 505(b), which relates to utilization of assistance, is redesignated as subsection (c) of such new section 507.

(m) Section 512, which relates to restrictions on military aid to Africa, is amended as follows:

(1) Section 512 is redesignated as section 508.
(2) Strike out "shall be furnished on a grant basis" in the first sentence and substitute "or sales shall be furnished under this Act".
(3) Strike out "The value of grant programs of defense articles" in the second sentence and substitute "The total value of military assistance and sales".
(4) Strike out "other than section 507" in the second sentence.
(5) Strike out "$25,000,000" and substitute "$40,000,000".
(n) Section 513, which relates to the certification of recipient's capability, is amended as follows:

(1) Section 513 is redesignated as section 509.
(2) In subsection (a), strike out "section 507" and substitute "chapter 3".
(o) Section 514, which relates to administration of sales and exchange programs involving defense articles and services, is amended as follows:

(1) Section 514 is redesignated as section 521.
(2) Insert the following new chapter heading before such new section 521:

"CHAPTER 3—FOREIGN MILITARY SALES".

(3) In the section caption strike out "AND EXCHANGE".
(4) In subsection (a), strike out "or exchange".
(5) At the end of subsection (a), add the following: "It is the purpose of this chapter to authorize measures consonant with that objective to enable allied and other friendly foreign countries, having sufficient wealth to develop and maintain their defense capacities without undue burden to their economies, to acquire defense articles and defense services on a reimbursable basis. In carrying out this chapter, special emphasis shall be placed on procurement in the United States, but consideration shall also be given to co-production or licensed production outside the United States of defense articles of United States
origin when such production best serves the foreign policy, national security, and economy of the United States. In evaluating any sale proposed to be made pursuant to this chapter, there shall be taken into consideration (1) the extent to which the proposed sale damages or infringes upon licensing arrangements whereby United States entities have granted licenses for the manufacture of the defense articles selected by the purchasing country to entities located in friendly foreign countries, which licenses result in financial returns to the United States, and (2) the portion of the defense articles so manufactured which is of United States origin."

(6) Subsection (b) is amended as follows:
(A) Strike out "section 511(a)-" and substitute "section 507(a)-".
(B) Strike out "$85,000,000" and substitute "$75,000,000".
(C) Strike out the colon and the proviso.

(7) Add the following new subsection:
"(c) No defense article or defense service shall be furnished under this chapter to any country or international organization unless (1) the President finds that the furnishing of defense articles and defense services to such country or international organization will strengthen the security of the United States and promote world peace, (2) the country or international organization shall have agreed not to transfer title to, or possession of, any defense article so furnished to it to any other person, organization, or government, unless the consent of the President has first been obtained, and (3) the country or international organization is otherwise eligible to receive defense articles or defense services. The President shall promptly submit a report to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate on the implementation of each agreement entered into pursuant to clause (2) of this subsection."

PART III

CHAPTER 1—GENERAL PROVISIONS

Sec. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

(a) Section 601(c)(3), which relates to an International Private Investment Advisory Council on Foreign Aid, is amended by striking out "5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2)" and substituting "5703 of title 5 of the United States Code".

(b) Section 608(a), which relates to acquisition and use of excess property, is amended by inserting immediately before the first sentence the following: "It is the sense of the Congress that in furnishing assistance under part I excess personal property shall be utilized wherever practicable in lieu of the procurement of new items for United States- assisted projects and programs."

(c) Section 610(b), which relates to transfers between accounts, is amended (1) by striking out "510" and substituting "506", and (2) by striking out "$5,000,000" and substituting "$9,000,000".

(d) Section 611, which relates to completion of plans and cost estimates, is amended by adding at the end thereof the following new subsection:
"(e) In addition to any other requirements of this section, no assistance authorized under titles I, II, or VI of chapter 2 or chapter 4 of part I of this Act shall be furnished with respect to any capital assistance project estimated to cost in excess of $1,000,000 until the head of the agency primarily responsible for administering part I of the Act has received and taken into consideration a certification from the
principal officer of such agency in the country in which the project is located as to the capability of the country (both financial and human resources) to effectively maintain and utilize the project taking into account among other things the maintenance and utilization of projects in such country previously financed or assisted by the United States:"

(e) Section 614(a), which relates to special authorities, is amended by striking out "510" and substituting "506".

(f) Section 620, which relates to prohibitions against furnishing assistance, is amended as follows:

(1) Subsection (j) is amended to read as follows:
"(j) The President shall consider terminating assistance under this or any other Act to any country which permits, or fails to take adequate measures to prevent, the damage or destruction by mob action of United States property within such country, and fails to take appropriate measures to prevent a recurrence thereof and to provide adequate compensation for such damage or destruction."

(2) Subsection (k) is amended by striking out "510" and substituting "506".

(3) Subsection (n) is amended to read as follows:
"(n) No loans, credits, guaranties, or grants or other assistance shall be furnished under this or any other Act, and no sales shall be made under the Agricultural Trade Development and Assistance Act of 1954, to any country which sells or furnishes to North Vietnam, or which permits ships or aircraft under its registry to transport to or from North Vietnam, any equipment, materials, or commodities, so long as the regime in North Vietnam gives support to hostilities in South Vietnam."

(4) At the end of section 620, add the following new subsections:
"(s) In furnishing development assistance under this Act, and in making sales under the Agricultural Trade Development and Assistance Act of 1954, the President shall take into account (1) the percentage of the recipient or purchasing country's budget which is devoted to military purposes, and (2) the degree to which the recipient or purchasing country is using its foreign exchange resources to acquire military equipment. When the President finds that development assistance under this Act, or sales under the Agricultural Trade Development and Assistance Act of 1954, are being diverted to military expenditures, or a recipient or purchasing country is diverting its own resources to unnecessary military expenditures, to a degree which materially interferes with its development, the President shall terminate such assistance and sales until he is assured that such diversion will no longer take place. No other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

"(t) No assistance shall be furnished under this or any other Act, and no sales shall be made under the Agricultural Trade Development and Assistance Act of 1954, in or to any country which has severed or hereafter severs diplomatic relations with the United States or with which the United States has severed or hereafter severs diplomatic relations, unless (1) diplomatic relations have been resumed with such country and (2) agreements for the furnishing of such assistance or the making of such sales, as the case may be, have been negotiated and entered into after the resumption of diplomatic relations with such country.

"(u) In any decision to provide or continue to provide any program of assistance to any country under the Foreign Assistance Act of 1961, as amended, there shall be taken into account the status of the country with respect to its dues, assessments, and other obligations to
the United Nations; and where such country is delinquent with respect to any such obligations for the purposes of the first sentence of Article 19 of the United Nations Charter, the President shall furnish the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives a report setting forth the assurance given by the government of the country concerned of paying all of its arrearages and of placing its payments of such obligations on a current basis, or a full explanation of the unusual or exceptional circumstances which render it economically incapable of giving such assurance.

CHAPTER 2—ADMINISTRATIVE PROVISIONS

SEC. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

(a) Section 624(d)(2)(B), which relates to statutory officers, is amended by striking out "of assistance" each place it appears.

(b) Section 625(b), which relates to employment of personnel, is amended as follows:

1. Strike out "the Classification Act of 1949, as amended (5 U.S.C. 1071 et seq.)" and substitute "section 5332 of title 5 of the United States Code".
2. Strike out "505 of the Classification Act of 1949, as amended" and substitute "5108 of title 5 of the United States Code".
3. Strike out "the Classification Act of 1949, as amended," and substitute "section 5332 of title 5 of the United States Code".

(d) Section 625(d)(2), third proviso, which relates to initial assignment in the United States of Foreign Service Reserve officers, is amended by striking out "forty" and substituting "fifty".

(e) Section 626, which relates to employment of experts, consultants, and retired officers, is amended as follows:

1. In subsection (a), strike out "15 of the Act of August 2, 1946, as amended (5 U.S.C. 35a)" and substitute "3109 of title 5 of the United States Code".
2. In subsection (b)—
   (A) strike out "15 of the Civil Service Retirement Act, as amended (5 U.S.C. 2263)" and substitute "sections 3323(a) and 8344 of title 5 of the United States Code"; and
   (B) strike out "201 of the Dual Compensation Act" and substitute "5332 of title 5 of the United States Code".

(f) Section 629(b), which relates to status of personnel detailed to foreign governments or international organizations, is amended by striking out "1765 of the Revised Statutes (5 U.S.C. 70)" and substituting "5536 of title 5 of the United States Code".

(g) Section 632(d), which relates to allocation and reimbursement among agencies, is amended by striking out "507 and 510" and substituting "506, 522, and 523".

(h) Section 634, which relates to reports and information, is amended as follows:

1. Subsection (d) is amended as follows:
   (A) Immediately preceding the first sentence insert the following:
   "When requests are presented to the Congress for appropriations for fiscal year 1969 to carry out programs under this Act, the programs to be carried out with the funds appropriated for that fiscal year shall also be presented to the Committee on Foreign Relations of the Senate,
if requested by the chairman of that committee, and to the Committee 
on Foreign Affairs of the House of Representatives, if requested 
by the chairman of that committee."

(B) Immediately preceding the last sentence insert the following: 
"Any such presentation material shall also include (1) a chart showing 
on a country-by-country basis the full extent of all United States assis­tance planned or expected for each such country for the next fiscal 
year, including economic assistance and military grants and sales under 
this Act and sales under the Agricultural Trade Development and 
Assistance Act of 1954, as amended, (2) details of proposed contribu­tions by the United States to multilateral financial agencies, for the 
next fiscal year, and (3) a statement of projects, on a country-by-
country basis, for which financing was supplied during the last fiscal 
year through the Export-Import Bank."

(C) In the last sentence, immediately preceding the period, insert 
the following: "and of any finding, including his reasons therefor, 
under section 503 or 521 (c) "

(2) Add the following new subsections at the end thereof:

"(g) The Secretary of State shall transmit to the Speaker of the 
House of Representatives and the Committee on Foreign Relations of 
The Senate semiannual reports of all exports during the preceding six 
months of significant defense articles on the United States Munitions 
List to any foreign government, international organization, or other 
foreign recipient or purchaser, by the United States Government 
under this Act or any other authority, or by any individual, corpo­
rion, partnership, or other association doing business in the United 
States. Such reports shall include, but not be limited to, full informa­tion as to the particular defense articles so exported, the particular re­
cipient or purchaser, the terms of the export, including its selling 
price, if any, and such other information as may be appropriate to 
enable the Congress to evaluate the distribution of United States de­
fense articles abroad. In preparing such reports the Secretary of State 
is authorized to utilize the latest statistics and information available in 
the various departments and agencies of the Government."

"(h) The background documents transmitted to Congress in each 
fiscal year supporting requests for new authorizations and appropri­
tions to carry out the programs under part II of this Act shall con­
tain information concerning the proposed funding levels for military 
assistance and sales to South Vietnam, Thailand, and Laos."

(i) Section 635, which relates to general authorities, is amended as 
follows:

(1) Subsection (e) is amended (A) by inserting, immediately pre­
ceding the first word, a paragraph designation "(1)", and (B) by add­ing at the end the following new paragraph:

"(2) Any agency of the United States Government is authorized to 
pay the cost of health and accident insurance for foreign employees 
of that agency while those employees are absent from their place of em­
ployment abroad for purposes of training or other official duties."

(2) Subsection (g) is amended by striking out "and sales". This 
paragraph shall take effect on June 30, 1968.

(j) Section 636(a) (5), which relates to purchase and hire of motor 
vehicles, is amended as follows:

(1) Strike out "(5 U.S.C. 78(c) (2))" and substitute "(31 U.S.C. 
638a(c) (2))."

638c)".

(k) Section 636(a) (16), which relates to services of certain com­
missioned officers, is amended by striking out "Coast and Geodetic 
Survey" each place it appears and substituting "Environmental Sci­
ence Services Administration" in each such place.
(1) Section 636(d), which relates to assistance for dependents' schools abroad, is amended by striking out "$1,500,000" and substituting "$2,500,000".

(m) Section 636(e), which relates to training of Foreign Service personnel, is amended by striking out "301 of the Dual Compensation Act (5 U.S.C. 3105)" and substituting "5702 of title 5 of the United States Code".

(n) Section 636(g), which relates to expenditures of military assistance funds, is amended by striking out "3 of the Travel Expense Act of 1949, as amended (5 U.S.C. 836)," and substituting "5702(c) of title 5 of the United States Code".

(o) Section 636, which relates to provisions on uses of funds, is amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding section 640 or any other provision of this Act, none of the funds made available to carry out this Act shall be used to finance the purchase, sale, long-term lease, exchange, or guaranty of a sale of motor vehicles unless such motor vehicles are manufactured in the United States: Provided, That where special circumstances exist the President is authorized to waive the provisions of this section in order to carry out the purposes of this Act."

(p) Section 637(a), which authorizes appropriations for administrative expenses of the agency administering part I, is amended by striking out "1967 not to exceed $55,813,500" and substituting "1968, $55,814,000."

(q) Section 640, which relates to military sales, is amended (1) by striking out "exchange, or the guaranty of a sale," (2) by striking out "503" and substituting "521", and (3) by striking out "assisting of" and substituting "furnishing of defense articles and defense services to".

CHAPTER 3—MISCELLANEOUS PROVISIONS

Sec. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended as follows:

(a) Section 644, which relates to definitions, is amended as follows:

(1) In subsection (d), insert "production facilities, utilization facilities," between "special nuclear material," and "or atomic weapons," and add "or articles involving Restricted Data" before the period at the end of the subsection.

(2) In subsection (e), strike out "and formerly Restricted Data" and, immediately before the period at the end thereof insert the following: ", and data removed from the Restricted Data category under section 142d of that Act."

(3) Subsection (f) is amended as follows:

(A) Strike out "including orientation, training aid" and "including the transfer of limited quantities of defense articles for test, evaluation, or standardization purposes."

(B) Add the following new second sentence: "Training includes formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aid, orientation, training exercise, and military advice to foreign military units and forces."

(b) At the end of such chapter insert a new section as follows:

Sec. 650. USE OF UNITED STATES ARMED FORCES.—The furnishing of economic, military, or other assistance under this Act shall not be construed as creating a new commitment or as affecting any existing
commitment to use Armed Forces of the United States for the defense of any foreign country."

**PART IV—AMENDMENTS TO OTHER ACTS**

Sec. 401. (a) The Joint Resolution entitled "Joint Resolution to authorize participation by the United States in parliamentary conferences of the North Atlantic Treaty Organization", approved July 11, 1956 (22 U.S.C. 1928a—1928d, inclusive), is amended as follows:

1. Section 2 of such Joint Resolution (22 U.S.C. 1928b) is amended by striking out "North Atlantic Treaty Organization Parliamentary Conference" and substituting "North Atlantic Assembly".

2. Sections 2, 3, and 4 of such Joint Resolution (22 U.S.C. 1928b, 1928c, and 1928d) are amended by striking out "North Atlantic Treaty Parliamentary Conference" each place it appears and substituting in each such place "North Atlantic Assembly".

3. Section 2 of such Joint Resolution (22 U.S.C. 1928b) is further amended by striking out "such Conference" each place it appears and substituting in each such place "such Assembly".

(b) Section 105(b) of the Legislative Branch Appropriation Act, 1961 (22 U.S.C. 276c—1), is amended by striking out "the NATO parliamentarian's Conference" and substituting "the North Atlantic Assembly".

Sec. 402. The first section of the Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union", approved June 28, 1935 (22 U.S.C. 276), is amended by striking out "$50,000" and "$23,100" and substituting "$53,550" and "$26,650", respectively.

Sec. 403. The second sentence of subsection (b) of section 414 of the Mutual Security Act of 1954 (22 U.S.C. 1934), which relates to munitions control, is amended by inserting immediately after "the United States and its allies" the following: "or for any State or local law enforcement agency".

Approved November 14, 1967, 7:10 p.m.

Public Law 90-138

AN ACT

To amend Public Law 87-752 (76 Stat. 749) to eliminate the requirement of a reservation of certain mineral rights to the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to direct the Secretary of the Interior to convey certain public lands in the State of California to the city of Needles", approved October 5, 1962 (Public Law 87-752; 76 Stat. 749), is amended by striking out "with a reservation to the United States of the coal, phosphate, sodium, potassium, oil, gas, oil shale, native asphalt, solid and semisolid bitumen and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried), together with the right to prospect for, mine, and remove the same under applicable provisions of law".

85-622 O-68-32