

Public Law 91-175

AN ACT

December 30, 1969
[H. R. 14580]

To promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world to achieve economic development within a framework of democratic economic, social, and political institutions, 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 1969".

Foreign Assistance Act of 1969.

PART I—ECONOMIC ASSISTANCE

DEVELOPMENT LOAN FUND

SEC. 101. (a) Section 202(a) of the Foreign Assistance Act of 1961, relating to authorization, is amended—

82 Stat. 960.
22 USC 2162.

(1) by striking out "and" after "fiscal year 1968,";

(2) by inserting after "fiscal year 1969," the following: "\$350,000,000 for the fiscal year 1970, and \$350,000,000 for the fiscal year 1971,"; and

(3) by striking out "the fiscal year ending June 30, 1969" in the second proviso and inserting in lieu thereof "each of the fiscal years ending June 30, 1970, and June 30, 1971".

(b) Section 203 of such Act, relating to fiscal provisions, is amended to read as follows:

75 Stat. 427.
22 USC 2163.

"SEC. 203. FISCAL PROVISIONS.—Dollar receipts from loans made pursuant to this part and from loans made under the Mutual Security Act of 1954, as amended, are authorized to be made available for the fiscal year 1970 and for the fiscal year 1971 for use for the purposes of this title, for loans under title VI, and for the purposes of section 232. Such receipts and other funds made available under this section shall remain available until expended."

68 Stat. 832.
22 USC 1750-1951.
75 Stat. 438.
22 USC 2351.
Post, p. 810.

TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

SEC. 102. Section 212 of such Act, relating to authorization, is amended by striking out "\$200,000,000 for the fiscal year 1969" and inserting in lieu thereof "\$183,500,000 for the fiscal year 1970, and \$183,500,000 for the fiscal year 1971".

81 Stat. 449;
82 Stat. 960.
22 USC 2172.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 103. Section 214 of such Act, relating to American schools and hospitals abroad, is amended—

82 Stat. 960.
22 USC 2174.

(1) by striking out of subsection (c) "fiscal year 1969, \$14,600,000, to remain available until expended." and inserting in lieu thereof "fiscal year 1970, \$25,900,000, and for the fiscal year 1971, \$12,900,000, which amounts are authorized to remain available until expended. Amounts appropriated under this subsection for the fiscal year 1970 shall be available for expenditure solely in accordance with the allocations set forth on pages 25 and 26 of House Report No. 91-611 and on page 23 of Senate Report No. 91-603.";

(2) by striking out of subsection (d) "fiscal year 1969, \$5,100,000" and inserting in lieu thereof "fiscal year 1970, \$3,000,000"; and

80 Stat. 798.

(3) by adding at the end of subsection (d) the following new sentence: "Foreign currencies appropriated under this subsection shall be available for expenditure solely in accordance with the allocation set forth on page 23 of Senate Report No. 91-603."

PROTOTYPE DESALTING PLANT; PROGRAMS FOR PEACEFUL
COMMUNICATION

75 Stat. 427;
81 Stat. 450.
22 USC 2171-
2178.

SEC. 104. Title II of chapter 2 of part I, relating to technical cooperation and development grants, is amended by adding at the end thereof the following new sections:

"SEC. 219. PROTOTYPE DESALTING PLANT.—(a) In furtherance of the purposes of this part and for the purpose of improving existing, and developing and advancing new, technology and experience in the design, construction, and operation of large-scale desalting plants of advanced concepts which will contribute materially to low-cost desalination in all countries, including the United States, the President, if he determines it to be feasible, is authorized to participate in the development of a large-scale water treatment and desalting prototype plant and necessary appurtenances to be constructed in Israel as an integral part of a dual-purpose power generating and desalting project. Such participation shall include financial, technical, and such other assistance as the President deems appropriate to provide for the study, design, construction, and, for a limited demonstration period of not to exceed five years, operation and maintenance of the water treatment and desalting facilities of the dual-purpose project.

"(b) Any agreement entered into under subsection (a) of this section shall include such terms and conditions as the President deems appropriate to insure, among other things, that all information, products, uses, processes, patents, and other developments obtained or utilized in the development of this prototype plant will be available without further cost to the United States for the use and benefit of the United States throughout the world, and to insure that the United States, its officers, and employees have a permanent right to review data and have access to such plant for the purpose of observing its operations and improving science and technology in the field of desalination.

"(c) In carrying out the provisions of this section, the President may enter into contracts with public or private agencies and with any person without regard to sections 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529 and 41 U.S.C. 5).

"(d) Nothing in this section shall be construed as intending to deprive the owner of any background patent or any right which such owner may have under that patent.

"(e) In carrying out the provisions of this section, the President may utilize the personnel, services, and facilities of any Federal agency.

"(f) The United States costs, other than its administrative costs, for the study, design, construction, and operation of a prototype plant under this section shall not exceed either 50 per centum of the total capital costs of the facilities associated with the production of water, and 50 per centum of the operation and maintenance costs for the demonstration period, or \$20,000,000, whichever is less. There are authorized to be appropriated, subject to the limitations of this subsection, such sums as may be necessary to carry out the provisions of this section, including administrative costs thereof. Such sums are authorized to remain available until expended.

Construction
and operation.
U.S. costs.

“(g) No funds appropriated for the Office of Saline Water pursuant to the appropriation authorized by the Act of July 11, 1969 (83 Stat. 45, Public Law 91-43), or prior authorization Acts, shall be used to carry out the purposes of this section.

“SEC. 220. PROGRAMS FOR PEACEFUL COMMUNICATION.—(a) The President is authorized to use funds made available under section 212 to carry out programs of peaceful communications which make use of television and related technologies, including satellite transmissions, for educational, health, agricultural, and community development purposes in the less developed countries.

Ante, p. 805.

“(b) In carrying out programs in the fields of education, health, agriculture, and community development, the agency primarily responsible for part I shall, to the extent possible, assist the developing countries with research, training, planning assistance, and project support in the use of television and related technologies, including satellite transmissions. The agency shall make maximum use of existing satellite capabilities, including the facilities of the International Telecommunications Satellite Consortium.

75 Stat. 424;
81 Stat. 445.
22 USC 2151.

“(c) In implementing activities under this section, the agency primarily responsible for part I shall coordinate closely with Federal, State, and local agencies and with nongovernmental educational, health, and agricultural institutions and associations within the United States.”

HOUSING GUARANTIES; OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 105. Chapter 2 of part I of such Act, relating to development assistance, is amended by striking out title III and title IV and inserting in lieu thereof the following new titles:

75 Stat. 429,
432.
22 USC 2181,
2191.

“TITLE III—HOUSING GUARANTIES

“SEC. 221. WORLDWIDE HOUSING GUARANTIES.—In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed friendly countries and areas, and promote the development of thrift and credit institutions engaged in programs of mobilizing local savings for financing the construction of self-liquidating housing projects and related community facilities, the President is authorized to issue guaranties, on such terms and conditions as he shall determine, to eligible investors as defined in section 238(c), assuring against loss of loan investments for self-liquidating housing projects. The total face amount of guaranties issued hereunder, outstanding at any one time, shall not exceed \$130,000,000. Such guaranties shall be issued under the conditions set forth in section 222(b) and section 223.

Post, p. 816.

“SEC. 222. HOUSING PROJECTS IN LATIN AMERICAN COUNTRIES.—(a) The President shall assist in the development in the American Republics of self-liquidating housing projects, the development of institutions engaged in Alliance for Progress programs, including cooperatives, free labor unions, savings and loan type institutions, and other private enterprise programs in Latin America engaged directly or indirectly in the financing of home mortgages, the construction of homes for lower income persons and families, the increased mobilization of savings and improvement of housing conditions in Latin America.

“(b) To carry out the purposes of subsection (a), the President is authorized to issue guaranties, on such terms and conditions as he

Post, p. 816.

shall determine, to eligible investors, as defined in section 238(c), assuring against loss of loan investment made by such investors in—

“(1) private housing projects in Latin America of types similar to those insured by the Department of Housing and Urban Development and suitable for conditions in Latin America;

“(2) credit institutions in Latin America engaged directly or indirectly in the financing of home mortgages, such as savings and loan institutions and other qualified investment enterprises;

“(3) housing projects in Latin America for lower income families and persons, which projects shall be constructed in accordance with maximum unit costs established by the President for families and persons whose incomes meet the limitations prescribed by the President;

“(4) housing projects in Latin America which will promote the development of institutions important to the success of the Alliance for Progress, such as free labor unions, cooperatives, and other private enterprise programs; or

“(5) housing projects in Latin America, 25 per centum or more of the aggregate of the mortgage financing for which is made available from sources within Latin America and is not derived from sources outside Latin America, which projects shall, to the maximum extent practicable, have a unit cost of not more than \$8,500.

“(c) The total face amount of guaranties issued hereunder or heretofore under Latin American housing guaranty authority repealed by the Foreign Assistance Act of 1969, outstanding at any one time, shall not exceed \$550,000,000: *Provided*, That \$325,000,000 of such guaranties may be used only for the purposes of subsection (b) (1).

“SEC. 223. GENERAL PROVISIONS.—(a) A fee shall be charged for each guaranty issued under section 221 or section 222 in an amount to be determined by the President. In the event the fee to be charged for such type of guaranty is reduced, fees to be paid under existing contracts for the same type of guaranty may be similarly reduced.

“(b) The amount of \$50,000,000 of fees accumulated under prior investment guaranty provisions repealed by the Foreign Assistance Act of 1969, together with all fees collected in connection with guaranties issued hereunder, shall be available for meeting necessary administrative and operating expenses of carrying out the provisions of this title and of prior housing guaranty provisions repealed by the Foreign Assistance Act of 1969 (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 management and custodial costs incurred with respect to currencies or other assets acquired under guaranties made pursuant to section 221 or section 222 or heretofore pursuant to prior Latin American and other housing guaranty authorities repealed by the Foreign Assistance Act of 1969; and to pay the cost of investigating and adjusting (including costs of arbitration) claims under such guaranties; and shall be available for expenditure in discharge of liabilities under such guaranties until such time as all such property has been disposed of and all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this subsection.

“(c) Any payments made to discharge liabilities under guaranties issued under section 221 or section 222 or heretofore under prior Latin American or other housing guaranty authorities repealed by the Foreign Assistance Act of 1969, shall be paid first out of fees referred to in subsection (b) (excluding amounts required for purposes other

than the discharge of liabilities under guaranties) as long as such fees are available, and thereafter shall be paid out of funds, if any, realized from the sale of currencies or other assets acquired in connection with any payment made to discharge liabilities under such guaranties as long as funds are available, and finally out of funds hereafter made available pursuant to subsection (e).

“(d) All guaranties issued under section 221 or section 222 or heretofore under prior Latin American or other housing guaranty authority repealed by the Foreign Assistance Act of 1969 shall constitute obligations, in accordance with the terms of such guaranties, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

“(e) There is hereby authorized to be appropriated to the President such amounts, to remain available until expended, as may be necessary from time to time to carry out the purposes of this title.

“(f) In the case of any loan investment guaranteed under section 221 or section 222, the agency primarily responsible for administering part I shall prescribe the maximum rate of interest allowable to the eligible investor, which maximum rate shall not be less than one-half of 1 per centum above the then current rate of interest applicable to housing mortgages insured by the Department of Housing and Urban Development. In no event shall the agency prescribe a maximum allowable rate of interest which exceeds by more than 1 per centum the then current rate of interest applicable to housing mortgages insured by such Department. The maximum allowable rate of interest under this subsection shall be prescribed by the agency as of the date the project covered by the investment is officially authorized and, prior to the execution of the contract, the agency may amend such rate at its discretion, consistent with the provisions of subsection (f).

Interest rate.

75 Stat. 424;
81 Stat. 445.
22 USC 2151.

“(g) Housing guaranties committed, authorized, or outstanding under prior housing guaranty authorities repealed by the Foreign Assistance Act of 1969 shall continue subject to provisions of law originally applicable thereto and fees collected hereafter with respect to such guaranties shall be available for the purposes specified in subsection (b).

“(h) No payment may be made under any guaranty issued pursuant to this title for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

“(i) The authority of section 221 and section 222 shall continue until June 30, 1972.

Expiration of
authority.

“TITLE IV—OVERSEAS PRIVATE INVESTMENT CORPORATION

“SEC. 231. CREATION, PURPOSE, AND POLICY.—To mobilize and facilitate the participation of United States private capital and skills in the economic and social progress of less developed friendly countries and areas, thereby complementing the development assistance objectives of the United States, there is hereby created the Overseas Private Investment Corporation (hereinafter called the ‘Corporation’), which shall be an agency of the United States under the policy guidance of the Secretary of State.

“In carrying out its purpose, the Corporation, utilizing broad criteria, shall undertake—

“(a) to conduct its financing operations on a self-sustaining basis, taking into account the economic and financial soundness of projects and the availability of financing from other sources on appropriate terms;

"(b) to utilize private credit and investment institutions and the Corporation's guaranty authority as the principal means of mobilizing capital investment funds;

"(c) to broaden private participation and revolve its funds through selling its direct investments to private investors whenever it can appropriately do so on satisfactory terms;

"(d) to conduct its insurance operations with due regard to principles of risk management including, when appropriate, efforts to share its insurance risks;

"(e) to utilize, to the maximum practicable extent consistent with the accomplishment of its purpose, the resources and skills of small business and to provide facilities to encourage its full participation in the programs of the Corporation;

"(f) to encourage and support only those private investments in less developed friendly countries and areas which are sensitive and responsive to the special needs and requirements of their economies, and which contribute to the social and economic development of their people;

"(g) to consider in the conduct of its operations the extent to which less developed country governments are receptive to private enterprise, domestic and foreign, and their willingness and ability to maintain conditions which enable private enterprise to make its full contribution to the development process;

"(h) to foster private initiative and competition and discourage monopolistic practices;

"(i) to further to the greatest degree possible, in a manner consistent with its goals, the balance-of-payments objectives of the United States;

"(j) to conduct its activities in consonance with the activities of the agency primarily responsible for administering part I and the international trade, investment, and financial policies of the United States Government; and

"(k) to advise and assist, within its field of competence, interested agencies of the United States and other organizations, both public and private, national and international, with respect to projects and programs relating to the development of private enterprise in less developed countries and areas.

"SEC. 232. CAPITAL OF THE CORPORATION.—The President is authorized to pay in as capital of the Corporation, out of dollar receipts made available through the appropriation process from loans made pursuant to this part and from loans made under the Mutual Security Act of 1954, as amended, for the fiscal year 1970 not to exceed \$20,000,000 and for the fiscal year 1971 not to exceed \$20,000,000. Upon the payment of such capital by the President, the Corporation shall issue an equivalent amount of capital stock to the Secretary of the Treasury.

"SEC. 233. ORGANIZATION AND MANAGEMENT.—(a) STRUCTURE OF THE CORPORATION.—The Corporation shall have a Board of Directors, a President, an Executive Vice President, and such other officers and staff as the Board of Directors may determine.

"(b) BOARD OF DIRECTORS.—All powers of the Corporation shall vest in and be exercised by or under the authority of its Board of Directors ('the Board') which shall consist of eleven Directors, including the Chairman, with six Directors constituting a quorum for the transaction of business. The Administrator of the Agency for International Development shall be the Chairman of the Board, ex officio. Six Directors (other than the President of the Corporation, appointed pursuant to subsection (c) who shall also serve as a Director) shall be appointed by the President of the United States, by

68 Stat. 832.
22 USC 1750-
1951.

Appointments
by President.

and with the advice and consent of the Senate, and shall not be officials or employees of the Government of the United States. At least one of the six Directors appointed under the preceding sentence shall be experienced in small business, one in organized labor, and one in cooperatives. Each such Director shall be appointed for a term of no more than three years. The terms of no more than two such Directors shall expire in any one year. Such Directors shall serve until their successors are appointed and qualified and may be reappointed.

Terms of office.

"The other Directors shall be officials of the Government of the United States, designated by and serving at the pleasure of the President of the United States.

"All Directors who are not officers of the Corporation or officials of the Government of the United States shall be compensated at a rate equivalent to that of level IV of the Executive Schedule (5 U.S.C. 5315) when actually engaged in the business of the Corporation and may be paid per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, as amended from time to time, while away from their homes or usual places of business.

Post, p. 864.

"(c) **PRESIDENT OF THE CORPORATION.**—The President of the Corporation shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. In making such appointment, the President shall take into account private business experience of the appointee. The President of the Corporation shall be its Chief Executive Officer and responsible for the operations and management of the Corporation, subject to bylaws and policies established by the Board.

Appointment by President.

"(d) **OFFICERS AND STAFF.**—The Executive Vice President of the Corporation shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. Other officers, attorneys, employees, and agents shall be selected and appointed by the Corporation, and shall be vested with such powers and duties as the Corporation may determine. Of such persons employed by the Corporation, not to exceed twenty may be appointed, compensated, or removed without regard to the civil service laws and regulations: *Provided*, That under such regulations as the President of the United States may prescribe, officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, except for cause, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary. Such positions shall be in addition to those otherwise authorized by law, including those authorized by section 5108 of title 5 of the United States Code.

80 Stat. 453, 878.

"**SEC. 234. INVESTMENT INCENTIVE PROGRAMS.**—The Corporation is hereby authorized to do the following:

"(a) **INVESTMENT INSURANCE.**—(1) To issue insurance, upon such terms and conditions as the Corporation may determine, to eligible investors assuring protection in whole or in part against any or all of the following risks with respect to projects which the Corporation has approved—

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

"(B) loss of investment, in whole or in part, in the approved project due to expropriation or confiscation by action of a foreign government; and

"(C) loss due to war, revolution, or insurrection.

"(2) Recognizing that major private investments in less developed friendly countries or areas are often made by enterprises in which there is multinational participation, including significant United States private participation, the Corporation may make such arrangements with foreign governments (including agencies, instrumentalities, or political subdivisions thereof) or with multilateral organizations for sharing liabilities assumed under investment insurance for such investments and may in connection therewith issue insurance to investors not otherwise eligible hereunder: *Provided, however*, That liabilities assumed by the Corporation under the authority of this subsection shall be consistent with the purposes of this title and that the maximum share of liabilities so assumed shall not exceed the proportionate participation by eligible investors in the total project financing.

"(3) Not more than 10 per centum of the total face amount of investment insurance which the Corporation is authorized to issue under this subsection shall be issued to a single investor.

"(b) INVESTMENT GUARANTIES.—To issue to eligible investors guaranties of loans and other investments made by such investors assuring against loss due to such risks and upon such terms and conditions as the Corporation may determine: *Provided, however*, That such guaranties on other than loan investments shall not exceed 75 per centum of such investment: *Provided further*, That except for loan investments for credit unions made by eligible credit unions or credit union associations, the aggregate amount of investment (exclusive of interest and earnings) so guaranteed with respect to any project shall not exceed, at the time of issuance of any such guaranty, 75 per centum of the total investment committed to any such project as determined by the Corporation, which determination shall be conclusive for purposes of the Corporation's authority to issue any such guaranty: *Provided further*, That not more than 10 per centum of the total face amount of investment guaranties which the Corporation is authorized to issue under this subsection shall be issued to a single investor.

"(c) DIRECT INVESTMENT.—To make loans in United States dollars repayable in dollars or loans in foreign currencies (including, without regard to section 1415 of the Supplemental Appropriation Act, 1953, such foreign currencies which the Secretary of the Treasury may determine to be excess to the normal requirements of the United States and the Director of the Bureau of the Budget may allocate) to firms privately owned or of mixed private and public ownership upon such terms and conditions as the Corporation may determine. The Corporation may not purchase or invest in any stock in any other corporation, except that it may (1) accept as evidence of indebtedness debt securities convertible to stock, but such debt securities shall not be converted to stock while held by the Corporation, and (2) acquire stock through the enforcement of any lien or pledge or otherwise to satisfy a previously contracted indebtedness which would otherwise be in default, or as the result of any payment under any contract of insurance or guaranty. The Corporation shall dispose of any stock it may so acquire as soon as reasonably feasible under the circumstances then pertaining.

"No loans shall be made under this section to finance operations for mining or other extraction of any deposit of ore, oil, gas, or other mineral.

“(d) INVESTMENT ENCOURAGEMENT.—To initiate and support through financial participation, incentive grant, or otherwise, and on such terms and conditions as the Corporation may determine, the identification, assessment, surveying and promotion of private investment opportunities, utilizing wherever feasible and effective the facilities of private organizations or private investors: *Provided, however,* That the Corporation shall not finance surveys to ascertain the existence, location, extent or quality, or to determine the feasibility of undertaking operations for mining or other extraction, of any deposit of ore, oil, gas, or other mineral. In carrying out this authority, the Corporation shall coordinate with such investment promotion activities as are carried out by the Department of Commerce.

“(e) SPECIAL ACTIVITIES.—To administer and manage special projects and programs, including programs of financial and advisory support which provide private technical, professional, or managerial assistance in the development of human resources, skills, technology, capital savings and intermediate financial and investment institutions and cooperatives. The funds for these projects and programs may, with the Corporation's concurrence, be transferred to it for such purposes under the authority of section 632(a) or from other sources, public or private.

75 Stat. 453.
22 USC 2392.

“SEC. 235. ISSUING AUTHORITY, DIRECT INVESTMENT FUND AND RESERVES.—(a) (1) The maximum contingent liability outstanding at any one time pursuant to insurance issued under section 234(a) shall not exceed \$7,500,000,000.

“(2) The maximum contingent liability outstanding at any one time pursuant to guaranties issued under section 234(b) shall not exceed in the aggregate \$750,000,000, of which guaranties of credit union investment shall not exceed \$1,250,000: *Provided,* That the Corporation shall not make any commitment to issue any guaranty which would result in a fractional reserve less than 25 per centum of the maximum contingent liability then outstanding against guaranties issued or commitments made pursuant to section 234(b) or similar predecessor guaranty authority.

“(3) The Congress, in considering the budget programs transmitted by the President for the Corporation, pursuant to section 104 of the Government Corporation Control Act, as amended, may limit the obligations and contingent liabilities to be undertaken under section 234 (a) and (b) as well as the use of funds for operating and administrative expenses.

61 Stat. 584.
31 USC 849.

“(4) The authority of section 234 (a) and (b) shall continue until June 30, 1974.

Expiration of
authority.

“(b) There shall be established a revolving fund, known as the Direct Investment Fund, to be held by the Corporation. Such fund shall consist initially of amounts made available under section 232, shall be available for the purposes authorized under section 234(c), shall be charged with realized losses and credited with realized gains and shall be credited with such additional sums as may be transferred to it under the provisions of section 236.

“(c) There shall be established in the Treasury of the United States an insurance and guaranty fund, which shall have separate accounts to be known as the Insurance Reserve and the Guaranty Reserve, which reserves shall be available for discharge of liabilities, as provided in section 235(d), until such time as all such liabilities have been discharged or have expired or until all such reserves have been expended in accordance with the provisions of this section. Such fund shall be funded by: (1) the funds heretofore available to discharge liabilities under predecessor guaranty authority (including

housing guaranty authorities), less both the amount made available for housing guaranty programs pursuant to section 223(b) and the amount made available to the Corporation pursuant to section 234(e); and (2) such sums as shall be appropriated pursuant to section 235(f) for such purpose. The allocation of such funds to each such reserve shall be determined by the Board after consultation with the Secretary of the Treasury. Additional amounts may thereafter be transferred to such reserves pursuant to section 236.

"(d) Any payments made to discharge liabilities under investment insurance issued under section 234(a) or under similar predecessor guaranty authority shall be paid first out of the Insurance Reserve, as long as such reserve remains available, and thereafter out of funds made available pursuant to section 235(f). Any payments made to discharge liabilities under guaranties issued under section 234(b) or under similar predecessor guaranty authority shall be paid first out of the Guaranty Reserve as long as such reserve remains available, and thereafter out of funds made available pursuant to section 235(f).

Fees and
revenues.

"(e) There is hereby authorized to be transferred to the Corporation at its call, for the purposes specified in section 236, all fees and other revenues collected under predecessor guaranty authority from December 31, 1968, available as of the date of such transfer.

Appropriation.

"(f) There is hereby authorized to be appropriated to the Corporation, to remain available until expended, such amounts as may be necessary from time to time to replenish or increase the insurance and guaranty fund or to discharge the liabilities under insurance and guaranties issued by the Corporation or issued under predecessor guaranty authority.

"SEC. 236. INCOME AND REVENUES.—In order to carry out the purposes of the Corporation, all revenues and income transferred to or earned by the Corporation, from whatever source derived, shall be held by the Corporation and shall be available to carry out its purposes, including without limitation—

"(a) payment of all expenses of the Corporation, including investment promotion expenses;

"(b) transfers and additions to the insurance or guaranty reserves, the Direct Investment Fund established pursuant to section 235, and such other funds or reserves as the Corporation may establish, at such time and in such amounts as the Board may determine; and

"(c) payment of dividends, on capital stock, which shall consist of and be paid from net earnings of the Corporation after payments, transfers, and additions under subsections (a) and (b) hereof.

"SEC. 237. GENERAL PROVISIONS RELATING TO INSURANCE AND GUARANTY PROGRAMS.—(a) Insurance and guaranties issued under this title shall cover investment made in connection with projects in any less developed friendly country or area with the government of which the President of the United States has agreed to institute a program for insurance or guaranties.

"(b) The Corporation shall determine that suitable arrangements exist for protecting the interest of the Corporation in connection with any insurance or guaranty issued under this title, including arrangements concerning ownership, use, and disposition of the currency, credits, assets, or investments on account of which payment under such insurance or guaranty is to be made, and any right, title, claim, or cause of action existing in connection therewith.

"(c) All guaranties issued prior to July 1, 1956, all guaranties issued under sections 202(b) and 413(b) of the Mutual Security Act of 1954, as amended, all guaranties heretofore issued pursuant to prior guaranty authorities repealed by the Foreign Assistance Act of 1969, and all insurance and guaranties issued pursuant to this title shall constitute obligations, in accordance with the terms of such insurance or guaranties, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

71 Stat. 357.
22 USC 1872
note.
68 Stat. 846.
22 USC 1933
note.

"(d) Fees shall be charged for insurance and guaranty coverage in amounts to be determined by the Corporation. In the event fees to be charged for investment insurance or guaranties are reduced, fees to be paid under existing contracts for the same type of guaranties or insurance and for similar guaranties issued under predecessor guaranty authority may be reduced.

Insurance fees.

"(e) No insurance or guaranty of any equity investment shall extend beyond twenty years from the date of issuance.

"(f) No insurance or guaranty issued under this title shall exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the Corporation plus interest, earnings or profits actually accrued on said investment to the extent provided by such insurance or guaranty.

"(g) No payment may be made under any guaranty issued pursuant to this title for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

"(h) Insurance or guaranties of a loan or equity investment of an eligible investor in a foreign bank, finance company, or other credit institution shall extend only to such loan or equity investment and not to any individual loan or equity investment made by such foreign bank, finance company, or other credit institution.

"(i) Claims arising as a result of insurance or guaranty operations under this title or under predecessor guaranty authority may be settled, and disputes arising as a result thereof may be arbitrated with the consent of the parties, on such terms and conditions as the Corporation may determine. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

Claims settle-
ment.

"(j) Each guaranty contract executed by such officer or officers as may be designated by the Board shall be conclusively presumed to be issued in compliance with the requirements of this Act.

"(k) In making a determination to issue insurance or a guaranty under this title, the Corporation shall consider the possible adverse effect of the dollar investment under such insurance or guaranty upon the balance of payments of the United States.

"SEC. 238. DEFINITIONS.—As used in this title—

"(a) the term 'investment' includes any contribution of funds, commodities, services, patents, processes, or techniques, in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of commodities or services pursuant to a lease or other contract;

"(b) the term 'expropriation' includes, but is not limited to, any abrogation, repudiation, or impairment by a foreign government of its own contract with an investor with respect to a project, where such abrogation, repudiation, or impairment is not caused by the investor's own fault or misconduct, and materially adversely affects the continued operation of the project;

"(c) the term 'eligible investor' means: (1) United States citizens; (2) corporations, partnerships, or other associations including nonprofit associations, created under the laws of the United States or any State or territory thereof and substantially beneficially owned by United States citizens; and (3) foreign corporations, partnerships, or other associations wholly owned by one or more such United States citizens, corporations, partnerships, or other associations: *Provided, however,* That the eligibility of such foreign corporation shall be determined without regard to any shares, in aggregate less than 5 per centum of the total of issued and subscribed share capital, required by law to be held by other than the United States owners: *Provided further,* That in the case of any loan investment a final determination of eligibility may be made at the time the insurance or 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 insurance or guaranty is issued: and

"(d) the term 'predecessor guaranty authority' means prior guaranty authorities (other than housing guaranty authorities) repealed by the Foreign Assistance Act of 1969, sections 202(b) and 413(b) of the Mutual Security Act of 1954, as amended, and section 111(b) (3) of the Economic Cooperation Act of 1948, as amended (exclusive of authority relating to informational media guaranties).

"SEC. 239. GENERAL PROVISIONS AND POWERS.—(a) The Corporation shall have its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident thereof.

"(b) The President shall transfer to the Corporation, at such time as he may determine, all obligations, assets and related rights and responsibilities arising out of, or related to, predecessor programs and authorities similar to those provided for in section 234(a), (b), and (d). Until such transfer, the agency heretofore responsible for such predecessor programs shall continue to administer such assets and obligations, and such programs and activities authorized under this title as may be determined by the President.

"(c) The Corporation shall be subject to the applicable provisions of the Government Corporation Control Act, except as otherwise provided in this title.

"(d) To carry out the purposes of this title, the Corporation is authorized to adopt and use a corporate seal, which shall be judicially noticed; to sue and be sued in its corporate name; to adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the powers and duties granted to or imposed upon it by law; to acquire, hold or dispose of, upon such terms and conditions as the Corporation may determine, any property, real, personal, or mixed, tangible or intangible, or any interest therein; to invest funds derived from fees and other revenues in obligations of the United States and to use the proceeds therefrom, including earnings and profits, as it shall deem appropriate; to indemnify directors, officers, employees and agents of the Corporation for liabilities and expenses incurred in connection with their Corporation activities; to require bonds of officers, employees, and agents and pay the premiums therefor; notwithstanding any other provision of law, to represent itself or to contract for representation in all legal and arbitral proceedings; to purchase, discount, rediscount, sell, and negotiate, with or without its endorsement or guaranty, and guarantee notes, participation certificates, and other evidence of indebtedness (provided that the Corporation shall not issue its own securities, except participation cer-

71 Stat. 357.
22 USC 1872
note.
68 Stat. 846.
22 USC 1933
note.
62 Stat. 143;
64 Stat. 198.
22 USC 1509
note.

59 Stat. 597;
61 Stat. 584.
31 USC 841
note.
Corporation
powers.

tificates for the purpose of carrying out section 231(c)); to make and carry out such contracts and agreements as are necessary and advisable in the conduct of its business; to exercise the priority of the Government of the United States in collecting debts from bankrupt, insolvent, or decedents' estates; to determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations; and to take such actions as may be necessary or appropriate to carry out the powers herein or hereafter specifically conferred upon it.

“(e) The Auditor-General of the Agency for International Development (1) shall have the responsibility for planning and directing the execution of audits, reviews, investigations, and inspections of all phases of the Corporation's operations and activities and (2) shall conduct all security activities of the Corporation relating to personnel and the control of classified material. With respect to his responsibilities under this subsection, the Auditor-General shall report to the Board. The agency primarily responsible for administering part I shall be reimbursed by the Corporation for all expenses incurred by the Auditor-General in connection with his responsibilities under this subsection.

AID.
Audits and re-
views by Auditor-
General.

“(f) In order to further the purposes of the Corporation there shall be established an Advisory Council to be composed of such representatives of the American business community as may be selected by the Chairman of the Board. The President and the Board shall, from time to time, consult with such Council concerning the objectives of the Corporation. Members of the Council shall receive no compensation for their services but shall be entitled to reimbursement in accordance with section 5703 of title 5 of the United States Code for travel and other expenses incurred by them in the performance of their functions under this section.

Advisory
Council.

Ante, p. 190.

“SEC. 240. AGRICULTURAL CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROJECTS.—(a) It is the sense of the Congress that in order to stimulate the participation of the private sector in the economic development of less developed countries in Latin America, the authority conferred by this section should be used to establish pilot programs in not more than five Latin American countries to encourage private banks, credit institutions, similar private lending organizations, cooperatives, and private nonprofit development organizations to make loans on reasonable terms to organized groups and individuals residing in a community for the purpose of enabling such groups and individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. Agricultural credit and assistance for self-help community development projects should include, but not be limited to, material and such projects as wells, pumps, farm machinery, improved seed, fertilizer, pesticides, vocational training, food industry development, nutrition projects, improved breeding stock for farm animals, sanitation facilities, and looms and other handicraft aids.

“(b) To carry out the purposes of subsection (a), the Corporation is authorized to issue guaranties, on such terms and conditions as it shall determine, to private lending institutions, cooperatives, and private nonprofit development organizations in not more than five Latin American countries assuring against loss of not to exceed 25 per centum of the portfolio of such loans made by any lender to organized groups or individuals residing in a community to enable such groups

or individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. In no event shall the liability of the United States exceed 75 per centum of any one loan.

“(c) The total face amount of guaranties issued under this section outstanding at any one time shall not exceed \$15,000,000. Not more than 10 per centum of such sum shall be provided for any one institution, cooperative, or organization.

“(d) The Inter-American Social Development Institute shall be consulted in developing criteria for making loans eligible for guaranty coverage under this section.

“(e) The guaranty reserve established under section 235(c) shall be available to make such payments as may be necessary to discharge liabilities under guaranties issued under this section.

Use of foreign
currencies.

“(f) Notwithstanding the limitation contained in subsection (c) of this section, foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States may be utilized to carry out the purposes of this section, including the discharge of liabilities incurred under this subsection. The authority conferred by this subsection shall be in addition to authority conferred by any other provision of law to implement guaranty programs utilizing excess local currency.

Report to Con-
gress.

“(g) The Corporation shall, on or before January 15, 1972, make a detailed report to the Congress on the results of the pilot programs established under this section, together with such recommendations as it may deem appropriate.

Expiration of
authority.

“(h) The authority of this section shall continue until June 30, 1972.

“SEC. 240A. REPORTS TO THE CONGRESS.—(a) After the end of each fiscal year, the Corporation shall submit to the Congress a complete and detailed report of its operations during such fiscal year.

“(b) Not later than March 1, 1974, the Corporation shall submit to the Congress an analysis of the possibilities of transferring all or part of its activities to private United States citizens, corporations, or other associations.”

ALLIANCE FOR PROGRESS

76 Stat. 258;
82 Stat. 961.
22 USC 2212.

SEC. 106. Section 252(a) of such Act, relating to authorization, is amended to read as follows:

“SEC. 252. AUTHORIZATION.—(a) There is authorized to be appropriated to the President for the purposes of this title, in addition to other funds available for such purposes, for the fiscal year 1970, \$428,250,000, and for the fiscal year 1971, \$428,250,000, which amounts are authorized to remain available until expended, and which amounts, except for not to exceed \$90,750,000 for each such fiscal year, shall be available only for loans payable as to principal and interest in United States dollars. In order to effectuate the purposes and provisions of sections 102, 251, 601, and 602 of this Act, not less than 50 per centum of the loan funds appropriated pursuant to this section for any fiscal year shall be available for loans made to encourage economic development through private enterprise.”

81 Stat. 445.
22 USC 2151.
76 Stat. 257.
22 USC 2211.
75 Stat. 438.
22 USC 2351,
2352.

PROGRAMS RELATING TO POPULATION GROWTH

81 Stat. 453;
82 Stat. 962.
22 USC 2219a.

SEC. 107. Section 292, relating to authorization, is amended by striking out “fiscal year 1969, \$50,000,000” and inserting in lieu thereof “fiscal year 1970, \$75,000,000, and for the fiscal year 1971, \$100,000,000.”

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 108. (a) Section 301(c) of such Act, relating to general authority, is amended to read as follows:

75 Stat. 433;
80 Stat. 800.
22 USC 2221.

“(c) No contributions by the United States shall be made to the United Nations Relief and Works Agency for Palestine Refugees in the Near East except on the condition that the United Nations Relief and Works Agency take all possible measures to assure that no part of the United States contribution shall be used to furnish assistance to any refugee who is receiving military training as a member of the so-called Palestine Liberation Army or any other guerrilla type organization or who has engaged in any act of terrorism.”

(b) Section 302(a) of such Act, relating to authorization, is amended by striking out “fiscal year 1969, \$135,000,000” and inserting in lieu thereof “fiscal year 1970, \$122,620,000, and for the fiscal year 1971, \$122,620,000”.

80 Stat. 801;
82 Stat. 962.
22 USC 2222.

(c) Section 302(b) of such Act, relating to Indus Basin development, is amended by inserting “(1)” immediately after “(b)” and by adding at the end thereof the following new paragraph:

81 Stat. 454.

“(2) There is authorized to be appropriated to the President for grants for Indus Basin Development, in addition to any other funds available for such purposes, for use in the fiscal year 1970, \$7,530,000, and for use in the fiscal year 1971, \$7,530,000, which amounts shall remain available until expended.”

(d) Section 302 of such Act is further amended by adding at the end thereof the following new subsection:

80 Stat. 801;
82 Stat. 962.

“(e) There is authorized to be appropriated \$1,000,000 for the fiscal year 1970, and \$1,000,000 for the fiscal year 1971, to provide added contribution to the United Nations Relief and Works Agency for expansion of technical and vocational training of Arab refugees.”

SUPPORTING ASSISTANCE

SEC. 109. Section 402 of such Act, relating to authorization, is amended by striking out “fiscal year 1969 not to exceed \$410,000,000” and inserting in lieu thereof “fiscal year 1970 not to exceed \$414,600,000, and for the fiscal year 1971 not to exceed \$414,600,000”.

80 Stat. 801;
82 Stat. 962.
22 USC 2242.

CONTINGENCY FUND

SEC. 110. Section 451(a) of such Act, relating to the contingency fund, is amended by striking out “fiscal year 1968 not to exceed \$50,000,000, and for the fiscal year 1969 not to exceed \$10,000,000” and inserting in lieu thereof “fiscal year 1970 not to exceed \$15,000,000, and for the fiscal year 1971 not to exceed \$15,000,000”.

75 Stat. 434;
82 Stat. 962.
22 USC 2261.

PART II—MILITARY ASSISTANCE

MILITARY ASSISTANCE AUTHORIZATION

SEC. 201. Section 504(a) of the Foreign Assistance Act of 1961, relating to authorization, is amended—

80 Stat. 802;
82 Stat. 962.
22 USC 2312.

(1) by striking out “\$375,000,000 for the fiscal year 1969” and inserting in lieu thereof “\$350,000,000 for the fiscal year 1970, and \$350,000,000 for the fiscal year 1971”; and

(2) by adding at the end thereof the following new sentence: “Amounts appropriated under this subsection shall be available for cost-sharing expenses of United States participation in the military headquarters and related agencies program.”

SPECIAL AUTHORITY

75 Stat. 436,
437; 81 Stat.
457; 82 Stat 962.
22 USC 2318.

SEC. 202. Section 506(a) of such Act, relating to special authority of the President, is amended—

(1) by striking out “1969” in the first sentence and inserting in lieu thereof “1970 and the fiscal year 1971”; and

(2) by striking out “in the fiscal year 1969” in the second sentence and inserting in lieu thereof “in each of the fiscal years 1970 and 1971”.

RESTRICTIONS ON TRAINING FOREIGN MILITARY STUDENTS

22 USC 2311-
2321.

SEC. 203. Chapter 2 of part II of such Act, relating to military assistance, is amended by inserting at the end thereof the following new section.

“SEC. 510. RESTRICTIONS ON TRAINING FOREIGN MILITARY STUDENTS.—The number of foreign military students to be trained in the United States in any fiscal year, out of funds appropriated pursuant to this part, may not exceed a number equal to the number of foreign civilians brought to the United States under the Mutual Educational and Cultural Exchange Act of 1961 in the immediately preceding fiscal year.”

75 Stat. 527.
22 USC 2451
note.

PART III—GENERAL, ADMINISTRATIVE, AND MISCELLANEOUS PROVISIONS

75 Stat. 442;
76 Stat. 260.
22 USC 2360.

SEC. 301. Section 610(a) of the Foreign Assistance Act of 1961, relating to transfer between accounts, is amended by inserting immediately after “funds made available for any provision of this Act” the following: “(except funds made available pursuant to title IV of chapter 2 of part I)”.

75 Stat. 443;
78 Stat. 1012;
80 Stat. 805.
22 USC 2362.

SEC. 302. Section 612 of such Act, relating to use of foreign currencies, is amended by adding at the end thereof the following new subsection:

“(d) In furnishing assistance under this Act to the government of any country in which the United States owns excess foreign currencies as defined in subsection (b) of this section, except those currencies generated under the Agricultural Trade Development and Assistance Act of 1954, as amended, the President shall endeavor to obtain from the recipient country an agreement for the release, on such terms and conditions as the President shall determine, of an amount of such currencies up to the equivalent of the dollar value of assistance furnished by the United States for programs as may be mutually agreed upon by the recipient country and the United States to carry out the purposes for which new funds authorized by this Act would themselves be available.”

68 Stat. 454;
80 Stat. 1526.
7 USC 1691
note.

SEC. 303. (a) Section 620(s) of such Act, relating to prohibitions against furnishing assistance, is amended to read as follows:

“(s)(1) In order to restrain arms races and proliferation of sophisticated weapons, and to ensure that resources intended for economic development are not diverted to military purposes, the President shall take into account before furnishing development loans, Alliance loans or supporting assistance to any country under this Act, and before making sales under the Agricultural Trade Development and Assistance Act of 1954, as amended:

“(A) the percentage of the recipient or purchasing country’s budget which is devoted to military purposes;

81 Stat. 459.
22 USC 2370.

“(B) the degree to which the recipient or purchasing country is using its foreign exchange resources to acquire military equipment; and

“(C) the amount spent by the recipient or purchasing country for the purchase of sophisticated weapons systems, such as missile systems and jet aircraft for military purposes, from any country.

“(2) The President shall report annually to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate his actions in carrying out this provision.”

Reports to Congress.

(b) Section 620(v) of such Act is repealed.

Repeal.
22 USC 2370.

SEC. 304. Section 624(d) of such Act, relating to the duties of the Inspector General, Foreign Assistance, is amended—

(1) by inserting in paragraph (2) (A), after the words “under part I of this Act”, the following: “(including the Overseas Private Investment Corporation), and under part IV of the Foreign Assistance Act of 1969 (the Inter-American Social Development Institute)”;

75 Stat. 447;
76 Stat. 262.
22 USC 2334.

(2) by inserting in paragraph (5), before the period at the end of the first sentence, the following: “and part IV of the Foreign Assistance Act of 1969”; and

(3) by inserting in the first sentence of paragraph (7), immediately after “programs under part I or II of this Act,” the following: “and part IV of the Foreign Assistance Act of 1969.”

SEC. 305. Section 634(a) of such Act, relating to reports and information, is amended—

75 Stat. 455.
22 USC 2394.

(1) by inserting in the first sentence, after the words “concerning operations”, the following: “(other than those reported pursuant to section 240A)”;

Ante, p. 818.

(2) by striking out of the last sentence the following: “on the operation of the investment guaranty program and”.

SEC. 306. Section 636(f) of such Act, relating to use of funds, is amended by inserting immediately before the period at the end thereof the following: “or by the Corporation established under title IV of chapter 2 of part I with respect to loan activities which it carries out under the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended”.

75 Stat. 459.
22 USC 2396.

SEC. 307. Section 637(a) of such Act, relating to administrative expenses, is amended by striking out “fiscal year 1969, \$53,000,000” and inserting in lieu thereof “fiscal year 1970, \$51,125,000, and for the fiscal year 1971, \$51,125,000”.

68 Stat. 454;
80 Stat. 1526.
7 USC 1691
note.

SEC. 308. Section 643 of such Act, relating to savings provisions, is amended by inserting after “section 642(a)” and “section 642(a)(2)” each time they appear the following: “and the Foreign Assistance Act of 1969”.

75 Stat. 460.
22 USC 2402.

PART IV—INTER-AMERICAN SOCIAL DEVELOPMENT INSTITUTE

SEC. 401. INTER-AMERICAN SOCIAL DEVELOPMENT INSTITUTE.—(a) There is created as an agency of the United States of America a body corporate to be known as the “Inter-American Social Development Institute” (hereafter in this section referred to as the “Institute”).

(b) The future of freedom, security, and economic development in the Western Hemisphere rests on the realization that man is the foundation of all human progress. It is the purpose of this section to provide support for developmental activities designed to achieve conditions in the Western Hemisphere under which the dignity and the worth of each human person will be respected and under which all

men will be afforded the opportunity to develop their potential, to seek through gainful and productive work the fulfillment of their aspirations for a better life, and to live in justice and peace. To this end, it shall be the purpose of the Institute, primarily in cooperation with private, regional, and international organizations, to—

- (1) strengthen the bonds of friendship and understanding among the peoples of this hemisphere;
- (2) support self-help efforts designed to enlarge the opportunities for individual development;
- (3) stimulate and assist effective and ever wider participation of the people in the development process;
- (4) encourage the establishment and growth of democratic institutions, private and governmental, appropriate to the requirements of the individual sovereign nations of this hemisphere.

In pursuing these purposes, the Institute shall place primary emphasis on the enlargement of educational opportunities at all levels, the production of food and the development of agriculture, and the improvement of environmental conditions relating to health, maternal and child care, family planning, housing, free trade union development, and other social and economic needs of the people.

**Research and
planning.**

(c) The Institute shall carry out the purposes set forth in subsection (b) of this section primarily through and with private organizations, individuals, and international organizations by undertaking or sponsoring appropriate research and by planning, initiating, assisting, financing, administering, and executing programs and projects designed to promote the achievement of such purposes.

**Coordination of
functions.**

(d) In carrying out its functions under this section, the Institute shall, to the maximum extent possible, coordinate its undertakings with the developmental activities in the Western Hemisphere of the various organs of the Organization of American States, the United States Government, international organizations, and other entities engaged in promoting social and economic development of Latin America.

Powers.

(e) The Institute, as a corporation—

(1) shall have perpetual succession unless sooner dissolved by an Act of Congress;

(2) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) may make and perform contracts and other agreements with any individual, corporation, or other body of persons however designated whether within or without the United States of America, and with any government or governmental agency, domestic or foreign;

(4) shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid;

(5) may, as necessary for the transaction of the business of the Institute, employ, and fix the compensation of not to exceed one hundred persons at any one time;

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

(7) shall be entitled to the use of the United States mails in the same manner and on the same conditions as the executive departments of the Government;

(8) may, with the consent of any board, corporation, commission, independent establishment, or executive department of the Government, including any field service thereof, avail itself of the

use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this section;

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

(10) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction; and

(11) shall have such other powers as may be necessary and incident to carrying out its powers and duties under this section.

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

(g) The management of the Institute shall be vested in a board of directors (hereafter in this section referred to as the "Board") composed of seven members appointed by the President, by and with the advice and consent of the Senate, one of whom he shall designate to serve as Chairman of the Board and one of whom he shall designate to serve as Vice Chairman of the Board. Four members of the Board shall be appointed from private life. Three members of the Board shall be appointed from among officers or employees of agencies of the United States concerned with inter-American affairs. Members of the Board shall be appointed for terms of six years, except that of the members first appointed two shall be appointed for terms of two years and two shall be appointed for terms of four years, as designated by the President at the time of their appointment. A member of the Board appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term; but upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified. Members of the Board shall be eligible for reappointment.

(h) Members of the Board shall serve without additional compensation, but shall be reimbursed for actual and necessary expenses not in excess of \$50 per day, and for transportation expenses, while engaged in their duties on behalf of the corporation.

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

(j) The Board may prescribe, amend, and repeal bylaws, rules, and regulations governing the manner in which the business of the Institute may be conducted and in which the powers granted to it by law may be exercised and enjoyed. A majority of the Board shall be required as a quorum.

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

Gifts, acceptance.

Board of Directors.
Appointment by President.

Executive
Director.

(l) The chief executive officer of the Institute shall be an Executive Director who shall be appointed by the Board of Directors on such terms as the Board may determine. The Executive Director shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

Post, p. 864.

Council, estab-
lishment.

(m) In order to further the purposes of the Institute there shall be established a Council to be composed of such number of individuals as may be selected by the Board from among individuals knowledgeable concerning developmental activities in the Western Hemisphere. The Board shall, from time to time, consult with the Council concerning the objectives of the Institute. Members of the Council shall receive no compensation for their services but shall be entitled to reimbursement in accordance with section 5703 of title 5, United States Code, for travel and other expenses incurred by them in the performance of their functions under this subsection.

Ante, p. 190.

(n) The Institute shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of its directors, officers, and employees and such revenue, earnings, or other income, or property shall be used for the carrying out of the corporate purposes set forth in this section. No director, officer, or employee of the corporation shall in any manner directly or indirectly participate in the deliberation upon or the determination of any question affecting his personal interests or the interests of any corporation, partnership, or organization in which he is directly or indirectly interested.

(o) When approved by the Institute, in furtherance of its purpose, the officers and employees of the Institute may accept and hold offices or positions to which no compensation is attached with governments or governmental agencies of foreign countries.

Personnel
detail.

(p) The Secretary of State shall have authority to detail employees of any agency under his jurisdiction to the Institute under such circumstances and upon such conditions as he may determine. Any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of any such agency by virtue of such detail.

(q) The Institute shall establish a principal office. The Institute is authorized to establish agencies, branch offices, or other offices in any place or places within the United States or elsewhere in any of which locations the Institute may carry on all or any of its operations and business.

Taxation,
exemption.

(r) The Institute, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, or any territory or possession thereof, or by any State, county, municipality, or local taxing authority.

(s) Notwithstanding any other provision of law, not to exceed an aggregate amount of \$50,000,000 of the funds made available for the fiscal years 1970 and 1971 to carry out part I of the Foreign Assistance Act of 1961 shall be available to carry out the purposes of this section. Funds made available to carry out the purposes of this section under the preceding sentence are authorized to remain available until expended.

75 Stat. 424;
Ante, p. 806.

(t) The Institute shall be subject to the provisions of the Government Corporation Control Act.

59 Stat. 597;
61 Stat. 584.
31 USC 841
note.

PART V—AMENDMENTS TO OTHER ACTS

SEC. 501. Section 101 of the Government Corporation Control Act (31 U.S.C. 846) is amended by striking out "Development Loan Fund;" and inserting in lieu thereof "Overseas Private Investment Corporation;".

59 Stat. 597;
72 Stat. 272.

SEC. 502. (a) Section 3343(b) of title 5, United States Code, relating to details of personnel to international organizations, as amended—

80 Stat. 425.

(1) by striking out "3" and inserting in lieu thereof "5"; and

(2) by striking out the period at the end of such section and inserting in lieu thereof a comma and the following: "except that under special circumstances, where the President determines it to be in the national interest, he may extend the 5-year period for up to an additional 3 years."

(b) Section 3581(5) of such title, relating to reemployment rights of personnel who transfer to international organizations, is amended by striking out "the first 3 consecutive years after entering the employ of the international organization" and inserting in lieu thereof the following: "the first 5 consecutive years, or any extension thereof, after entering the employ of the international organization".

80 Stat. 430.

(c) Section 3582(a) of such title, relating to rights of personnel who transfer to international organizations, is amended—

(1) by inserting in clause (1), before the semicolon at the end thereof, a comma and the following: "except that such service shall not be considered creditable service for the purpose of any retirement system for transferring personnel, if such service forms the basis, in whole or in part, for an annuity or pension under the retirement system of the international organization"; and

(2) by striking out clause (2) and inserting in lieu thereof the following:

"(2) to retain coverage, rights, and benefits under chapters 87 and 89 of this title, if necessary employee deductions and agency contributions in payment for the coverage, rights, and benefits for the period of employment with the international organization are currently deposited in the Employees' Life Insurance Fund and the Employees' Health Benefits Fund, as applicable, and the period during which coverage, rights, and benefits are retained under this paragraph is deemed service as an employee under chapters 87 and 89 of this title."

80 Stat. 592,
599.

(d) Section 3582(b) of such title, relating to rights of employees transferring to international organizations, is amended—

80 Stat. 431.

(1) by striking out, "except a Congressional employee," in the first sentence;

(2) by striking out of clause (1) "3 years" and inserting in lieu thereof "5 years, or any extension thereof,"; and

(3) by inserting at the end thereof the following new sentences: "On reemployment, he is entitled to be paid, under such regulations as the President may prescribe and from appropriations or funds of the agency from which transferred, an amount equal to the difference between the pay, allowances, post differential, and other monetary benefits paid by the international organization and the pay, allowances, post differential, and other monetary

benefits that would have been paid by the agency had he been detailed to the international organization under section 3343 of this title. Such a payment shall be made to an employee who is unable to exercise his reemployment right because of disability incurred while on transfer to an international organization under this subchapter and, in the case of any employee who dies while on such a transfer or during the period after separation from the international organization in which he is properly exercising or could exercise his reemployment right, in accordance with subchapter VIII of chapter 55 of this title. This subsection does not apply to a congressional employee nor may any payment provided for in the preceding two sentences of this subsection be based on a period of employment with an international organization occurring before the first day of the first pay period which begins on or after the date of enactment of the Foreign Assistance Act of 1969."

80 Stat. 495.

80 Stat. 431.

(e) Section 3582(c) of such title, relating to rights of employees transferring to international organizations, is amended by striking out "3 years" and inserting in lieu thereof the following: "5 years, or any extension thereof."

(f) Section 3582(d) of such title, relating to agency contributions to retirement and insurance programs for personnel who transfer to international organizations, is amended to read as follows:

"(d) During the employee's period of service with the international organization, the agency from which the employee is transferred shall make contributions for retirement and insurance purposes from the appropriations or funds of that agency so long as contributions are made by the employee."

SEC. 503. Subchapter II of chapter 53 of title 5, United States Code, is amended—

Post, p. 864.

(1) by inserting at the end of section 5314, relating to level III of the Executive Schedule, the following:

"(54) President, Overseas Private Investment Corporation.";

(2) by inserting at the end of section 5315, relating to level IV of the Executive Schedule, the following:

"(92) Executive Vice President, Overseas Private Investment Corporation."; and

(3) by inserting at the end of section 5316, relating to level V of the Executive Schedule, the following:

"(128) Auditor-General of the Agency for International Development.

"(129) Vice Presidents, Overseas Private Investment Corporation (3)."

Approved December 30, 1969.

Public Law 91-176

JOINT RESOLUTION

December 30, 1969
[H. J. Res. 764]

To authorize appropriations for expenses of the President's Council on Youth Opportunity.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated such sums as may be necessary for the expenses of the President's Council on Youth Opportunity, established by Executive Order Numbered 11330 of March 5, 1967.

3 CFR, 1967
Comp., p. 258.

Approved December 30, 1969.