

Public Law 400

CHAPTER 449

AN ACT

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

June 20, 1952
[H. R. 7005]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1952".

Mutual Security
Act of 1952.

SEC. 2. Section 2 of the Mutual Security Act of 1951 is amended by inserting "(a)" after the section number and by adding at the end thereof a new subsection as follows:

65 Stat. 373.
22 USC 1651.

"(b) The Congress welcomes the recent progress in political federation, military integration, and economic unification in Europe and reaffirms its belief in the necessity of further vigorous efforts toward these ends as a means of building strength, establishing security, and preserving peace in the North Atlantic area. In order to provide further encouragement to such efforts, the Congress believes it essential that this Act should be so administered as to support concrete measures for political federation, military integration, and economic unification in Europe. Appropriations made pursuant to paragraphs 101 (a) (1), relating to military assistance, and 101 (a) (2), relating to defense support and economic assistance, of this Act may be used, pursuant to the applicable terms and conditions of the Mutual Defense Assistance Act of 1949, as amended, and of section 503 of this Act, respectively, to furnish assistance (including, in the case of amounts available pursuant to paragraph 101 (a) (2), transfers of funds) to any of the following organizations: (A) The North Atlantic Treaty Organization, (B) the European Coal and Steel Community, (C) the organization which may evolve from current international discussions concerning a European defense community."

Infra.

63 Stat. 714.
22 U S C 1571
note, 1654.

SEC. 3. Title I (relating to Europe) of the Mutual Security Act of 1951 is amended as follows:

Europe.

(a) In paragraph 101 (a) (1), insert ", for Spain," after "parties to the North Atlantic Treaty".

22 USC 1681.

(b) At the end of section 101 (a) (1), which relates to military assistance for Europe, add the following new sentence: "There is hereby authorized to be appropriated to the President for the fiscal year 1953 not to exceed \$3,415,614,750, for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604) to countries eligible for assistance under this paragraph; and in addition unexpended balances of any appropriations heretofore made pursuant to this paragraph are authorized to be continued available for their original purposes through June 30, 1953, and to be consolidated with the appropriation hereby authorized."

(c) Amend section 101 (a) (2), which relates to defense support and economic assistance for Europe, to read as follows: "There is hereby authorized to be appropriated to the President for the fiscal year 1953 not to exceed \$1,282,433,000 to provide assistance to any country covered by paragraph (1) of this subsection and to any other country covered by section 503 of this Act in accordance with the provisions of such section; and in addition unexpended balances of appropriations heretofore made pursuant to this paragraph are authorized to be continued available for their original purposes through June 30, 1953, and to be consolidated with the appropriation hereby authorized."

(d) At the end of section 101, add the following new subsection:

"(c) Not less than \$25,000,000 of the funds made available under authority of subsections (a) and (b) of this section shall be used for economic, technical, and military assistance to Spain in accordance with the provisions of this Act. Unexpended balances of appropria-

Spain.

65 Stat. 730.
Near East and
Africa.
22 USC 1691.

tions made available for assistance to Spain pursuant to this section by the Act of October 31, 1951 (Public Law 249, Eighty-second Congress), are authorized to be continued available until June 30, 1953."

SEC. 4. Title II (relating to the Near East and Africa) of the Mutual Security Act of 1951 is amended as follows:

(a) At the end of section 201, which relates to military assistance for the Near East area, add the following new sentence: "There is hereby authorized to be appropriated to the President for the fiscal year 1953 not to exceed \$560,316,500, to carry out the purposes and provisions of this section; and in addition unexpended balances of any appropriations heretofore made pursuant to this section are authorized to be continued available for their original purposes through June 30, 1953, and to be consolidated with the appropriation hereby authorized."

22 USC 1693.

(b) Amend section 203, which relates to economic and technical assistance for the Near East and Africa, to read as follows: "In order to further the purpose of this Act in Africa and the Near East there is hereby authorized to be appropriated to the President for the fiscal year 1953 not to exceed \$50,822,750 to carry out the purposes and provisions of this section; and in addition unexpended balances of any appropriations heretofore made pursuant to this section are authorized to be continued available for their original purposes through June 30, 1953, and to be consolidated with the appropriation hereby authorized. Funds appropriated pursuant to this section shall be available under the applicable provisions of section 503 of this Act and the Act for International Development (22 U. S. C. 1557)."

22 USC 1654.

64 Stat. 204.

22 USC 1695.

Refugees.

22 USC 1694.

(c) After section 205 add the following new section:

"SEC. 206. In addition to the amounts authorized by section 203, there is hereby authorized to be appropriated not to exceed \$60,063,250 for carrying out the purposes and provisions of section 204 of this Act, relating to Palestine refugees, during the fiscal year 1953; and not to exceed \$70,228,000 for carrying out the purposes and provisions of section 205 of this Act, relating to refugees in Israel, during the fiscal year 1953: *Provided*, That amounts appropriated pursuant to this section which the President finds cannot be effectively expended to carry out the purposes and provisions of sections 204 and 205 may be transferred to and merged with the appropriations authorized by section 203."

Asia and Pacific.

SEC. 5. Title III (relating to Asia and the Pacific) of the Mutual Security Act of 1951 is amended as follows:

22 USC 1701.

(a) At the end of section 301, which relates to military and other assistance for Asia and the Pacific, add the following new sentence: "There is hereby authorized to be appropriated to the President for the fiscal year 1953 not to exceed \$564,807,500, to carry out the purposes and provisions of this section; and in addition unexpended balances of any appropriations heretofore made pursuant to this section are hereby authorized to be continued available for their original purposes through June 30, 1953, and to be consolidated with the appropriation hereby authorized."

22 USC 1702.

(b) In the second sentence of section 302 (a), which relates to economic and technical assistance for Asia and the Pacific, strike out the words "the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and" and insert in lieu thereof "the applicable provisions of section 503 of this Act and the applicable provisions" and at the end of such subsection add the following new sentence: "There is hereby authorized to be appropriated to the President for the fiscal year 1953 not to exceed \$202,778,250, to carry out the purposes and provisions of this subsection in accordance with the applicable provisions of section 503 of this Act and not to exceed \$118,634,250 to carry out the purposes and provisions of

62 Stat. 137.
22 USC 1654.

this subsection in accordance with the applicable provisions of the Act for International Development (Public Law 535, Eighty-first Congress); and in addition unexpended balances of any appropriations heretofore made pursuant to this subsection are hereby authorized to be continued available for their original purposes through June 30, 1953, and to be consolidated with the appropriation hereby authorized.

(c) At the end of section 302 (b), concerning Chinese and Korean students in the United States, add the following new sentence: "Unexpended balances of allocations heretofore made to the Secretary of State pursuant to that proviso shall be continued available until expended."

(d) In the first sentence of section 303 (a), authorizing the appropriation of \$45,000,000 for Korean relief, after the words "to be appropriated to the President" insert the words "for the fiscal year 1953".

(e) In the second sentence of section 303 (a) strike out "1952" and insert "1953".

(f) Immediately before the last sentence of section 303 (a) insert the following: "In addition, the United States Department of the Army is hereby authorized to make available to the United Nations Korean Reconstruction Agency, at the time when that agency assumes full responsibility for relief and rehabilitation in Korea, goods and services of a value not to exceed \$67,500,000 which the Department of the Army then has on hand or on order for civilian relief in Korea and which the President determines should be contributed by the United States to the United Nations Korean Reconstruction Agency for use in its relief and rehabilitation operations in Korea. The value of goods and services made available pursuant to the preceding sentence shall be credited toward the contribution to be made by the United States to the United Nations Korean Reconstruction Agency."

(g) The last sentence of section 303 (b), which provides for reduction in United States contributions to Korean relief by the amounts made available by United States agencies, is hereby repealed.

SEC. 6. Title IV (relating to Latin America) of the Mutual Security Act of 1951 is amended (1) by adding at the end of the center heading "AND NON-SELF-GOVERNING TERRITORIES OF THE WESTERN HEMISPHERE", (2) by inserting after "Republics" in section 402 the words "and non-self-governing territories of the Western Hemisphere", and (3) by adding at the end of such title the following new section:

"SEC. 403. In addition to the amounts heretofore authorized and appropriated, there are hereby authorized to be appropriated to the President for the fiscal year 1953 not to exceed \$57,685,750 to carry out the purposes and provisions of section 401, which relates to military assistance for Latin America, and not to exceed \$20,329,000 to carry out the purposes and provisions of section 402, which relates to technical assistance for Latin America. In addition, unexpended balances of the appropriation heretofore made pursuant to each such section are authorized to be continued available for their original purposes through June 30, 1953, and to be consolidated with the applicable appropriation authorized by this section."

SEC. 7. Title V (relating to organization) of the Mutual Security Act of 1951 is amended as follows:

(a) Section 522, which requires that at least 10 per centum of the funds for aid pursuant to the Economic Cooperation Act of 1948, as amended, be in the form of loans, is hereby repealed.

(b) In paragraph (3) of section 501 (a), insert before the period at the end thereof the following: "and the supervision, coordination, and evaluation of all reports prepared by agencies of the United States

64 Stat. 204.
22 USC 1557
note.

Chinese and Korean students in U.S.
22 USC 1547.

U.N. Korean Reconstruction Agency.
22 USC 1703.

American Republics.

22 USC 1712.

22 USC 1711.

Organization.
22 USC 1509(c).

62 Stat. 137.
22 USC 1501
note.

Director.
22 USC 1652.

Government in the course of their operations under this Act, in order to prevent duplication of effort and to insure a reduction of reporting requirements to the minimum essential for effective operation".

22 USC 1654.

(c) Amend section 503 by inserting "(a)" after "503", by redesignating paragraphs (a), (b), and (c) as (1), (2), and (3), respectively, and by adding at the end thereof the following new subsection:

"(b) (1) Except as provided in paragraph (2), the Economic Cooperation Act of 1948, as amended, is repealed.

22 USC 1653.
62 Stat. 137.
22 USC 1501
note.

"(2) Of the powers, functions, and responsibilities transferred to the Director for Mutual Security by section 502 (b) (2) of this Act, only those which are exercised pursuant to the provisions of the Economic Cooperation Act of 1948, as amended, enumerated in paragraph (3) of this subsection and are not in conflict with the other provisions of this Act, as amended, may be exercised after June 30, 1952. Of the powers, functions, and responsibilities conferred on the President or the Secretary of State by the Economic Cooperation Act of 1948, as amended, only those conferred by the provisions of that Act, as amended, which are referred to in paragraph (3) of this subsection may be exercised after June 30, 1952.

"(3) The provisions of the Economic Cooperation Act of 1948, as amended, referred to above are the following: Sections 104 (e) and (f); 105 (c); 107; subsections (a), (c), and (d) of section 109; 110 (a) and (b); 111; 112; 113; subsections (d), (h), and (i) of section 114; 115 (a); 115 (b), except the first sentence thereof; subsections (d), (h), and (j) of section 115; section 117 (c); 118; 119; 120; and subsection (a) of section 121. Where any of the above provisions refer to the purposes of the Economic Cooperation Act of 1948, as amended, such reference shall be deemed to be to the purpose of this Act, as amended."

Personnel.
22 USC 1655.

22 USC 801 note.

(d) In section 504 (a), strike out all after "Senate" and insert in lieu thereof a period and the following sentences: "The Deputy Director shall receive compensation of \$17,500 per annum. The Special Representative in Europe shall receive the same compensation and allowances as a Chief of Mission, class 1, within the meaning of the Act of August 13, 1946 (60 Stat. 999), and have the rank of Ambassador Extraordinary and Plenipotentiary. The Deputy Special Representative in Europe shall be entitled to receive the same compensation and allowances as a Chief of Mission, class 3, within the meaning of the Act of August 13, 1946 (60 Stat. 999), and have the rank of Ambassador Extraordinary and Plenipotentiary."

63 Stat. 959.
5 USC 1105.

(e) In section 504 (c), (1) strike out "transferred to or employed by the Mutual Security Agency" and insert in lieu thereof "employed in the United States on programs authorized by this Act" and (2) amend the second sentence of such subsection to read as follows: "Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended."

(f) Before the period at the end of section 504 (d), insert the following: "Provided further, That, ninety days after the enactment of the Mutual Security Act of 1952, the number of civilian employees who are United States citizens, receiving compensation or allowances from the administrative expense appropriations authorized by this Act, employed in the United States and overseas by or assigned to the Mutual Security Agency, or employed by or assigned to the Department of State or the Department of Defense for carrying out programs the appropriations for which are authorized by this Act, and the military personnel assigned to such programs, shall be in the aggregate at least 5 per centum less than the number so employed or assigned on June 1, 1952, except for such personnel of the Department of Defense

engaged in the manufacturing, repair, rehabilitation, packing, handling, crating, or delivery of matériel: *Provided further*, That after the Director has determined the reduction to be effected in each agency, the determination as to which individual employees shall be retained shall be made by the head of the agency concerned".

(g) Amend section 506 (c) to read as follows:

"(c) Notwithstanding any other provision of law, beginning with July 1, 1952, the Secretary of Defense may furnish (subject to reimbursement from funds appropriated pursuant to this Act) military assistance out of the materials of war whose production in the United States shall have been authorized for, and appropriated to, the Department of Defense: *Provided, however*, That nothing in this Act shall authorize the furnishing of military items under this subsection in excess of \$1,000,000,000 in value. For the purposes of this subsection (1) 'value' shall be determined in accordance with section 403 (c) of the Mutual Defense Assistance Act of 1949, as amended, and (2) the term 'materials of war' means those goods, commonly known as military end items, which are required for the performance of their missions by armed forces of a nation, including weapons, military vehicles, ships of war under fifteen hundred tons, aircraft, military communications equipment, ammunition, maintenance parts and spares, and military hardware."

22 USC 1657.
Secretary of Defense.

63 Stat. 717.
22 USC 1574.

(h) Section 511 is amended by adding the following new subsection:

"(c) (1) The Congress of the United States finds that mutual security can be realized only to the extent that the countries who receive our aid do their utmost to help themselves and cooperate among themselves and with the United States to the fullest extent in achieving the objectives of the free world. In providing assistance under this Act, the Congress of the United States affirms the desire of the United States to continue to use its leadership and resources for the purpose of uniting the efforts of recipient countries to the end that positive accomplishments toward mutual security may be realized with a maximum of efficiency and a minimum of delay and cost.

22 USC 1662.
Cooperative action requirement.

"(2) In addition to the provisions of subsections (a) and (b) of this section, the Director, in administering this Act, shall insure that, where necessary to the mutual security effort, no country shall receive any assistance hereunder unless it take decisive action to marshal its resources collectively, or individually where more suitable, with integration and unification plans in the appropriate area, and participate in programs which promote collective security in that area. The Director shall insure that, where suitable or necessary to the success of the mutual security effort, countries take adequate steps to mobilize their industries for mutual defense and gear their fiscal, budgetary, capital, political, and military resources to the objectives of this Act and take appropriate other steps toward self-help and mutual cooperation.

"(3) Assistance shall be given on a country-by-country basis to a degree and at a rate commensurate with the rate of progress made in the attainment of the objectives of this Act."

(i) In section 513, amend the heading to read "SPECIAL USE OF FUNDS", insert "(a)" after "Sec. 513.", and add at the end of such section the following new subsection:

Special use of funds.
22 USC 1664.

"(b) Not more than \$100,000,000 of the funds made available under the Mutual Security Act of 1952, of which not more than \$20,000,000 may be allocated to any one country, may be used or supplied without regard to any conditions as to eligibility contained in this Act, or any other Act for which funds are authorized by this Act, when the President determines that such use is important to the security of the United States. The President shall notify the Committee on Foreign

Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives upon making any such determination."

22 USC 1665.

(j) Amend section 514 to read as follows:

"STRATEGIC MATERIALS

"SEC. 514. In order to reduce the drain on United States resources and to assure the production of adequate supplies of essential raw materials for the collective defense of the free world, the Director for Mutual Security is authorized to initiate projects for, and assist in procuring and stimulating increased production of, materials in which deficiencies or potential deficiencies in supply exist among nations receiving United States assistance."

22 USC 1667.

Encouragement
of free enterprise.

(k) Amend section 516 by inserting "(a)" after "SEC. 516." and by adding at the end of such section the following new subsections:

"(b) To accomplish the purpose of clause (1) of subsection (a) of this section, under the coordination of the Director for Mutual Security, the Mutual Security Agency, cooperating with private business groups and governmental agencies to the fullest extent possible, shall encourage a greater participation by private capital in the guaranty program and shall develop broad criteria to facilitate such participation, including programs consistent with the purposes of the Act for International Development.

"(c) The Department of Commerce shall, in cooperation with such groups and agencies (including the International Bank for Reconstruction and Development), conduct a thorough study of the legal and other impediments, foreign and local, to private investment abroad, and the methods and means whereby those impediments can be removed or decreased and shall make recommendations thereon to the Director for Mutual Security.

"(d) The Department of State, in cooperation with other agencies of the Government concerned with private investment abroad, and taking into account the study and recommendations described in subsection (c) of this section, shall accelerate a program of negotiating treaties of commerce and trade, or other temporary arrangements where more suitable or expeditious, which shall include provisions to encourage and facilitate the flow of private investment to countries participating in programs under this Act.

"(e) The Technical Cooperation Administration, taking into account the study and recommendations described in subsection (c) of this section, shall encourage and facilitate a greater participation by private industrial groups or agencies in private contracts awarded by the Administration, and shall, in cooperation with the Department of Commerce and the Mutual Security Agency, find and draw the attention of private enterprise to opportunities for investment and development in underdeveloped areas.

Reports.
22 USC 1669.

Local currency.
22 USC 1670.

"(f) The reports required by section 518 of this Act shall include detailed information on the implementation of this section."

(1) In section 519 (a), which permits the limited use of economic and technical assistance funds for the Near East, Africa, Asia, and the Pacific to acquire local currency, immediately after the words "may be advanced", insert the words "out of funds made available for assistance under section 503 of this Act".

22 USC 1654.
22 USC 1651
note.

(m) After section 531 add the following new sections:

"EXEMPTION FROM CONTRACT, ACCOUNTING, AND CERTAIN OTHER LAWS

"SEC. 532. The provisions of section 119 of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1517), which concern

exemption from contract and accounting laws, shall apply to the performance of functions authorized by this Act.

"SEC. 533. (a) Notwithstanding section 2 of the Act of July 31, 1894 (5 U. S. C. 62), which prohibits certain retired officers from holding certain office, any retired officer of any of the services mentioned in the Career Compensation Act of 1949 may hold any office or appointment under this Act or the Mutual Defense Assistance Control Act of 1951, but the compensation of any such retired officer shall be subject to the provisions of the Act of June 30, 1932 (5 U. S. C. 59a), which does not permit retired pay to be added to the compensation received as a civilian officer.

Retired officers.
28 Stat. 205.

63 Stat. 802.
37 USC 231 note.

65 Stat. 644.
22 U. S. C. 1611
note.
47 Stat. 406.

"(b) Officers of the United States Public Health Service and officers of the Coast and Geodetic Survey, who are assigned for duty under this Act outside the continental limits of the United States, may receive the allowances and benefits provided for officers in the Foreign Service Reserve or Staff by the Foreign Service Act of 1946, as amended (22 U. S. C. 801-1204), and may also receive salary differentials as provided in that Act computed on their basic pay under the Career Compensation Act of 1949, as amended (37 U. S. C. 231-320); and, in addition to any quarters furnished them by the Government, such officers may receive, during the period of their assignment for duty outside the continental limits of the United States, the allowance payable under section 302 (f) of the Career Compensation Act of 1949, as amended (37 U. S. C. 252 (f)).

60 Stat. 999.

"MOVEMENT OF MIGRANTS

"SEC. 534. In order to encourage further the movement of migrants from European countries having surplus population, there is hereby authorized to be appropriated to the President \$9,240,500 for use in making contributions for the calendar year 1953 to the Provisional Intergovernmental Committee for the Movement of Migrants from Europe established at Brussels, Belgium, on December 5, 1951.

"OCEAN FREIGHT CHARGES ON RELIEF PACKAGES

"SEC. 535. The authority to pay ocean freight charges on shipments of relief supplies and packages under section 117 (c) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1515 (c)), shall be continued and may be exercised after June 30, 1952, by any department or agency of the Government that the President may designate: *Provided*, That this authority shall hereafter also be applicable to relief shipments by voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid to any country eligible for economic or technical assistance under this Act: *And provided further*, That not to exceed \$2,587,500 are authorized to be appropriated to the President for the fiscal year 1953 for use in paying ocean freight charges under section 117 (c) of the Economic Cooperation Act of 1948, as amended.

"INFORMATIONAL MEDIA GUARANTIES

"SEC. 536. The authority to make informational media guaranties under section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, shall be fully continued and may be exercised after June 30, 1952, by any department or agency of the Government that the President may designate.

22 USC 1509.

"LIMITATION ON FUNDS FOR PROPAGANDA

"SEC. 537. None of the funds herein authorized to be appropriated nor any counterpart funds shall be used to pay for personal services or printing, or for other expenses of the dissemination within the United States of general propaganda in support of the mutual security program, or to pay the travel or other expenses outside the United States of any citizen or group of citizens of the United States for the purpose of publicizing such program within the United States.

"SMALL BUSINESS

"SEC. 538. (a) Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the Director for Mutual Security shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds authorized under this Act (other than funds authorized to carry out the provisions of the Mutual Defense Assistance Act of 1949, as amended) by making available or causing to be made available to suppliers in the United States and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with funds authorized under this Act (other than funds authorized to carry out the provisions of the Mutual Defense Assistance Act of 1949, as amended), by making available or causing to be made available to prospective purchasers in the countries receiving assistance under this Act information as to commodities and services produced by small independent enterprises in the United States, and by offering additional services to give small business better opportunities to participate in the furnishing of commodities and services financed with such funds.

"(b) There shall be continued in the Mutual Security Agency the Office of Small Business headed by the Special Assistant for Small Business to carry out the provisions of subsections (a) and (b) of this section. Each report transmitted to the Congress under section 518 shall include a report of all activities under this section. The Technical Cooperation Administration shall adopt the procedure of notifying American business, particularly small independent enterprises, of procurement and other information as far in advance as possible through the facilities of the Office of Small Business of the Mutual Security Agency. The Secretary of Defense shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended, such information to be furnished as far in advance as possible.

"(c) Section 112 (i) of the Economic Cooperation Act of 1948, as amended, is hereby repealed.

"LIMITATION ON USE OF COUNTERPART FUNDS

"SEC. 539. Except as otherwise specifically authorized by law, all counterpart funds of local currencies created by section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended, and by Acts supplementary or amendatory thereto shall be expended only on programs to carry out the purposes for which new funds authorized by this Act would themselves be available."

SEC. 8. The Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), is further amended as follows:

63 Stat. 714.
22 U S C 1571
note.

Report.
22 USC 1669.

22 USC 1510.

22 USC 1513.

(a) Before the period at the end of the proviso in the first sentence of section 403 (d), which authorizes the furnishing of \$1,000,000,000 worth of excess equipment to foreign nations, insert a comma and the words "and after June 30, 1952, by an additional \$200,000,000".

22 USC 1574.

(b) Change section 408 (e), concerning reimbursable aid, to read as follows:

22 USC 1580.

"(e) (1) The President may, from time to time, in the interest of achieving standardization of military equipment and in order to provide procurement assistance without cost to the United States, transfer, or enter into contracts for the procurement for transfer of, equipment, materials, or services to: (A) nations eligible for assistance under title I, II, III, or IV of the Mutual Security Act of 1951; (B) a nation which has joined with the United States in a collective defense and regional arrangement; (C) any international military organization or headquarters if, in the opinion of the President, such assistance will further the purposes of this Act; or (D) any other nation not eligible to join a collective defense and regional arrangement referred to in clause (B) above, but whose ability to defend itself or to participate in the defense of the area of which it is a part, is important to the security of the United States: *Provided*, That, prior to the transfer of any equipment, materials, or services to a nation under this clause (D), it shall provide the United States with assurance that such equipment, materials, or services are required for and will be used solely to maintain its internal security, its legitimate self-defense, or to permit it to participate in the defense of the area of which it is a part, or in the United Nations collective security arrangements and measures, and that it will not undertake any act of aggression against any other state: *Provided further*, That, in the case of any such transfer, the President shall forthwith notify the Committee on Foreign Relations of the Senate, the Committees on Armed Services of the Senate and of the House of Representatives, and the Committee on Foreign Affairs of the House of Representatives.

Transfer of equipment, materials, etc.

Notification of Congressional Committees.

"(2) Whenever equipment or material is transferred from the stocks of, or services are rendered by any agency, to any nation or international organization as provided in paragraph (1) above, such nation or international organization shall first make available the fair value, as determined by the President, of such equipment, materials, or services before delivery or, when the President determines it to be in the best interests of the United States, within sixty days thereafter. The fair value for the purpose of this paragraph shall not be less for the various categories of equipment or materials than the value as defined in subsection (c) of section 403: *Provided*, That with respect to excess equipment or materials the fair value may not be determined to be less than the value specified in paragraph (1) of that subsection plus (a) 10 per centum of the original gross cost of such equipment or materials; (b) the scrap value; or (c) the market value, if ascertainable, whichever is the greater. Before a contract is entered into, or rehabilitation work is undertaken, such nation shall (A) provide the United States with a dependable undertaking to pay the full amount of such contract or the cost of such rehabilitation which will assure the United States against any loss on the contract, or rehabilitation work, and (B) shall make funds available in such amounts and at such times as may be necessary to meet the payments required by the contract or the rehabilitation work in advance of the time such payments are due, in addition to the estimated amount of any damages and costs that may accrue from the cancellation of such contract or rehabilitation work: *Provided*, That the total amount of outstanding contracts under this subsection, less the amounts which have been paid the United States by such nations, shall at no time exceed \$700,000,000.

Fair value.

22 USC 1574.

22 USC 1581.

“(3) The provisions of section 409 of this Act shall not apply to equipment, materials, and commodities made available under this subsection.”

22 USC 1513.

SEC. 9. Section 115 of the Economic Cooperation Act of 1948, as amended, is amended as follows:

Special accounts.

(a) Before the period at the end of paragraph (6) of subsection (b) insert a colon and the following: “*And provided further*, That whenever funds from such special account are used by a country to make loans all funds received in repayment of such loans shall be redeposited in such special account”.

(b) In subsection (h) strike out “5 per centum” and insert in lieu thereof “10 per centum”.

(c) At the end of such section add a new subsection as follows:

Ante, p. 141.

“(k) Of the funds appropriated pursuant to section 101 (a) (2) of the Mutual Security Act of 1951, as amended, (1) \$100,000,000 shall, to the maximum extent practicable consistent with the accomplishment of the policies and purposes of the Mutual Security Act of 1951, as amended, be expended in such manner and subject to such agreements as may be necessary to assure that the amounts of local currencies deposited under subsection (b) (6) as a result of such expenditure shall be used exclusively, in accordance with principles developed by the Administrator, to establish revolving funds which shall be available for making loans, and otherwise to carry out programs in furtherance of the objectives of section 516 of the Mutual Security Act of 1951, with a view to stimulating free enterprise and the expansion of the economies of those countries with equitable sharing of the benefits of increased production and productivity between consumers, workers, and owners; and (2) the Director for Mutual Security is authorized to transfer not exceeding \$2,500,000 to the Organization for European Economic Cooperation, to be used on terms and conditions to be specified by the Director in order to promote the objectives of section 516 of the Mutual Security Act of 1951, as amended.”

Ante, p. 146.

SEC. 10. The Act for International Development is amended as follows:

22 USC 1557b.

(a) At the end of section 404 (b), as amended, which relates to contributions of not to exceed \$13,000,000 for 1952 to international organizations for technical cooperation programs, add the following proviso: “*Provided further*, That for the fiscal year 1953 not to exceed \$15,708,750 is authorized to be appropriated to the President for use in making contributions under this subsection.”

22 USC 1557k.

(b) Change section 413 (a) thereof, which concerns the appointment of the Administrator of the Technical Cooperation Administration at a salary of \$15,000, to read as follows:

Technical Cooperation Administration. Personnel.

“(a) The President shall appoint, by and with the advice and consent of the Senate, an Administrator for Technical Cooperation, who, under the direction of the President or such other officer as he may designate pursuant to section 412 hereof to exercise the powers conferred upon him by this title, shall be responsible for planning, implementing, and managing the programs authorized in this title. He shall be compensated at a rate fixed by the President without regard to the Classification Act of 1949 but not in excess of \$16,000 per annum. The President may also appoint, by and with the advice and consent of the Senate, a Deputy Administrator for Technical Cooperation who shall perform such functions as the Administrator shall designate, and shall be Acting Administrator for Technical Cooperation during the absence or disability of the Administrator or in the event of a vacancy in the office of the Administrator. The Deputy Administrator shall receive compensation at a rate fixed by the President

63 Stat. 954.
5 USC 1071 note.

without regard to the Classification Act of 1949 but not in excess of \$15,000 per annum."

SEC. 11. Section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 App. U. S. C. 1641), is amended by striking out in the first sentence thereof "acquired as a result of such surplus property disposals," and inserting in lieu thereof "held or available for expenditure by the United States or any agency thereof (or deposited pursuant to agreements entered into pursuant to section 115 (b) (6) and 115 (h) of the Economic Cooperation Act of 1948, as amended), and not required by law or agreement with such government to be expended or used for any other purpose,".

58 Stat. 782.

22 USC 1513.

SEC. 12. There is hereby authorized to be appropriated to the President not to exceed \$16,481,000 to enable him to make contributions to the United Nations International Children's Emergency Fund until December 31, 1953, in such manner and on such terms and conditions as he may deem to be in the interests of the United States to support international children's welfare work: *Provided*, That the contributions shall be made in such a manner as to give assurance that they will not exceed 33⅓ per centum of contributions from all governments, including contributions made by governments for the benefit of persons located within territories under their control: *Provided further*, That none of the funds authorized shall be used in duplication of the activities of other agencies of the United Nations.

U. N. International Children's Emergency Fund.

Approved June 20, 1952.

Public Law 401

CHAPTER 450

AN ACT

To amend section 302 (4) of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, relating to penalties.

June 23, 1952
[S. 2390]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 302 (4) of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended (56 Stat. 772, 50 U. S. C. War App. 532 (4)), is amended to read as follows:

"Any person who shall knowingly make or cause to be made any sale, foreclosure, or seizure of property, defined as invalid by subsection (3) hereof, or attempts so to do, shall be guilty of a misdemeanor and shall be punished by imprisonment not to exceed one year or by fine not to exceed \$1,000, or both."

Approved June 23, 1952.

Public Law 402

CHAPTER 451

AN ACT

To approve contracts negotiated with irrigation districts on the Owyhee, River-ton, Milk River, and Frenchtown Federal Reclamation Projects, to authorize their execution, and for other purposes.

June 23, 1952
[H. R. 5633]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the contracts referred to in sections 2 to 5 of this Act, which have been negotiated by the Secretary of the Interior, pursuant to section 7 of the Reclamation Project Act of 1939 (53 Stat. 1187), are hereby approved, and the Secretary is authorized to execute them on behalf of the United States.

Irrigation districts.
Contracts.

43 USC 485f.