

(c) EFFECTIVE DATES.—

(1) Except as provided in paragraph (2), the repeals and amendments made by subsections (a) and (b) shall apply only with respect to amounts paid on or after August 1, 1958.

(2) In the case of transportation with respect to which the second sentence of section 4281 of the Internal Revenue Code of 1954 applies, the repeals and amendments made by subsections (a) and (b) shall apply only if the transportation begins on or after August 1, 1958.

Approved June 30, 1958.

Public Law 85-476

AN ACT

To amend section 14 (b) of the Federal Reserve Act, as amended, to extend for two years the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury.

June 30, 1958
[H. R. 12586]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 14 (b) of the Federal Reserve Act, as amended (U. S. C., 1952 edition, supp. V, title 12, sec. 355), is amended by striking out "July 1, 1958" and inserting in lieu thereof "July 1, 1960" and by striking out "June 30, 1958" and inserting in lieu thereof "June 30, 1960".

70 Stat. 339.

Approved June 30, 1958.

Public Law 85-477

AN ACT

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

June 30, 1958
[H. R. 12181]

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 1958".

Mutual Security
Act of 1958.

SEC. 2. The first section of the Mutual Security Act of 1954, as amended, is amended by adding at the end thereof the following: "This Act is divided into chapters and titles, according to the following table of contents:

68 Stat. 832.
22 USC 1751
note.

"TABLE OF CONTENTS

- "CHAPTER I—MILITARY ASSISTANCE
- "CHAPTER II—ECONOMIC ASSISTANCE
 - "Title I—Defense Support
 - "Title II—Development Loan Fund
 - "Title III—Technical Cooperation
 - "Title IV—Special Assistance and Other Programs
- "CHAPTER III—CONTINGENCY FUND
- "CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS"

CHAPTER I—MILITARY ASSISTANCE

MILITARY ASSISTANCE

SEC. 101. Subsection (a) of section 103 of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended by striking out "1958" and "\$1,600,000,000" and inserting in lieu thereof "1959" and "\$1,605,000,000", respectively.

71 Stat. 355.
22 USC 1813.

PROCUREMENT PROGRAMS RELATING TO MILITARY ASSISTANCE

69 Stat. 284.
22 USC 1815.

SEC. 102. Paragraph (1) of subsection (b) of section 105 of the Mutual Security Act of 1954, as amended, which relates to conditions applicable to military assistance, is amended by inserting immediately before the period at the end thereof the following: “, including coordinated production and procurement programs participated in by the members of the North Atlantic Treaty Organization to the greatest extent possible with respect to military equipment and materials to be utilized for the defense of the North Atlantic area”.

POLICY ON MILITARY ASSISTANCE TO AMERICAN REPUBLICS

22 USC 1815.

SEC. 103. Paragraph (4) of subsection (b) of section 105 of the Mutual Security Act of 1954, as amended, which relates to military assistance to American Republics, is amended by adding the following sentences at the end thereof: “The President annually shall review such findings and shall determine whether military assistance is necessary. Internal security requirements shall not normally be the basis for military assistance programs to American Republics.”

CHAPTER II—ECONOMIC ASSISTANCE

DEFENSE SUPPORT

71 Stat. 356.
22 USC 1841.

SEC. 201. Subsection (b) of section 131 of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended by striking out “1958” and “\$750,000,000” and inserting in lieu thereof “1959” and “\$810,000,000”, respectively.

UTILIZATION OF FUNDS IN SPECIAL ACCOUNTS

22 USC 1852.

SEC. 202. Paragraph (iii) of subsection (b) of section 142 of the Mutual Security Act of 1954, as amended, which relates to utilization of funds in Special Accounts, is amended by inserting immediately before the period at the end thereof the following: “: *Provided*, That if amounts in such remainder exceed the requirements of such programs, the recipient nation may utilize such excess amounts for other purposes agreed to by the United States which are consistent with the foreign policy of the United States: *Provided further*, That such utilization of such excess amounts in all Special Accounts shall not exceed the equivalent of \$4,000,000”.

DEVELOPMENT LOAN FUND

71 Stat. 357.
22 USC 1872.

SEC. 203. Title II of the chapter designated by paragraph (2) of section 501 of this Act as chapter II of the Mutual Security Act of 1954, as amended, which relates to the Development Loan Fund, is amended as follows:

(a) Amend section 202, which relates to general authority, as follows:

(1) Strike out subsection (a) and substitute the following:

General authority.

“(a) To carry out the purposes of this title, there is hereby created as an agency of the United States of America, subject to the direction and supervision of the President, a body corporate to be known as the ‘Development Loan Fund’ (hereinafter referred to in this title as the ‘Fund’) which shall have succession in its corporate name. The Fund 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. It may establish offices in such other place or places as it may deem necessary or appropriate.”

(2) In subsection (b), strike out all preceding "is hereby" in the first sentence and substitute "The Fund"; strike out "he" in the first sentence and substitute "it"; strike out "and (3)" in the first sentence and substitute "(3)"; insert before the period at the end of the first sentence "and (4) the possible adverse effects upon the economy of the United States, with special reference to areas of substantial labor surplus, of the activity and the financing operation or transaction involved"; strike out "from" in the second sentence and substitute "by"; insert after the third sentence "The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for or participating with the Fund in any operation or transaction, or from acquiring any obligation issued in connection with any operation or transaction, engaged in by the Fund."; and strike out the last two sentences and substitute the following new sentence: "The President's semiannual reports to the Congress on operations under this Act, as provided for in section 534 of this Act, shall include detailed information on the implementation of this title."

62 Stat. 744.

Reports of President.

22 USC 1794.

22 USC 1874.

Fiscal provisions.

(b) Amend section 204, which relates to fiscal provisions, as follows:

(1) In subsection (b), substitute "Fund" for "President" in the first sentence and strike out "against the Fund" in that sentence; change "authorized" to "made available" in the second sentence; and insert "assets of the" before "Fund" in the third sentence.

(2) Strike out subsection (c) and substitute the following:

"(c) The Fund shall be deemed to be a wholly owned Government corporation and shall accordingly be subject to the applicable provisions of the Government Corporation Control Act, as amended."

59 Stat. 597; 61 Stat. 584.

31 USC 841 note, 849.

71 Stat. 358.

22 USC 1875.

(c) Amend section 205, which relates to powers and authorities, as follows:

(1) Insert "MANAGEMENT," before "POWERS" in the heading of the section.

Management, powers and authorities.

(2) Strike out subsections (a) and (b) and substitute the following new subsections:

"(a) The management of the Fund shall be vested in a Board of Directors (hereinafter referred to in this title as the 'Board') consisting of the Under Secretary of State for Economic Affairs, who shall be Chairman, the Director of the International Cooperation Administration, the Chairman of the Board of Directors of the Export-Import Bank, the Managing Director of the Fund, and the United States Executive Director on the International Bank for Reconstruction and Development. The Board shall carry out its functions subject to the foreign policy guidance of the Secretary of State. The Board shall act by a majority vote participated in by a quorum; and three members of the Board shall constitute a quorum. Subject to the foregoing sentence, vacancies in the membership of the Board shall not affect its power to act. The Board shall meet for organization purposes when and where called by the Chairman. The Board may, in addition to taking any other necessary or appropriate actions in connection with the management of the Fund, adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the authorities, powers, and functions of the Fund and its officers and employees. The members of the Board shall receive no compensation for their services on the Board but may be paid actual travel expenses and per diem in lieu of subsistence under the Standardized Government Travel Regulations in connection with travel or absence from their homes or regular places of business for purposes of business of the Fund.

Board of Directors.

Managing Director.

“(b) There shall be a Managing Director of the Fund who shall be the chief executive officer of the Fund, who shall be appointed by the President of the United States by and with the advice and consent of the Senate, and whose compensation shall be at a rate of \$20,000 a year. There shall also be a Deputy Managing Director of the Fund, whose compensation shall be at a rate not in excess of \$19,000 a year, and three other officers of the Fund, whose titles shall be determined by the Board and whose compensation shall be at a rate not in excess of \$18,000 per year. Appointment to the offices provided for in the preceding sentence shall be by the Board. The Managing Director, in his capacity as chief executive officer of the Fund, the Deputy Managing Director and the other officers of the Fund shall perform such functions as the Board may designate and shall be subject to the supervision and direction of the Board. During the absence or disability of the Managing Director or in the event of a vacancy in the office of Managing Director, the Deputy Managing Director shall act as Managing Director, or, if the Deputy Managing Director is also absent or disabled or the office of Deputy Managing Director is vacant, such other officer as the Board may designate shall act as Managing Director. The offices provided for in this subsection shall be in addition to positions otherwise authorized by law.”

(3) In subsection (c) :

(i) Strike out all in the first sentence preceding “: enter into” and substitute “The Fund, in addition to other powers and authorities vested in or delegated or assigned to the Fund or its officers or the Board, may”;

(ii) Strike out “may be deemed” in the first clause of the first sentence and substitute “it may deem”;

(iii) Strike out “under this title” in the fourth clause of the first sentence and substitute “of the Fund”;

(iv) Strike out “the Manager of” in the fifth clause, both times it appears in the seventh clause, and in the last clause of the first sentence;

(v) Insert after the seventh clause of the first sentence, following “collection;”, the following: “adopt, alter and use a corporate seal which shall be judicially noticed; require bonds for the faithful performance of the duties of its officers, attorneys, agents and employees and pay the premiums thereon; sue and be sued in its corporate name (provided that no attachment, injunction, garnishment, or similar process, mesne or final, shall be issued against the Fund or any officer thereof, including the Board or any member thereof, in his official capacity or against property or funds owned or held by the Fund or any such officer in his official capacity); exercise, in the payment of debts out of bankrupt, insolvent or decedent’s estates, the priority of the Government of the United States; purchase one passenger motor vehicle for use in the continental United States and replace such vehicle from time to time as necessary; use the United States mails in the same manner and under the same conditions as the executive departments of the Federal Government;”;

(vi) Strike out all following “operation” in the last clause of the first sentence and substitute “, or in carrying out any function.”

(vii) Insert the following new sentence after the first sentence of the subsection: “Nothing herein shall be construed to exempt the Fund or its operations from the application of sections 507 (b) and 2679 of title 28, United States Code or of section 367 of the Revised Statutes (5 U. S. C. 316), or to authorize the Fund to borrow any funds from any source without the express legislative permission of the Congress.”

(4) Insert the following new subsections:

“(d) The Fund shall contribute, from the respective appropriation or fund used for payment of salaries, pay or compensation, to the civil service retirement and disability fund, a sum as provided by section 4 (a) of the Civil Service Retirement Act, as amended (5 U. S. C. 2254a), except that such sum shall be determined by applying to the total basic salaries (as defined in that Act) paid to the employees of the Fund covered by that Act, the per centum rate determined annually by the Civil Service Commission to be the excess of the total normal cost per centum rate of the civil service retirement system over the employee deduction rate specified in said section 4 (a). The Fund shall also contribute at least quarterly from such appropriation or fund, to the employees’ compensation fund, the amount determined by the Secretary of Labor to be the full cost of benefits and other payments made from such fund on account of injuries and deaths of its employees which may hereafter occur. The Fund shall also pay into the Treasury as miscellaneous receipts that portion of the cost of administration of the respective funds attributable to its employees, as determined by the Civil Service Commission and the Secretary of Labor.

Retirement, etc., provisions.

70 Stat. 747.

“(e) The assets of the Development Loan Fund on the date of enactment of the Mutual Security Act of 1958 shall be transferred as of such date to the body corporate created by section 202 (a) of this Act. In addition, records, personnel, and property of the International Cooperation Administration may, as agreed by the Managing Director and the Director of the International Cooperation Administration or as determined by the President, be transferred to the Fund. Obligations and liabilities incurred against, and rights established or acquired for the benefit of or with respect to, the Development Loan Fund during the period between August 14, 1957, and the date of enactment of the Mutual Security Act of 1958 are hereby transferred to, and accepted and assumed by, the body corporate created by section 202 (a) of this Act. A person serving as Manager of the Development Loan Fund as of the date of enactment of the Mutual Security Act of 1958 shall not, by reason of the enactment of that Act, require reappointment in order to serve in the office of Managing Director provided for in section 205 (b) of this Act.”

TECHNICAL COOPERATION

SEC. 204. Title III of the chapter designated by paragraph (2) of section 501 of this Act as chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out “\$151,900,000” and insert in lieu thereof “\$150,000,000 for use beginning in the fiscal year 1959”.

71 Stat. 359.
22 USC 1894.

(b) Amend section 306, which relates to multilateral technical cooperation, as follows:

22 USC 1896.

(1) Insert “AND RELATED PROGRAMS” after “COOPERATION” in the heading of the section; insert “and this Act” after “title” in the first sentence; and insert “and related” after “cooperation” in the first sentence.

(2) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance, strike out “\$15,500,000 for the fiscal year 1958” and substitute “\$20,000,000 for the fiscal year 1959”; insert “and such related fund as may hereafter be established” after “Assistance”; and in the proviso change “to this program” to “for such purpose” and after the word “contributed” the

22 USC 1896.

first time it appears, strike the remainder of the subsection and insert "for such purpose and for succeeding calendar years not to exceed 40 per centum of the total amount contributed for such purpose for each such year."

(3) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1958" and substitute "1959".

SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 205. Title IV of the chapter designated by paragraph (2) of section 501 of this Act as chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is further amended as follows:

(a) In subsection (a) of section 400, which relates to special assistance, strike out "1958" and "\$250,000,000" in the first sentence and insert in lieu thereof "1959" and "\$202,500,000", respectively; and strike out all following "stability" in the first sentence and all of the last sentence and insert a period.

(b) In section 402, which relates to earmarking of funds, strike out "1958" in the first sentence and substitute "1959".

(c) Repeal sections 403 and 404, which relate, respectively, to special assistance in joint control areas and responsibilities in Germany, and substitute the following new section:

"SEC. 403. RESPONSIBILITIES IN GERMANY.—The President is hereby authorized to use during the fiscal year 1959 not to exceed \$8,200,000 of the funds made available pursuant to section 400 (a) of this Act in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin. In carrying out this section, the President may also use currency which has been or may be deposited in the GARIOA (Government and Relief in Occupied Areas) Special Account, including that part of the German currency now or hereafter deposited under the bilateral agreement of December 15, 1949, between the United States and the Federal Republic of Germany (or any supplementary or succeeding agreement) which, upon approval by the President, shall be deposited in the GARIOA Special Account under the terms of article V of that agreement. The President may use the funds available for the purposes of this section on such terms and conditions as he may specify, and without regard to any provision of law which he determines must be disregarded."

(d) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), strike out all following "fiscal year" and substitute "1959 not to exceed \$1,200,000 for contributions to the program of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate."

(2) In subsection (d), strike out "1958" and "\$5,500,000" and substitute "1959" and "\$8,600,000", respectively.

(e) In section 406, which relates to children's welfare, strike out "1958" and substitute "1959".

(f) In section 407, which relates to Palestine refugees in the Near East, amend the first sentence to read as follows: "There is hereby authorized to be appropriated to the President for the fiscal year 1959 not to exceed \$25,000,000 to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East: *Provided*, That of the funds appropriated pursuant to this section fifteen per centum shall be available only for repatriation or resettlement of such refugees."

71 Stat. 360.
22 USC 1920.

71 Stat. 361.
22 USC 1922.

22 USC 1923,
1924.

22 USC 1920.

64 Stat. B81.

Migrants, etc.
22 USC 1925.

71 Stat. 361.

UN Children's
Fund.
22 USC 1926.
22 USC 1927.

(g) In section 409 (c), which relates to ocean freight charges, strike out "1958" and "\$2,200,000" and substitute "1959" and "\$2,100,000", respectively.

22 USC 1929.

(h) In section 410, which relates to Control Act expenses, strike out "1958" in the first sentence and substitute "1959".

22 USC 1930.

(i) Amend section 411, which relates to administrative and other expenses, as follows:

22 USC 1931.

(1) In subsection (b), strike out "1958" and "\$32,750,000" and substitute "1959" and "\$33,000,000", respectively; and insert "and title II of chapter II" immediately before the close of the first parentheses;

(2) In subsection (c), insert "functions of the Department under this Act or for" before "normal".

22 USC 1933.

(j) Amend section 413, which relates to encouragement of free enterprise and private participation, as follows:

Free enterprise.

(1) In section 413 (b) (4), which relates to encouragement of free enterprise and private participation, strike out "the agency primarily" and substitute "an agency"; insert immediately before the semicolon at the end of subparagraph (E) the following proviso: " : *Provided*, That in the event the fee to be charged for a type of guaranty is reduced, fees to be paid under existing contracts for the same type of guaranty may be similarly reduced"; and insert after "Director of the International Cooperation Administration" both times it appears in subparagraph (F) "or such other officer as the President may designate".

(2) Insert the following new subsection:

"(c) Under the direction of the President, the Departments of State and Commerce and such other agencies of the Government as the President shall deem appropriate, in cooperation to the fullest extent practicable with private enterprise concerned with international trade, foreign investment, and business operations in foreign countries, shall conduct a study of the ways and means in which the role of the private sector of the national economy can be more effectively utilized and protected in carrying out the purposes of this Act, so as to promote the foreign policy of the United States, to stabilize and to expand its economy and to prevent adverse effects, with special reference to areas of substantial labor surplus. Such study shall include specific recommendations for such legislative and administrative action as may be necessary to expand the role of private enterprise in advancing the foreign policy objectives of the United States."

(k) At the end of section 414 (b), which relates to munitions control, add the following: "Such regulations shall prohibit the return to the United States for sale in the United States (other than for the Armed Forces of the United States and its allies) of any military firearms or ammunition of United States manufacture furnished to foreign governments by the United States under this Act or any other foreign assistance program of the United States, whether or not advanced in value or improved in condition in a foreign country. This prohibition shall not extend to similar firearms that have been so substantially transformed as to become, in effect, articles of foreign manufacture."

68 Stat. 848.
22 USC 1934.

(l) In section 419 (a), which relates to atoms for peace, strike out "1958" and "\$7,000,000" in the second sentence and substitute "1959" and "\$5,500,000", respectively.

71 Stat. 352.
22 USC 1939.

(m) In section 420, which relates to malaria eradication, insert after the word "authorized" in the second sentence "to use funds made available under this Act (other than chapter I and title II of chapter II)"; insert immediately before the period at the end of the second sentence the following proviso: " : *Provided*, That this sec-

71 Stat. 352.
22 USC 1940.

tion shall not affect the authority of the Development Loan Fund to make loans for such purpose, so long as such loans are made in accordance with the provisions of title II of chapter II"; and strike out the last sentence.

CHAPTER III—CONTINGENCY FUND

PRESIDENT'S SPECIAL AUTHORITY AND CONTINGENCY FUND

22 USC 1921.

SEC. 301. The section of the Mutual Security Act of 1954, as amended, redesignated by paragraph (12) (B) of section 501 of this Act as section 451 of chapter III of the Mutual Security Act of 1954, as amended, which relates to the President's special authority, is amended as follows:

(a) Insert "AND CONTINGENCY FUND" after "AUTHORITY" in the heading of this section.

(b) Subsection (a) is amended as follows:

(1) In the first sentence, insert "for use" after "made available"; strike out "such use by section 400 (a) of this Act" and substitute "use under this subsection by subsection (b) of this section"; strike out "pursuant to authorizations contained in" and substitute "for use under"; and

(2) In the second and last sentence strike out "section" both times it appears and substitute "subsection".

(c) Redesignate subsection (b) as subsection (c), and insert the following new subsection (b):

Appropriation.

"(b) There is hereby authorized to be appropriated to the President for the fiscal year 1959 not to exceed \$155,000,000 for assistance authorized by this Act, other than by title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance. \$100,000,000 of the funds authorized to be appropriated pursuant to this subsection for any fiscal year may be used in such year in accordance with the provisions of subsection (a) of this section."

(d) In the last sentence of subsection (c), insert "subsection (a) of" after "under".

CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

GENERAL PROVISIONS

22 USC 1754.

SEC. 401. The chapter designated by paragraph (16) of section 501 of this Act as chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is further amended as follows:

(a) Section 502, which relates to use of foreign currencies by committees of the Congress, is amended by striking out the proviso in subsection (b) and inserting the following: " : *Provided*, That each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended, together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall consolidate the reports of each member and employee of the committee and forward said consolidated report, showing the total itemized expenditures of the committee and each subcommittee thereof during

the preceding calendar year, to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such report submitted by each committee shall be published in the Congressional Record within ten legislative days after receipt by the Committee on House Administration of the House or the Committee on Appropriations of the Senate."

(b) Section 509, which relates to shipping on United States vessels, is amended by adding the following new sentence at the end thereof: "Sales of fresh fruit and the products thereof under this Act shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, Seventy-third Congress, and section 901 (b) of the Merchant Marine Act, 1936, as amended)."

22 USC 1761.

(c) Section 510, which relates to purchase of commodities, is amended by striking out "title II or" in the first sentence.

48 Stat. 500; 68
Stat. 832.
15 U S C 616a;
46 USC 1241.
22 USC 1762.

(d) Add the following new sections immediately after section 515:

22 USC 1766a.

"SEC. 516. PROHIBITION AGAINST DEBT RETIREMENT.—None of the funds made available under this Act nor any of the counterpart funds generated as a result of assistance under this Act or any other Act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts: *Provided*, That to the extent that funds have been borrowed by any foreign government in order to make a deposit of counterpart and such deposit is in excess of the amount that would be required to be deposited pursuant to the formula prescribed by section 142 (b) of this Act, such counterpart may be used in such country for any agreed purpose consistent with the provisions of this Act.

22 USC 1852.

"SEC. 517. COMPLETION OF PLANS AND COST ESTIMATES.—After June 30, 1958, no agreement or grant which constitutes an obligation of the United States in excess of \$100,000 under section 1311 of the Supplemental Appropriation Act, 1955, shall be made for any assistance authorized under title I or III (except section 306) of chapter II, or section 400 (a)—

68 Stat. 830.
31 USC 200.

22 U S C 1896,
1920.

"(1) if such agreement or grant requires substantive technical or financial planning, until engineering, financial, and other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States of providing such assistance, have been completed; and

"(2) if such agreement or grant requires legislative action within the recipient country, unless such legislative action may reasonably be anticipated to be completed within one year from the date the agreement or grant is made.

This section shall not apply to any assistance furnished for the sole purpose of preparation of engineering, financial, and other plans."

(e) Amend section 527, which relates to the employment of personnel, by adding the following new subsection, such amendment to take effect nine months after the date of enactment of this Act:

68 Stat. 857.
22 USC 1787.

"(e) Notwithstanding the provisions of title 10, United States Code, section 712, or any other law containing similar authority, officers and employees of the United States performing functions under this Act shall not accept from any foreign nation any compensation or other benefits. Arrangements may be made by the President with such nations for reimbursement to the United States or other sharing of the cost of performing such functions."

71 Stat. 364.
22 USC 1797.

71 Stat. 556.
42 USC 15941.
71 Stat. 556.

(f) Section 537, which relates to provisions on uses of funds, is amended as follows: in subsection (a) (1), strike out "for the fiscal year 1958"; in subsection (c), strike out "Not to exceed \$18,000,000" and substitute "Notwithstanding the provisions of section 406 (a) of Public Law 85-241, not to exceed \$26,000,000", and add the following new clause before the period: ", and not to exceed \$2,750,000 of funds made available for assistance in other countries under this Act may be used (in addition to funds available for such use under other authorities in this Act) for construction or acquisition of such facilities for such purposes elsewhere"; and add the following new subsection:

"(f) During the annual presentation to the Congress of requests for authorizations and appropriations under this Act, a detailed explanation of the method by which the proposed programs for each country have been arrived at shall be submitted, including all significant factors considered in arriving at such proposed programs."

Savings clause.
71 Stat. 365.
22 USC 1768.

(g) Amend section 543 (d), which relates to saving provisions, by striking out "Act of 1956 or the Mutual Security Act of 1957" and substituting "Act of 1956, 1957, or 1958" in the first sentence and by inserting the following new sentence after the second sentence: "Until June 30, 1958, funds used for the purposes of this Act shall be so used in accordance with the provisions of this Act as in effect prior to the date of enactment of the Mutual Security Act of 1958."

22 USC 1442.

(h) Amend section 544, which relates to amendments to other laws, by striking out subsections (b) and (c) (which deletions shall not be deemed to affect amendments contained in such subsections to Acts other than the Mutual Security Act of 1954, as amended).

70 Stat. 565.
22 USC 1751.

(i) Amend section 545, which relates to definitions, as follows:

(1) In subsection (j), insert "the Development Loan Fund and" after "refer to" and strike out "title II,".

(2) In subsection (k), insert "the Board of Directors of the Development Loan Fund and" after "refer to" and strike out "title II,".

CHAPTER V—REORGANIZATION OF MUTUAL SECURITY ACT OF 1954; AMENDMENTS; AND WESTERN HEMISPHERE COOPERATION

REORGANIZATION OF MUTUAL SECURITY ACT OF 1954

68 Stat. 832.
22 USC 1751
note.

SEC. 501. The Mutual Security Act of 1954, as amended, is further amended as follows:

(1) Strike out the heading of title I and of chapter I of such title, and immediately before section 101, insert the following:

"CHAPTER I—MILITARY ASSISTANCE"

(2) Immediately above section 131, strike out the chapter heading and insert in lieu thereof the following:

"CHAPTER II—ECONOMIC ASSISTANCE"

"TITLE I—DEFENSE SUPPORT"

68 Stat. 838.
22 USC 1841.

(3) In section 131 (a), strike out "chapter 1 of this title" and insert in lieu thereof "chapter I".

(4) In section 131 (d), immediately after "title", insert "or chapter I".

22 USC 1851.

(5) Immediately above section 141, strike out the chapter heading.

(6) In section 141, immediately after "title" both times it appears insert "or chapter I".

- (7) (A) In section 142 (a), strike out "chapter 1 of this title" each place it appears and insert "chapter I". 69 Stat. 285.
22 USC 1852.
- (B) In such section 142 (a), strike out "under this title" and "purposes of this title" each place they appear and insert "under chapter I or under this title", and "purposes of chapter I or of this title", respectively.
- (8) Section 142 (b) is amended by striking out "chapter 3 of title I of this Act" and inserting in lieu thereof "this title".
- (9) Section 144 is amended by inserting immediately after "under this title" the following: "or chapter I". 71 Stat. 357.
22 USC 1854.
- (10) Section 202 (b) is amended by striking out "401 (a)" and inserting in lieu thereof "451 (a)". 22 USC 1872.
- (11) Amend the heading of title IV to read as follows: 22 USC 1920.

"TITLE IV—SPECIAL ASSISTANCE AND OTHER PROGRAMS".

- (12) (A) Immediately after section 420, insert the following new chapter heading: 71 Stat. 362.
22 USC 1940.

"CHAPTER III—CONTINGENCY FUND"

- (B) Section 401 is redesignated as section 451 of chapter III. 68 Stat. 843.
22 USC 1921.
- (13) Section 405 (d) is amended by striking out "401" and inserting in lieu thereof "451". 69 Stat. 286.
22 USC 1925.
- (14) Section 410 is amended by striking out "chapter 1 of title I" and inserting in lieu thereof "chapter I". 68 Stat. 846.
22 USC 1930.
- (15) Section 411 (b) is amended by striking out "chapter 1 of title I" and inserting in lieu thereof "chapter I". 22 USC 1931.
- (16) Immediately above section 501, strike out the heading of title V and of chapter 1 of that title and insert the following: 22 USC 1753.

"CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS"

- (17) Section 503 is amended by striking out "chapter 1 of title I" and inserting in lieu thereof "chapter I". 68 Stat. 850.
22 USC 1755.
- (18) (A) Section 504 (a) is amended by striking out "titles II, III, and IV, and chapter 3 of title I," and inserting in lieu thereof "chapter II". 68 Stat. 851.
- (B) Section 504 (c) is amended by striking out "chapter 1 of title I" and inserting in lieu thereof "chapter I".
- (19) (A) The first sentence of section 510 is amended by striking out "chapter 3 of title I" and inserting in lieu thereof "title I of chapter II". 68 Stat. 853.
- (B) The third sentence of section 510 is amended by striking out "title II or chapter 3 of title I" and inserting in lieu thereof "title I or II of chapter II".
- (20) Section 511 (a) is amended by striking out "title I" and inserting in lieu thereof "chapter I or title I of chapter II". 68 Stat. 853.
- (21) Section 511 (c) is amended by striking out "chapter 1 of title I" and inserting in lieu thereof "chapter I".
- (22) Section 513 is amended by striking out "401" and inserting in lieu thereof "451". 71 Stat. 363.
- (23) Immediately above section 521, strike out the chapter heading. 68 Stat. 855.
- (24) In section 521 (b), insert "of chapter II" immediately after "title III".
- (25) In section 521 (c), strike out "chapter 3 of title I" and insert in lieu thereof "title I of chapter II". 71 Stat. 363.
22 USC 1781.

68 Stat. 855.

(26) Sections 522 (c) and 522 (d) are each amended by striking out "chapter 1 of title I" and inserting in lieu thereof "chapter I".

(27) Section 523 (c) (2) is amended by striking out "chapter 1 of title I" and inserting in lieu thereof "chapter I".

68 Stat. 856.

(28) Section 524 is amended by striking out "chapter 1 of title I" and inserting in lieu thereof "chapter I".

70 Stat. 561.

(29) The portion of section 537 (a) which precedes paragraph (1) is amended by striking out "chapter 1 of title I" and inserting in lieu thereof "chapter I".

68 Stat. 861.

(30) Immediately above section 541, strike out the chapter heading.

68 Stat. 862.

(31) Section 545 (c) is amended by striking out "chapter 1 of title I" and inserting in lieu thereof "chapter I".

68 Stat. 863.

(32) Section 545 (h) is amended by striking out "chapter 1 of title I" each place it appears and inserting in lieu thereof "chapter I".

70 Stat. 565.

(33) Sections 545 (j) and 545 (k) are each amended by striking out "chapter 3 of", and by inserting "of chapter II or under chapter III" immediately after "title IV".

70 Stat. 565.

(34) Section 549 is amended by inserting "of chapter II" immediately after "title III".

AMENDMENTS TO OTHER LAWS

56 Stat. 1035.

SEC. 502. (a) The Defense Base Act, as amended (42 U. S. C. 1651), is further amended as follows:

(1) In subsection (a) of the first section, insert the following new subparagraph after subparagraph (4):

"(5) under a contract approved and financed by the United States or any executive department, independent establishment, or agency thereof (including any corporate instrumentality of the United States), or any subcontract or subordinate contract with respect to such contract, where such contract is to be performed outside the continental United States, under the Mutual Security Act of 1954, as amended (other than title II of chapter II thereof), and not otherwise within the coverage of this section, and every such contract shall contain provisions requiring that the contractor (and subcontractor or subordinate contractor with respect to such contract) (A) shall, before commencing performance of such contract, provide for securing to or on behalf of employees engaged in work under such contract the payment of compensation and other benefits under the provisions of this Act, and (B) shall maintain in full force and effect during the term of such contract, subcontract, or subordinate contract, or while employees are engaged in work performed thereunder, the said security for the payment of such compensation and benefits, but nothing in this paragraph shall be construed to apply to any employee of such contractor or subcontractor who is engaged exclusively in furnishing materials or supplies under his contract;"

56 Stat. 1036.
42 USC 1651.

(2) In subsection (e) of such section, strike "(3) or (4)" in the last sentence and substitute therefor "(3), (4), or (5)".

67 Stat. 135.

(3) In subsection (f) of such section, insert "or in any work under subparagraph (5) subsection (a) of this section" between "this section" and "shall not apply".

62 Stat. 19.
22 USC 276.

(b) In the first section of the Act of June 28, 1935, as amended (49 Stat. 425), strike out "\$30,000" and insert "\$33,000", and strike out "\$15,000" the first time it appears and insert "\$18,000".

59 Stat. 597.

(c) In section 101 of the Government Corporation Control Act, as amended (31 U. S. C. 846), insert "Development Loan Fund;" before "Institute of Inter-American Affairs".

(d) In section 2 of the Act of July 11, 1956 (70 Stat. 523), strike out all beginning with "An" down through "Conference and" and substitute "There is authorized to be appropriated annually, for the annual contribution of the United States toward the maintenance of the North Atlantic Treaty Organization Parliamentary Conference, such sum as may be agreed upon by the United States Group and approved by such Conference, but in no event to exceed for any year an amount equal to 25 per centum of the total annual contributions made for that year by all members of the North Atlantic Treaty Organization toward the maintenance of such Conference, and".

22 USC 1928b.
Educational,
scientific and cul-
tural cooperation.

(e) Section 5 of the Act of July 30, 1946 (22 U. S. C. 287q) is amended by the addition of the following sentences at the end thereof: "The National Commission is further authorized to receive and accept services and gifts or bequests of money or materials to carry out any of the educational, scientific, or cultural purposes of the National Commission as set forth in this Act and in the constitution of the Organization. Any money so received shall be held by the Secretary of State and shall be subject to disbursement through the disbursement facilities of the Treasury Department as the terms of the gift or bequest may require and shall remain available for expenditure by grant or otherwise until expended: *Provided*, That no such gift or bequest may be accepted or disbursed if the terms thereof are inconsistent with the purposes of the National Commission as set forth in this Act and in the constitution of the Organization. In no event shall the National Commission accept gifts or bequests in excess of \$200,000 in the aggregate in any one year. Gifts or bequests provided for herein shall, for the purposes of Federal income, estate, and gift taxes, be deemed to be a gift to or for the United States. The National Commission and Secretary of State shall submit to Congress annual reports of receipts and expenditures of funds and bequests received and disbursed pursuant to the provisions of this section."

60 Stat. 713.

Reports to Con-
gress.

(f) The portion of subsection (a) of section 2 of the joint resolution of June 30, 1948, as amended (22 U. S. C. 272a (a)), which precedes "as apportioned" is amended to read as follows: "(a) such sums as may be necessary for the payment by the United States of its share of the expenses of the Organization, but not to exceed 25 per centum of such expenses".

International
Labor Organiza-
tion.
62 Stat. 1151.

(g) Section 101 (a) of the War Hazards Compensation Act, as amended (42 U. S. C. 1701), is further amended by inserting the following new subparagraph after subparagraph (3): "or (4) to any person who is an employee specified in section 1 (a) (5) of the Defense Base Act, as amended, if no compensation is payable with respect to such injury or death under such Act, or to any person engaged under a contract for his personal services outside the United States approved and financed by the United States under the Mutual Security Act of 1954, as amended (other than title II of chapter II thereof): *Provided*, That in cases where the United States is not a formal party to contracts approved and financed under the Mutual Security Act of 1954, as amended, the Secretary, upon the recommendation of the head of any department or agency of the United States, may, in the exercise of his discretion, waive the application of the provisions of this subparagraph with respect to any such contracts, subcontracts, or subordinate contracts, work location under such contracts, subcontracts, or subordinate contracts, or classification of employees."

56 Stat. 1028.

68 Stat. 832.
22 USC 1751
note.

(h) Section 571 (c) of the Foreign Service Act of 1946, as amended, is amended by deleting the words "in the Department" wherever they appear therein and by adding at the end thereof the following new sentences: "Any Foreign Service officer who resigned from the Service, or

60 Stat. 1011.
22 USC 961.

22 USC 1006.

retired in accordance with section 636 of this Act on or after November 14, 1957, but prior to the enactment of this sentence, for the purpose of accepting an immediate appointment to such a position, shall be considered as having been assigned to such other position under authority of this section as amended. Appropriate adjustment at the election of the officer may be made with respect to special contributions deposited immediately prior to resignation or retirement by any such officer under title VIII of this Act on salaries in excess of \$13,500."

60 Stat. 1019.

70 Stat. 564.
22 USC 1442.

(i) Section 1011 of the United States Information and Educational Exchange Act of 1948, as amended, is further amended by adding the following new subsection at the end thereof:

Information and
educational ex-
change activities.

"(h) (1) There is authorized to be appropriated annually an amount to restore in whole or in part any realized impairment to the capital used in carrying on the authority to make informational media guaranties, as provided in subsection (c), through the end of the last completed fiscal year.

"(2) Such impairment shall consist of the amount by which the losses incurred and interest accrued on notes exceed the revenue earned and any previous appropriations made for the restoration of impairment. Losses shall include the dollar losses on foreign currencies sold, and the dollar cost of foreign currencies which (a) the Secretary of the Treasury, after consultation with the Director, has determined to be unavailable for, or in excess of, requirements of the United States, or (b) have been transferred to other accounts without reimbursement to the special account.

"(3) Dollars appropriated pursuant to this section shall be applied to the payment of interest and in satisfaction of notes issued or assumed hereunder, and to the extent of such application to the principal of the notes, the Director is authorized to issue notes to the Secretary of the Treasury which will bear interest at a rate to be determined by the Secretary of the Treasury, taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the guaranties. The currencies determined to be unavailable for, or in excess of, requirements of the United States as provided above shall be transferred to the Secretary of the Treasury to be held until disposed of, and any dollar proceeds realized from such disposition shall be deposited in miscellaneous receipts."

63 Stat. 111; 69
Stat. 536.

(j) The Act of May 26, 1949, as amended (5 U. S. C. 151a-151c), relating to the organization of the Department of State, is amended as follows:

(1) In the first section, strike out "three" and insert "two".

(2) In section 2, designate the present language as "(a)" and add the following new subsection:

Under Secretary
of State for Eco-
nomic Affairs.

"(b) There is hereby established in the Department of State the Office of Under Secretary of State for Economic Affairs, which shall be filled by appointment by the President, by and with the advice and consent of the Senate. The Under Secretary of State for Economic Affairs shall receive compensation at the rate of \$22,000 per year and shall perform such duties as may be prescribed by the Secretary of State. The President may initially fill the position of Under Secretary of State for Economic Affairs by appointing, without further advice and consent of the Senate, the officer who, on the date of the enactment of this subsection, held the position of Deputy Under Secretary of State for Economic Affairs. Any provision of law vesting authority in the 'Deputy Under Secretary of State for Economic Affairs' or any other reference with respect thereto, is

hereby amended to vest such authority in the Under Secretary of State for Economic Affairs."

(k) Section 712 (b) of title 10 of the United States Code is amended to read as follows, such amendment to take effect nine months after the date of enactment of this Act:

"(b) Subject to the prior approval of the Secretary of the military department concerned, a member detailed under this section may accept any office from the country to which he is detailed. He is entitled to credit for all service while so detailed, as if serving with the armed forces of the United States. Arrangements may be made by the President, with countries to which such members are detailed to perform functions under this section, for reimbursement to the United States or other sharing of the cost of performing such functions."

(l) Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704), as amended, is further amended by adding after paragraph (j) the following new paragraph:

68 Stat. 456.

"(k) To collect, collate, translate, abstract, and disseminate scientific and technological information and to conduct and support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research against diseases common to all of mankind or unique to individual regions of the globe, but no foreign currencies shall be used for the purposes of this subsection (k) unless specific appropriations be made therefor."

(m) The Act of June 14, 1948, as amended (22 U. S. C. 290) authorizing participation in the World Health Organization, is amended by adding the following new section 6:

62 Stat. 441.

"SEC. 6. The Congress of the United States, recognizing that the diseases of mankind, because of their widespread prevalence, debilitating effects, and heavy toll in human life, constitute a major deterrent to the efforts of many peoples to develop their economic resources and productive capacities, and to improve their living conditions, declares it to be the policy of the United States to continue and strengthen mutual efforts among the nations for research against diseases such as heart disease and cancer. In furtherance of this policy, the Congress invites the World Health Organization to initiate studies looking toward the strengthening of research and related programs against these and other diseases common to mankind or unique to individual regions of the globe."

COOPERATION IN WESTERN HEMISPHERE

SEC. 503. It is the sense of the Congress that, in view of the friendly relationships and mutual interests which exist between the United States and the other nations of the Western Hemisphere, the President should, pursuant to the provisions of the Mutual Security Act of 1954, as amended, and other applicable legislation, seek to strengthen cooperation in the Western Hemisphere to the maximum extent by encouraging joint programs of technical and economic development.

68 Stat. 832.
22 USC 1751
note.

Approved June 30, 1958.