

## Public Law 86-472

## AN ACT

May 14, 1960  
[H. R. 11510]

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

Mutual Security  
Act of 1960.

*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 1960".

## STATEMENT OF POLICY

70 Stat. 555.  
22 USC 1750.

SEC. 2. Section 2 of the Mutual Security Act of 1954, as amended, which is a statement of policy, is further amended by adding at the end thereof the following:

"(f) It is the sense of the Congress that inasmuch as—

"(1) the United States favors freedom of navigation in international waterways and economic cooperation between nations; and

"(2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistance under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the Administration to insure their application."

68 Stat. 454.  
7 USC 1691 note.

## CHAPTER I—MILITARY ASSISTANCE

## MILITARY ASSISTANCE

68 Stat. 833.  
22 USC 1811-1817.  
22 USC 1813.

SEC. 101. Chapter I of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended as follows:

(a) In section 103, which relates to authorizations, insert the following new subsection (d):

"(d) The value of programs of equipment and materials for American Republics, pursuant to any authority contained in this chapter other than section 106, in any fiscal year beginning with the fiscal year 1961, shall not exceed \$55,000,000. For the purposes of this subsection, the value of nonexcess equipment and materials shall be as defined in section 545(h) of this Act, and the value of excess equipment and materials (as excess is defined in section 545(e) of this Act) shall mean the acquisition cost to the Armed Forces of the United States of such equipment and materials."

(b) In section 105(b)(4), which relates to conditions applicable to military assistance, strike out the last sentence.

22 USC 1816.

22 USC 1751.

22 USC 1815.

## CHAPTER II—ECONOMIC ASSISTANCE

## DEFENSE SUPPORT

SEC. 201. Title I of chapter II of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended as follows:

(a) In the first sentence of section 131(a), which relates to the authority of the President to furnish defense support, insert immedi-

22 USC 1841.

ately before the period at the end thereof the following proviso: “: *Provided*, That either all documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to operations or activities under this title are furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under this title, upon request of the General Accounting Office or such committee or subcommittee as the case may be, or the President certifies that he has forbidden the information to be furnished pursuant to such request and gives his reasons for doing so”.

(b) In section 131(b), which relates to general authority, strike out “1960” and “\$751,000,000” and substitute “1961” and “\$675,000,000”, respectively.

(c) In section 141, which relates to conditions of eligibility for assistance, strike out “No such assistance” in the second sentence and substitute “No defense support or military equipment and materials”.

(d) In section 142(a), which relates to agreements, strike out “No assistance” in the introductory clause and substitute “No defense support or military equipment and materials”.

22 USC 1841.

22 USC 1851.

22 USC 1852.

#### DEVELOPMENT LOAN FUND

SEC. 202. Title II of 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 201, which states the purposes of the Development Loan Fund, as follows:

22 USC 1871.

(1) In the last sentence, after “to develop their economic resources” insert “and free economic institutions”, and after “to increase their productive capabilities” insert “in agriculture as well as in industry”.

(2) At the end of the section, add the following new sentences: “The Congress recognizes that the accomplishment of the purposes of this title in rapidly developing countries requires the development of free economic institutions and the stimulation of private investment, local as well as foreign, in the field of housing. It is the sense of the Congress that, consistent with the other purposes of this title, special consideration should be given to loans and guarantees to stimulate activities in this field.”

(b) Amend section 202, which relates to general powers of the Development Loan Fund, as follows:

22 USC 1872.

(1) In clause (3) of the first sentence of subsection (b) insert “or free economic institutions” after “economic resources”.

(2) At the end of the section, add the following new subsection: “(c) The Fund shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of \$50,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.”

(c) In section 205(a), which relates to management, powers, and authorities, strike out “Under Secretary of State for Economic Affairs” in the first sentence and substitute “Secretary of State”.

22 USC 1875.

## TECHNICAL COOPERATION

SEC. 203. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

22 USC 1894.

(a) In section 304, which relates to authorization, strike out "\$179,500,000" and "1960" and substitute "\$172,000,000" and "1961", respectively.

22 USC 1896.

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

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "\$30,000,000" and "1960" and substitute "\$33,000,000" and "1961", respectively.

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1960" and substitute "1961".

22 USC 1897.

(c) In section 307, which relates to advances and grants, insert "(a)" immediately after "SEC. 307. ADVANCES AND GRANTS; CONTRACTS.—", and at the end thereof add the following:

"(b) The President shall arrange for a nongovernmental research group, university, or foundation to study the advisability and practicability of a program, to be known as the Point Four Youth Corps, under which young United States citizens would be trained and serve abroad in programs of technical cooperation. Not to exceed \$10,000 from funds made available pursuant to section 304 of this Act may be used to help defray the expenses of such a study."

22 USC 1898.

(d) Repeal section 308, which relates to the International Development Advisory Board.

## SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 204. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

22 USC 1920.

(a) In section 400 (a), which relates to special assistance, strike out "1960" and "\$247,500,000" and substitute "1961" and "\$256,000,000", respectively.

73 Stat. 249.

(b) In section 401, which relates to the United Nations Emergency Force, strike out "1960" in the second sentence and substitute "1961".

22 USC 1922.

(c) In section 402, which relates to earmarking of funds, strike out "1960" in the first sentence and substitute "1961".

22 USC 1923.

(d) In section 403, which relates to responsibilities in Germany, strike out "1960" and "\$7,500,000" in the first sentence and substitute "1961" and "\$6,750,000", respectively.

(e) Insert after section 403 the following new section 404:

"SEC. 404. INDUS BASIN DEVELOPMENT.—The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among south Asian and other nations of the free world in order to promote economic growth and political stability in south Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank

concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes: *Provided*, That compensating allowances are made in the administration of other programs to the same or other areas to which the requirements of said section 901(b) are applicable."

68 Stat. 832.

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

73 Stat. 250.  
22 USC 1925.

(1) In subsection (c), which relates to contributions to the program of the United Nations High Commissioner for Refugees, strike out "1960" and "\$1,100,000" and substitute "1961" and "\$1,300,000", respectively.

(2) In subsection (d), which relates to the continuation of activities undertaken for selected escapees, strike out "1960" and "\$5,200,000" and substitute "1961" and "\$3,500,000", respectively.

(g) In section 406, which relates to children's welfare, strike out "1960" and substitute "1961".

22 USC 1926.

(h) Amend section 407, which relates to Palestine refugees in the Near East, to read as follows:

22 USC 1927.

"SEC. 407. PALESTINE REFUGEES IN THE NEAR EAST.—There is hereby authorized to be appropriated to the President for the fiscal year 1961 not to exceed \$16,500,000 to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East. In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East, the President shall take into account whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees. It is the sense of the Congress that the earliest possible rectification should be made of the Palestine refugee rolls in order to assure that only bona fide refugees whose need and eligibility for relief have been certified shall receive aid from the Agency and that the President in determining whether or not to make United States contributions to the Agency should take into consideration the extent and success of efforts by the Agency and the host governments to rectify such relief rolls. The President shall include in his recommendations to the Congress for fiscal year 1962 programs under this Act a report concerning the progress made toward the rectification of the relief rolls as well as toward the repatriation and resettlement of the refugees by the governments directly concerned. Whenever the President shall determine that it would more effectively contribute to the relief, repatriation, and resettlement of Palestine refugees in the Near East he may expend any part of the funds made available pursuant to this section through any other agency he may designate."

(i) Section 409, which relates to ocean freight charges, is amended as follows:

22 USC 1929.

(1) In subsection (a), after "such nations and areas" insert ", or, in the case of such nations and areas which are landlocked, transportation charges from the United States ports to designated points of entry in such nations and areas."

(2) In subsection (c), strike out "1960" and "\$2,300,000" and substitute "1961" and "\$2,000,000", respectively.

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

22 USC 1931.



(1) In subsection (b), which relates to certain expenses of administering nonmilitary assistance, strike out "1960" and "\$39,500,000" and substitute "1961" and "\$40,000,000", respectively.

(2) In subsection (c), which relates to administrative and other expenses of the Department of State, strike out "to" after "appropriated" and substitute "for expenses of".

22 USC 1932.

(k) Section 412, which relates to the President's special education and training fund, is repealed.

22 USC 1939.

(l) In section 419(a), which relates to atoms for peace, strike out "1960" and "\$6,500,000" and substitute "1961" and "\$3,400,000", respectively.

22 USC 1940.

(m) Add the following new section after section 420:

"SEC. 421. LOANS TO SMALL FARMERS.—It is the policy of the United States and the purpose of this section to strengthen the economies of underdeveloped nations, and in nations where the economy is essentially rural or based on small villages, to provide assistance designed to improve agricultural methods and techniques, to stimulate and encourage the development of local programs of self-help and mutual cooperation, particularly through loans of foreign currencies for associations of operators of small farms, formed for the purpose of joint action designed to increase or diversify agricultural productivity. The maximum unpaid balance of loans made to any association under this section may not exceed \$25,000 at any one time; and the aggregate unpaid balance of all loans made under this section may not exceed \$10,000,000 at any one time."

### CHAPTER III—CONTINGENCY FUND

22 USC 1951.

SEC. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1960" and "\$155,000,000" in the first sentence and substituting "1961" and "\$150,000,000", respectively.

### CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

SEC. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

22 USC 1754.

(a) Section 502, which relates to use of foreign currency, is amended as follows:

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

(i) Insert after the word "expended" in the proviso the words "and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States".

(ii) Amend the second sentence to read as follows: "Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, incurred as a result of the official activities of the members and employees of such committee or subcommittee, and shall forward such consolidated report 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)."

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

“(c) It is the sense of the Congress that prompt and careful consideration should be given to participation by the United States in an internationally financed program which would utilize foreign currencies available to the United States to preserve the great cultural monuments of the Upper Nile. Accordingly, the President is requested to submit to the Congress on or before March 1, 1961, his recommendations concerning such a program.”

(b) Section 504(d), which relates to small machine tools and other industrial equipment, is repealed. 22 USC 1756.

(c) In section 505(a), which relates to loan assistance and sales, insert after the first sentence the following new sentence: “Commodities, equipment, and materials transferred to the United States as repayment may be used for assistance authorized by this Act, other than title II of chapter II, in accordance with the provisions of this Act applicable to the furnishing of such assistance.”. 22 USC 1757.

(d) In section 513, which relates to notice to legislative committees, insert before “, and copies” in the last sentence the following: “and under the last clause of the second sentence of section 404”. 22 USC 1765.

(e) Amend section 517, which relates to completion of plans and cost estimates, as follows: 22 USC 1766c.

(1) Insert “(a)” immediately after “SEC. 517. COMPLETION OF PLANS AND COST ESTIMATES.—”.

(2) Add the following at the end of such section:

“(b) Plans required under this section for any water or related land resource construction project or program shall include a computation of benefits and costs made insofar as practicable in accordance with the procedures set forth in Circular A-47 of the Bureau of the Budget with respect to such computations.”

(f) Amend section 523, which relates to coordination with foreign policy, by adding the following new subsection: 22 USC 1783.

“(d) Whenever the President determines that the achievement of United States foreign policy objectives in a given country requires it, he may direct the chief of the United States diplomatic mission there to issue regulations applicable to members of the Armed Forces and officers and employees of the United States Government, and to contractors with the United States Government and their employees, governing the extent to which their pay and allowances received and to be used in that country shall be paid in local currency. Notwithstanding any other law, United States Government agencies are authorized and directed to comply with such regulations.”

(g) Amend section 527, which relates to employment of personnel, as follows: 22 USC 1787.

(1) In subsection (c), which relates to employment of personnel outside the United States, strike out “Director” in the introductory clause and substitute “President”; and insert before the period at the end of paragraph (2) the following new proviso: “: *Provided further*, That Foreign Service Reserve officers appointed or assigned pursuant to this paragraph shall receive in-class promotions in accordance with such regulations as the President may prescribe”.

(2) In subsection (d), which relates to appointment of alien employees outside the United States, strike out “, at the request of the Director”.

(h) Section 531, which relates to security clearance, is amended to read as follows: 22 USC 1791.

“SEC. 531. SECURITY CLEARANCE.—The standards and procedures set forth in Executive Order Numbered 10450, as amended or supplemented, shall apply to the employment under this Act by any agency

administering nonmilitary assistance of any citizen or resident of the United States.”

22 USC 1793.

(i) In subsection (c) of section 533A, relating to the Inspector General and Comptroller, strike out paragraph (9) and renumber paragraphs (10) and (11) as paragraphs (9) and (10), respectively.

22 USC 1794.

(j) In section 534(a), which relates to reports, strike out “six months” in the first sentence and substitute “fiscal year”.

22 USC 1797.

(k) In section 537(a), which relates to provisions on uses of funds, amend paragraph (3) to read as follows:

“(3) contracting with individuals for personal services abroad:

*Provided*, That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Civil Service Commission;”.

(l) In section 537(c), which relates to construction or acquisition of facilities abroad, strike out “\$2,750,000” and substitute “\$4,250,000”.

(m) Add the following new section immediately after section 551:

“SEC. 552. ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to Cuba after the date of enactment of the Mutual Security Act of 1960 unless the President determines that such assistance is in the national and hemispheric interest of the United States.”

#### CHAPTER V—TECHNICAL AMENDMENTS REFLECTING NEW LIMITS OF UNITED STATES

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

22 USC 1875.

(a) In section 205(c), strike out “continental” in the twelfth clause of the first sentence.

22 USC 1931.

(b) In section 411(d), strike out “the continental limits of”.

22 USC 1787.

(c) In section 527(c), strike out “the continental limits of” in the introductory clause.

22 USC 1790.

(d) In section 527(d), strike out “the continental limits of”.

22 USC 1797.

(e) In section 530(a), strike out “the continental limits of”.

(f) In section 537(a), strike out “continental” in the last proviso of paragraph (5) and in paragraphs (13) and (17); and strike out “the continental limits of” in paragraph (10).

#### CHAPTER VI—AMENDMENTS TO OTHER LAWS

SEC. 601. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1721 and the following), which relates to famine relief and other assistance, is amended as follows:

7 USC 1722.

(a) (1) In section 202, strike out “The” at the beginning thereof and substitute the following: “In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the”.

(2) The amendment made by this subsection shall expire June 30, 1961.

7 USC 1723.

(b) In section 203, which relates to delivery of relief supplies, in the third sentence after the words “designated ports of entry abroad” insert “, or, in the case of landlocked countries, transportation from United States ports to designated points of entry abroad,” and before the period at the end of such sentence insert the following: “, and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds”.

SEC. 602. Section 501(b) of the Mutual Security Act of 1959 (73 Stat. 256), which relates to international cooperation in health, is repealed.

22 USC 1941.

SEC. 603. Section 3(a) of Public Law 403, Eightieth Congress, as amended (22 U.S.C. 280b), which relates to United States membership in the South Pacific Commission, is amended by striking out "\$75,000" and substituting "\$100,000".

62 Stat. 15.

SEC. 604. The President shall have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of State, the International Cooperation Administration, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture, with a view to providing the most effective means for the formulation and implementation of United States foreign economic policies. The President shall include in his presentation to the Congress of the fiscal year 1962 mutual security program his findings and recommendations resulting from such study.

#### CHAPTER VII—CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

SEC. 701. This chapter may be cited as the "Center for Cultural and Technical Interchange Between East and West Act of 1960".

"Center for Cultural and Technical Interchange Between East and West Act of 1960."

SEC. 702. The purpose of this chapter is to promote better relations and understanding between the United States and the nations of Asia and the Pacific (hereinafter referred to as "the East") through cooperative study, training, and research, by establishing in Hawaii a Center for Cultural and Technical Interchange Between East and West where scholars and students in various fields from the nations of the East and West may study, give and receive training, exchange ideas and views, and conduct other activities primarily in support of the objectives of the United States Information and Educational Exchange Act of 1948, as amended, title III of chapter II of the Mutual Security Act of 1954, and other Acts promoting the international, educational, cultural, and related activities of the United States.

22 USC 1431  
note; 1891-1898.

SEC. 703. In order to carry out the purpose of this chapter the Secretary of State (hereinafter referred to as the "Secretary") shall provide for—

(1) the establishment and operation in Hawaii of an educational institution to be known as the Center for Cultural and Technical Interchange Between East and West, through arrangements with public, educational, or other nonprofit institutions;

(2) grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the East and West as may be necessary to attract such scholars and authorities to the Center;

(3) grants, scholarships, and other payments to qualified students from the nations of the East and West as may be necessary to enable such students to engage in study or training at the Center; and

(4) making the facilities of the Center available for study or training to other qualified persons.

SEC. 704. (a) In carrying out the provisions of this chapter, the Secretary may utilize his authority under the provisions of the United States Information and Educational Exchange Act of 1948, as amended.



(b) The Secretary may, in administering the provisions of this chapter, accept from public and private sources money and property to be utilized in carrying out the purposes and functions of the Center. In utilizing any gifts, bequests, or devises accepted there shall be available to the Secretary the same authorities as are available to him in accepting and utilizing gifts, bequests, and devises to the Foreign Service Institute under the provisions of the title X, part C of the Foreign Service Act of 1946, as amended. For the purposes of Federal income, estate, and gift taxes, any gift, devise, or bequest accepted by the Secretary under the authority of this chapter shall be deemed to be a gift, devise, or bequest to or for the use of the United States.

22 USC 809.

Report to Congress.

(c) The Secretary shall make an annual report to the Congress with respect to his activities under the provisions of this chapter, and such report shall include any recommendations for needed revisions in this chapter.

Appropriations.

SEC. 705. There are authorized to be appropriated, to remain available until expended, such amounts as may be necessary to carry out the provisions of this chapter.

#### CHAPTER VIII—HEMISPHERIC CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE

##### STATEMENT OF PURPOSE

SEC. 801. The purpose of this chapter is to promote better relations and understanding between the United States and the other nations of the Western Hemisphere (hereinafter referred to as "the Hemisphere") through cooperative study and research, by establishing in Puerto Rico a Hemispheric Center for Cultural and Technical Interchange, either as a branch of an existing institution of higher learning or as a separate institution, where scholars and students, in various fields from the nations of the Hemisphere may meet, study, exchange ideas and views, and conduct other activities primarily in support of the objectives of the United States Information and Educational Exchange Act of 1948, as amended, and title III of chapter II of the Mutual Security Act of 1954 and other Acts promoting the international educational, cultural, and related activities of the United States.

22 USC 1431  
note; 1891-1898.

##### ESTABLISHMENT OF CENTER

SEC. 802. In order to carry out the purposes of this chapter the Secretary of State (hereinafter referred to as "Secretary"), after consultation with appropriate public and private authorities, may, on or before January 3, 1961, prepare and submit to the Congress a plan and program for—

(1) the establishment and operation in Puerto Rico of an educational institution to be known as the Hemispheric Center for Cultural and Technical Interchange through arrangements to be made with public, educational, or other nonprofit institutions;

(2) grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the Hemisphere as may be necessary to attract such scholars and authorities to the Center;

(3) grants, scholarships, and other payments to qualified candidates from the nations of the Hemisphere as may be necessary to enable such students to engage in study at the Center; and

(4) making the facilities of the Center available for study to other qualified persons on reasonable basis.

Approved May 14, 1960.