

84TH CONGRESS
2^D SESSION

H. R. 11356

IN THE SENATE OF THE UNITED STATES

JUNE 11, 1956

Read twice and referred to the Committee on Foreign Relations

AN ACT

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Mutual Security Act of
4 1956".

5 SEC. 2. Title I, chapter 1, of the Mutual Security Act
6 of 1954, as amended, which relates to military assistance,
7 is further amended as follows:

8 (a) In section 103 (a), which relates to authorizations,
9 add the following new paragraph:

10 “(3) In addition, there is hereby authorized to be

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1 appropriated to the President to carry out the purposes of
2 this chapter not to exceed \$1,925,000,000, of which not less
3 than \$48,000,000 shall be used to provide assistance to Spain
4 and not more than \$402,000,000 may be used to provide
5 assistance to other European countries, and which shall re-
6 main available until expended.”

7 (b) In section 105, strike out subsections (c) and (d).

8 SEC. 3. Title I, chapter 3, of the Mutual Security Act
9 of 1954, as amended, which relates to defense support, is
10 further amended by substituting a semicolon for the period
11 after “Asia” in subsection (c) of section 131 and inserting
12 thereafter the following:

13 “and for the fiscal year 1957 not to exceed—

14 “(1) \$63,700,000 for Europe (excluding Greece
15 and Turkey) ;

16 “(2) \$170,000,000 for the Near East (including
17 Greece and Turkey) and Africa;

18 “(3) \$882,000,000 for Asia; and

19 “(4) \$37,000,000 for Latin America.

20 “Funds made available under paragraph (4) may be
21 used to furnish assistance designed to sustain and increase
22 military or internal defense efforts, and may be used without
23 regard to the requirements of sections 141 and 142 in the
24 case of any nation which is a party to the Inter-American
25 Treaty of Reciprocal Assistance and which has adhered to

1 the resolution of 1954 entitled 'Declaration of Solidarity
2 for the Preservation of the Political Integrity of the Ameri-
3 can States against the Intervention of International Com-
4 munism'."

5 SEC. 4. Title I, chapter 4, of the Mutual Security Act
6 of 1954, as amended, which contains general provisions relat-
7 ing to mutual defense assistance, is amended by adding at
8 the end thereof the following new section :

9 "SEC. 143. PROHIBITION OF ASSISTANCE TO YUGO-
10 SLAVIA.—Notwithstanding any other provision of law, no
11 assistance under this title or any other title of this Act, or
12 under any provision of law repealed by section 542 (a) of
13 this Act, shall be furnished to Yugoslavia after the date of
14 the enactment of this section, unless the President finds (1)
15 that there has been no change in the Yugoslavian policies
16 on the basis of which assistance under this Act has been fur-
17 nished to Yugoslavia in the past, and that Yugoslavia is
18 independent of control by the Soviet Union, and (2) that
19 it is in the interest of the national security of the United
20 States to continue the furnishing of assistance to Yugoslavia
21 under this Act."

22 SEC. 5. Title II of the Mutual Security Act of 1954, as
23 amended, which relates to development assistance, is
24 amended by striking out sections 201 and 202 and sub-
25 stituting the following new section:

1 “SEC. 201. AUTHORIZATION.—(a) In addition to the
2 funds heretofore appropriated pursuant to the provisions of
3 sections 201 and 418 of this Act as in effect prior to the
4 enactment of the Mutual Security Act of 1956, which
5 funds shall remain available for their original purposes in
6 accordance with the provisions of law originally applicable
7 thereto, there is hereby authorized to be appropriated to the
8 President not to exceed \$243,000,000, to remain available
9 until June 30, 1960, for assistance designed to promote the
10 economic development of free Asia, the Middle East, and
11 Africa, based on self-help and mutual cooperation of friendly
12 nations, and to maintain economic and political stability in
13 these areas.

14 “(b) The President is authorized to utilize the funds
15 hereafter made available for purposes of this title to ac-
16 complish in these areas policies and purposes declared in
17 this Act, and to disburse them on such terms and condi-
18 tions, including transfer of funds, as he may specify: *Pro-*
19 *vided*, That such assistance shall only be available on terms
20 of repayment, except (1) when such funds are used to
21 finance sales of surplus agricultural commodities under sec-
22 tion 402, or (2) when granted for the purpose of a regional
23 project involving two or more beneficiary nations: *And*
24 *provided further*, That not more than 25 per centum of any
25 funds hereafter made available for purposes of this title shall

1 be used in furnishing assistance to any one nation (including
2 bilateral assistance furnished to such nation as well as such
3 nation's proportionate share of assistance furnished for re-
4 gional projects in which it is involved).

5 “(c) To be eligible for bilateral assistance from funds
6 hereafter made available for purposes of this title, a nation
7 shall have entered into a written agreement, satisfactory
8 to the President, to permit participation by private enter-
9 prise in the accomplishment of any of the purposes of this
10 Act in conformance with the provisions of section 413, which
11 relates to encouragement of free enterprise and private par-
12 ticipation.

13 “(d) Funds made available under this title may be
14 used for expenses (other than those provided for under
15 section 411 (c) of this Act) to assist in carrying out func-
16 tions under the Agricultural Trade Development and Assist-
17 ance Act of 1954, as amended (7 U. S. C. 1691 and the
18 following), delegated or assigned to any agency or officer
19 administering nonmilitary assistance.”

20 SEC. 6. Title III of the Mutual Security Act of 1954,
21 as amended, which relates to technical cooperation, is further
22 amended as follows:

23 (a) In section 304 (b), which relates to authorization,
24 after “\$146,500,000”, insert “, and for the fiscal year 1957
25 not to exceed \$140,500,000,”.

1 (b) In section 306, which relates to multilateral tech-
2 nical cooperation:

3 (1) In subsection (a), which relates to contributions
4 to the United Nations Expanded Program of Technical As-
5 sistance, strike out all following "1956" and substitute ", and
6 \$15,500,000 for the fiscal year 1957, for such contributions;".

7 (2) In subsection (b), which relates to contributions
8 to the technical cooperation programs of the Organization of
9 American States, strike out all following "1956" and substi-
10 tute ", and \$1,500,000 for the fiscal year 1957, for such
11 contributions."

12 (c) In section 307, which relates to advances, grants,
13 and contracts, strike out all following "Congress," in the last
14 sentence thereof and substitute "extend at any time for not
15 more than three years."

16 (d) Add the following new section:

17 "SEC. 309. STUDY OF TECHNICAL COOPERATION PRO-
18 GRAM.—It is the sense of the Congress that there be made,
19 under the direction of the President, an analysis and study
20 of the methods or mechanisms whereby the technical co-
21 operation program can be established on a long-term basis,
22 in view of its basic objectives and purposes, separated from
23 other programs authorized by or pursuant to the Mutual
24 Security Act, as amended, including the preparation of draft
25 proposals for legislation to establish such program under the

1 administration of a new independent agency or Government
2 corporation.”

3 SEC. 7. Title IV of the Mutual Security Act of 1954, as
4 amended, which relates to other programs, is further amended
5 as follows:

6 (a) Amend section 401, which relates to special fund,
7 as follows:

8 (1) In the first sentence of subsection (a), strike out
9 “\$50,000,000” and substitute “\$150,000,000”; and in the
10 last sentence of such subsection strike out “\$20,000,000”
11 and substitute “\$30,000,000”.

12 (2) In subsection (b), after “\$100,000,000”, insert
13 “, and for the fiscal year 1957 not to exceed \$100,000,000,”.

14 (b) In section 402, which relates to earmarking of
15 funds, after “\$300,000,000”, insert “, and of the funds so
16 authorized for the fiscal year 1957 not less than
17 \$250,000,000,”.

18 (c) In section 403 (b), which relates to special assist-
19 ance in joint control areas, after “\$21,000,000”, insert “,
20 and for the fiscal year 1957 not to exceed \$12,200,000,”.

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

23 (1) In subsection (c), after “\$1,400,000”, insert “, and
24 for the fiscal year 1957 not to exceed \$2,300,000,”.

1 (2) In subsection (d), after "\$6,000,000", insert "
2 and for the fiscal year 1957 not to exceed \$7,000,000,".

3 (e) In section 406 (b), which relates to children's wel-
4 fare, after "\$14,500,000", insert ", and for the fiscal year
5 1957 not to exceed \$10,000,000,".

6 (f) In section 407 (b) which relates to Palestine ref-
7 ugees in the Near East, strike out "for the fiscal year 1956".

8 (g) Amend section 409, which relates to ocean freight
9 charges, as follows:

10 (1) In subsection (c), after "\$2,000,000" in the last
11 sentence thereof, insert ", and for the fiscal year 1957 not
12 to exceed \$1,400,000,".

13 (2) In subsection (d), after "\$13,000,000" in the first
14 sentence thereof, insert ", and for the fiscal year 1957 not
15 to exceed \$14,000,000,".

16 (h) In section 410, which relates to Control Act ex-
17 penses, after "\$1,175,000," in the first sentence thereof, in-
18 sert "and for the fiscal year 1957 not to exceed
19 \$1,175,000,".

20 (i) Amend section 411, which relates to administra-
21 tive and other expenses, as follows:

22 (1) In subsection (b), strike out all that follows "\$35,-
23 225,000," and insert "and for the fiscal year 1957 not to
24 exceed \$35,250,000, for necessary administrative expenses

1 incident to carrying out the provisions of this Act (other
2 than chapter 1 of title I and section 124).”.

3 (2) Redesignate subsection “(c)” as subsection “(e)”,
4 and insert after subsection (b) the following new sub-
5 sections:

6 “(c) Not to exceed \$1,500,000 of funds made available
7 under title II may be transferred in the fiscal year 1957
8 for necessary administrative expenses not otherwise pro-
9 vided for incident to carrying out functions under the Agri-
10 cultural Trade Development and Assistance Act of 1954, as
11 amended (7 U. S. C. 1691 and the following), delegated
12 or assigned to any agency or officer administering nonmili-
13 tary assistance, and the amounts so transferred shall be con-
14 solidated with funds made available pursuant to this section
15 for said fiscal year.

16 “(d) There are authorized to be appropriated to the
17 Department of State such amounts as may be necessary
18 from time to time for administrative expenses which are in-
19 curred for normal functions of the Department which relate
20 to functions under this Act.”

21 (j) In section 413 (b) (2), after “to encourage and
22 facilitate the flow of private investment to”, insert “, and its
23 equitable treatment in,”.

24 (k) Amend section 413 (b) (4) as follows:

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1 (1) After "may make", insert ", through the Interna-
2 tional Cooperation Administration".

3 (2) Substitute "June 30, 1967" for "June 30, 1957".

4 (3) In subparagraph (B) (ii), before the semicolon
5 at the end thereof, insert "or by reason of war, revolution,
6 or insurrection".

7 (4) Amend subparagraph (F) to read as follows:

8 " (F) the President is authorized to issue guaranties
9 up to a total face value of \$500,000,000 exclusive of
10 informational media guaranties heretofore and hereafter
11 issued pursuant to section 1011 of the Act of January
12 27, 1948, as amended (22 U. S. C. 1442), and section
13 111 (b) (3) of the Economic Cooperation Act of 1948,
14 as amended (22 U. S. C. 1509 (b) (3)) : *Provided,*
15 That any funds allocated to a guaranty and remaining
16 after all liability of the United States assumed in con-
17 nection therewith has been released, discharged, or
18 otherwise terminated, and funds realized after June 30,
19 1955, from the sale of currencies or other assets acquired
20 pursuant to subparagraph (C), shall be available for
21 allocation to other guaranties, and the foregoing limi-
22 tation shall be increased to the extent that such funds
23 become available. Any payments made to discharge
24 liabilities under guaranties issued under this paragraph
25 shall be paid out of fees collected under subparagraph

1 (E) as long as such fees are available, and thereafter
2 shall be paid out of funds realized from the sale of cur-
3 rencies or other assets acquired pursuant to sub-
4 paragraph (C) and notes which have been issued
5 under authority of paragraph 111 (c) (2) of the Eco-
6 nomic Cooperation Act of 1948, as amended, and au-
7 thorized to be issued under this paragraph by the Director
8 of the International Cooperation Administration, when
9 necessary to discharge liabilities under any such guaranty:
10 *Provided*, That all guaranties issued after June 30, 1956,
11 pursuant to this paragraph shall be considered for the
12 purposes of sections 3679 (31 U. S. C. 665) and 3732
13 (41 U. S. C. 11) of the Revised Statutes, as amended,
14 as obligations only to the extent of the probable ulti-
15 mate net cost to the United States of such guaranties;
16 and the President shall, in the submission to the Con-
17 gress of the reports required by section 534 of this Act,
18 include information on the operation of this paragraph:
19 *Provided further*, That at all times funds shall be allo-
20 cated to all outstanding guaranties issued prior to July
21 1, 1956, exclusive of informational media guaranties
22 issued pursuant to section 1011 of the Act of January
23 27, 1948, as amended (22 U. S. C. 1442), and section
24 111 (b) (3) of the Economic Cooperation Act of
25 1948, as amended, equal to the sum of the face value

1 of said guaranties. For the purpose of this paragraph
2 the Director of the International Cooperation Admin-
3 istration is authorized to issue notes (in addition to
4 the notes heretofore issued pursuant to paragraph 111
5 (c) (2) of the Economic Cooperation Act of 1948,
6 as amended) in an amount not to exceed \$37,500,000,
7 and on the same terms and conditions applicable to notes
8 issued pursuant to said paragraph 111 (c) (2)."

9 (l) Amend section 415, which relates to assistance to
10 international organization, as follows:

11 (1) Change "ORGANIZATION" in the title to "ORGAN-
12 IZATIONS".

13 (2) After "the North Atlantic Treaty Organization",
14 insert "and the Organization for European Economic Cooper-
15 ation".

16 (m) Repeal section 418, which relates to President's
17 Fund for Asian Economic Development.

18 (n) Add the following new section:

19 "SEC. 420. FOOD AND AGRICULTURE ORGANIZA-
20 TION.—Public Law 174, Seventy-ninth Congress, as
21 amended by section 1 (b) of Public Law 806, Eighty-first
22 Congress, is hereby further amended by striking out the
23 figure '\$2,000,000' in section 2 thereof and inserting in lieu
24 thereof the figure '\$3,000,000'."

25 SEC. 8. The Mutual Security Act of 1954, as amended,

1 is further amended by inserting immediately after the first
2 section thereof and before title I the following new section:

3 “SEC. 2. STATEMENT OF POLICY.—The Congress of
4 the United States, recognizing that the peace of the world
5 and the security of the United States are endangered as long
6 as international communism and the nations it controls con-
7 tinue by threat of military action, use of economic pressure,
8 internal subversion, or other means to attempt to bring under
9 their domination peoples now free and independent and con-
10 tinue to deny the rights of freedom and self-government to
11 peoples and nations once free but now subject to such
12 domination, declares it to be the policy of the United States
13 to continue as long as such danger to the peace of the world
14 and to the security of the United States persists to make
15 available to free nations and peoples upon request assistance
16 of such nature and in such amounts as the United States is
17 able to provide compatible with its own stability, strength,
18 and other obligations, and as may be needed and effectively
19 used by such free nations and peoples to help them maintain
20 their freedom.”

21 SEC. 9. Title V, chapter 1, of the Mutual Security Act
22 of 1954, as amended, which relates to general provisions, is
23 further amended as follows:

24 (a) In section 501, which relates to transferability of

1 funds, strike out the last two sentences and insert in lieu
2 thereof the following: "Any funds transferred under this sec-
3 tion for the purpose of furnishing assistance under section
4 201 shall be available only for furnishing assistance on terms
5 of repayment in accordance with section 505, for furnish-
6 ing surplus agricultural commodities under section 402, or
7 for making grants for regional projects involving two or
8 more beneficiary nations."

9 (b) In section 507, which relates to availability of
10 funds, after "students),", insert "and other provisions of this
11 Act,".

12 (c) In section 509, which relates to shipping on United
13 States vessels, after "this Act" in the last sentence thereof,
14 insert "or the Agricultural Trade Development and Assist-
15 ance Act of 1954, as amended (7 U. S. C. 1691 and the
16 following),".

17 SEC. 10. Title V, chapter 2, of the Mutual Security Act
18 of 1954, as amended, which relates to organization and
19 administration, is further amended as follows:

20 (a) In section 521, which relates to delegation of author-
21 ity by the President, after "subsection (b)" in subsection
22 (a), insert "and section 413 (b) (4)".

23 (b) Amend section 522, which relates to allocation and
24 reimbursement among agencies, as follows:

1 (1) Add the following at the end of subsection (b) :

2 "The Administrator of General Services is authorized to
3 maintain in a separate consolidated account, which shall be
4 free from fiscal year limitations, payments received by the
5 General Services Administration for administrative sur-
6 charges in connection with procurement services performed
7 by the General Services Administration in furtherance of the
8 purposes of this Act. Such payments shall be in amounts
9 mutually acceptable to the General Services Administration
10 and the agency administering nonmilitary assistance, and
11 these amounts shall be available for administrative expenses
12 incurred by the General Services Administration in perform-
13 ing such procurement services."

14 (2) Add the following new subsection :

15 "(f) Any appropriation made to carry out the pro-
16 visions of this Act may initially be charged, within the limits
17 of available funds, to finance expenses for which funds are
18 available in other appropriations made under this Act: *Pro-*
19 *vided*, That as of the end of the same fiscal year such ex-
20 penses shall be finally charged to applicable appropriations
21 with proper credit to the appropriations initially utilized
22 for financing purposes."

23 (c) In section 530, which relates to experts and con-
24 sultants or organizations thereof, insert before the period

1 at the end of subsection (a) the following: “: *Provided,*
2 That contracts for such employment with such organizations
3 may be renewed annually”.

4 (d) In section 532, which relates to exemption of per-
5 sonnel from certain Federal laws, add the following at the
6 end of subsection (a): “Contracts for the employment of
7 retired military personnel as experts or consultants under
8 section 530 (a) may be renewed annually, notwithstanding
9 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).”

10 (e) Amend section 535, which relates to cooperation
11 with international organizations, as follows:

12 (1) Insert “NATIONS AND” after “WITH” in the
13 title.

14 (2) Amend subsection (b) to read as follows:

15 “(b) Whenever the President determines it to be in fur-
16 therance of the purposes of this Act, United States Govern-
17 ment agencies, on request of international organizations, are
18 authorized to furnish supplies, materials, and services, and on
19 request of nations, are authorized to furnish nonmilitary sup-
20 plies, materials, and services, to such organizations and na-
21 tions on an advance of funds or reimbursement basis. Such
22 advances, or reimbursements which are received under this
23 subsection within one hundred eighty days after the close of
24 the fiscal year in which such supplies, materials, and services
25 are delivered, may be credited to the current applicable ap-

1 appropriation or fund of the agency concerned and shall be
2 available for the purposes for which such appropriations and
3 funds are authorized to be used.”

4 (f) Add the following new section:

5 “SEC. 537. PROVISIONS ON USES OF FUNDS.—

6 “(a) Appropriations for the purposes of this Act (except
7 for chapter 1 of title I and section 124), allocations to any
8 United States Government agency, from other appropriations,
9 for functions directly related to the purposes of this Act,
10 and funds made available for other purposes to any agency
11 administering nonmilitary assistance, shall, except as may
12 subsequently be otherwise provided by law, be available for
13 the purposes specified in section 102 of the Mutual Security
14 Appropriation Act, 1956 (subject each fiscal year to the
15 limitations on the amounts of funds which can be used for
16 such purposes), in section 2 of Public Law 495, Eighty-third
17 Congress (with respect to the remains of persons or members
18 of the families of persons who may die while away from
19 their homes participating in activities under this Act or
20 other Acts directly related to the purposes of this Act), and
21 in section 902 of the Foreign Service Act of 1946, as amended
22 (with respect to chiefs of mission appointed pursuant to
23 section 526 of this Act), and for the purchase of passenger
24 motor vehicles: *Provided*, That passenger motor vehicles for
25 administrative purposes may be purchased only as specified

1 in section 102 of the Mutual Security Appropriation Act,
2 1956, or as specifically otherwise provided by law.

3 “(b) United States Government agencies are authorized
4 to pay the costs of health and accident insurance for foreign
5 participants in any exchange-of-persons program or any
6 program of furnishing technical information and assistance
7 administered by any such agency while such participants
8 are en route or absent from their homes for purposes of
9 participation in any such program.”

10 SEC. 11. Title V, chapter 3, of the Mutual Security
11 Act of 1954, as amended, which relates to repeal and mis-
12 cellaneous provisions, is further amended as follows:

13 (a) Amend section 544, which relates to amendments
14 to other laws, by adding the following new subsections:

15 “(c) In section 4 of the Act of May 26, 1949 (63
16 Stat. 111, 5 U. S. C. 151c), insert after the words ‘such
17 functions’ the following: ‘, including if he shall so specify
18 the authority successively to redelegate any of such func-
19 tions.’

20 “(d) In the first sentence of section 32 (b) (2) of the
21 Surplus Property Act of 1944, as amended (50 U. S. C.
22 App. 1641 (b) (2)), after ‘any agency thereof’, insert
23 ‘including amounts received in repayment of principal or
24 interest on any loan made under section 505 (b) of the
25 Mutual Security Act of 1954, as amended’.

1 “(e) Section 933 of the Foreign Service Act of 1946,
2 as amended (22 U. S. C. 1148), is hereby amended by
3 inserting after ‘continental United States’ where it appears
4 in both subsection (a) and subsection (b) of that section
5 ‘, its Territories and possessions,’.

6 “(f) Section 1441 (c) of the Internal Revenue Code
7 of 1954 is hereby amended by inserting after paragraph (5)
8 the following new paragraph:

9 ““(6) PER DIEM OF CERTAIN ALIENS.—No deduc-
10 tion or withholding under subsection (a) shall be re-
11 quired in the case of amounts of per diem for subsistence
12 paid by the United States Government (directly or by
13 contract) to any non-resident alien individual who is
14 engaged in any program of training in the United States
15 under the Mutual Security Act of 1954, as amended.’

16 “(g) Section 1011 of the United States Information and
17 Educational Exchange Act of 1948, as amended (22 U. S. C.
18 1442), is amended by inserting ‘(a)’ before ‘The Director’,
19 by deleting everything after the words ‘national interests
20 of the United States’, by inserting a period at that point,
21 and by inserting the following new subsections:

22 ““(b) The Director is authorized to assume the obliga-
23 tion of not to exceed \$28,000,000 of the notes authorized
24 to be issued pursuant to subsection 111 (c) (2) of the
25 Economic Cooperation Act of 1948, as amended (22

1 U. S. C. 1509 (c) (2)), together with the interest accrued
2 and unpaid thereon, and to obtain advances from time to
3 time from the Secretary of the Treasury up to such amount,
4 less amounts previously advanced on such notes, as provided
5 for in said notes. Such advances shall be deposited in a
6 special account in the Treasury available for payments
7 under informational media guaranties.

8 ““(c) The Director is authorized to make informational
9 media guaranties without regard to the limitations of time
10 contained in subsection 413 (b) (4) of the Mutual Se-
11 curity Act of 1954, as amended (22 U. S. C. 1933 (b)
12 (4)), but the total of such guaranties outstanding at any
13 one time shall not exceed the sum of the face amount of
14 the notes assumed by the Director less the amounts pre-
15 viously advanced on such notes by the Secretary of the
16 Treasury plus the amount of the funds in the special account
17 referred to in subsection (b).

18 ““(d) Foreign currencies available after June 30,
19 1955, from conversions made pursuant to the obligation of
20 informational media guaranties may be sold, in accordance
21 with Treasury Department regulations, for dollars which
22 shall be deposited in the special account and shall be avail-
23 able for payments under new guaranties.

24 ““(e) Notwithstanding the provisions of subparagraph
25 413 (b) (4) (E) of the Mutual Security Act of 1954, as

1 amended (22 U. S. C. 1933 (b) (4) (E)), (1) fees
2 collected for the issuance of informational media guaranties
3 shall be deposited in the special account and shall be avail-
4 able for payments under informational media guaranties;
5 and (2) the Director may require the payment of a mini-
6 mum charge of up to fifty dollars for issuance of guaranty
7 contracts, or amendments thereto.

8 “(f) The Director is further authorized, under such
9 terms as he may prescribe, to make advance payments
10 under informational media guaranties: *Provided*, That cur-
11 rencies receivable from holders of such guaranties on account
12 of such advance payments shall be paid to the United
13 States within nine months from the date of the advance
14 payment and that appropriate security to assure such pay-
15 ments is required before any advance payment is made.

16 “(g) As soon as feasible after the enactment of this
17 subsection, all assets, liabilities, income, expenses, and charges
18 of whatever kind pertaining to informational media guar-
19 anties, including any charges against the authority to issue
20 notes provided in section 111 (c) (2) of the Economic
21 Cooperation Act of 1948, as amended, cumulative from the
22 enactment of that Act, shall be accounted for separately from
23 other guaranties issued pursuant to subsection 413 (b) of
24 the Mutual Security Act of 1954, as amended (22 U. S. C.
25 1933 (b)) : *Provided*, That there shall be transferred from

1 the special account established pursuant to subsection (a),
2 into the account available for payments under guaranties
3 other than informational media guaranties, an amount equal
4 to the total of the fees received for the issuance of guar-
5 anties other than informational media guaranties, and used
6 to make payments under informational media guaranties.'”

7 (b) Amend section 545, which relates to definitions, as
8 follows:

9 (1) Add at the end of subsection (h) the following:
10 “Notwithstanding the foregoing provisions of this subsection
11 (h) and for the purpose of establishing a more equitable
12 pricing system for transactions between the military depart-
13 ments and the Mutual Defense Assistance Program, the
14 Secretary of Defense shall prescribe at the earliest practicable
15 date, through appropriate pricing regulations of uniform ap-
16 plicability, that the term ‘value’ (except in the case of excess
17 equipment or materials) shall mean—

18 “(1) the price of equipment or materials obtaining
19 for similar transactions between the Armed Forces
20 the United States; or

21 “(2) where there are no similar transactions within
22 the meaning of paragraph (1), the gross cost to the
23 United States adjusted as appropriate for condition and
24 market value.”

25 (2) Add the following new subsections:

1 authorized to be appropriated to the President for the fiscal
2 year 1957 not to exceed \$5,950,000 for use by the Presi-
3 dent, on such terms and conditions as he may specify, for
4 research reactor projects undertaken or authorized by foreign
5 governments which shall have entered into agreements for
6 cooperation with the Government of the United States con-
7 cerning the peaceful uses of atomic energy.

8 (b) Nothing in this section shall alter, amend, revoke,
9 repeal, or otherwise affect the provisions of the Atomic
10 Energy Act of 1954.

11 (c) The United States share of the cost of any reactor
12 made available to another government or to other govern-
13 ments shall not exceed \$350,000.

14 (d) In carrying out the purposes of this section the
15 Director, the Atomic Energy Commission, and other United
16 States departments and agencies shall give full and con-
17 tinuous publicity through the press, radio, and all other
18 available media, so as to inform the peoples of the par-
19 ticipating countries regarding the assistance, including its
20 purpose, source, and character, furnished by the United
21 States. Such portions of the equipment furnished under

25

- 1 this section as may be appropriately die-stamped as a
- 2 product of the United States shall be so stamped.

Passed the House of Representatives June 11, 1956.

Attest:

RALPH R. ROBERTS,

Clerk.

84TH CONGRESS
2^D SESSION

H. R. 11356

AN ACT

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

JUNE 11, 1956

Read twice and referred to the Committee on Foreign Relations