

P.L. 47

[PUBLIC LAW 47—81ST CONGRESS]

[CHAPTER 77—1ST SESSION]

[S. 1209]

AN ACT

To amend the Economic Cooperation Act of 1948.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth and fifth sentences of section 102 (a) of the Economic Cooperation Act of 1948 are hereby amended to read as follows: "Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through their joint organization to exert sustained common efforts to achieve speedily that economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to encourage the unification of Europe, and to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States."

SEC. 2. The second sentence of section 104 (e) of such Act is hereby amended by striking out "\$10,000 per annum" and inserting in lieu thereof "the highest rate authorized by such Act".

SEC. 3. The first sentence of section 105 (c) of such Act is hereby amended by striking out "section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended," and inserting in lieu thereof "the Export Control Act of 1949".

SEC. 4. Section 108 of such Act is hereby amended by adding at the end thereof the following new sentences: "There shall be a Deputy United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 3, within the meaning of the Act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. The Deputy United States Special Representative shall perform such functions as the United States Special Representative shall designate, and shall be Acting United States Special Representative during the absence or disability of the United States Special Representative or in the event of a vacancy in the office of United States Special Representative."

SEC. 5. The last sentence of section 109 (a) of such Act is hereby amended by striking out the period and inserting in lieu thereof a semicolon and the following: "and the chief of the special mission shall be entitled to receive the same compensation and allowances as

a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Act of August 13, 1946 (60 Stat. 999), or compensation and allowances in accordance with section 110 (a) of this title, as the Administrator shall determine to be necessary or appropriate."

SEC. 6. (a) The last sentence of paragraph (2) of section 111 (a) of such Act is hereby amended to read as follows: "The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, as far as is practicable, that at least 50 per centum of the gross tonnage of commodities procured out of funds made available under this title and transported to or from the United States on ocean vessels, computed separately for dry bulk carriers, dry cargo liner and tanker services, is so transported on United States flag vessels to the extent such vessels are available at market rates for United States flag vessels; and, in the administration of this provision, the Administrator shall, insofar as practicable and consistent with the purposes of this title, endeavor to secure a fair and reasonable participation by United States flag vessels in cargoes by geographic area."

(b) Paragraph (3) of section 111 (b) of such Act is hereby amended in the following particulars:

(1) By inserting after "projects" a comma and the following: "including expansion, modernization, or development of existing enterprises" and a comma;

(2) By inserting after "media" the following: "consistent with the national interests of the United States";

(3) By striking out in the first proviso "in the first year after the date of the enactment of this Act does not exceed \$15,000,000" and inserting in lieu thereof "made in any fiscal year does not exceed \$10,000,000";

(4) By amending subparagraph (i) thereof to read as follows:

"(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator plus actual earnings or profits on said project to the extent provided by such guaranty;"

(5) By inserting after subparagraph (iii) thereof the following new subparagraphs:

"(iv) as used in this paragraph, the term 'investment' includes the furnishing of capital goods items and related services, for use in connection with projects approved by the Administrator, pursuant to a contract providing for payment in whole or in part after June 30, 1950; and

"(v) the guaranty to any person shall be limited to assuring the transfer into United States dollars of other currencies, or credits in such currencies received by such person as earnings or profits from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof. When any payment is made to any person pursuant to a guaranty as hereinbefore described, the currency or credits on account of which such payment is made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim, or cause of action existing in connection therewith."; and

(6) By amending the next to last sentence thereof to read as follows: "The total amount of the guaranties made under this paragraph (3) shall not exceed \$150,000,000: *Provided*, That any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, shall be available for allocation to other guaranties, the foregoing limitation notwithstanding."

(c) Paragraph (2) of section 111 (c) of such Act is hereby amended in the following particulars:

(1) By inserting after the second sentence thereof the following: "In addition to the amount of notes above authorized, the Administrator is authorized, for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section, to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate \$150,000,000 less any amount allocated prior to April 3, 1949, for such purpose, until all liabilities arising under guaranties made pursuant to this authorization have expired or been discharged.";

(2) By striking out the first two words, "Such notes" in the third sentence thereof and inserting "The notes hereinabove authorized"; and

(3) By inserting after "Washington" in the sixth sentence thereof "for assistance on credit terms".

SEC. 7. (a) Section 112 (c) of such Act is hereby amended by striking out "25 per centum" and inserting in lieu thereof "12½ per centum".

(b) Section 112 (d) of such Act is hereby amended by adding after the words "any agricultural commodity, or product thereof" the following: "or class, type, or specification thereof".

(c) Section 112 (g) of such Act is hereby amended by striking out "section 6 of the Act of July 2, 1940 (54 Stat. 714), including any amendment thereto," and "section 6 of the Act of July 2, 1940, as amended," and inserting in lieu thereof "the Export Control Act of 1949".

(d) Section 112 of such Act is hereby further amended by adding at the end thereof the following new subsections:

"(i) (1) Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this title, the Administrator shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds authorized under this title by making available or causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with funds authorized under this title, and by making available or causing to be made available to prospective purchasers in the participating countries information as to commodities and services produced by small independent enterprises in the United States, and by otherwise helping to give small business an opportunity to participate in the furnishing of commodities and services financed with funds authorized under this title.

"(2) The Administrator shall appoint a special assistant to advise and assist him in carrying out the foregoing paragraph (1). Each

report transmitted to the Congress under section 123 shall include a report of all activities under this subsection.

"(j) The Administrator shall, in providing assistance in the procurement of commodities in the United States, make available United States dollars for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practices prevailing prior to the outbreak of World War II.

"(k) No funds authorized for the purposes of this title shall be used in the United States for advertising foreign products or for advertising foreign travel.

"(l) No funds authorized for the purposes of this title shall be used for the purchase in bulk of any commodities (other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to price-support programs required by law) at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment."

SEC. 8. (a) Section 114 (c) of such Act is hereby amended in the following particulars:

(1) By striking out the period at the end of the first sentence thereof and inserting in lieu thereof a colon and the following: "*Provided further*, That, in addition to the amount heretofore authorized and appropriated, there are hereby authorized to be appropriated for carrying out the provisions and accomplishing the purposes of this title not to exceed \$1,150,000,000 for the period April 3, 1949, through June 30, 1949, and not to exceed \$4,280,000,000 for the fiscal year ending June 30, 1950: *Provided further*, That, in addition to the foregoing, any balance, unobligated as of June 30, 1949, or subsequently released from obligation, of funds appropriated for carrying out and accomplishing the purposes of this title for any period ending on or prior to that date is hereby authorized to be made available for obligation through the fiscal year ending June 30, 1950, and to be transferred to and consolidated with any appropriations for carrying out and accomplishing the purposes of this title for said fiscal year."; and

(2) By amending the last sentence of such section 114 (c) to read as follows: "The authorizations in this title are limited to the period ending June 30, 1950, in order that the Congress may pass on any subsequent authorizations."

(b) Section 114 of such Act is hereby further amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding the provisions of any other law, until such time as an appropriation additional to that made by title I of the Foreign Aid Appropriation Act, 1949 (Public Law 793, Eightieth Congress), shall be made pursuant to subsection (c) of this section the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$1,000,000,000 to carry out the provisions of this title, in such manner, at such times, and in such amounts as the Administrator shall request, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder, from funds made available for the purposes of this title."

SEC. 9. (a) Paragraph (6) of section 115 (b) of such Act is hereby

amended by striking out the period following the words "grant basis" and inserting in lieu thereof a colon and the following: "*Provided*, That the obligation to make such deposits may be waived, in the discretion of the Administrator, with respect to technical information or assistance furnished under section 111 (a) (3) of this title and with respect to ocean transportation furnished on United States flag vessels under section 111 of this title in an amount not exceeding the amount, as determined by the Administrator, by which the charges for such transportation exceed the cost of such transportation at world market rates."

(b) Such section 115 (b) (6) is hereby further amended by inserting after "or for such other expenditures as may be consistent with" the words "the declaration of policy contained in section 102 and".

(c) Section 115 (d) of such Act is hereby amended to read as follows:

"(d) The Administrator shall encourage each participating country to insure, by an effective follow-up system, that efficient use is made of the commodities, facilities, and services furnished under this title. In order further to insure that each participating country makes efficient use of such commodities, facilities, and services, and of its own resources, the Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to observe and review the operation of such follow-up systems."

(d) Section 115 of such Act is hereby further amended by adding two new subsections as follows:

"(h) Not less than 5 per centum of each special local currency account established pursuant to paragraph (6) of subsection (b) of this section shall be allocated to the use of the United States Government for expenditure for materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources or for other local currency requirements of the United States.

"(i) (1) The Administrator shall, to the greatest extent practicable, initiate projects for and assist the appropriate agencies of the United States Government in procuring and stimulating increased production in participating countries of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources; and in furtherance of those objectives the Administrator shall, in addition to the local currency allocated pursuant to subsection (h), use such other means available to him under this title as he may deem appropriate.

"(2) In furtherance of such objectives and within the limits of the appropriations and contract authorizations of the Bureau of Federal Supply to procure strategic and critical materials, the Administrator, with the approval of the Director of such Bureau, shall enter into contracts in the name of the United States for the account of such Bureau for the purchase of strategic and critical materials in any participating country. Such contracts may provide for deliveries over definite periods, but not to exceed twenty years in any contract, and may provide for payments in advance of deliveries.

"(3) Nothing in this subsection shall be deemed to restrict or limit in any manner the authority now held by any agency of the United States Government in procuring or stimulating increased production

of the materials referred to in paragraphs (1) and (2) in countries other than participating countries."

SEC. 10. (a) The first sentence of section 117 (c) of such Act is hereby amended by striking out the period and inserting in lieu thereof a colon and the following: "*Provided*, That the Administrator shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to any participating foreign country, regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals through the mails."

(b) Section 117 (d) of such Act is hereby amended by striking out "section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended," and inserting in lieu thereof "the Export Control Act of 1949".

(c) Section 117 of such Act is hereby further amended by adding a new subsection to read as follows:

"(e) Whenever the Administrator shall determine that shipping capacity available to Italy is inadequate for such emigration from Italy as may be desirable to further the purposes of this title, the Administrator shall request the United States Maritime Commission to make available to Italy vessels capable of engaging in such service for the purpose of transporting emigrants from Italy to destinations other than the United States, and shall specify the terms and conditions under which such vessels shall thus be made available, and the United States Maritime Commission thereupon shall, notwithstanding any other provisions of law and without reimbursement by the Administrator, make such vessels available to Italy in accordance with such terms and conditions: *Provided*, That the total number of such vessels made available for such purpose shall not at any one time exceed ten: *Provided further*, That title to each such vessel owned by the United States Government shall remain in the United States: *And provided further*, That the terms and conditions under which such vessels are made available to Italy shall obligate Italy to return the vessels forthwith upon demand of the President, and in any event not later than June 30, 1952."

SEC. 11. The second sentence of section 118 of such Act is amended by inserting before the period at the end thereof "or (3) the provision of such assistance would be inconsistent with the obligations of the United States under the Charter of the United Nations to refrain from giving assistance to any State against which the United Nations is taking preventative or enforcement action".

SEC. 12. An amount, equal to any balance, unobligated as of April 2, 1949, or subsequently released from obligation, of funds appropriated by Public Law 793, approved June 28, 1948, for the purposes of the China Aid Act of 1948 is hereby made available to the President for obligation through February 15, 1950, for assistance in areas in China which he may deem to be not under Communist domination, to be furnished in such manner and on such terms and conditions as he may determine.

Approved April 19, 1949.

P.L. 472

George C. Marshall Foundation, Lexington, Virginia

[Public Law 472 - 60th Congress]

[Chapter 169 - 4th Session]

48, 797

AN ACT

To promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free international trade may be maintained and consistent with the maintenance of the strength and stability of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Foreign Assistance Act of 1948".

TITLE I

Sec. 101. This title may be cited as the "Economic Cooperation Act of 1948".

STATEMENTS AND EXPLANATION OF POLICY

Sec. 102. (a) Recognizing the intimate economic and other relationships between the United States and the nations of Europe, and recognizing that disruption following in the wake of war is not sustained by national frontiers, the Congress feels that the existing situation in Europe requires the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration of institutions in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and a high degree of the cooperation of Europe of a healthy economy under conditions of permanent peace and security. The accomplishment of these objectives calls for a plan of European recovery open to all such nations which cooperate in a plan based upon a strong production and the expansion of foreign trade, the creation and maintenance of a sound financial stability, and the development of economic cooperation, utilizing all possible financial facilities and maintaining suitable rates of exchange in order to bring about a progressive elimination of trade barriers. Most of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages are accorded to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through a participation to exert sustained common efforts to set forth in the report of the Committee of European Economic Cooperation, signed at Paris on September 22, 1947, which will provide a plan for economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to assist and encourage

P.L. 472