

H.R. 6027— Public Law 87-64, approved June 30, 1961

The Emergency Repatriation Assistance Act of 1961 **authorizes the Secretary of HEW**, after consulting with the Secretaries of State and Defense, **to develop plans and make arrangements for providing temporary assistance to U.S. citizens and dependents of U.S. citizens**, identified by the Department of State as having returned or brought here because of destitution or illness, or because of war, threat of war, invasion, or similar crisis.

This 1-year assistance, however, will be provided only if the citizen or dependent involved was without available resources. The aid can consist of money payments, medical care, temporary billeting, transportation, or other goods or services needed for the health or welfare of the individual. It can also include guidance, counseling, and other welfare services.

Foreign Aid Authorization Act of 1961

S. 1983— Public Law 87-195, approved September 4, 1961

This measure authorizes \$4,253,500,000 for foreign economic and military assistance in 1962 and \$1.5 billion in each of the following years, 1963-66 for the Development Loan Fund. The major provisions are:

Statement of policy.— Stated its purpose is to strengthen friendly foreign countries by encouraging the development of their free economic institutions, productive capabilities, and by eliminating barriers to the flow of private investment capital. In addition, declared that it is the policy of the United States to support the principles of increased economic cooperation and trade among countries, freedom of the press, information, religion, freedom of navigation in international waterways, and recognition of the right of all private persons to travel and pursue their lawful activities without discrimination as to race or religion.

Development Loan Fund.— Authorized a 5 year program of long-term loans to friendly countries and areas with emphasis upon assisting long-range plans and programs designed to develop economic resources and increase productive capabilities.

The loans are to be repayable in U.S. dollars and made only upon a finding of reasonable prospects for repayment.

Provided that *loans may not be re-loaned* within the recipient country at rates of interest excessive or unreasonable for the borrower and in no event higher than the applicable legal rate of interest of the country in which the loan is made.

Authorized \$1.2 billion for fiscal year 1962 and \$1.5 billion for each of the following years, 1963-66, but required annual appropriations.

Authorized the President, when he determines it is important to the advancement of our interest and the development program, to *enter into agreements committing loan funds in advance* of but subject to the appropriation of such funds. Requires the President to notify the Foreign Relations and Appropriations Committees of the Senate and the House of the provisions of such agreements, including the amounts of funds involved.

Authorized the President to establish an **Interagency Development Loan Committee**, consisting of officers from Government agencies and confirmed by the Senate, to establish standards and criteria for lending.

Authorized the President to lend up to **10 percent** of the Development Loan Funds to the **International Development Association**.

Development grants.— Authorized \$380 million in development grants plus unobligated balances (estimated at \$15 million). Development grants will be used to raise *educational, technical, managerial, and professional levels* of certain societies. Authorized assistance to schools, libraries, and hospitals outside the United States that have been founded or sponsored by American citizens. Authorized up to \$2 million to *promote the peaceful uses of atomic energy* outside the United States.

Development grant activities will be financed jointly by the United States and the host government with the latter paying a fair

share of the cost of the programs.

Authorized assistance through loans of foreign currencies to *small farmers*, up to an aggregate of \$10 million at any one time.

Prohibits grants which would have a substantially adverse effect upon the U.S. economy or a segment thereof.

Investment guarantees.— Continues and broadens the President's authority to make *guarantees* of certain investments up to a face amount of \$1 billion, and expands the role of *private enterprise* in furthering the economic growth of less developed countries and areas. Authorized the President to guarantee up to 75 percent of an investment up to \$10 million, against risks as determined by him; however, these investments must be for projects emphasizing economic development, social progress, and promote small independent business enterprises. Authorized guarantees up to 75 percent of an investment in *pilot housing projects in Latin America* up to a total of \$10 million. These guarantees would cover investments made by U.S. citizens or business entities which are both U.S.-chartered and substantially U.S.-owned in pilot or demonstration private housing projects in Latin America. Requires a *fee* for each *guarantee* in an amount to be determined by the President.

Surveys of investment opportunities.— Authorized \$5 million to finance up to 50 percent of the cost of investment surveys and studies in less developed areas approved by the President. Excludes surveys regarding sources of oil, gas, and ores, along with studies aimed at determining the feasibility of mining and other extraction operations. *To be eligible to receive such funds, the term "person" as applied to this section means a citizen of the United States or any corporation, partnership, or other association substantially beneficially owned by U.S. citizens.*

Development research.— Establishes a new program designed to contribute the results of systematic investigation to the improvement and the direction of economic aid programs.

International organizations and programs.— Authorizes \$153.5 million for the support of *international organizations and programs*; funds to remain available until expended. Limited contributions to the U.S. expanded program of technical assistance and the U.S. Special Fund (after calendar year 1961) to 40 percent of the total amount contributed, including assessed and audited local costs, for each year. Directed the President, in his determination as to whether aid should be continued to the Palestine refugees in the Near East, to consider whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of these refugees and the extent and success of efforts by the U.N. Relief and Works Agency and the Arab host governments to rectify the Palestine refugee relief rolls. Reaffirmed U.S. policy to participate in the Indus Basin development.

Supporting assistance.— Authorizes \$465 million for *supporting assistance* to be used beginning in fiscal year 1962, plus unobligated balances currently estimated at \$50 million, and to remain available until expended. Supporting assistance joins together in a single category those programs which have been labeled "defense support" and "special assistance" programs.

Contingency fund.— Authorized up to \$300 million for a *contingency fund* to be used by the President for *economic purposes* that he determines to be important to the *national interest*.

Agrarian economies.— Directed the President to place emphasis upon programs reaching the people who are engaged in agriculture.

Military assistance.— Authorized a 2-year program at the level of \$1.7 billion for each of the fiscal years. Military assistance may be furnished on such terms and conditions as the President may determine, and to any country, subject to conditions of eligibility, or international organizations, the support of which the President finds to be in the national interest. Limited defense articles for any one country in any one year to \$3 million unless the President determines, among other requirements, that the increased ability of such country to defend itself is important to the security of the United States. Authorizes the President to use up to \$300 million in Defense Department supplies for military aid if he determines it to be vital to the security of the United States. Limited to \$57.5 million the amount of military equipment aid for Latin American nations.

General Provisions:

Aid barred.— Bars aid under this act to the present Government of Cuba; to the government of any country unless the President determines that the country is not dominated or controlled by the international Communist movement; to any country indebted to a U.S. citizen who has exhausted available legal remedies.

Small business.— Established an *Office of Small Business* to assist America small business in foreign aid program. Established a \$5 million revolving fund to acquire usable U.S. machinery to sell to small foreign businesses and set a ceiling of \$45 million on the original sale value of surplus property transferred to the Agency for International Development.

Recipient countries.— Encouraged development and use in recipient countries of cooperatives, credit unions, and savings and loan associations.

President Kennedy's Statement of August 29, 1961:

The compromise which the Senate-House conferees have worked out is wholly satisfactory. It gives the U.S. government authority to make commitments for long-term development programs with reasonable assurance that these commitments will be met. In providing 5 years of substantial authorization, the conferees have recognized the magnitude of the need in the developing countries. In insuring specific authority to enter into commitments with these countries, the conferees have recognized the necessity for this Government to give assurance that assistance will be forthcoming over a period of years. The agreement reached by the conferees today is an important decision both for the United States and the free world.

Latin American Aid

H.R. 6518— Public Law 87-41, approved May 27, 1961

This measure appropriates \$500 million for the inter-American social and economic cooperation program and \$100 million for Chilean reconstruction.

The authorizing legislation was passed in 1960 to enable the U.S. representatives in Bogota, Columbia, to give substance to a new program of development for Latin America. The objective of this development program is to implement the Act of Bogota, signed by 19 American nations in September 1960.

In helping to carry out the Act of Bogota, the funds involved in this appropriation will be aimed directly at the Latin American people through advances in fields which directly affect their lives.

President Kennedy, in requesting this appropriation, stated—

...it will be devoted to social progress. Social progress is not a substitute for economic development. It is an effort to create a social framework within which all the people of a nation can share in the benefits of prosperity and participate in the process of growth. Economic growth without social progress lets the great majority of the people remain in poverty while a privileged few reap the benefits of rising abundance... Thus, the purpose of our special effort for social progress is to overcome the barriers of geographical and social isolation, illiteracy and lack of educational opportunities, archaic tax and land tenure structures and other institutional obstacles to broad participation in economic growth.

The fields included in this social progress are—

(a) Land settlement and improved land use;

- (b) Housing for low-income groups through assistance to self-help housing and to institutions providing long-term housing finance;
- (c) Community water supply and sanitation facilities;
- (d) Supplementary financing of facilities for advanced education and training related to economic and social development as may be agreed upon from time to time between the United States and the Inter-American Development Bank. The IDB will also provide technical assistance related to the above fields. Technical assistance may be on a grant, loan, or reimbursable basis.

The International Cooperation Administration will also participate in the program and its primary responsibility will be for education and training programs, public health, projects for social improvement for the federation of the West Indies and other territories within the Western Hemisphere, and applied research and surveys in fields related to social progress. Most ICA assistance will be on a grant basis.

Six million dollars is to be used to help the Organization of American States in connection with the social development program.

The \$100 million will be loaned to the Government of Chile to assist in financing specific reconstruction projects and activities made necessary by the series of severe earthquakes in southern Chile. Total damage as a result of the quakes was \$372 million.

As finally enacted, the measure prohibits loans or reloans at interest rates considered to be excessive by the Inter-American Development Bank or higher than the legal rate of interest of the country in which the loan is made.

Peace Corps

H.R. 7500— Public Law 87-293, approved September 2, 1961

This measure carries out President Kennedy's recommendation to establish a Peace Corps of American volunteers to carry America's skills and talents and idealism abroad to help other peoples help themselves. The Peace Corps is designed to provide the framework through which America's idealism, her humanitarianism, and her generosity can find a personal expression in the task of helping to build with our own hands a better world for all mankind. The major provisions are:

Purpose.— To promote world peace and friendship through a Peace Corps, and to promote a better understanding of other peoples on the part of the American people and a better understanding of the American people on the part of the peoples served.

Staff and agency.— Established as a semiautonomous agency within the Department of State, headed by a Director appointed by the President and confirmed by the Senate, at \$20,000 a year, and a Deputy Director at \$19,500 a year. The Director of the agency will report directly to the Secretary of State, and the integration of the Peace Corps programs with the foreign policy of the United States will be the responsibility of the Secretary of State.

Volunteers.— Provides that the President may enroll in the Peace Corps for service abroad qualified citizens and nationals of the United States who will be called volunteers. A volunteer, to enroll in the Peace Corps, must pass a general entrance as well as other examinations, successfully complete a training program including instruction in philosophy, strategy, tactics, and the menace of communism, be selected for oversea duty, and have a language proficiency. To qualify as a volunteer, one must be at least 18, single or if married both must volunteer, in excellent physical and mental health, emotionally mature, and exemplary in personal conduct. In addition he must have a good educational background and/or experience required for success both in the training program and in performance on the job.

Allowances.— Volunteers will be given living, travel, and leave allowances, and such housing, transportation, supplies, equipment, subsistence, and clothing as the President may determine necessary (estimated to cost \$9,000 per person). The