

## Public Law 90-554

## AN ACT

To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

October 8, 1968  
[H. R. 15263]

Foreign Assist-  
ance Act of 1968.

*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 1968".*

## PART I

## CHAPTER 2—DEVELOPMENT ASSISTANCE

## TITLE I—DEVELOPMENT LOAN FUND

SEC. 101. Title I of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to the Development Loan Fund, is amended as follows:

(a) Section 201(d), which relates to rates of interest, is amended as follows:

(1) Strike out "1967" and substitute "1968".

(2) Strike out "2½ per centum" and substitute "3 per centum".

(b) Section 202(a), which relates to authorization, is amended as follows:

(1) After "year 1967", strike out "and" and substitute a comma.

(2) After "year 1968," insert "and \$350,000,000 for the fiscal year 1969,".

(3) Strike out "years ending June 30, 1967, through June 30, 1968, respectively" and substitute "year ending June 30, 1969".

78 Stat. 1009;  
81 Stat. 447.  
22 USC 2161.

77 Stat. 381;  
81 Stat. 447.  
22 USC 2162.

## TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

SEC. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to technical cooperation and development grants, is amended as follows:

(a) Section 211(d), which relates to availability of funds for certain research and educational institutions, is amended by inserting "in any fiscal year" immediately after "funds made available".

(b) Section 212, which relates to authorization, is amended by striking out "\$210,000,000 for the fiscal year 1968" and substituting "\$200,000,000 for the fiscal year 1969".

(c) Section 214, which relates to American schools and hospitals abroad, is amended as follows:

(1) In subsection (c) strike out "1968, \$14,000,000" and substitute "1969, \$14,600,000".

(2) In subsection (d) strike out "1968, \$2,986,000" and substitute "1969, \$5,100,000".

80 Stat. 797.  
22 USC 2171.

81 Stat. 449.  
22 USC 2172.

81 Stat. 450.  
22 USC 2174.

## TITLE III—INVESTMENT GUARANTIES

SEC. 103. (a) Section 221(b) of title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to general authority for investment guaranties, is amended as follows:

(1) In the proviso of paragraph (1), strike out "\$8,000,000,000" and substitute "\$8,500,000,000".

(2) Paragraph (2) is amended as follows:

(A) In the third proviso, strike out "\$475,000,000" and "\$315,000,000" and substitute "\$550,000,000" and "\$390,000,000", respectively.

22 USC 2181.

(B) In the third proviso, strike out "\$1,000,000" and substitute "\$1,250,000".

(C) In the last proviso, strike out "1970" and substitute "1971".

(b) At the end of section 221, add a new subsection as follows:

"(e) (1) No guaranty of a loan or equity investment of an eligible United States investor in a foreign bank, finance company, or other credit institution (hereinafter the 'original investment') shall cover any loss of a loan or equity investment of such bank, finance company, or credit institution; and in no event shall payment be made under any such guaranty except for loss of the original investment, and, where provided for by such guaranty, earnings or profits actually accrued thereon.

75 Stat. 429.  
22 USC 2181.

"(2) In the administration of this subsection, the eligible United States investor may be deemed to have sustained a loss of the original investment only if the foreign bank, finance company, or credit institution in which the original investment was made becomes or is likely to become insolvent due to the occurrence of an event against which protection is provided by the guaranty."

SEC. 104. Section 224(c), which relates to housing projects in Latin American countries, is amended by striking out "\$500,000,000" and substituting "\$550,000,000".

79 Stat. 655;  
81 Stat. 451.  
22 USC 2184.

#### TITLE VI—ALLIANCE FOR PROGRESS

SEC. 105. (a) Section 252(a) of title VI of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to authorization for the Alliance for Progress, is amended as follows:

76 Stat. 258;  
80 Stat. 799;  
81 Stat. 451.  
22 USC 2212.

(1) Strike out "1967, \$696,500,000, and for the fiscal year 1968, \$578,000,000, which amounts are" and substitute "1969, \$420,000,000, which is".

(2) Strike out "\$100,000,000 in each such fiscal year of the funds appropriated pursuant to this section for use beginning in each such fiscal year" and substitute "\$90,000,000".

(3) Strike out "years ending June 30, 1967, through June 30, 1968, respectively" and substitute "year ending June 30, 1969".

(b) Section 252(b), which relates to authorization for the Partners of the Alliance, is amended by striking out "1968, \$714,000" and substituting "1969, \$350,000".

#### TITLE IX—UTILIZATION OF DEMOCRATIC INSTITUTIONS IN DEVELOPMENT

SEC. 106. Section 281 of the Foreign Assistance Act of 1961, as amended, is amended as follows:

80 Stat. 800;  
81 Stat. 452.  
22 USC 2218.

(a) At the end of subsection (c), add the following new sentence: "In particular, emphasis should be given to research designed to increase understanding of the ways in which development assistance can support democratic social and political trends in recipient countries."

(b) At the end of section 281, add the following new subsection:

"(e) In order to carry out the purposes of this title, the agency primarily responsible for administering part I of this Act shall develop systematic programs of inservice training to familiarize its personnel with the objectives of this title and to increase their knowledge of the political and social aspects of development. In addition to other funds available for such purposes, not to exceed 1 per centum of the funds authorized to be appropriated for grant assistance under this chapter may be used for carrying out the objectives of this subsection."

Inservice training programs.

## TITLE X—PROGRAMS RELATING TO POPULATION GROWTH

81 Stat. 453.  
22 USC 2219a.

SEC. 107. Section 292 of title X of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, is amended by striking out "1968, \$35,000,000" and substituting "1969, \$50,000,000".

## CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

80 Stat. 801;  
81 Stat. 454.  
22 USC 2222.

SEC. 108. (a) Section 302(a) of chapter 3 of part I of the Foreign Assistance Act of 1961, as amended, which relates to authorization for international organizations and programs, is amended by striking out "1968, \$141,000,000" and substituting "1969, \$135,000,000".

(b) Section 302 is further amended by adding at the end thereof the following new subsection:

United Nations  
Children's Fund.  
Appropriation.

"(d) There is authorized to be appropriated to the President, for the fiscal year 1969, \$1,000,000 for contributions to the United Nations Children's Fund during the calendar year 1969. Funds made available under this subsection shall be in addition to funds available under this or any other Act for such contributions and shall not be taken into account in computing the aggregate amount of United States contributions to such fund for the calendar year 1969."

## CHAPTER 4—SUPPORTING ASSISTANCE

22 USC 2242.

SEC. 109. Section 402 of chapter 4 of part I of the Foreign Assistance Act of 1961, as amended, which relates to authorization for supporting assistance, is amended by striking out "1968 not to exceed \$660,000,000" and substituting "1969 not to exceed \$410,000,000".

## CHAPTER 5—CONTINGENCY FUND

75 Stat. 434;  
81 Stat. 455.  
22 USC 2261.

SEC. 110. Section 451 (a) of chapter 5 of part I of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended by inserting ", and for the fiscal year 1969 not to exceed \$10,000,000," after "\$50,000,000".

## PART II

## CHAPTER 2—MILITARY ASSISTANCE

SEC. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance, is amended as follows:

80 Stat. 802;  
81 Stat. 455.  
22 USC 2312.

(a) Section 504(a), which relates to authorization, is amended as follows:

(1) In the first sentence, strike out "\$510,000,000" and "1968" and substitute "\$375,000,000" and "1969", respectively.

(2) Strike out the second and third sentences.

(3) In the first sentence, insert the following proviso before the period: "*Provided further*, That none of the funds appropriated pursuant to this subsection shall be used to furnish sophisticated weapons systems, such as missile systems and jet aircraft for military purposes, to any underdeveloped country, unless the President determines that the furnishing of such weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress".

Presidential  
determination;  
report to Con-  
gress.

81 Stat. 457.  
22 USC 2318.

(b) Section 506 (a), which relates to special authority, is amended by striking out "1968" each place it appears and substituting "1969".

(c) (1) Section 507(a), which relates to restrictions on military aid to Latin America, is amended by striking out “\$55,000,000, of which \$25,000,000” and substituting “\$25,000,000, of which any part”.

75 Stat. 438;  
81 Stat. 457.  
22 USC 2319.

(2) Such section 507 is further amended by adding at the end thereof the following new subsection:

“(d) Notwithstanding the foregoing provisions of this section, not to exceed \$10,000,000 of the funds made available for use under this part may be used to furnish assistance to the American Republics, directly or through regional defense arrangements, to enable such Republics to strengthen patrol activities in their coastal waters for the purpose of preventing landings on their shores, by Communist or other subversive elements originating in Cuba, which threaten the security of such Republics and of their duly constituted governments.”

American Republics, assistance.  
Appropriation.

(d) Section 508, which relates to restrictions on military aid to Africa, is amended as follows:

77 Stat. 384;  
81 Stat. 457.  
22 USC 2320.

(1) In the first sentence, strike out “or sales”.

(2) In the second sentence, strike out “and sales” and strike out “\$40,000,000” and substitute “\$25,000,000”.

### PART III

#### CHAPTER 1—GENERAL PROVISIONS

SEC. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

(a) Section 604, which relates to procurement of commodities, is amended by adding at the end thereof the following new subsection:

75 Stat. 439;  
80 Stat. 804.  
22 USC 2354.

“(f) No funds authorized to be made available to carry out part I of this Act shall be used under any commodity import program to make any payment to a supplier unless the supplier has certified to the agency primarily responsible for administering such part I, such information as such agency shall by regulation prescribe, including but not limited to, a description of the commodity supplied by him and its condition, and, on the basis of such information such agency shall have approved such commodity as eligible and suitable for financing under this Act.”

(b) Section 607, which relates to the furnishing of services and commodities, is amended by inserting “(a)” immediately before “Whenever” and by adding at the end thereof the following new subsection:

75 Stat. 441.  
22 USC 2357.

“(b) No Government-owned excess property shall be made available under this section, section 608, or otherwise in furtherance of the purposes of part I of this Act, unless, before the shipment of such property for use in a specified country (or transfer, if the property is already in such country), the agency administering such part I has approved such shipment (or transfer) and made a written determination—

22 USC 2358.

“(1) that there is a need for such property in the quantity requested and that such property is suitable for the purpose requested;

“(2) as to the status and responsibility of the designated end-user and his ability effectively to use and maintain such property; and

“(3) that the residual value, serviceability, and appearance of such property would not reflect unfavorably on the image of the United States and would justify the costs of packing, crating, handling, transportation, and other accessorial costs, and that the residual value at least equals the total of these costs.”

(c) Section 620, which relates to prohibitions against furnishing assistance, is amended by adding at the end thereof the following new subsection:

81 Stat. 459.  
22 USC 2370.



“(v) The President is directed to withhold economic assistance in an amount equivalent to the amount spent by any underdeveloped country for the purchase of sophisticated weapons systems, such as missile systems and jet aircraft for military purposes from any country, unless the President determines that such purchase or acquisition of weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress.”

#### CHAPTER 2—ADMINISTRATIVE PROVISIONS

SEC. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

(a) Section 621, which relates to exercise of functions, is amended by inserting “(a)” immediately after “SEC. 621. EXERCISE OF FUNCTIONS.—” and by adding at the end thereof the following new subsection:

“(b) The President shall issue and enforce regulations determining the eligibility of any person to receive funds made available under this Act. A person may be suspended under such regulations for a temporary period pending the completion of an investigation and any resulting judicial or debarment proceedings, upon cause for belief that such person or an affiliate thereof probably has undertaken conduct which constitutes a cause for debarment; and, after an opportunity has been afforded to such person for a hearing, he may be debarred for an additional period, not to exceed three years. Among the causes for debarment shall be (1) offering or accepting a bribe or other illegal payment or credit in connection with any transaction financed with funds made available under this Act; or (2) committing a fraud in the procurement or performance of any contract financed with funds made available under this Act; or (3) acting in any other manner which shows a lack of integrity or honesty in connection with any transaction financed with funds made available under this Act. Reinstatement of eligibility in each particular case shall be subject to such conditions as the President shall direct. Each person whose eligibility is denied or suspended under this subsection shall, upon request, be entitled to a review of his eligibility not less often than once every two years.”

(b) Immediately after section 621 add the following new section: “SEC. 621A. STRENGTHENED MANAGEMENT PRACTICES.—(a) The Congress believes that United States foreign aid funds could be utilized more effectively by the application of advanced management decisionmaking, information and analysis techniques such as systems analysis, automatic data processing, benefit-cost studies, and information retrieval.

“(b) To meet this need, the President shall establish a management system that includes: the definition of objectives and programs for United States foreign assistance; the development of quantitative indicators of progress toward these objectives; the orderly consideration of alternative means for accomplishing such objectives; and the adoption of methods for comparing actual results of programs and projects with those anticipated when they were undertaken. The system should provide information to the agency and to Congress that relates agency resources, expenditures, and budget projections to such objectives and results in order to assist in the evaluation of program performance, the review of budgetary requests, and the setting of program priorities.

“(c) The President shall report to the Congress annually on the specific steps that have been taken, including an evaluation of the progress that has been made toward the implementation of this section.”

Presidential determination; report to Congress.

75 Stat. 445;  
76 Stat. 262.  
22 USC 2381.

Eligibility.

Management system, establishment.

Report to Congress.

(c) Section 625(c), which relates to employment of personnel, is amended by inserting "or any Act superseding part II in whole or in part," between "part II," and "not".

75 Stat. 450.  
22 USC 2385.

(d) Section 636(g)(1), which relates to provisions on uses of funds, is amended by inserting "incurred in furnishing defense articles and defense services on a grant or sales basis by the agency primarily responsible for administering part II" between "expenses" and the semicolon.

22 USC 2396.

(e) Section 637(a), which authorizes appropriations for administrative expenses of the agency administering part I, is amended (1) by striking out "1968, \$55,814,000" and substituting "1969, \$53,000,000"; and (2) by adding at the end thereof the following: "The agency administering part I shall reduce the number of personnel, particularly administrative personnel, employed by it in order to conduct operations with the reduced amount of funds authorized for fiscal year 1969, except that such agency shall not take any action to limit or reduce auditing or training activities of such agency."

81 Stat. 462.  
22 USC 2397.

Personnel  
reduction.

(f) At the end of such chapter, add the following new section:

22 USC 2381-  
2399a.

"SEC. 640A. FALSE CLAIMS AND INELIGIBLE COMMODITIES.—(a) Any person who makes or causes to be made or presents or causes to be presented to any bank or other financial institution or to any officer, agent, or employee of any agency of the United States Government a claim for payment from funds made available under this Act for the purposes of furnishing assistance and who knows the claim to be false, fraudulent, or fictitious or to cover a commodity or commodity-related service determined by the President to be ineligible for payment from funds made available under this Act, or who uses to support his claim any certification, statement, or entry on any contract, abstract, bill of lading, Government or commercial invoice, or Government form, which he knows, or in the exercise of prudent business management should know, to contain false, fraudulent, or fictitious information, or who uses or engages in any other fraudulent trick, scheme, or device for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit or payment from funds so made available under this Act in connection with the negotiation, procurement, award, or performance of a contract financed with funds so made available under this Act, and any person who enters into an agreement, combination, or conspiracy to do, (1) shall pay to the United States an amount equal to 25 per centum of any amount thereby sought to be wrongfully secured or obtained but not actually received, and (2) shall forfeit and refund any payment, compensation, loan, commission, or advance received as a result thereof, and (3) shall, in addition, pay to the United States for each such act (A) the sum of \$2,000 and double the amount of any damage which the United States may have sustained by reason thereof, or (B) an amount equal to 50 per centum of any such payment, compensation, loan, commission, or advance so received, whichever is the greater, together with the costs of suit.

"(b) In order to secure recovery under this section, the President may, as he deems appropriate, (1) institute suit in the United States district court for any judicial district in which the person alleged to have performed or participated in an act described by this section may reside or may be found, and (2) upon posting by registered mail to such person a notice of claim describing the basis therefor and identifying the funds to be withheld, withhold from funds owed by any agency of the United States Government to such person an amount equal to the refund, damages, liquidated damages, and exemplary damages claimed by the United States under this section. Any such withholding of funds from any person shall constitute a final determination of the rights and liabilities of such person under this section with respect to the amount so withheld, unless within one year of receiving the notice of claim such

person brings suit for recovery, which is hereby authorized, against the United States in any United States district court.

“(c) For purposes of this section, the term ‘person’ includes any individual, corporation, partnership, association, or other legal entity.”

### CHAPTER 3—MISCELLANEOUS PROVISIONS

22 USC 2401-  
2409.

SEC. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended by adding at the end thereof the following new section:

“SEC. 651. SALE OF SUPERSONIC PLANES TO ISRAEL.—It is the sense of the Congress that the President should take such steps as may be necessary, as soon as practicable after the date of enactment of this section, to negotiate an agreement with the Government of Israel providing for the sale by the United States of such number of supersonic planes as may be necessary to provide Israel with an adequate deterrent force capable of preventing future Arab aggression by offsetting sophisticated weapons received by the Arab States and to replace losses suffered by Israel in the 1967 conflict.”

### PART IV—AMENDMENTS TO OTHER ACTS

Unprocessed  
timber from  
Federal lands.  
Export, re-  
striction.  
16 USC 616.

SEC. 401. The Act of April 12, 1926 (44 Stat. 242; chapter 117) is amended by adding at the end thereof a new section as follows:

“SEC. 2. (a) For each of the calendar years 1969 through 1971, inclusive, not more than 350 million board feet, in the aggregate, of unprocessed timber may be sold for export from the United States from Federal lands located west of the 100th meridian.

“(b) After public hearing and a finding by the appropriate Secretary of the department administering Federal lands referred to in subsection (a) that specific quantities and species of unprocessed timber are surplus to the needs of domestic users and processors, such quantities and species may be designated by the said Secretary as available for export from the United States in addition to that quantity stated in subsection (a).

“(c) The Secretaries of the departments administering lands referred to in subsection (a) may issue rules and regulations to carry out the purposes of this section, including the prevention of substitution of timber restricted from export by this section for exported non-Federal timber.

“(d) In issuing rules and regulations pursuant to subsection (c), the appropriate Secretaries may include therein provisions authorizing the said Secretaries, in their discretion, to exclude from the limitations imposed by this section sales having an appraised value of less than \$2,000.”

### PART V—REAPPRAISAL OF FOREIGN ASSISTANCE PROGRAMS

#### DECLARATION OF POLICY

SEC. 501. The Congress declares that, in view of changing world conditions and the continued need to make United States foreign assistance programs an effective implement of United States foreign policy, there should be a comprehensive review and reorganization of all United States foreign assistance programs, including economic development and technical assistance programs, military assistance and sales programs, and programs involving contributions and payments by the United States to international lending institutions and other international organizations concerned with the development of friendly foreign countries and areas.



## REAPPRAISAL BY THE PRESIDENT

SEC. 502. (a) In furtherance of the policy of this part, the President is requested to make a thorough and comprehensive reappraisal of United States foreign assistance programs, as described in section 501, and to submit to the Congress, on or before March 31, 1970, his recommendations for achieving such reforms in and reorganization of future foreign assistance programs as he determines to be necessary and appropriate in the national interest in the light of such reappraisal. The President is requested to submit to the Congress, on or before July 1, 1969, an interim report presenting any preliminary recommendations formulated by him pursuant to this section.

Recommendations.

Report to Congress.

(b) It is the sense of the Congress that the reappraisal provided for in subsection (a) should include, but not be limited to, an analysis and consideration of proposals concerning the establishment of a Government corporation or a federally chartered private corporation designed to mobilize and facilitate the use of United States private capital and skills in less developed friendly countries and areas, including whether such corporation should be authorized to—

- (1) utilize Government guarantees and funds as well as private funds;
- (2) seek, develop, promote, and underwrite new investment projects;
- (3) assist in transferring skills and technology to less developed friendly countries and areas; and
- (4) invest in the securities of development financing institutions and assist in the formation and expansion of local capital markets.

Approved October 8, 1968.

S 3091

A # 295

## Public Law 90-555

## AN ACT

October 9, 1968

[H. R. 1340]

To authorize the Secretary of the Interior to accept donations of land for, and to construct, administer, and maintain an extension of the Blue Ridge Parkway in the States of North Carolina and Georgia, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior is authorized to accept, on behalf of the United States, donations of land and interests in land in the States of North Carolina and Georgia, to construct thereon an extension of the Blue Ridge Parkway from the vicinity of Beech Gap, North Carolina, to the vicinity of Kennesaw Mountain National Battlefield Park north of Atlanta and Marietta, Georgia, and to provide public use, administration, and maintenance areas in connection therewith. The lands accepted for the parkway extension may vary in width but shall average not more than one hundred and twenty-five acres per mile in fee simple plus not more than twenty-five acres per mile in scenic easements. The survey location and width of any portion of the parkway extension that crosses national forest land shall be jointly determined by the Secretary of the Interior and the Secretary of Agriculture. Where the parkway extension designated by the Secretary of the Interior traverses Federal lands, the head of the department or agency having jurisdiction over such lands is authorized to transfer to the Secretary of the Interior the part of the Federal lands mutually agreed upon as necessary for the construction, maintenance, and administration of the parkway extension and public use thereof, without transfer of funds. Any such transfer within a national forest shall not preclude any national forest use that is compatible with parkway use and that is agreed upon by the Secretary of the Interior and the Secretary of Agriculture.

Blue Ridge  
Parkway, extension.