

As amended through October 31, 1964. Originally enacted July 10, 1954, (68 Stat. 454)

Public Law 480 - 83d Congress  
Chapter 469 - 2d Session  
S. 2475

AN ACT

To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes.

*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 "Agricultural Trade Development and Assistance Act of 1954".*

SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this Act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, to promote collective strength, and to foster in other ways the foreign policy of the United States. (7 U.S.C. 1691)<sup>1</sup>

TITLE 1--SALES FOR FOREIGN CURRENCY<sup>2</sup>

SEC. 101.<sup>3</sup> In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to

<sup>1</sup> The Foreign Assistance Act of 1963, Public Law 88-205, 77 Stat. 387, approved December 16, 1963, amended Chapter 1 of Part III of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2370 (i)), to add subsection (i) to Section 620 of said Chapter 1, reading as follows:

"(i) No assistance shall be provided under this or any other Act, and no sales shall be made under the Agricultural Trade Development and Assistance Act of 1954, to any country which the President determines is engaging in or preparing for aggressive military efforts directed against—

"(1) the United States,

"(2) any country receiving assistance under this or any other Act, or

"(3) any country to which sales are made under the Agricultural Trade Development and Assistance Act of 1954,

until the President determines that such military efforts or preparations have ceased and he reports to the Congress that he has received assurances satisfactory to him that such military efforts or preparations will not be renewed. This restriction may not be waived pursuant to any authority contained in this Act."

See note 41.

<sup>2</sup> Sec. 3, Public Law 962, 84th Congress, 70 Stat. 988, approved August 3, 1956, reads as follows:

"Sales of fresh fruit and the products thereof under title I of the Act shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, Seventy-third Congress (15 U.S.C. 616a) and section 901 (b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241 (b)))."

<sup>3</sup> Public Law 85-128, 71 Stat. 345, approved August 13, 1957 (7 U.S.C. 1704a), provides that: "Within sixty days after any agreement is entered into for the use of any foreign currencies, a full report thereon shall be made to the Senate and House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof."



provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall--

(a) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;<sup>4</sup>

(b) take appropriate steps to assure that private trade channels are used to the maximum extent practicable both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation;

(c) give special consideration to utilizing the authority and funds provided by this Act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;

(d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this Act, without specific approval of the President; and

(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this Act and to make effective use of the foreign currencies received to carry out the purposes of this Act.

(f) obtain rates of exchange applicable to the sale of commodities under such agreements which are not less favorable than the highest of exchange rates legally obtainable in the respective countries, and which are not less favorable than the highest of exchange rates obtainable by any other nation;<sup>5</sup>

(g) require such foreign currencies to be convertible to dollars to the extent consistent with the effectuation of the purpose of this Act, but in any event to the extent necessary to permit that portion of such currencies made available for payment of United States obligations to be used to meet obligations or charges payable by the United States or any of its agencies to the government of the importing country or any of its agencies.<sup>6</sup> (7 U.S.C. 1701)

SEC. 102.<sup>7</sup> (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with regulations issued by the President pursuant to subsection (b) of this section, (1) shall make available for sale hereunder to domestic exporters surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price-support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities, whether from private stocks or from stocks of the Commodity Credit Corporation. In supplying such commodities to exporters under this

<sup>4</sup> The words "or normal patterns of commercial trade with friendly countries;" added by Public Law 85-931, 72 Stat. 1790, approved September 6, 1958.

<sup>5</sup> This subsection was added by Public Law 87-128, 75 Stat. 306, approved August 8, 1961, and revised by Section 403(a) of the Foreign Assistance Act of 1963, Public Law 88-205, 77 Stat. 390, approved December 16, 1963, and by Public Law 88-638, 78 Stat. 1035, approved October 8, 1964.

<sup>6</sup> Subsection (g) was added by Public Law 88-638, 78 Stat. 1035, approved October 8, 1964.

<sup>7</sup> Sec. 8 of Public Law 85-931, 72 Stat. 1792, approved September 6, 1958, provides as follows:

"In carrying out the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, extra long staple cotton shall be made available for sale pursuant to the provisions of title I of the Act in the same manner as upland cotton or any other surplus agricultural commodity is made available, and products manufactured from upland or long staple cotton shall be made available for sale pursuant to the provisions of title I of the Act as long as cotton is in surplus supply, and no discriminatory or other conditions shall be imposed which will prevent or tend to interfere with their sale or availability for sale under the Act; *Provided*, That that portion of the sales price of such products which is financed as a sale for foreign currency under title I of the Act shall be limited to the estimated portion of the sales price of such products attributable to the raw cotton content of such products."

subsection the Commodity Credit Corporation shall not be subject to the sales price restrictions in section 407 of the Agricultural Act of 1949, as amended.<sup>8</sup> The commodity set-aside established for any commodity under section 101 of the Agricultural Act of 1954 (68 Stat. 897)<sup>9</sup> shall be reduced by a quantity equal to the quantity of such commodity financed hereunder which is exported from private stocks. The commodity Credit Corporation shall finance ocean freight charges incurred pursuant to agreements entered into after December 31, 1964, only to the extent that such charges are higher (than would otherwise be the case) by reason of a requirement that the commodities be transported in United States flag vessels. Such agreements shall require the balance of such charges for transportation in United States vessels to be paid in dollars by the nations or organizations with whom such agreements are entered into.<sup>10</sup>

(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this Act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940.<sup>11</sup> Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds. (7 U.S.C. 1702)

SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this Act, including processing, packaging, transportation, and handling costs, (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title and, (3) all Commodity Credit Corporation funds expended for ocean freight costs authorized under title II hereof for purposes of section 416 of the Agricultural Act of 1949, as amended. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this Act. In presenting his budget, the President shall classify expenditures under this Act as expenditures for international affairs and finance rather than for agriculture and agricultural resources.<sup>12</sup>

(b) Agreements shall not be entered into under this title during the period beginning January 1, 1965, and ending December 31, 1966, which will call for appropriations to reimburse the Commodity Credit Corporation in a total amount in excess of \$2,700,000,000 plus any amount by which agreements entered into in prior years have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less

<sup>8</sup> 7 U.S.C. 1427.

<sup>9</sup> 7 U.S.C. 1741.

<sup>10</sup> This subsection was revised by Public Law 25, 84th Congress, 69 Stat. 44, approved April 25, 1955. The last two sentences were added by Public Law 88-638, 78 Stat. 1035, approved October 8, 1964.

<sup>11</sup> 31 U.S.C. 203; 41 U.S.C. 15.

<sup>12</sup> Section 103(a)(3) through the words "as amended" was added by Public Law 540, 84th Congress, 70 Stat. 188, approved May 28, 1956. Last sentence was added by Public Law 88-638, 78 Stat. 1035, approved October 8, 1964.



than authorized for such prior years by this Act as in effect during such years: *Provided*, That agreements shall not be entered into during any calendar year of such period which will call for appropriations to reimburse the Commodity Credit Corporation in amounts in excess of \$2,500,000,000.<sup>13</sup> (7 U.S.C. 1703)

SEC. 104. Notwithstanding Section 1415 of the Supplemental Appropriation Act, 1953,<sup>14</sup> or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies, in-

<sup>13</sup>Section 103(b) effective January 1, 1965, as amended by Public Law 88-638, 78 Stat. 1035, approved October 8, 1964. Previous authorizations were as follows:

Authority	Approved	Amount added	Terminal date
Public Law 480, 83rd Congress, 68 Stat. 454	July 10, 1954	\$700 million	June 30, 1957
Public Law 387, 84th Congress, 69 Stat. 721	August 12, 1955	\$800 million	June 30, 1957
Public Law 962, 84th Congress, 70 Stat. 988	August 3, 1956	\$1.5 billion	June 30, 1957
Public Law 85-128, 71 Stat. 345	August 13, 1957	\$1.0 billion	June 30, 1958
Public Law 85-931, 72 Stat. 1790	September 6, 1958	\$2.25 billion	December 31, 1959
Public Law 86-341, 73 Stat. 606	September 21, 1959	\$3.0 billion	December 31, 1961
Public Law 87-28, 75 Stat. 64	May 4, 1961	\$2.0 billion	December 31, 1961
Public Law 87-128, 75 Stat. 306	August 8, 1961	\$4.5 billion	December 31, 1964

The first three amendments to the original act expressed the authorization as a cumulative figure. Public Law 387, 84th Congress, 69 Stat. 721, amended the section to provide that "This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this Act can be achieved within the safeguards established." Public Law 85-931, 72 Stat. 1790, approved September 6, 1958, provided an authorization for the period beginning July 1, 1958, through December 31, 1959, of \$2.25 billion "plus any amount by which agreements entered into in prior fiscal years have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior fiscal years by this Act as in effect during such fiscal years." Provision for carryover of unused funds was contained in the authorizations provided by Public Law 86-341, 73 Stat. 606, and Public Law 87-28, 75 Stat. 64, but there was no such provision in Public Law 87-128, 75 Stat. 306. The provision is again included in section 103(b) of Public Law 480, 83rd Congress, as amended by Public Law 88-638, 78 Stat. 1035, approved October 8, 1964.

<sup>14</sup>Section 1415 provides that "Foreign credits owed to or owned by the United States Treasury will not be available for expenditure by agencies of the United States after June 30, 1953, except as may be provided for annually in appropriation Acts and provisions for the utilization of such credits for purposes authorized by law are hereby authorized to be included in general appropriation Acts." Public Law 547, 82d Congress, 66 Stat. 637, approved July 15, 1952 (31 U.S.C. 724).

cluding principal and interest from loan repayments, which accrue under this title for one or more of the following purposes:<sup>15</sup>

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis. From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made each year under this title after the date of this amendment shall be set aside in the amounts and kinds of foreign currencies specified by the Secretary of Agriculture and made available in advance for use as provided by this subsection over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this subsection: *Provided*, That no such funds shall be allocated under this subsection after June 30, 1960, except as may be specified, from time to time, in appropriation acts. <sup>16</sup>Provision shall be made in sale and loan agreements for the convertibility of such amount of the proceeds thereof (not less than 2 per centum) as the Secretary of Agriculture determines to be needed to carry out the purpose of this subsection in those countries which are or offer reasonable potential of becoming dollar markets for United States agricultural commodities. Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this subsection and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this subsection. Notwithstanding any other provision of law, if sufficient foreign currencies for carrying out the purpose of this subsection in such countries are not otherwise available, the Secretary of Agriculture is authorized and directed to enter into

<sup>15</sup>The words, "including principal and interest from loan repayments," were added by Public Law 87-128, 75 Stat. 306, approved August 8, 1961.

See also sec. 407 of the Act of September 1, 1954, as amended (5 U.S.C. 171a-1), which provides:

"In addition to family housing and community facilities otherwise authorized to be constructed or acquired by the Department of Defense, the Secretary of Defense is authorized, subject to the approval of the Director of the Bureau of the Budget, to construct, or acquire by lease or otherwise, family housing for occupancy as public quarters, and community facilities, in foreign countries through housing and community facilities projects which utilize foreign currencies to a value not to exceed \$250,000,000 acquired pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954 or through other commodity transactions of the Commodity Credit Corporation.

"The Department of Defense shall pay the Commodity Credit Corporation, from appropriations otherwise available for the payment of quarters allowances for military personnel and from appropriate allotments or rental charges for civilian personnel, amounts equal to the quarters allowances or allotments otherwise payable to or the rental charges collected from personnel occupying any housing constructed or acquired under authority of this section after deducting amounts chargeable for the maintenance and operation of such housing: *Provided*, That such payments shall not exceed the dollar equivalent of the value of the foreign currencies used for all such construction or acquisition."

See also Public Law 86-610, 74 Stat. 368, approved July 12, 1960, which authorizes, subject to section 1415 of the Supplemental Appropriation Act, 1953, the use of Title I foreign currencies to advance health science activities. For text of section 1415, see note 14 above.

<sup>16</sup>Sections 507 and 508 of the Public Works Appropriation Act, 1964, Public Law 88-257, 77 Stat. 856, approved December 31, 1963, provide as follows:

"Sec. 507. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits), only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchange allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury.

Sec. 508. During the current fiscal year, any foreign currencies held by the United States which have been or may be reserved or set aside for specified programs or activities of any agency may be carried on the books of the Treasury in unfunded accounts."

These sections are also included in the Public Works Appropriation Act, 1965, Public Law 88-511, 78 Stat. 694, approved August 30, 1964.



agreements with such countries for the sale of surplus agricultural commodities in such amounts as the Secretary of Agriculture determines to be adequate and for the use of the proceeds to carry out the purpose of this subsection;<sup>17</sup>

(b) To purchase or contract to purchase, in such amounts as may be specified from time to time in appropriation acts, strategic or other materials for a supplemental United States stockpile of such materials as the President may determine from time to time. Such strategic or other materials acquired under this subsection shall be placed in the above named supplemental stockpile and shall be released therefrom only under the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act;<sup>18</sup>

(c) To procure equipment, materials, facilities, and services for the common defense including internal security;<sup>19</sup>

(d) For financing the purchase of goods or services for other friendly countries;

(e) For promoting balanced economic development and trade among nations, for which purposes currencies shall also be available to the maximum usable extent through and under the procedures established by such agency as the President shall direct for loans mutually agreeable to said agency and the country with which the agreement is made to United States business firms and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries and for loans to domestic or foreign firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: *Provided, however,* That no such loans shall be made for the manufacture of any products to be exported to the United States in competition with products produced in the United States or for the manufacture or production of any commodity to be marketed in competition with United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans.<sup>20</sup>

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U.S.C. App. 1641 (b)) and for the financing in such amounts as may be specified from time to time in appropriation acts of programs for the interchange of persons under title II of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1446). In the allocation of funds as among the various purposes set forth in this section, a special effort shall be made to provide for the purposes of this subsection, including a particular effort

with regard to: (1) countries where adequate funds are not available from other sources for such purposes, and (2) countries where agreements can be negotiated to establish a fund with the interest and principal available over a period of years for such purposes, such special and particular effort to include the setting aside of such amounts from sale proceeds and loan repayments under this title, not in excess of \$1,000,000 a year in any one country for a period of not more than five years in advance, as may be determined by the Secretary of State to be required for the purposes of this subsection;<sup>21</sup>

(i) For financing the translation, publication, and distribution of books and periodicals, including Government publications, abroad: *Provided,* That not more than \$5,000,000 may be allocated for this purpose during any fiscal year.<sup>22</sup>

(j) For providing assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1448), but no foreign currencies which are available under the terms of any agreement for appropriation for the general use of the United States shall be used for the purposes of this subsection (j) without appropriation therefor;<sup>23</sup>

(k) To collect, collate, translate, abstract, and disseminate scientific and technological information and to conduct research and support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research against diseases common to all of mankind or unique to individual regions of the globe, and to promote and support programs of medical and scientific research, cultural and educational development, health, nutrition, and sanitation: *Provided,* That foreign currencies shall be available for the purposes of this subsection (in addition to funds otherwise made available for such purposes) only in such amounts as may be specified from time to time in appropriation Acts;<sup>24</sup>

(l) For the acquisition by purchase, lease, rental or otherwise, of sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and for construction, repair, alteration and furnishing of such buildings and facilities: *Provided,* That foreign currencies shall be available for the purposes of this subsection (in addition to funds otherwise made available for such purposes) in such amounts as may be specified from time to time in appropriation acts;<sup>25</sup>

(m) For financing in such amounts as may be specified from time to time in appropriation acts (A) trade fair participation and related activities authorized by section 3 of the International Cultural Exchange and Trade Fair Participation Act of 1956 (22 U.S.C. 1992), or section 212(B) of the Merchant Marine Act, 1936,<sup>26</sup> and (B) agricultural and horticultural fair participation and related activities;<sup>25</sup>

(n) For financing under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, in such amounts as may be specified from time to time in appropriation acts, (1) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance;

<sup>17</sup> All but the first sentence of subsection (a) was added by Public Law 86-341, 73 Stat. 606, approved September 21, 1959, and was further amended by Public Law 87-128, 75 Stat. 306, approved August 8, 1961.

Section 203 of Public Law 87-128, 75 Stat. 306, approved August 8, 1961 (5 U.S.C. 577), provides as follows: "Sec. 203. In the conduct of foreign market development programs, the Secretary of Agriculture is authorized to credit contributions from individuals, firms, associations, agencies, and other groups, and the proceeds received from space rentals, and sales of products and materials at exhibitions, to the appropriations charged with the cost of acquiring such space, products and materials."

<sup>18</sup> Amended by Public Law 86-341, 73 Stat. 606, approved September 21, 1959.

<sup>19</sup> Amended by Public Law 88-638, 78 Stat. 1035, approved October 8, 1964.

<sup>20</sup> Amended by Public Law 85-128, 71 Stat. 345, approved August 13, 1957; by Public Law 87-195, 75 Stat. 463, approved September 4, 1961; and by Public Law 88-638, 78 Stat. 1035, approved October 8, 1964.

<sup>21</sup> Amended by Public Law 85-931, 72 Stat. 1790, approved September 6, 1958; Public Law 726, 84th Congress, 70 Stat. 555, approved July 18, 1956; and by Public Law 85-141, 71 Stat. 355, approved August 14, 1957.

<sup>22</sup> Added by Public Law 726, 84th Congress, 70 Stat. 555, approved July 18, 1956.

<sup>23</sup> Added by Public Law 962, 84th Congress, 70 Stat. 988, approved August 3, 1956.

<sup>24</sup> Added by Public Law 85-477, 72 Stat. 261, approved June 30, 1958, and amended by Public Law 86-108, 73 Stat. 246, approved July 24, 1959, and by Public Law 86-341, 73 Stat. 606, approved September 21, 1959.

<sup>25</sup> Added by Public Law 85-931, 72 Stat. 1790, approved September 6, 1958.



(2) the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books, periodicals, and related materials determined to have such significance; and (3) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate;<sup>25</sup>

(o) For providing assistance, in such amounts as may be specified from time to time in appropriation acts, by grant or otherwise, in the expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education;<sup>27</sup>

(p) For supporting workshops in American studies or American educational techniques and supporting chairs in American studies;<sup>27</sup>

(q) For assistance to meet emergency or extraordinary relief requirements other than requirements for surplus food commodities: *Provided*, That not more than a total amount equivalent to \$5,000,000 may be made available for this purpose during any fiscal year;<sup>28</sup>

(r) For financing the preparation, distribution, and exhibiting of audio-visual informational and educational materials, including Government materials, abroad: *Provided*, That not more than a total amount equivalent to \$2,500,000 may be made available for this purpose during any fiscal year, but nothing in this subsection shall limit or affect the use of foreign currencies to finance the preparation, distribution, or exhibition of such materials in connection with trade fairs and other market development activities under subsection (a);<sup>28</sup>

(s) For the sale for dollars to American tourists under such terms and conditions as the President may prescribe;<sup>29</sup>

(t) "For sale to United States citizens as provided herein. In order to provide for the foreign currency needs of United States Citizens for travel or other purposes, the Secretary of the Treasury may make available for sale for United States dollars to such citizens, at United States embassies or other convenient locations, foreign currencies acquired by the United States through operations under the Foreign Assistance Act of 1961, as amended, the Mutual Security Act of 1954, as amended, or any Act repealed thereby, or the Agricultural Trade Development and Assistance Act of 1954, as amended, which (1) he determines to be in excess of the needs of departments and agencies of the United States for such currencies, and (2) are not prohibited from such use or committed to other uses by agreement heretofore entered into with another country. United States dollars received from the sale of foreign currencies under this subsection shall be deposited in the Treasury as miscellaneous receipts, except that in the case of any such foreign currencies acquired through operations under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, the United States dollars received from the sale of such foreign currencies shall be deposited to the account of the

Commodity Credit Corporation and shall be treated as a reimbursement to Commodity Credit Corporation under section 105 of this Act.<sup>30,31</sup>

*Provided, however*, That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title pursuant to agreements entered into on or before December 31, 1964 and to not less than 20 per centum in the aggregate of the foreign currencies which accrue pursuant to agreements entered into thereafter;<sup>32</sup> *Provided, however*, That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title: *Provided, however*, That no foreign currencies shall be available pursuant to subsections (k), (p), and (r), except in such amounts as may be specified from time to time in appropriation Acts.<sup>33</sup>

There is hereby established an advisory committee composed of the Secretary of Agriculture, the Director of the Bureau of the Budget, the Administrator of the Agency for International Development, the chairman and the ranking minority member of the House Committee on Agriculture, and the chairman and the ranking minority member of the Senate Committee on Agriculture and Forestry. Such Committee shall review from time to time the status and usage of foreign currencies which accrue under this title, and shall make recommendations to the President as to ways and means of assuring to the United States (1) the maximum benefit from the use of such currencies, making special reference to any such currencies which are excess to the normal requirements of United States agencies, and (2) the maximum return from sales made under this title. Such Committee shall make such other recommendations for improving this Act and its administration as such Committee may deem fit.

<sup>30</sup> The provision beginning with "In order to" and ending with "miscellaneous receipts" was added by Section 301(d) of the Foreign Assistance Act of 1963, Public Law 88-205, 77 Stat. 386, approved December 16, 1963, as subsection (b) to Section 612 of Chapter I of Part III of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2362 (b)).

Section 2 of Public Law 88-638, 78 Stat. 1035, approved October 8, 1964, redesignated subsection (b) of section 612 of the Foreign Assistance Act of 1961, as amended, as subsection (t) of section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended, and added the words, "For sale to United States citizens as provided herein," and the exception beginning with "except" and ending with "this Act".

<sup>31</sup> Section 301(c) of the Foreign Assistance Act of 1964, Public Law 88-633, 78 Stat. 1012, approved October 7, 1964, amended Section 612 of the Foreign Assistance Act of 1961, as amended, by adding the following new subsection (c):

"(c) Any Act of the Congress making appropriations to carry out programs under this or any other Act for United States operations abroad is hereby authorized to provide for the utilization of United States-owned excess foreign currencies to carry out any such operations authorized by law.

"The President shall take all appropriate steps to assure that, to the maximum extent possible, United States-owned excess foreign currencies are utilized, in lieu of dollars. As used in this subsection, the term 'excess foreign currencies' means foreign currencies or credits owned by or owed to the United States which are, under applicable agreements with the foreign country concerned, available for the use of the United States Government and are determined by the President to be excess to the normal requirements of departments and agencies of the United States for such currencies or credits and are not prohibited from use under this subsection by an agreement entered into with the foreign country concerned." (22 U.S.C. 2362)

<sup>32</sup> Public Law 88-638, 78 Stat. 1036, approved October 8, 1964, amended this proviso by adding the phrase beginning with "Pursuant" ending with "thereafter".

For text of section 1415, see note 14 above.

<sup>33</sup> The final proviso added by Public Law 86-341, 73 Stat. 606, approved September 21, 1959, and amended by Public Law 87-128, 75 Stat. 306, approved August 8, 1961.

<sup>26</sup> Public Law 87-839, 76 Stat. 1074, approved October 18, 1962.

<sup>27</sup> Subsection (o), when added by Public Law 85-931, 72 Stat. 1790, approved September 6, 1958, also included the purpose authorized in subsection (p). Public Law 86-341, 73 Stat. 706, approved September 21, 1959, separated the original subsection (o) into subsections (o) and (p).

<sup>28</sup> Added by Public Law 86-341, 73 Stat. 606, approved September 21, 1959.

<sup>29</sup> Added by Public Law 87-128, 75 Stat. 306, approved August 8, 1961.



The committee shall be consulted with respect to: (1) policies relating to (a) loans under subsections (e) and (g) hereof, (b) the degree of convertibility to be required under section 101(g), and (c) the amount of currency to be reserved in sales agreements for loans to private industry under subsection (e) hereof; and (2) each proposal to establish an interest rate for dollar sales under title IV higher than the minimum provided in section 403.

No agreement or proposal to grant any foreign currencies (except as provided in subsection (c) of this section), or to use (except pursuant to appropriation Act) any principal or interest from loan repayments under this section, shall be entered into or carried out until the expiration of thirty days following the date on which such agreement or proposal is transmitted by the President to the Senate Committee on Agriculture and Forestry and to the House Committee on Agriculture, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session, and then only if, between the date of transmittal and the expiration of such period there has not been passed by either of the two Committees a resolution stating in substance that that Committee does not favor such agreement or proposal.

Any loan made under the authority of this section shall bear interest at such rate as the President may determine but not less than the cost of funds to the United States Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturity of such loans, unless the President shall in specific instances upon the recommendation of the advisory committee herein established designate a different rate.<sup>34</sup> (7 U.S.C. 1704)

SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used. The President shall utilize foreign currencies received pursuant to this title in such manner as will, to the maximum extent possible, reduce any deficit in the balance of payments of the United States. (7 U.S.C. 1705).<sup>35</sup>

SEC. 106. As used in this Act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is at the time of exportation or donation in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture. The Secretary of Agriculture is also authorized to determine the nations with whom agreements shall be negotiated, and to determine the commodities and quantities thereof which may be included in the negotiations with each country after advising with other agencies of Government affected and within broad policies laid down by the President for implementing this Act.<sup>36</sup> For the purposes of this title and title IV, the term 'surplus agricultural commodity' shall include any domestically produced fishery product (not including fish flour until approved by the Food and Drug

<sup>34</sup> These last four paragraphs beginning with "There is hereby established" were added by Public Law 88-638, 78 Stat. 1036, approved October 8, 1964.

<sup>35</sup> Last sentence added by Section 403(b) of the Foreign Assistance Act of 1963, Public Law 88-205, 77 Stat. 390, approved December 16, 1963.

<sup>36</sup> This sentence added by Public Law 387, 84th Congress, 69 Stat. 721, approved August 12, 1955, Public Law 87-128, 75 Stat. 306, approved August 8, 1961, amended the first sentence by inserting "at the time of exportation or donation" following "which is" in lieu of "or may reasonably be expected to be".

Administration) if the Secretary of the Interior has determined that such product is at the time of exportation in excess of domestic requirements, adequate carryover, and anticipated exports for dollars.<sup>37</sup> (7 U.S.C. 1706).

SEC. 107. As used in this Act, "friendly nation" means any country other than (1) the U.S.S.R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement, or (3) for the purpose only of title I any nation or area dominated or controlled by a Communist government, or (4) for the purpose only of title I any nation which permits ships or aircraft under its registry to transport to or from Cuba (excluding United States installations in Cuba) any equipment, materials, or commodities, so long as Cuba is governed by the Castro regime. Notwithstanding any other Act, the President is authorized to enter into agreements for the sale of surplus agricultural commodities for dollars under title IV with nations which fall within the definition of 'friendly nation' for the purpose of that title. In the case of any such agreement which would be prohibited by any other Act but for the foregoing sentence the maximum payment period shall be five years, instead of twenty years.

The President is directed that no sales under this Act shall be made with any country if he finds such country is (a) an aggressor, in a military sense, against any country having diplomatic relations with the United States, or (b) using funds, of any sort, from the United States for purposes inimical to the foreign policies of the United States.<sup>38</sup> (7 U.S.C. 1707)

SEC. 108. The President shall make a report to Congress with respect to the activities carried on under this Act at least once each year and at such other times as may be appropriate and such reports shall include the dollar value, at the exchange rates in effect at the time of the sale, of the foreign currency for which commodities exported pursuant to section 102 (a) hereof are sold.<sup>39</sup> (7 U.S.C. 1708)

SEC. 109. No transactions shall be undertaken under authority of this title after December 31, 1966, except as required pursuant to agreements theretofore entered into pursuant to this title.<sup>40</sup> (7 U.S.C. 1709)

<sup>37</sup> This last sentence which was added by Section 403(c) of the Foreign Assistance Act of 1963, Public Law 88-205, 77 Stat. 390, approved December 16, 1963, "shall not be effective for purposes of title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, until January 1, 1965."

<sup>38</sup> The language following the words "the world Communist movement" was added by Public Law 88-638, 78 Stat. 1036, approved October 8, 1964.

<sup>39</sup> Amended by Public Law 88-638, 78 Stat. 1037, approved October 8, 1964, by substitution of "year" for "six months."

<sup>40</sup> Amended by Public Law 88-638, 78 Stat. 1037, approved October 8, 1964, to extend the terminal date from December 31, 1964, to December 31, 1966.



TITLE II--FAMINE RELIEF AND OTHER ASSISTANCE<sup>41, 42</sup>

SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent or extraordinary relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent or extraordinary relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.<sup>43</sup> (7 U.S.C. 1721)

SEC. 202. In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic and community development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to assist programs undertaken with friendly governments or through voluntary relief agencies; *Provided*, That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.<sup>44</sup> (7 U.S.C. 1722)

SEC. 203. Programs of assistance shall not be undertaken under this title during any calendar year beginning January 1, 1961, and ending December 31, 1964, which call for appropriations of more than \$300,000,000 to reimburse the Commodity Credit Corporation for all costs incurred in connection with such programs (including the Corporation's investment in commodities made available), plus any amount by which programs of assistance undertaken in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than were authorized for such purpose during such preceding year by this title as in

<sup>41</sup> Section 302(h) of the Foreign Assistance Act of 1963, Public Law 88-205, 77 Stat. 389, approved December 16, 1963, amended Chapter 2 of Part III of the Foreign Assistance Act of 1961, as amended, by adding at the end thereof a new section 638 (22 U.S.C. 2398), reading as follows: "Sec. 638. Peace Corps Assistance.—No provision of this Act shall be construed to prohibit assistance to any country pursuant to the Peace Corps Act, as amended; the Mutual Educational and Cultural Exchange Act of 1961, as amended; or the Export-Import Bank Act of 1945, as amended; or famine or disaster relief, including such relief through voluntary agencies, under title II of the Agricultural Trade Development and Assistance Act of 1954, as amended."

<sup>42</sup> Public Law 88-550, 78 Stat. 755, approved August 31, 1964, amended the Act of August 19, 1958, (Public Law 85-683, 72 Stat. 635) to read as follows:

"That at any time Commodity Credit Corporation has any grain available for donation pursuant to clause (3) or (4) of section 416 of the Agricultural Act of 1949, as amended, section 210 of the Agricultural Act of 1956, or title II of the Agricultural Trade Development and Assistance Act, as amended, the Corporation, in lieu of processing all or any part of such grain into human food products, may purchase such processed food products in quantities not to exceed the equivalent of the respective grain available for donation on the date of such purchase and donate such processed food products pursuant to clause (3) or (4) of such section 416, and to such section 210, and made such processed food products available to the President pursuant to such title II, and may sell, without regard to the provisions of section 407 of the Agricultural Act of 1949, as amended, a quantity of the grain equivalent to the processed food products so purchased; *Provided*, That no food product purchased pursuant to the authority contained herein shall constitute less than 50 per centum by weight of the grain from which processed, or contain any additive other than for normal vitamin enrichment, preservative, and bleaching purposes."

<sup>43</sup> Amended by Public Law 540, 84th Congress, 70 Stat. 188, approved May 28, 1956, and by Public Law 962, 84th Congress, 70 Stat. 988, approved August 3, 1956.

<sup>44</sup> Amended by Public Law 86-472, 74 Stat. 140, approved May 14, 1960; by Public Law 87-92, 75 Stat. 211, approved July 20, 1961; and by Public Law 88-205, 77 Stat. 390, approved December 16, 1963.

effect during such preceding year. The President may make transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable. Such transfers may include delivery f.o.b. vessels in United States ports and, upon a determination by the President that it is necessary to accomplish the purposes of this title or of section 416 of the Agricultural Act of 1949, as amended, ocean freight charges from United States ports to designated ports of entry abroad, or, in the case of landlocked countries, transportation from United States ports to designated points of entry abroad, may be paid from funds available to carry out this title on commodities transferred pursuant hereto or donated under said section 416, and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto or donated under said section 416, section 308 of this Act or section 9 of the Act of September 6, 1958 (72 Stat. 1790) may be paid from such funds. In addition to other funds available for such purposes under any other Act, funds made available under this title may be used in an amount not exceeding \$7,500,000 annually to purchase foreign currencies accruing under title I in order to meet costs (except the personnel and administrative costs of cooperating sponsors, distributing agencies, and recipient agencies, and the costs of construction or maintenance of any church owned or operated edifice or any other edifices to be used for sectarian purposes) designed to assure that commodities made available under this title or under title III are used to carry out more effectively the purposes for which such commodities are made available or to promote community and other self-help activities designed to alleviate the causes of the need for such assistance: *Provided, however*, That such funds shall be used only to supplement and not substitute for, funds normally available for such purposes from other non-United States Government sources. Funds required for ocean freight costs or for the purchase of foreign currencies authorized under this title may be transferred by the Commodity Credit Corporation to such other Federal agency as may be designated by the President.<sup>45</sup> (7 U.S.C. 1723)

SEC. 204. No programs of assistance shall be undertaken under the authority of this title after December 31, 1966.<sup>46</sup> (7 U.S.C. 1724)

<sup>45</sup> Authorization provided by Public Law 88-638, 78 Stat. 1037, approved October 8, 1964. Previous authorizations were as follows:

Authority	Approved	Amount added	Terminal date
Public Law 480, 83rd Congress, 68 Stat. 454	July 10, 1954	\$300 million	June 30, 1957
Public Law 540, 84th Congress, 70 Stat. 188	May 28, 1956	\$200 million	June 30, 1957
Public Law 85-129, 71 Stat. 345	August 13, 1957	\$300 million	June 30, 1958
Public Law 86-341, 73 Stat. 606	September 21, 1959	\$600 million	December 31, 1961
Public Law 87-128, 75 Stat. 306	August 8, 1961	\$900 million	December 31, 1964

In Public Law 86-341, 73 Stat. 606, approved September 21, 1959, the first sentence provides: "Not more than \$300,000,000 (including the Corporation's investment in such commodities) plus any amount by which transfers made in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than could have been expended during such preceding year under this title as in effect during such preceding year shall be expended in any calendar year during the period January 1, 1960, and ending December 31, 1961, for all such transfers and for other costs authorized by this title." The first sentence, as amended by Public Law 87-128, 75 Stat. 306, approved August 8, 1961, changes the authorization from an expended basis to a program commitment basis beginning January 1, 1961. Other amendments to the wording of Section 203 were made by Public Law 540, 84th Congress, 70 Stat. 188, approved May 28, 1956; Public Law 86-472, 74 Stat. 140, approved May 14, 1960; Public Law 87-128, 75 Stat. 306, approved August 8, 1961; and by Public Law 88-638, 78 Stat. 1037, approved October 8, 1964. Public Law 88-638 provides that the authorization of \$400,000,000, plus uncommitted amounts for previous years, for the period of January 1, 1965, to December 31, 1966, shall not become effective until January 1, 1965.

<sup>46</sup> Amended by Public Law 88-638, 78 Stat. 1037, approved October 8, 1964, to extend the terminal date from December 31, 1964, to December 31, 1966.



## TITLE III--GENERAL PROVISIONS

SEC. 301. [This section amends Section 407 of the Agricultural Act of 1949]

SEC. 302. Section 416 of the Agricultural Act of 1949 is amended to read as follows:<sup>47</sup>

"SEC. 416. In order to prevent the waste of commodities whether in private stocks or acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs, and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in nonprofit summer camps for children, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons and in nonprofit school lunch programs outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. In addition, in the case of food commodities disposed of under this section, the Commodity Credit Corporation may pay the cost of processing such commodities into a form suitable for home or institutional use, such processing to be accomplished through private trade facilities to the greatest extent possible. For the purpose of this section the terms 'State' and 'United States' include the District of Columbia and any Territory or possession of the United States. The assistance to needy persons provided in (4) above shall, insofar as practicable, be directed toward community and other self-help activities designed to alleviate the causes of the need for such assistance."<sup>48</sup> (7 U.S.C. 1431)

<sup>47</sup> See note 42 and appendix for other legislation affecting Section 416.

<sup>48</sup> Amended by Public Law 86-108, 73 Stat. 246, approved July 24, 1959; Public Law 85-483, 72 Stat. 286, approved July 2, 1958; Public Law 540, 84th Congress, 70 Stat. 188, approved May 28, 1956; Public Law 87-703, 76 Stat. 610, approved September 27, 1962; and by Public Law 88-638, 78 Stat. 1037, approved October 8, 1964.

SEC. 303. The Secretary shall, whenever he determines that such action is in the best interest of the United States, and to the maximum extent practicable, barter or exchange agricultural commodities owned by the Commodity Credit Corporation for (a) such strategic or other materials of which the United States does not domestically produce its requirements and which entail less risk of loss through deterioration or substantially less storage charges as the President may designate, or (b) materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs. He is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private channels, such barter or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barter or exchanges. In carrying out barter or exchanges authorized by this section, no restrictions shall be placed on the countries of the free world into which surplus agricultural commodities may be sold, except to the extent that the Secretary shall find necessary in order to take reasonable precautions to safeguard usual marketings of the United States and to assure that barter or exchanges under this Act will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars. The Secretary may permit the domestic processing of raw materials of foreign origin. The Secretary shall endeavor to cooperate with other exporting countries in preserving normal patterns of commercial trade with respect to commodities covered by formal multilateral international marketing agreements to which the United States is a party. Agencies of the United States Government procuring such materials, goods, or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.<sup>49</sup> (7 U.S.C. 1692)

SEC. 304. (a) The President shall exercise the authority contained in title I of this Act (1) to assist friendly nations to be independent of trade with the Union of Soviet Socialist Republics or the Communist regime in China and with nations dominated or controlled by the Union of Soviet Socialist Republics or the Communist regime in China and (2) to assure that agricultural commodities sold or transferred thereunder do not result in increased availability of those or like commodities to unfriendly nations.<sup>49, 50</sup>

(b) Nothing in this Act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or any of the areas dominated or controlled by the Communist regime in China.<sup>51</sup> (7 U.S.C. 1693)

<sup>49</sup> Amended by Public Law 85-931, 72 Stat. 1790, approved September 6, 1958. Public Law 540, 84th Congress, 70 Stat. 200, approved May 28, 1956, as amended by Public Law 85-931, 72 Stat. 1791, approved September 6, 1958, and by Public Law 86-341, 73 Stat. 611, approved September 21, 1959 (7 U.S.C. 1856), provides that strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products, unless acquired for the national stockpile or for other purposes, shall be transferred to the supplemental stockpile established by Section 104(b) of Public Law 480, 83rd Congress, and that no strategic or critical material shall be acquired by the Commodity Credit Corporation as a result of such barter or exchange except for such national stockpile, for such supplemental stockpile, for foreign economic or military aid or assistance programs, or for offshore construction programs, or to meet requirements of Government agencies.

<sup>50</sup> Amended by Public Law 88-638, 78 Stat. 1037, approved October 8, 1964.

<sup>51</sup> Amended by Public Law 85-128, 71 Stat. 345, approved August 13, 1957.



SEC. 305. All Commodity Credit Corporation stocks donated abroad under title II of this Act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by appropriate marking on each package or container and insofar as practical in the language of the locality where such stocks are distributed as being furnished by the people of the United States of America and where available funds accruing under title I shall be used for this purpose.<sup>52</sup> (7 U.S.C. 1694)

SEC. 306. This section authorizes a food stamp system for the distribution of surplus food commodities to needy persons in the United States during the period beginning February 1, 1960 and ending January 31, 1962.<sup>53</sup>

SEC. 307. Whenever the Secretary of Agriculture determines under section 106 of this Act that any food commodity is a surplus agricultural commodity, insofar as practicable he shall make such commodity available for distribution to needy families and persons in the United States in such quantities as he determines are reasonably necessary before such commodity is made available for sale for foreign currencies under title I of this Act.<sup>53,54</sup> (7 U.S.C. 1696)

SEC. 308. Notwithstanding any other provision of law, the Commodity Credit Corporation is hereby authorized--

(1) to dispose of its stocks of animal fats and edible oils or products thereof by donation, upon such terms and conditions as the Secretary of Agriculture deems appropriate, to nonprofit voluntary agencies registered with the Department of State, appropriate agencies of the Federal Government or international organizations, for use in the assistance of needy persons and in nonprofit school lunch programs outside the United States;<sup>55</sup>

(2) to purchase for donation as provided above such quantities of animal fats and edible oils and the products thereof as the Secretary determines will tend to maintain the support level for cottonseed and soybeans without requiring the acquisition of such commodities under the price support program.

Commodity Credit Corporation may incur such additional costs with respect to commodities to be donated hereunder as it is authorized to incur with respect to food commodities disposed of under section 416 of the Agricultural Act of 1949, and may pay ocean freight charges from United States ports to designated ports of entry abroad.<sup>53</sup> (7 U.S.C. 1697)

#### TITLE IV--LONG-TERM SUPPLY CONTRACTS<sup>53</sup>

SEC. 401. The purpose of this title is to utilize surplus agricultural commodities and the products thereof produced in the United States to assist the economic development of friendly nations by providing long-term credit for purchases of surplus agricultural commodities for domestic consumption during periods of economic development so that the resources and manpower of such nations may be utilized more effectively for industrial and other domestic economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use. It is also the purpose of this title to stimulate and increase the sale of surplus

agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.<sup>56</sup> (7 U.S.C. 1731)

SEC. 402. In furtherance of this purpose, the President is authorized to enter into agreements with friendly nations, including financial institutions acting in behalf of such nations, under which the United States shall undertake to provide for delivery annually of certain quantities of such surplus agricultural commodities for periods of not to exceed ten years, pursuant to the terms and conditions set out in this title, providing such commodities are in surplus at the time delivery is to be made. In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable and adequate assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement.<sup>56</sup> (7 U.S.C. 1732)

SEC. 403. Payment for such commodities shall be in dollars with interest at such rate as the Secretary may determine but not less than the minimum rate required by section 201 of the Foreign Assistance Act of 1961 for loans made under that section. Payment may be made in reasonable annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement, except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery, and interest shall be computed from the date of such last delivery.<sup>57</sup> (7 U.S.C. 1733)

SEC. 404. In carrying out the provisions of this title, the Secretary of Agriculture shall endeavor to maximize the sale of United States agricultural commodities taking such reasonable precautions as he determines necessary to avoid replacing any sales which the Secretary finds and determines would otherwise be made for cash dollars. (7 U.S.C. 1734)

SEC. 405. In the case of such agreements, the Secretary may enter into agreements with other friendly and historic supplying nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.<sup>58</sup> (7 U.S.C. 1735)

SEC. 406. In carrying out this title, the provisions of sections 101 (b) and (c), 102, 103(a), 106, 107, and 108 of this Act shall be applicable to the extent not inconsistent with this title.<sup>59</sup> (7 U.S.C. 1736)

(For Footnote 53, see page 16)

<sup>52</sup> Amended by Public Law 86-341, 73 Stat. 606, approved September 21, 1959.

<sup>53</sup> Sections 306, 307, 308 and all of title IV were added by Public Law 86-341, 73 Stat. 606, approved September 21, 1959, Section 306 was not extended beyond January 31, 1962.

<sup>54</sup> Section 205(c) of Public Law 86-108, 73 Stat. 246, approved July 24, 1959, also provides that surplus food commodities or products thereof made available for transfer as a grant or as a sale for foreign currencies may also be made available to the maximum extent practicable to eligible domestic recipients pursuant to section 416 of the Agricultural Act of 1949, as amended, (7 U.S.C. 1431), or to needy persons within the United States pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended, (7 U.S.C. 612c).

<sup>55</sup> This clause (1) was amended by Public Law 87-703, 76 Stat. 610, approved September 27, 1962.

<sup>56</sup> Amended by Public Law 87-703, 76 Stat. 610, approved September 27, 1962.

<sup>57</sup> Amended by Public Law 87-703, 76 Stat. 610, approved September 27, 1962, and by Public Law 88-638, 78 Stat. 1037, approved October 8, 1964.

The Foreign Assistance Act of 1964, Public Law 88-633, 78 Stat. 1009, approved October 7, 1964, amended section 201 of the Foreign Assistance Act of 1961 to provide that the minimum interest rate for development loans repayable in dollars shall be "...2½ per centum per annum commencing not later than ten years following the date on which the funds are initially made available under the loan, during which ten year period the rate of interest shall not be lower than 1 per centum per annum..."

<sup>58</sup> Amended by Public Law 87-703, 76 Stat. 610, approved September 27, 1962.

<sup>59</sup> Amended by Public Law 87-703, 76 Stat. 610, approved September 27, 1962.



## APPENDIX

The following portions of this compilation are not a part of Public Law 480, 83rd Congress, 68 Stat. 454, approved July 10, 1954, as amended, but have a bearing on Section 416 of the Agricultural Act of 1949 which was amended by Section 302 of Title III of said Public Law 480, 83rd Congress.

Notwithstanding any other provision of law (1) those areas under the jurisdiction or administration of the United States are authorized to receive from the Department of Agriculture for distribution on the same basis as domestic distribution in any State, Territory, or possession of the United States, without exchange of funds, such surplus commodities as may be available pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), and section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431); and (2) the Commodity Credit Corporation is authorized to purchase products of oilseeds, and edible oils and fats and the products thereof in such form as may be needed for donation abroad as provided in the following sentence. Any such commodities or products if purchased shall be donated to nonprofit voluntary agencies registered with the Department of State, other appropriate agencies of the Federal Government or international organizations for use in the assistance of needy persons and in nonprofit school lunch programs outside the United States. Commodity Credit Corporation may incur such additional costs with respect to such oil as it is authorized to incur with respect to food commodities disposed of under section 416 of the Agricultural Act of 1949. Sec. 9. Public Law 85-931, 72 Stat. 1790, approved September 6, 1958, 7 U.S.C. 1431b<sup>60</sup>

(a) In order to insure the nutritional value of cornmeal, grits, rice, and white flour when such foods are made available for distribution under section 416(3) of the Agricultural Act of 1949 or for distribution to schools under the National School Lunch Act or any other Act, such foods shall be enriched so as to meet the standards for enriched cornmeal, enriched corn grits, enriched rice, or enriched flour, as the case may be, prescribed in regulations promulgated under the Federal Food, Drug, and Cosmetic Act; and in order to protect the nutritional value and sanitary quality of such enriched foods during transportation and storage such foods shall be packaged in sanitary containers. For convenience and ease in handling, the weight of any sanitary container when filled shall not exceed fifty pounds unless a larger container is requested by recipient agency. Nothing in this section shall prohibit the distribution of fortified parboiled rice which is substantially equal in nutritional value to that of enriched rice.

(b) The term "sanitary container" means any container of such material and construction as (1) will not permit the infiltration of foreign matter into the contents of such container under ordinary conditions of shipping and handling, and (2) will not, for a period of at least one year, disintegrate so as to contaminate the contents of the container, necessitating the washing of the contents prior to use. Sec. 201. Public Law 86-341, 73 Stat. 606, approved September 21, 1959, 7 U.S.C. 1431c<sup>61</sup>

[In any school feeding programs undertaken hereafter outside the United States pursuant to section 416 of the Agricultural Act of 1949, as amended, section 308 of Public Law 480 (83rd Congress), as amended, and section 9 of the Act of September 6, 1958, as amended, the Secretary shall receive assurances satisfactory to him that, insofar as practicable, there will be student participation in the financing of such programs on the basis of ability to pay, and such programs shall be undertaken with the understanding that commodities will be available for those programs only in accordance with the provisions of such statutes and that commodities made available under section 416 of the Agricultural Act of 1949, as amended, will be available only in accordance with the priorities established in such section. Sec. 205. Public Law 87-703, 76 Stat. 611, approved September 27, 1962, 7 U.S.C. 1431d]

<sup>60</sup> Amended by Public Law 87-703, 76 Stat. 610, approved September 27, 1962.

<sup>61</sup> Amended by Public Law 87-803, 76 Stat. 910, approved October 11, 1962.