

*40-2 food for peace*

**House of Representatives, U. S.**  
**Committee on Agriculture**  
**Washington, D. C.**

IMMEDIATE RELEASE

AUGUST 10, 1964

**HOUSE COMMITTEE ON AGRICULTURE UNANIMOUSLY APPROVES  
EXTENSION OF "FOOD-FOR-PEACE ACT."**

The House Committee on Agriculture today approved unanimously a bill extending Public Law 480 - The Food-for-Peace Act - for three years and making several changes in the law including a broad expansion of the Cooley Loan Program.

Chairman Harold D. Cooley said we will seek to have the legislation programmed promptly for House action.

The changes in P. L. 480 voted by the committee are designed primarily to return a greater benefit to the United States from the foreign currencies which accrue from the sale of United States agricultural commodities under the Act.

P. L. 480 deals with the sale of American agricultural commodities for foreign currencies, government-to-government donations of food, donations through voluntary agencies to needy people in other nations, barter of farm commodities for materials for our strategic and supplemental stockpiles, and sales on long-term dollar credit.

Following are the major provisions of the bill:

- (1) Extends title I of the Act for three years, until December 31, 1967. This title governs the sale of farm commodities for foreign currencies.
- (2) Authorizes sales of agricultural commodities for foreign currencies at the same average rate as the present law, approximately 1.7 billion dollars per year.
- (3) Increases from 10 percent to 20 percent the proportion of foreign currencies which must be devoted exclusively to United States uses and made subject to the appropriating process.
- (4) Removes the 25 percent limitation on the amount of foreign currencies which may be made available for loans to private business under the Cooley Loan program.
- (5) Authorizes the use of excess foreign currencies which have accrued in about six countries for special programs "which will secure to the United States the maximum benefit from currencies accruing under "the surplus sales program and establishes a special top-level committee to advise the President on such currency uses.
- (6) Makes grants of foreign currency for economic development subject to scrutiny by the same top-level committee.



(7) Extends for three years, through 1967, title II of the Act which authorizes the use of surplus food commodities by the President for disaster relief and community development projects overseas. Authorizes the commitment of not to exceed \$450 million annually of surplus commodities for this purpose.

(8) Authorizes the use of foreign currencies, to a limited extent, to supplement the use of surplus foods in community improvement and self-help work projects. Such currencies could not be used for construction or maintenance of any church owned or operated edifice or any other edifice to be used for sectarian purposes.

(9) Requires that agreements for the sale of surplus commodities for foreign currencies shall be made at the most favorable legal exchange rate and not less than the rate available to any other country.

(10) Authorizes the sale of foreign currency to tourists and other private individuals where a saving in dollar outgo may be made by such sales.

(11) Requires that donations of food commodities under the authority of this Act shall, insofar as practicable, "be directed toward community and other self-help activities designed to alleviate the causes of the need for such assistance."

Chairman Cooley proposed the broad expansion of the "Cooley Loan" Program, which he wrote into the Food-for-Peace Act of 1957, "to hasten the building of free enterprise, self-sustaining economies in the developing nations of the world."

"This loan program is the most promising way we have found to use foreign currencies to encourage the free enterprise system in developing countries," he said, "and free enterprise, as we know it in America, certainly is the surest way to eliminate the causes of hunger and poverty among friendly peoples of other nations."

"Cooley Loans" are made from local currencies derived from the sale of U. S. agricultural commodities to other countries. Such local currency proceeds may be used to finance the development or expansion of industries and businesses in those countries which share our food abundance.

Mr. Cooley's original amendment authorized the use of 25 percent of local currencies acquired through the operation of P.L. 480 to be used for such loans. The new bill takes off the 25 percent limitations to permit unlimited use of these currencies for "Cooley Loans" as may be agreed upon by the United States and the countries entering into P.L. 480 agreements.

"Showcases of free enterprise have been established in many countries by such loans," Mr. Cooley said. "I hope to see this program vastly expanded. I want to see free enterprise flourish around the world."

In the last 7 years, since the program was inaugurated, approximately \$200 million has been used in "Cooley Loans" in Latin America, Asia, Africa and Europe. Many scores of free enterprise industries and businesses have been established or expanded.