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U. S. HOUSE
OF REPRESENTATIVES

REPUBLICAN POLICY COMMITTEE

REP. JOHN J. RHODES, (R.-ARIZ.) CHAIRMAN • 1616 LONGWORTH HOUSE OFFICE BUILDING • TELEPHONE 225-6168

REPUBLICAN POLICY COMMITTEE STATEMENT ON THE EXTENSION OF PUBLIC LAW 480 - H.R. 16165

The Republican Policy Committee supports the Extension of Public Law 480. This statute which is the cornerstone of the Food for Peace Program, was enacted into law under the leadership of President Eisenhower and by a Republican Congress in 1954. It has meant the difference between life and death for millions of people in a world where much of the population is engaged in a desperate race between food production and population growth.

The provisions of H.P. 16165 would:

- (1) extend titles I & II of the act for 1 year, through December 31, 1969.
- (2) clarify the President's authority to accept foreign currencies for certain uses authorized by the act:
- (3) establish the policy that the United States should get a "fair share" of any growth in commercial agricultural markets in developing nations.
- (4) permit special convertibility of foreign currency at mutually agreed to rates for the purpose of paying U.S. and foreign public works contractors.
- (5) permit the payment of U.S. importers in foreign currency.
- (6) place increased emphasis on rodent, insect, weed and plant and animal pest control programs in developing nations.
- (7) repeal stockpile barter and
- (8) reduce the size of the joint Congressional-Executive Advisory Committee and establish a regular meeting procedure.

Public Law 480 was established to provide aid to the hungry people of the world, to assist in the orderly disposition of the excess productivity of American agriculture, and to expand meaningful trade between the United States and friendly nations throughout the world. Today, there are no longer surpluses in many agricultural commodities. As a result, this law has become in great part another aspect of foreign aid and must be considered as such in figuring the total cost of this program.

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This law still provides a good vehicle through which this Country can assist those in need. However, we must make certain that this aid is not given to those who should be growing their own agricultural products or purchasing ours with dollars. Moreover, every effort should be made to insure that the foreign exchange available in under-developed and newly-emerging nations is used for the purchase of food and fibre rather than the purchase of expensive arms and sophisticated weapons that escalate tensions and are unnecessary for internal security purposes.

In 1966 Congress adopted amendments under which friendly developing nations receiving assistance were encouraged to engage in greater agricultural self-help. The program was converted in great part from local currency sales to dollar credit and commercial sales. Voluntary family planning services were emphasized. And, as a result of Republican efforts which overcame the opposition of the Johnson-Humphrey Administration, concessional sales to nations carrying on commerce with North Vietnam and Cuba were prohibited.

Properly oriented and directed, Public Law 480 can be a useful instrument for developing overseas markets. The annual billion dollar cash market in Japan had its origin in concessional sales. The cash markets in Israel, Taiwan, Korea, Italy, Spain, the Phillipines and other countries are expanding.

Much more can be accomplished. The half-billion dollar loss in agricultural sales that we suffered last year must be restored. As quickly as possible, commercial markets must be developed to replace the gift or concessional sales.

The present fiscal crisis makes it absolutely imperative that this program as well as all other programs produce the greatest benefit at the least possible cost. In sharp contrast to our position of just a few years ago, we are now the nation with the serious budget deficit and the balance of payments problem. The tragic drift toward fiscal disaster is evidenced by our March trade deficit.

This Country cannot engage indefinitely in massive and tremendously expensive foreign aid programs. The helping hand must be replaced by self-help. Food-deficient countries must be encouraged to develop their own resources so that they can carry a larger share of the responsibility for feeding their people.