
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 marketing 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)

TITLE I--SALES FOR FOREIGN CURRENCY

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

1 The Foreign Assistance Act of 1961, Public Law 86-205, 77 Stat. 387, approved December 16, 1961, amended Chapter 1 of Part III of the Foreign Assistance Act of 1958, 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."

2 See note 41.

3 Sec. 9, Public Law 86-205, 77 Stat. 387, 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, 2d Session of the United States, 364a) and section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b))."

4 Public Law 83-13B, 71 Stat. 343, approved August 13, 1957 (7 U.S.C. 1704a), provided that:

"Within sixty days after any agreement is entered into for the use of any foreign currencies, a full report thereof 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 seeking such agreements, the Commodity Credit Corporation shall not be subject to the same price restrictions in section 101 of the Agricultural Act of 1949, as amended. The commodity net-exports established for any commodity under section 101 of the Agricultural Act of 1949 (60 Stat. 997) 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 (dollars would otherwise be the case) by reason of a requirement that the commodities be transported in United States flag vessels. Such agreements shall provide the balance of such charges for transportation in United States vessels or be paid in dollars by the consignee or organization with whom such agreements were entered into.

(a) 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 credit against funds or guarantees 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 credit, when issued, shall constitute obligations of the United States and may not be to become due (thereafter shall be assignable under the Assignments of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for in standard documentation required for expenditures of foreign assets.

SEC. 103. (a) For the purpose of making payments to the Commodity Credit Corporation to the extent the Commodity Credit Corporation to the extent its credit is reimbursed under section 103 for commodities disposed of andyields 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 funds acquired by the Corporation in the administration of its price-support operations, and (3) 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

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the United States appropriated for these purposes by the Commodity Credit Corporation in the manner authorized by law, without reimbursement to the Treasury.

SEC. 104. Notwithstanding Section 1415 of the Supplemental Appropriation Act, 1965, 1962, 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-
agreements with such countries for the sale of surplus agricultural commodities in such amounts as the Secretary of Agriculture deems to be adequate and for the use of the proceeds to carry out the purpose of this subsection; 17

(b) To purchase or contract to purchase, in such amounts as may be specified from time to time, appropriate or other materials for a supplemental United States stockpile of such materials and 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 Stockpiling Act. 18

(c) To procure equipment, materials, facilities, and services for the common defense including internal security. 19

(d) For financing the purchase of goods or services for other friendly countries; 20

(e) For promoting balanced economic development and trade among nations, for which purposes currencies shall also be available to the maximum 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 banks, 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 substitution increasing the consumption of, and markets for, United States agricultural products; Provided, however, That 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. 21

(f) 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.

(g) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Fulbright Program Act of 1944, as amended (5 U.S.C. App. 1641 (b) and for the financing of any 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. 1466). In the allocation of funds 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

17 All but the first sentence of subsection (a) was added by Public Law 86-641, 73 Stat. 606, approved September 21, 1959, and was further amended by Public Law 81-651, 53 Stat. 606, approved August 8, 1941.

18 Section 303 of Public Law 87-126, 75 Stat. 306, approved August 8, 1961 (5 U.S.C. 575) provides as follows: "Sec. 303. In the conduct of foreign market development programs, the Secretary of Agriculture is authorized to make contributions from individual, institutional, corporate, governmental, private, or other sources, and to use such contributions for the purchase, lease, or rental of property and services, for the conduct of such programs and for the establishment of facilities for the utilization of the proceeds from such programs. For the purposes of such programs, the Secretary is authorized to make contributions to the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information, technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance in such amounts as may be specified from time to time in appropriation acts.

19 That not more than $5,000,000 may be allowed for this purpose during any fiscal year. 22

20 For providing assistance in activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1466), but no foreign currency which is available under the terms of any agreement for appropriation for the general use of the United States shall be used for the purpose of this subsection (i) without appropriation thereafter. 23

21 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 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. 24

22 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.

23 That not more than $5,000,000 may be allowed for this purpose during any fiscal year. 25

24 For financing the translation, publication, and distribution of books and periodicals, including Government publications, as added. Provided, That not more than $5,000,000 may be allocated for this purpose during any fiscal year. 26

25 For providing assistance in activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1466), 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 purpose of this subsection (i) without appropriation thereafter. 27

26 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. 28

27 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. 29

28 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. 30

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30 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.
 Commodity Credit Corporation and shall be treated as a reimbursement to Commodity Credit Corporation under section 106 of this Act.  

Provided, however, That section 1415 of the Supplemental Appropriations Act, 1958, 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.  

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 (a), (p), and (t), except in such amounts as may be specified from time to time in appropriation Acts.  

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.

26 The proviso beginning with "In order to" and ending with "miscellaneous receipts" was added by Section 509 of Public Law 88-206, 76 Stat. 167, approved October 7, 1962.

27 Subsection (a), as added by Public Law 88-401, 72 Stat. 790, approved September 6, 1958, also included the purpose authorized in subsection (b) of Public Law 88-599, 73 Stat. 706, approved September 21, 1959, amended the original subsection to include subsections (c) and (d).


29 Added by Public Law 88-826, 75 Stat. 1012, approved August 6, 1961.

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31 Subsection (a), as added by Public Law 88-401, 72 Stat. 790, approved September 6, 1958, also included the purpose authorized in subsection (b) of Public Law 88-599, 73 Stat. 706, approved September 21, 1959, amended the original subsection to include subsections (c) and (d).

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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 conserved in sale 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 902.

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 been no protest made by either of the two Committees a resolution stating in substance that the 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 loan, unless the President shall in specific instances upon the recommendation of the advisory committee herein established designate a different rate.34 (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)

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,37 (7 U.S.C. 1706).

SEC. 107. As used in this Act, "friendly nation" means any country other than (1) the United States, 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 in (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 intimated to the foreign policies of the United States.38 (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 values, 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.39 (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 agreement theretore entered into pursuant to this title.40 (7 U.S.C. 1709)
Title II—Famine Relief and Other Assistance

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 basic 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 this title as he may request, for transfer (i) to any nation friendly to the United States in order to meet basic or other urgent or extraordinary relief requirements of such nation, and (ii) to friendly but needy populations without regard to the friendship of their government.

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 or loan basis of surplus agricultural commodities from Commodity Credit Corporation stocks to nations or responsible governmental agencies and voluntary agencies and organizations, including the United States Peace Corps, for the purpose of promoting the development of productive capacity and basic social services in the participating countries, to meet requirements of needy peoples and to promote economic and community development in underdeveloped areas. Funds required for ocean freight costs or for any other costs specifically authorized by this Act to be met from the proceeds of such transfers shall be available for such purposes as are specified in the authorization of such grants or loans.

SEC. 203. Programs of assistance shall be undertaken under this title during any calendar year beginning January 1, 1964, and ending December 31, 1966, which call for appropriations of more than $500,000,000 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 been called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than were authorized for such purposes during such preceding year by this title as in effect during such preceding year. The President may make transfers to 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 livestock, vessels, or land or other grants or loan guarantees under which the recipient organization, in the manner prescribed by the President, shall be responsible for the development of productive capacity and the promotion of economic and community development. The terms and conditions of any such transfer or loan shall not be such as to constitute a loan or sale or to substitute for, funds normally available for such purpose from other United States Government sources. Funds may be used for any purposes that are consistent with the purposes for which such commodities are made available, including the purposes specified in this Act, and the funds may be used for the purchase of foreign currencies authorized under this title by the Commodity Credit Corporation to such other Federal agencies as may be designated by the President.

Previous authorizations were as follows:

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Title II was added to the Agricultural Act of 1949, as amended, section 416, by adding at the end thereof a new section 420 (8 U.S.C. 1719), approved August 1, 1949, amended the Act of August 1, 1949, Public Law 83-482, 73 Stat. 653 to read as follows:

"That at any time the Commodity Credit Corporation may make available for donation purpose to countries or areas designated by the President, that nation's share of products purchased by the United States Government to meet the requirements of the Mutual Economic Assistance Act of 1954, as amended.

"That not more than $500,000,000 (excluding the Corporation’s investment in such commodities) plus any amount by which such transfer made in the preceding fiscal year have been called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than were authorized for such purposes during such preceding year by this title as in effect during such preceding year. The President may make transfers to 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 livestock, vessels or land or other grants or loan guarantees under which the recipient organization, in the manner prescribed by the President, shall be responsible for the development of productive capacity and the promotion of economic and community development. The terms and conditions of any such transfer or loan shall not be such as to constitute a loan or sale or to substitute for, funds normally available for such purpose from other United States Government sources. Funds may be used for any purposes that are consistent with the purposes for which such commodities are made available, including the purposes specified in this Act, and the funds may be used for the purchase of foreign currencies authorized under this title by the Commodity Credit Corporation to such other Federal agencies as may be designated by the President."
TITLE III—GENERAL PROVISIONS

SEC. 301. This title amends Title II of the Agricultural Act of 1949.

SEC. 302. Section 6(b) of the Agricultural Act of 1949 is amended to read as follows: 47

"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 denote such commodities to the States of Indian Affairs and to such States, Federal, or private agency or agency 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 to charitable institutions, including hospitals, in the States that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) a non-profit 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 international organizations for use in the assistance of needy persons and in nonprofit school lunch programs outside the United States. In the case of (2) 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 proper disposal of such commodities, the Secretary may authorize, by written or oral statement, to make such commodities available for distribution under (1) and (4) above. The Commodity Credit Corporation may carry, with respect to commodities disposed of under this section, processing, 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 to their delivery, free alongside ship or free on board export point or point of export, in the case of commodities made available for use outside the United States. In addition, in the case of less commodities disposed of under this section, the Commodity Credit Corporation may pay the cost of processing such commodities into forms suitable for domestic or institutional use, such processing to be accomplished through private food aid agencies 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, as far as practicable, be directed toward community and other self-help activities designed to alleviate the causes of the need for such assistance."

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 such commodities for strategic or other materials of which the United States does not domestically produce in sufficient quantities and which entail less risk of loss through depreciation 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 3(b) 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 prevent reasonable means to barter or exchange of the United States and to ensure that barter or exchanges under this Act will be carried out at world prices of agricultural commodities or replace cash sales for dollars. The Secretary may permit the domestic processing of new materials or 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.

SEC. 304. (a) The President shall exercise the authority contained in title I of this Act (i.e., 48 farmer-friendliness), is to be independent of trade with the United States, 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 denote such commodities to the States of Indian Affairs and to such States, Federal, or private agency or agency 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 to charitable institutions, including hospitals, in the States 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 international organizations for use in the assistance of needy persons and in nonprofit school lunch programs outside the United States. In the case of (2) 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 proper disposal of such commodities, the Secretary may authorize, by written or oral statement, to make such commodities available for distribution under (1) and (4) above. The Commodity Credit Corporation may carry, with respect to commodities disposed of under this section, processing, 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 to their delivery, free alongside ship or free on board export point or point of export, in the case of commodities made available for use outside the United States. In addition, in the case of less commodities disposed of under this section, the Commodity Credit Corporation may pay the cost of processing such commodities into forms suitable for domestic or institutional use, such processing to be accomplished through private food aid agencies 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, as far as practicable, be directed toward community and other self-help activities designed to alleviate the causes of the need for such assistance."

47 See notes 43 and appendix for other legislation affecting Section 416.

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 transfer 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. 52 (7 U.S.C. 6940)

SEC. 306. This section authorizes a food stamp program 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. 52

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. 53, 54 (7 U.S.C. 1606)

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

(1) in the disposal 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; 55

(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 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. 53 (7 U.S.C. 1697)

TITLE IV—LONG-TERM SUPPLY CONTRACTS 56

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 immediately 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. 57 (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. 58 (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 five 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. 59 (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. 60 (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. 61 (7 U.S.C. 1735)

SEC. 406. In carrying out this title, the provisions of sections 101 (g) and (h), 102, 102a, 106, 107, and 108 of this Act shall be applicable to the extent not inconsistent with this title. 62 (7 U.S.C. 1736)
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) 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, the products thereof in such form as may be needed for donation abroad as provided in the following sections. Any such commodities or products if purchased shall be donated to nonprofit voluntary agencies registered with the Department of State or 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.

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 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 a 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. 1431a

As 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