

**COMPILATION OF INFORMATION
ON THE
OPERATION AND ADMINISTRATION
OF THE
AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954
(COMMONLY KNOWN AS PUBLIC LAW 480)**

PART III

APPENDIXES



**UNITED STATES GENERAL ACCOUNTING OFFICE
DECEMBER 1960**

PART III

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APPENDIXES

As amended through September 21, 1959.
Originally enacted July 10, 1954, (68 Stat. 454)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)

TITLE 1--SALES FOR FOREIGN CURRENCY¹

SEC. 101.² In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to 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;³

(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;

¹Sec. 3, Public Law 962, 84th Congress, [S. 3903], 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))."

²Public Law 85-128, [S. 1314], 71 Stat. 345, approved August 13, 1957, 7 U.S.C. 1704(a), 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."

³The words "or normal patterns of commercial trade with friendly countries;" added by Public Law 85-931, [S. 3420], 72 Stat. 1790, approved September 6, 1958.

(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. (7 U.S.C. 1701)

SEC. 102.⁴ (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 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.⁵ The commodity set-aside established for any commodity under section 101 of the Agricultural Act of 1954 (68 Stat. 897)⁶ shall be reduced by a quantity equal to the quantity of such commodity financed hereunder which is exported from private stocks.⁷

(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

⁴Sec. 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."

⁵7 U.S.C. 1427

⁶7 U.S.C. 1741

⁷This subsection was revised by Public Law 25, 84th Congress, [S. 752], 69 Stat. 44, approved April 25, 1955. It formerly read as follows:

"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 at such points in the United States as the President may direct 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 from stocks owned by the Corporation or pledged or mortgaged as security for price support loans or from stocks privately owned if the Corporation is not in a position to supply the commodity from its owned stocks: *Provided*, That to facilitate the use of private trade channels the Corporation, even though it is in a position to supply the commodity, may finance the sale and exportation of privately owned stocks if the Corporation's stocks are reduced through arrangements whereby the private exporter acquires the same commodity of comparable value or quantity from the Commodity Credit Corporation. In supplying commodities to private exporters under such arrangements Commodity Credit Corporation shall not be subject to the sales price restriction in section 407 of the Agricultural Act of 1949, as amended."

obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940.⁸ 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.⁹

(b) Agreements shall not be entered into under this title in any calendar year during the period beginning January 1, 1960, and ending December 31, 1961, which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$1,500,000,000, plus any amount by which agreements entered into in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such preceding year by this Act as in effect during such preceding year.¹⁰ (7 U.S.C. 1703)

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953,¹¹ or any other provision of law, the President may use or enter into agreements

⁸31 U.S.C. 203; 41 U.S.C. 15.

⁹Section 103(a)(3) added by Public Law 540, 84th Congress, [H.R. 10875], 70 Stat. 188, approved May 28, 1956.

¹⁰Section 103(b) effective January 1, 1960, as amended by Public Law 86-341, [H.R. 8609], 73 Stat. 606, approved September 21, 1959. Previous authorizations are as follows:

Authority	Approved	Amount added	Terminal date
Public Law 480, 83rd Congress	July 10, 1954	\$700 million	June 30, 1957
Public Law 387, 84th Congress	August 12, 1955	\$800 million	June 30, 1957
Public Law 962, 84th Congress	August 3, 1956	\$1.5 billion	June 30, 1957
Public Law 128, 85th Congress	August 13, 1957	\$1.0 billion	June 30, 1958
Public Law 931, 85th Congress	September 6, 1958	\$2.25 billion	December 31, 1959

The first three amendments to the original act expressed the authorization as a cumulative figure. Public Law 387, 84th Congress, [S. 2253], 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, [S. 3420], 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."

¹¹Section 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, [H.R. 8370], 66 Stat. 637, approved July 15, 1952.

with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:¹²

(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 under this title after the date of this amendment shall be 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. Particular regard shall be given to provide in sale and loan agreements for the convertibility of such amount of the proceeds thereof as may 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. 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, agreements may be entered into 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;¹³

(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;¹⁴

(c) To procure military equipment, materials, facilities, and services for the common defense;

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

¹²See also sec. 407 of the Act of September 1, 1954, as amended (5 U.S.C. 171z-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."

¹³All but the first sentence added by Public Law 86-341, [H.R. 8609], 73 Stat. 606, approved September 21, 1959.

¹⁴As amended by Public Law 86-341, [H.R. 8609], 73 Stat. 606, approved September 21, 1959. The original provision was as follows: "To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, [50 U.S.C. 98], for a supplemental United States stockpile of such materials as the President may determine from time to time under contracts, including advance payment contracts, for supply extending over periods up to ten years. All strategic and critical materials acquired under authority of this title shall be placed in the above named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act;"

(e) For promoting balanced economic development and trade among nations, for which purposes not more than 25 per centum of the currencies received pursuant to each such agreement shall be available through and under the procedures established by the Export-Import Bank for loans mutually agreeable to said bank 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 of 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.¹⁵

(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;¹⁶

(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.¹⁷

(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;¹⁸

¹⁵As amended by Public Law 85-128, [S. 1314], 71 Stat. 345, approved August 13, 1957. Subsection (e) formerly read: "For promoting balanced economic development and trade among nations;"

¹⁶The balance of the first sentence following "(50 U.S.C. App. 1641(b))" was added by Public Law 85-931, [S. 3420], 72 Stat. 1790, approved September 6, 1958. The second sentence, through the word "purposes" the third time it appears, was added by Public Law 726, 84th Congress, [H. R. 11356], 70 Stat. 555, approved July 18, 1956; the balance of the sentence was added by Public Law 85-141, [S. 2130], 71 Stat. 355, approved August 14, 1957.

¹⁷Added by Public Law 726, 84th Congress, [H.R. 11356], 70 Stat. 555, approved July 18, 1956.

¹⁸Added by Public Law 962, 84th Congress, [S. 3903], 70 Stat. 988, approved August 3, 1956.

(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;¹⁹

(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;²⁰

(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), and (B) agricultural and horticultural fair participation and related activities;²⁰

(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; (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;²⁰

(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;²¹

(p) For supporting workshops in American studies or American educational techniques and supporting chairs in American studies;²¹

¹⁹Added by Public Law 85-477, [H.R. 12181], 72 Stat. 261, approved June 30, 1958. Public Law 86-108, [H.R. 7500], 73 Stat. 246, approved July 24, 1959, amended this subsection by adding the word "research" after the word "conduct" and by rephrasing the provision relating to the appropriation procedure. Public Law 86-341, [H.R. 8609], 73 Stat. 606, approved September 21, 1959, added after the word "globe" the following: ", and to promote and support programs of medical and scientific research, cultural and educational development, health, nutrition, and sanitation".

²⁰Added by Public Law 85-931, [S. 3420], 72 Stat. 1790, approved September 6, 1958.

²¹Subsection (o), when added by Public Law 85-931, [S. 3420], 72 Stat. 1790, approved September 6, 1958, also included the purpose authorized in subsection (p). Public Law 86-341, [H. R. 8609], 73 Stat. 606, approved September 21, 1959, separated the original subsection (o) into subsections (o) and (p).

(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;²²

(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);²²

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: *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 for the purpose of subsection (p), except in such amounts as may be specified from time to time in appropriation Acts, and no foreign currencies shall be allocated under any provision of this Act after June 30, 1960, for the purposes specified in subsections (k), (p), and (r), except in such amounts as may be specified from time to time in appropriation Acts.²³ (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. (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 or may be reasonably expected to be 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.²⁴ (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. (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 six months 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. (7 U.S.C. 1708)

²²Added by Public Law 86-341, [H.R. 8609], 73 Stat. 606, approved September 21, 1959.

²³The final proviso added by Public Law 86-341, [H.R. 8609], 73 Stat. 606, approved September 21, 1959. For text of section 1415, see note 11 above.

²⁴Last sentence added by Public Law 387, 84th Congress, [S. 2253], 69 Stat. 721, approved August 12, 1955.

SEC. 109. No transactions shall be undertaken under authority of this title after December 31, 1961, except as required pursuant to agreements theretofore entered into pursuant to this title.²⁵ (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 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.²⁶ (7 U.S.C. 1721)

SEC. 202. 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. (7 U.S.C. 1722)

SEC. 203. 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 President may make such 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 may be paid from funds available to carry out this title on commodities transferred pursuant hereto or donated under said section 416. Funds required for ocean freight costs authorized under this title may be transferred by the Commodity Credit Corporation to such other Federal agency as may be designated by the President.²⁷ (7 U.S.C. 1723)

SEC. 204. No programs of assistance shall be undertaken under the authority of this title after December 31, 1961.²⁸ (7 U.S.C. 1724)

²⁵Amended by Public Law 86-341, [H.R. 8609], 73 Stat. 606, approved September 21, 1959, to extend the terminal date from 1959 to 1961.

²⁶Public Law 540, 84th Congress, [H.R. 10875], 70 Stat. 188, approved May 28, 1956, amended this section by deleting the words "f.o.b. vessels in United States ports," immediately preceding the words "as he may request,". Public Law 962, 84th Congress, [S. 3903], 70 Stat. 988, approved August 3, 1956, amended this section by inserting after the word "urgent" wherever it occurs in the section the words "or extraordinary".

²⁷The original authorization was \$300,000,000. Public Law 540, 84th Congress, [H.R. 10875], 70 Stat. 188, approved May 28, 1956, added \$200,000,000 and Public Law 85-128, [S. 1314], 71 Stat. 345, approved August 13, 1957, added \$300,000,000. The first sentence is effective January 1, 1960, as amended by Public Law 86-341, [H.R. 8609], 73 Stat. 606, approved September 21, 1959; the sentence formerly provided: "Not more than \$800,000,000 (including the Corporation's investment in the commodities) shall be expended for all such transfers and for other costs authorized by this title." The last two sentences were added by Public Law 540, 84th Congress, [H.R. 10875], 70 Stat. 188, approved May 28, 1956.

²⁸Amended by Public Law 86-341, [H.R. 8609], 73 Stat. 606, approved September 21, 1959, to extend the terminal date from 1959 to 1961.

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:

"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 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."²⁹ (7 U.S.C. 1431)

[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

²⁹Public Law 86-108, [H.R. 7500], 73 Stat. 246, approved July 24, 1959, amended section 416 of the Agricultural Act of 1949, as amended, by inserting the words "whether in private stocks or" after the word "commodities" the first time it appears. Public Law 85-483, [H.R. 12164], 72 Stat. 286, approved July 2, 1958, amended section 416 of the Agricultural Act of 1949, as amended, by adding after the words "nonprofit school lunch programs," the words "in nonprofit summer camps for children,". Public Law 540, 84th Congress, [H.R. 10875], 70 Stat. 188, approved May 28, 1956, amended section 416 of the Agricultural Act of 1949, as amended, by adding the sentence preceding the last sentence.

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 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. 1431^b

[At any time Commodity Credit Corporation has wheat or corn available for donation pursuant to clauses (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 wheat or corn into flour or meal, may purchase flour or meal in quantities not to exceed the equivalent of such wheat or corn so available on the date of purchase and donate such flour and meal pursuant to clauses (3) or (4) of said section 416 and to said section 210 and make such flour or meal available to the President, pursuant to said title II and may sell, without regard to the provisions of section 407 of the Agricultural Act of 1949, as amended, a quantity of wheat and corn not to exceed that which is equivalent to the quantity of flour and meal so purchased. Public Law 85-683, 72 Stat. 635; approved August 19, 1958, 7 U.S.C. 1431 note]

[a] In order to insure the nutritional value of cornmeal, grits, 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, 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.

(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]

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 barters 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 barters or exchanges. In carrying out barters 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.³⁰ (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 and with nations dominated or controlled by the Union of Soviet Socialist Republics 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.

(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.³¹ (7 U.S.C. 1693)

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.³² (7 U.S.C. 1694)

³⁰As amended by Public Law 85-931, [S. 3420], 72 Stat. 1790, approved September 6, 1958. This section formerly read as follows: "Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for (a) strategic materials entailing less risk of loss through deterioration or substantially less storage charges, 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 trade 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. 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. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements. 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." Public Law 540, 84th Congress, [H.R. 10875], 70 Stat. 188, approved May 28, 1956, 7 U.S.C. 1856, provides that strategic and other material acquired by the Commodity Credit Corporation may be transferred to the supplemental stockpile established by section 104(b) of this Act.

³¹This section was amended by Public Law 85-128, [S. 1314], 71 Stat. 345, approved August 13, 1957. It formerly read: "The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U.S.S.R. or nations dominated or controlled by the U.S.S.R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations."

³²As amended by Public Law 86-341, [H.R. 8609], 73 Stat. 606, approved September 21, 1959. This section formerly provided: "All Commodity Credit Corporation stocks disposed of under title II of this Act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by, as far as practical, appropriate marking on each package or container as being furnished by the people of the United States of America."

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]³³

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.^{33,34}

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 outside the United States;

(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.³³

TITLE IV--LONG-TERM SUPPLY CONTRACTS³³

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.

SEC. 402. In furtherance of this purpose, the President is authorized to enter into agreements with friendly 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.

SEC. 403. Payment for such commodities shall be in dollars with interest at such rate as the Secretary may determine but not more than the cost of the funds to the United States Treasury as determined by the Secretary of the Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturities of loans made by the President under this section. Payment may be made in approximately equal 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 and interest shall be computed from the date of such last delivery.

³³Sections 306, 307, 308 and all of title IV were added by Public Law 86-341, [H.R. 8609], 73 Stat. 606, approved September 21, 1959.

³⁴Section 205(c) of Public Law 86-108, [H.R. 7500], 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).

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.

SEC. 405. In entering into such agreements, the Secretary shall endeavor to reach agreement with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.

SEC. 406. In carrying out this title, the provisions of sections 102, 103(a), 106, 107, and 108 of this Act shall be applicable to the extent not inconsistent with this title.

Public Law 86-341
86th Congress, H. R. 8609
September 21, 1959

AN ACT

To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

SECTION 1. Sections 109 and 204 of the Agricultural Trade Development and Assistance Act of 1954, as amended, are amended by striking out "1959" and substituting in lieu thereof "1961".

68 Stat. 454.
7 USC 1691 note.
7 USC 1709, 1724.

SEC. 2. Section 103(b) of such Act is amended, effective January 1, 1960, to read as follows:

7 USC 1703.

"(b) Agreements shall not be entered into under this title in any calendar year during the period beginning January 1, 1960, and ending December 31, 1961, which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$1,500,000,000, plus any amount by which agreements entered into in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such preceding year by this Act as in effect during such preceding year."

Agreements.
Limitation.

SEC. 3. Section 203 of such Act is amended, effective January 1, 1960, by striking out the first sentence and inserting in lieu thereof:

7 USC 1723.

"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."

SEC. 4. Subsection (a) of section 104 of such Act is amended by inserting a period in lieu of the semicolon at the end thereof, and adding the following:

7 USC 1704.

"From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made under this title after the date of this amendment shall be 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. Particular regard shall be given to provide in sale and loan agreements for the convertibility of such amount of the proceeds thereof as may 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. 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, agreements may be entered into 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;"

Use of foreign
currencies.

73 STAT. 606.
73 STAT. 607.

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7 USC 1704.

Strategic
materials.

SEC. 5. Subsection (b) of section 104 of such Act is amended to read as follows:

"(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;"

60 Stat. 597.
50 USC 98b.

SEC. 6. Section 104(k) of such Act is amended by striking out the colon and inserting in lieu thereof a comma and the following: "and to promote and support programs of medical and scientific research, cultural and educational development, health, nutrition, and sanitation:"

72 Stat. 1790.
7 USC 1704.

SEC. 7. Section 104(o) of such Act is amended by striking out so much thereof as follows the semicolon.

SEC. 8. Section 104 of such Act is further amended by inserting after paragraph (o) the following new paragraphs:

"(p) For supporting workshops in American studies or American educational techniques, and supporting chairs in American studies;

"(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;

"(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) ;"

SEC. 9. Section 104 of such Act is further amended by inserting before the period at the end thereof a colon and the following: "*Provided, however*, That no foreign currencies shall be available for the purpose of subsection (p), except in such amounts as may be specified from time to time in appropriation Acts, and no foreign currencies shall be allocated under any provision of this Act after June 30, 1960, for the purposes specified in subsections (k), (p), and (r), except in such amounts as may be specified from time to time in appropriation Acts."

7 USC 1694.

SEC. 10. Section 305 of such Act is amended to read as follows:

63 Stat. 1058.
7 USC 1431.

"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."

73 STAT. 607.

73 STAT. 608.

68 Stat. 458.

7 USC 1427, 1431,

1692-1694.

Food stamp
system.

SEC. 11. Title III of such Act is amended by adding at the end thereof the following new section:

"SEC. 306. (a) In order to promote the general welfare, raise the levels of health and of nourishment for persons whose incomes prevent them from enjoying adequate diets, and dispose in a beneficial manner of food commodities acquired by the Commodity Credit Corporation or the Department of Agriculture in carrying out price support operations or diverted from the normal channels of trade and commerce under section 32 of the Act of August 24, 1935, as amended,

49 Stat. 774.
7 USC 612c.

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the Secretary of Agriculture (in this section referred to as the 'Secretary') is hereby authorized to promulgate and put into operation a program to distribute to needy persons in the United States, including needy Indians, through a food stamp system such surplus food commodities. Such program shall provide for the distribution of such surplus food commodities only during the period beginning February 1, 1960, and ending January 31, 1962. The cost of such program, including the cost to the Federal Government of acquiring, storing, and handling such surplus food commodities, shall not exceed \$250,000,000 in any 12-month period beginning February 1 and ending January 31.

Cost limitation.

"(b) In carrying out such program, the Secretary shall—

"(1) distribute surplus food made available by the Secretary for distribution under this program only when requested to do so by a State or political subdivision thereof;

"(2) issue, or cause to be issued, pursuant to subsection (c), food stamps redeemable by eligible needy persons for such types and quantities of surplus food as the Secretary shall determine;

"(3) distribute surplus food in commercially packaged form, preferably through normal channels of trade;

"(4) establish standards under which, pursuant to subsection (c), the welfare authorities of any State or political subdivision thereof may participate in the food stamp plan for the distribution of surplus foods to the needy;

"(5) consult the Secretary of Health, Education, and Welfare, and the Secretary of Labor, in establishing standards for eligibility for surplus foods and in the conduct of the program generally to assure achievement of the goals outlined in subsection (a) of this section; and

"(6) make such other rules and regulations as he may deem necessary to carry out the purpose of this section.

"(c) The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under subsection (b) (1), food stamps for each kind of surplus food to be distributed, in amounts based on the total amount of surplus food to be distributed and on the total number of needy persons in the various States and political subdivisions eligible to receive such food. The food stamps shall be issued by each such welfare department or equivalent agency to needy persons receiving welfare assistance, or in need of welfare assistance but ineligible because of State or local law, and shall be redeemable by such needy persons at local distribution points to be determined by the Secretary under subsection (b) (3).

Issuance of food stamps.

"(d) Receipt by any person of benefits under this section shall not be deemed to be income or resources under the provisions of the Social Security Act or any other Federal legislation pertaining to the security of the aged, blind, disabled, dependent children, unemployed, or other similar groups. Any State or local subdivision thereof which decreases the cash or other assistance extended to any person or group as a consequence of the assistance made available under this section shall be ineligible for further participation under this section.

49 Stat. 620.

42 USC 1305.

73 STAT. 608.

73 STAT. 609.

"(e) Surplus foods to be distributed under this section shall be limited to surplus foods acquired under the Agricultural Act of 1949 or diverted from the normal channels of trade under Section 32 of Public Law 320, 74th Congress.

63 Stat. 1051.

7 USC 1421 note.

7 USC 612c.

"(f) For the purposes of this section, a needy person is anyone receiving welfare assistance (financial or otherwise) from the welfare department or equivalent agency of any State or political subdivision

Needy person.

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thereof, or who is, in the opinion of such agency or agencies, in need of welfare assistance but is ineligible to receive it because of State or local law.

Report to
Congress.

"(g) The Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare and the Secretary of Labor, shall make a study of, and shall report to Congress within six months after the date of enactment of this section, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food stamp plan established by this section to include persons receiving unemployment compensation, receiving old-age and survivors insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this section.

Appropriation.

"(h) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this section."

68 Stat. 458.
7 USC 1427,
1431, 1692-
1694.

SEC. 12. Title III of such Act is further amended by adding at the end thereof a new section as follows:

"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."

SEC. 13. Title III of such Act is further amended by adding at the end thereof a new section as follows:

Animal fats
and edible oils.

"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 outside the United States;

"(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."

63 Stat. 1058.
7 USC 1431.

73 STAT. 609.
73 STAT. 610.

SEC. 14. Such Act is further amended by adding thereto the following new title:

"TITLE IV—LONG-TERM SUPPLY CONTRACTS

"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.

"Sec. 402. In furtherance of this purpose, the President is authorized to enter into agreements with friendly 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.

"Sec. 403. Payment for such commodities shall be in dollars with interest at such rate as the Secretary may determine but not more than the cost of the funds to the United States Treasury as determined by the Secretary of the Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturities of loans made by the President under this section. Payment may be made in approximately equal 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 and interest shall be computed from the date of such last delivery.

"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.

"Sec. 405. In entering into such agreements, the Secretary shall endeavor to reach agreement with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.

"Sec. 406. In carrying out this title, the provisions of sections 102, 103(a), 106, 107, and 108 of this Act shall be applicable to the extent not inconsistent with this title."

7 USC 1702,
1703, 1706-
1708.

TITLE II—MISCELLANEOUS

Sec. 201. (a) In order to insure the nutritional value of cornmeal, grits, 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, 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.

7 USC 1431.
60 Stat. 230.
42 USC 1751 note.

52 Stat. 1040.
21 USC 301.

73 STAT. 610.
73 STAT. 611.
Definition.

(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. 202. In lieu of the limitation on annual payment rates for 1960 conservation reserve contracts prescribed in clause (2) of the sixth proviso under the head "Conservation Reserve" in Public Law 86-80, no such annual payment rate shall be established in excess of 20 per centum of the value of the land placed under contract, such value to be determined without regard to physical improvements thereon or geographical location thereof; but in no event shall such annual payment rate be established in excess of the maximum rate which the

Ante, p. 174.

Pub. Law 86-341
73 STAT. 611.

-6-

September 21, 1959

county committee determines would have been established for such land under the 1959 Conservation Reserve Program, except that the county committee in making such determination shall not be required to obtain the landowner's or operator's estimate as to value or his certificate as to production history and productivity.

66 Stat. 759.
7 USC 1347.

SEC. 203. Section 347(b) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following: "*Provided, however,* That the national marketing quota for the 1960 crop of such cotton shall be not less than 90 per centum of the 1959 marketing quota for such cotton."

70 Stat. 200.
7 USC 1856.

SEC. 204. Section 206(a) of the Agricultural Act of 1956 is amended by inserting before the period at the end thereof a comma and the following: "or to meet requirements of Government agencies".

Approved September 21, 1959.

TITLE 3—THE PRESIDENT

EXECUTIVE ORDER 10560

ADMINISTRATION OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE
ACT OF 1954

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, 65 Stat. 713, and as President of the United States, it is ordered as follows:

SECTION 1. Department of Agriculture. Except as otherwise provided in this order, the functions conferred upon the President by Title I of the Agricultural Trade Development and Assistance Act of 1954 are hereby delegated to the Secretary of Agriculture.

SEC. 2. Foreign Operations Administration. The functions conferred upon the President by Title II of the Act are hereby delegated to the Director of the Foreign Operations Administration.

SEC. 3. Department of State. (a) The functions of negotiating and entering into agreements with friendly nations or organizations of friendly nations conferred upon the President by the Act are hereby delegated to the Secretary of State.

(b) All functions under the Act, however vested, delegated, or assigned, shall be subject to the responsibilities of the Secretary of State with respect to the foreign policy of the United States as such policy relates to the said functions.

(c) The provisions of Part III of Executive Order No. 10476 of August 1, 1953 (18 F. R. 4537, ff.), are hereby extended and made applicable to functions provided for in the Act and to United States agencies and personnel concerned with the administration abroad of the said functions.

SEC. 4. Foreign currencies. (a) There are hereby delegated to the Director of the Bureau of the Budget (1) so much of the functions conferred upon the President by the Act as consists of fixing from time to time the amounts of foreign currencies which accrue under Title I of the Act to be used for each of the several purposes described in paragraphs (a) to (h), inclusive, of section 104 of the Act, and (2) the function conferred upon the President by the last proviso in section 104 of the Act of waiving the applicability of section 1415 of the Supplemental Appropriation Act, 1953.

(b) The Secretary of the Treasury is hereby authorized to prescribe regulations governing the purchase, custody, deposit, transfer, and sale of foreign currencies received under the Act.

(c) The foregoing provisions of this section shall not limit section 3 of this order and the foregoing subsection (b) shall not limit subsection (a) above.

(d) Purposes described in the lettered paragraphs of section 104 of the Act shall be carried out, with foreign currencies made available pursuant to section 4 (a) of this order, as follows:

(1) Those under section 104 (a) of the Act by the Department of Agriculture.

(2) Those under section 104 (b) of the Act by the Office of Defense Mobilization. The function, conferred upon the President by that section, of determining from time to time materials to be purchased or contracted for for a supplemental stockpile is hereby delegated to the Director of the Office of Defense Mobilization.

(3) Those under section 104 (c) of the Act by the Department of Defense.

(4) Those under sections 104 (d), (e), and (g) of the Act by the Foreign Operations Administration. The function, conferred upon the President by section 104 (g) of the Act, of determining the manner in which the loans provided for in the said section 104 (g) shall be made, is hereby delegated to the Director of the Foreign Operations Administration.

(5) Those under section 104 (f) of the Act by the respective agencies of the Government having authority to pay United States obligations abroad.

(6) Those under section 104 (h) of the Act by the Department of State.

SEC. 5. Reports to Congress. The functions under section 108 of the Act, with respect to making reports to Congress, are reserved to the President.

SEC. 6. Definition. As used in this order the term "the Act" means the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, approved July 10, 1954, 68 Stat. 454) and includes, except as may be inappropriate, the provisions thereof amending other laws.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,

September 9, 1954.

19FR

[F. R. Doc. 54-7242; Filed, Sept. 13, 1954;
9:51 a. m.] 5927

9-11-54

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GAO Wash., D. C.

EXECUTIVE ORDER 10685

**PROVIDING FOR THE ADMINISTRATION OF THE
AGRICULTURAL TRADE DEVELOPMENT AND
ASSISTANCE ACT OF 1954, AS AMENDED**

By virtue of the authority vested in me by the Agricultural Trade Development and Assistance Act of 1954, as amended, and by section 301 of title 3 of the United States Code, and as President of the United States, it is ordered as follows:

SECTION 1. The International Cooperation Administration is hereby designated as the Federal agency to which funds required for ocean freight costs authorized under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1721-1724), may be transferred by the Commodity Credit Corporation.

SEC. 2. Sections 5 and 6 of Executive Order No. 10560 of September 9, 1954 (19 F. R. 5927), are hereby amended to read as follows:

"SEC. 5. Reservation of functions to the President. There are reserved to the President the functions conferred upon him by section 108 of the Act (with respect to making reports to Congress) and by the last sentence of section 203 of the Act (with respect to designating the Federal agency to which funds required for ocean freight costs may be transferred by the Commodity Credit Corporation).

"SEC. 6. Definition. As used in this order the term 'Act' means the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454), as amended, and includes, except as may be inappropriate, the provisions thereof amending other laws."

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
21 FR-8261 October 27, 1956. 1--30-56

[F. R. Doc. 56-8825; Filed, Oct. 29, 1956;
10:56 a. m.]

EXECUTIVE ORDER 10708
FURTHER PROVIDING FOR THE ADMINISTRATION OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, and as President of the United States, and in order to further provide for the administration of the Agricultural Trade Development and Assistance Act of 1954, as amended, Executive Order No. 10560 of September 9, 1954, as amended, is hereby further amended as follows:

1. Section 4 (a) is amended by striking therefrom "paragraphs (a) to (h), inclusive" and by inserting in lieu thereof "paragraphs (a) to (f), inclusive, and (h) to (j), inclusive".

2. Paragraph (3) of section 4 (d) is amended to read as follows:

"(3) Those under section 104 (c) of the Act by the Department of Defense or the Department of State, as those agencies shall agree, or in the absence of agreement, as the Director of the Bureau of the Budget shall determine."

3. Paragraph (4) of section 4 (d) is amended by adding at the end thereof the following: "The amounts of foreign currencies which accrue under Title I of the Act to be used for the loans described in paragraph (g) of section 104 of the Act shall be the amounts thereof specified, or shall be the amounts thereof corresponding to the dollar amounts specified, for such loans in sales agreements entered into pursuant to section 3 (a) of this order."

4. Section 4 (d) is further amended by adding at the end thereof the following paragraphs:

"(7) Those under section 104 (i) of the Act by the United States Information Agency.

"(8) Those under section 104 (j) of the Act by the Department of State and by the United States Information Agency in accordance with the division of responsibilities for the administration of section 203 of the United States Information and Educational Exchange Act of 1948 (62 Stat. 6) provided by Reorganization Plan No. 8 of 1953 (67 Stat. 642) and Executive Order No. 10477 of August 1, 1953, and by subsequent agreement between the Department of State and the United States Information Agency."

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
22FR-3213 May 6, 1957. 5-8-57

EXECUTIVE ORDER 10746

FURTHER PROVIDING FOR THE ADMINISTRATION OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, and as President of the United States, and in order to provide further for the administration of the Agricultural Trade Development and Assistance Act of 1954, as amended, Executive Order No. 10560 of September 9, 1954, as amended, is hereby further amended as follows:

SECTION 1. Section 4 (a) is amended by deleting therefrom "paragraphs (a) to (f), inclusive, and (h) to (j), inclusive, of section 104 of the Act" and by inserting in lieu thereof the following: "paragraphs (a) to (j), inclusive, of section 104 of the Act, except paragraph (g) and except also paragraph (e) to the extent that the said paragraph (e) pertains to loans governed by the portion of paragraph (e) added by the act of August 13, 1957 (Public Law 85-128; 71 Stat. 345)".

Sec. 2. Section 4 (d) is amended as follows:

(a) The introductory portion is amended by deleting therefrom "pursuant to section 4 (a) of this order" and by inserting in lieu thereof the following: "in consonance with law and the provisions of this order"

(b) Paragraph (4) is amended by deleting therefrom "sections 104 (d), (e), and (g) of the Act" and inserting in lieu thereof the following "sections 104 (d) and (g) of the Act and section 104 (e) of the Act except to the extent that the said section 104 (e) pertains to the loans referred to in section 4 (d) (5) of this order".

(c) Paragraphs (5), (6), (7), and (8) are renumbered as paragraphs (6), (7), (8), and (9), respectively, and the following new paragraph (5) is inserted immediately after paragraph (4):

"(5) Those under section 104 (e) of the Act by the Export-Import Bank of Washington to the extent that the said section 104 (e) pertains to loans governed by the portion of section 104 (e) added by the said act of August 13, 1957. The amounts of foreign currencies which accrue under Title I of the Act to be used for the said loans by the Export-Import Bank of Washington shall be the amounts thereof specified, or shall be the amounts thereof corresponding to the dollar amounts specified, for such loans in sales agreements entered into pursuant to section 3 (a) of this order."

DWIGHT D. EISENHOWER

THE WHITE HOUSE, 12-14-57

22FR- December 12, 1957. 10027

[F. R. Doc. 57-10404; Filed, Dec. 13, 1957; 10:25 a. m.]

Executive Order 10827

FURTHER PROVIDING FOR THE ADMINISTRATION OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, and as President of the United States, it is ordered that sections 4 and 5 of Executive Order No. 10560 of September 9, 1954, as amended, be, and they are hereby, further amended to read as follows:

SEC. 4. Foreign currencies. (a) (1) The amounts of foreign currencies which accrue under Title I of the Act to be used for the loans described in section 104(g) of the Act, and the amounts of such currencies to be used for loans by the Export-Import Bank pursuant to section 4(d) (5) of this order, shall be the amounts thereof specified, or shall be the amounts thereof corresponding to the dollar amounts specified, for such loans in sales agreements entered into pursuant to section 3(a) of this order. The Department of State may allocate or transfer to the Development Loan Fund foreign currencies to be used for loans made by the latter under section 104(g) of the Act in pursuance of section 4(d) (7) (i) hereof.

(2) Except as otherwise provided in section 4(a) (1) above, the Director of the Bureau of the Budget shall from time to time fix the amounts of foreign currencies which accrue under Title I of the Act to be used for the purposes described in the respective lettered paragraphs of section 104 of the Act (including purposes financed with foreign currencies acquired, or to be acquired, with funds appropriated by the Congress pursuant to the Act) and, to such extent as may be necessary, shall allocate the amounts so fixed among the Government agencies concerned.

(3) The function conferred upon the President by the last proviso of section 104 of the Act of waiving the applicability of section 1415 of the Supplemental

Appropriation Act, 1953 (31 U.S.C. 724), is hereby delegated to the Director of the Bureau of the Budget.

(b) The Secretary of the Treasury is hereby authorized to prescribe regulations governing the purchase, custody, deposit, transfer, and sale of foreign currencies received under the Act.

(c) The foregoing provisions of this section shall not limit section 3 of this order, and the foregoing subsection (b) shall not limit subsection (a) above.

(d) The purposes described in the lettered paragraphs of section 104 of the Act shall be carried out, with foreign currencies made available in consonance with law and the provisions of this order, as follows:

(1) Those under sections 104(a) and 104(m) (B) of the Act by the Department of Agriculture.

(2) Those under section 104(b) of the Act by the Office of Civil and Defense Mobilization. The function conferred upon the President by that section of determining, from time to time, materials to be contracted for or to be purchased for a supplemental stockpile is hereby delegated to the Director of the Office of Civil and Defense Mobilization.

(3) Those under section 104(c) of the Act by the Department of Defense or the Department of State, as those agencies shall agree, or in the absence of agreement, as the Director of the Bureau of the Budget shall determine.

(4) Those under sections 104(d) and 104(e) of the Act by the Department of State, except to the extent that section 104(e) pertains to the loans referred to in subsection (d) (5) of this section.

(5) Those under section 104(e) of the Act by the Export-Import Bank of Washington to the extent that section 104(e) pertains to loans governed by that portion of such section added by the act of August 13, 1957, 71 Stat. 345.

(6) Those under section 104(f) of the Act by the respective agencies of the Government having authority to pay United States obligations abroad.

(7) (i) Those under section 104(g) of the Act by the Department of State and by the Development Loan Fund, as they shall agree. (ii) The function conferred upon the President by section 104(g) of the Act of determining the manner in which the loans provided for in section 104(g) shall be made is hereby delegated to the Secretary of State with respect

to loans made by the Department of State pursuant to the assignment of purposes effected under item (i) of this paragraph, and to the Development Loan Fund with respect to loans made by the Development Loan Fund pursuant to such assignment of purposes. (iii) As used herein, the term "the Development Loan Fund" means the Managing Director of the Development Loan Fund, acting subject to the immediate supervision and direction of the board of directors of the Development Loan Fund; but, notwithstanding the foregoing, the Development Loan Fund, with respect to this order, shall be subject to the supervision and direction of the Secretary of State.

(8) Those under sections 104(h) and 104(o) of the Act by the Department of State.

(9) Those under sections 104(i) and 104(m)(A) of the Act by the United States Information Agency.

(10) Those under section 104(j) of the Act by the Department of State and by the United States Information Agency in accordance with the division of responsibilities for the administration of the United States Information and Educational Exchange Act of 1948 (62 Stat. 6) provided by Reorganization Plan No. 8 of 1953 (67 Stat. 642) and Executive Order No. 10477 of August 1, 1953, and by subsequent agreement between the Department of State and the United States Information Agency.

(11) Those under section 104(k) of the Act as follows: (i) Those with respect to collecting, collating, translating, abstracting, and disseminating scientific and technological information by the Director of the National Science Foundation and such other agency or agencies as the Director of the Bureau of the Budget, after appropriate consultation, may designate. (ii) All others by such agency or agencies as the Director of the Bureau of the Budget, after appropriate consultation, may designate. As used in this paragraph the term "appropriate consultation" shall include consultation with the Secretary of State, the Director of the National Science Foundation, and any other appropriate Federal agency.

(12) Those under section 104(l) of the Act by the Department of State and by any other agency or agencies designated therefor by the Secretary of State.

(13) Those under section 104(n) of the Act by the Librarian of Congress.

SEC. 5. *Reservation of functions to the President.* There are hereby reserved to the President the functions conferred upon him by section 108 of the Act, with respect to making reports to Congress.

Section 1 of Executive Order No. 10685 of October 27, 1956, is hereby revoked.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
June 25, 1959.

[F.R. Doc. 59-5428; Filed, June 25, 1959;
24FR-5233 4:38 p.m.] 6-27-59

1-15-60

DRAFT OF PROPOSED
EXECUTIVE ORDER

PROVIDING FURTHER FOR THE ADMINISTRATION
OF THE AGRICULTURAL TRADE DEVELOPMENT AND
ASSISTANCE ACT OF 1954, AS AMENDED

By virtue of the authority vested in me as President of the United States, it is ordered that Executive Order No. 10560 of September 9, 1954, as amended, be, and it is hereby, further amended as follows:

1. Section 4(a)(3) is amended by striking out the words "the last proviso" and by inserting in lieu of the stricken words the following: "the penultimate proviso".

2. Section 4(d)(8) is amended to read as follows:

"(8) Those under sections 104(h), 104(o), 104(p), and 104(q) of the Act by the Department of State."

3. Section 4(d)(11) is amended by inserting therein, immediately after "(ii)", the following: "Those with respect to cultural and educational development, health, nutrition, and sanitation by the Department of State. (iii)".

4. Section 4(d) is amended by adding, at the end thereof, the following new paragraph 14:

"(14) Those under section 104(r) of the Act by the Department of State and by the United States Information Agency."

IMMEDIATE RELEASE

September 9, 1954

James C. Hagerty, Press Secretary to the President

THE WHITE HOUSE OFFICE

LOWRY AIR FORCE BASE

DENVER

The President today issued an Executive order providing for the administration of the Agricultural Trade Development and Assistance Act of 1954.

Under that Act agricultural surplus commodities, aggregating \$700 million in value, may be sold abroad for local currencies over a period of three years, and such commodities, up to \$300 million in value, may be given to friendly peoples in the event of national disaster or famine.

Today's Executive order assigns to the Secretary of Agriculture primary responsibility for sales under the Act, including the development of overseas markets for agricultural commodities, and assigns primary responsibility for the grants for famine relief to the Director of the Foreign Operations Administration.

A number of other Federal agencies will participate in the administration of these activities. In order that their activities may be properly coordinated, the President has established an interagency advisory committee which will be headed by a representative of the White House Office.

The Executive order provides that the local currency proceeds of overseas sales of agricultural commodities under the Act shall be held in the custody of the Treasury Department and shall be released by the Director of the Bureau of the Budget for use in connection with the purposes authorized by the Act. Those purposes are (1) the development of new markets for United States agricultural commodities, (2) the acquisition of strategic and critical materials, (3) the procurement of military equipment, materials, and facilities, (4) the purchase of goods or services for other friendly countries, (5) the promotion of balanced economic development and trade among nations, (6) the payment of United States obligations abroad, (7) the promotion of multilateral trade and economic development, and (8) international educational exchange activities.

(more)

Consistent with the principles set forth in the President's message of March 30, 1954, it is essential that our agricultural foreign trade policy take into account the position of other countries and that our policy be understood by them.

Today, the magnitude of the United States holdings of many commodities is such as to be capable of demoralizing world commodity markets should a policy of reckless selling abroad be pursued. This potential greatly alarms other countries despite the fact that past behavior of the United States has shown no intention of pursuing a harmful policy.

At the same time, the United States cannot accept the role of limiting its sales in world markets until other countries have disposed of their production. The adjustment of world supply to world demand will require adjustments of production in other countries, as well as the United States.

The capacity of certain areas of the world to produce food and fiber in excess of current market takings presents a basis and a hope for improving living standards around the world -- provided ways can be found for improving marketing and distribution systems and enlarging the purchasing power of consumers. This represents a challenge to the nations of the world to develop sound means for utilizing their productive capacity in the improvement of living standards.

1. The world supply and demand situation in agricultural products requires in the interest of the general welfare, an orderly and gradual liquidation of our surpluses. Such a policy, arrived at with the full knowledge of friendly nations, would go far to eliminate fear arising from uncertainty.

2. The United States cannot be satisfied with the position of holding its own supplies off the market and accumulating surpluses while other countries dispose of their entire production. Accordingly, the United States will offer its products at competitive prices. At the same time, the United States will not use its agricultural surpluses to impair the traditional competitive position of friendly countries by disrupting world prices of agricultural commodities.

3. The United States will seek in cooperation with friendly countries to utilize its agricultural surpluses to increase consumption in those areas where there is demonstrable underconsumption and where practical opportunities for increased consumption exist or can be developed in a constructive manner. The United States will attempt to utilize such opportunities in a manner designed to stimulate economic development in friendly countries and to strengthen their security position.

(more)

The Agricultural Trade Development and Assistance Act of 1954 provides a supplementary means of dealing with existing stocks of agricultural products with primary emphasis upon the objective of reducing surplus crops through overseas marketing. The statute provides that private trade channels shall be used to the maximum extent possible, that marketings under the Act shall not interfere with usual United States marketings or disrupt world prices, and that activities under the Act shall be carried on so as to further United States objectives abroad.

In his message to the Congress in January of this year on the subject of agriculture the President stated that our food stocks can be used for constructive purposes that will benefit the people of the United States and our friends abroad. With effective administration, mobilizing the total resources of Government and private channels, substantial strides will be made in achieving this goal.

The President, in connection with the Executive Order, issued an important policy statement concerning foreign trade as related to agriculture. The statement, representing the work of an interdepartmental committee under the chairmanship of Clarence Francis, Special Consultant to the President, was approved by the President today.

TEXT OF POLICY STATEMENT:

The general foreign economic and trade policy set forth in the President's message to Congress of March 30, 1954, is applicable to and in the general interest of American agriculture. United States farm programs, both short-run and long-run, should be consistent with this policy.

United States agriculture, as well as other segments of the economy, stands to gain from such a sustained policy of expanding world trade, based upon the most productive use in each country of the available labor, natural resources and capital. Therefore, it is in the long-run interest of the American farmer, as well as all Americans, for this country to work with other nations in a mutual effort to expand international trade, and to promote the fuller convertibility of currencies, the freer movement of investment capital, and the interchange of technical and scientific information.

Today, the United States agricultural situation is complicated by two factors on the domestic front: (1) prices of many farm products are not competitive with world prices; and (2) production of certain farm products is badly out of balance with demand, thus creating rapidly mounting surplus stocks which overhang and tend to unsettle both domestic and foreign markets. Both of these factors promise to remain operative for some time. It therefore becomes necessary to reckon with them in any formulation of an agricultural foreign trade policy for the United States.

(more)

4. The United States recognizes that the movement of goods in foreign trade is dependent upon the enterprise of private business -- foreign and domestic. In implementing these policies with respect to agricultural commodities, the United States Government will seek to assure conditions of commerce permitting the private trader to function effectively.

Text of letter the President today forwarded to Mr. Clarence Francis, Special Consultant to the President:

Dear Mr. Francis:

The Executive Order which I have issued today establishing administrative arrangements for the Agricultural Trade Development and Assistance Act of 1954 provides, as you know, for an Interagency Committee on Agricultural Surplus Disposal with a representative of the White House Office as Chairman.

I request you to assume responsibility for organizing this Committee and to serve as its Chairman. I shall look to you for advice concerning policy issues that may develop.

In connection with the work of your Committee I shall expect you to be guided by the policy statement concerning foreign trade as related to agriculture which I have approved and issued today. I regard this document as an important announcement of the philosophy of this Administration with respect to agricultural foreign economic policy. It should generate confidence both at home and abroad as to our purposes in this vital area of international economic relations.

With best wishes.

Sincerely,

DWIGHT D. EISENHOWER

- - - - -

The President today also sent identical letters to the following:

The Secretary of Agriculture
The Director of the Foreign Operations Administration

(more)

APPENDIX B

The Secretary of State
The Secretary of Defense
The Secretary of Commerce
The Director of the Bureau of the Budget
The Secretary of the Treasury
Mr. Clarence Francis, Special Consultant to the President
The Director of the Office of Defense Mobilization
The Administrator of General Services
The Chairman of the Board of Governors of the Federal Reserve System

Text of the letter follows:

My dear _____:

I have today issued an Executive order providing for the administration of the Agricultural Trade Development and Assistance Act of 1954. It is the purpose of this letter to further define relationships among the several agencies of the executive branch which will have key responsibilities in assuring successful administration of this program.

The act provides for the use of surplus commodities to further many of our existing domestic and foreign programs, and in some instances, it expands or liberalizes them. These programs are currently carried on by many agencies of the Government. Accordingly, it is desirable to place the administration of the new act in those agencies and to make it possible for them to make their proper contribution in connection with the disposition of agricultural surpluses.

The very fact that a number of agencies have a responsibility in one or another aspect of surplus disposition makes effective coordination absolutely essential. It is therefore directed that a committee, to be known as "The Inter-agency Committee on Agricultural Surplus Disposal," be established to assist the agencies concerned in bringing into harmonious action, consistent with the over-all policy objectives of this Government, the various agricultural surplus disposal activities vested in them by, or assigned to them pursuant to, the Act. The Committee should be composed of a representative of the White House Office, as Chairman, and one representative of each Government department and agency which is, consonant with law, designated by the Chairman to have representation on the committee. I shall look to the Chairman to advise me concerning policy issues which arise. I shall expect the Secretary of Agriculture to assure the effective coordination of day-to-day operations through appropriate interagency relationships.

(more)

The following arrangements are prescribed in order to facilitate the best administration of the Act:

1. Existing pertinent interagency coordination arrangements are to be followed.

2. This program must be carried out in accordance with and in furtherance of our foreign policy objectives. I wish to re-emphasize that the Secretary of State is the officer responsible for advising and assisting me in the formulation and control of foreign policy. I look to him as the channel of authority within the executive branch on foreign policy as I do to the Secretaries of Defense and Treasury in their respective fields.

3. The delegation to the State Department of responsibility for negotiations with foreign governments is intended to give recognition to State Department's central responsibility in this area. Other agencies directly concerned with the substance of the negotiation, however, must continue to carry substantial responsibility in such negotiations. Moreover, it is assumed that these other agencies will conduct day-to-day discussions with representatives of the foreign governments in implementing basic agreements reached with such governments. Such discussions, of course, must be in conformance with the foreign policy responsibilities of the State Department and the chiefs of our diplomatic missions.

4. It is imperative that we continue to coordinate United States programs affecting other nations. For this reason, the accompanying Executive order makes this program subject to my previous instructions with respect to coordination of United States activities in foreign countries. Under those instructions, the chief of the diplomatic mission is the principal officer of the United States in each country and has full responsibility and authority for assuring effective action in that country.

5. In order to coordinate most effectively the various agricultural surplus disposal programs abroad, I shall expect the Secretary of Agriculture to utilize to the maximum extent practicable the facilities, services and experience of the Foreign Operations Administration.

6. I am requesting the Secretary of Commerce to provide the focal point in the Government for assisting private enterprise with respect to barter transactions referred to in the act. This arrangement would be one more step toward assuring the maximum utilization of private channels in the execution of this program.

(more)

7. It is contemplated that the Office of Defense Mobilization shall utilize the facilities and services of the General Services Administration for the purchase and handling of materials under section 104(b) of the act.

In January of this year, I stated in my message on Agriculture that surplus agricultural stocks can be used for constructive purposes that will benefit the people of the United States and our friends abroad. Enactment of this legislation is a major step forward in achieving that broad objective. With effective administration, mobilizing the total resources of Government and private channels of trade, we should make substantial strides towards achieving the above goals.

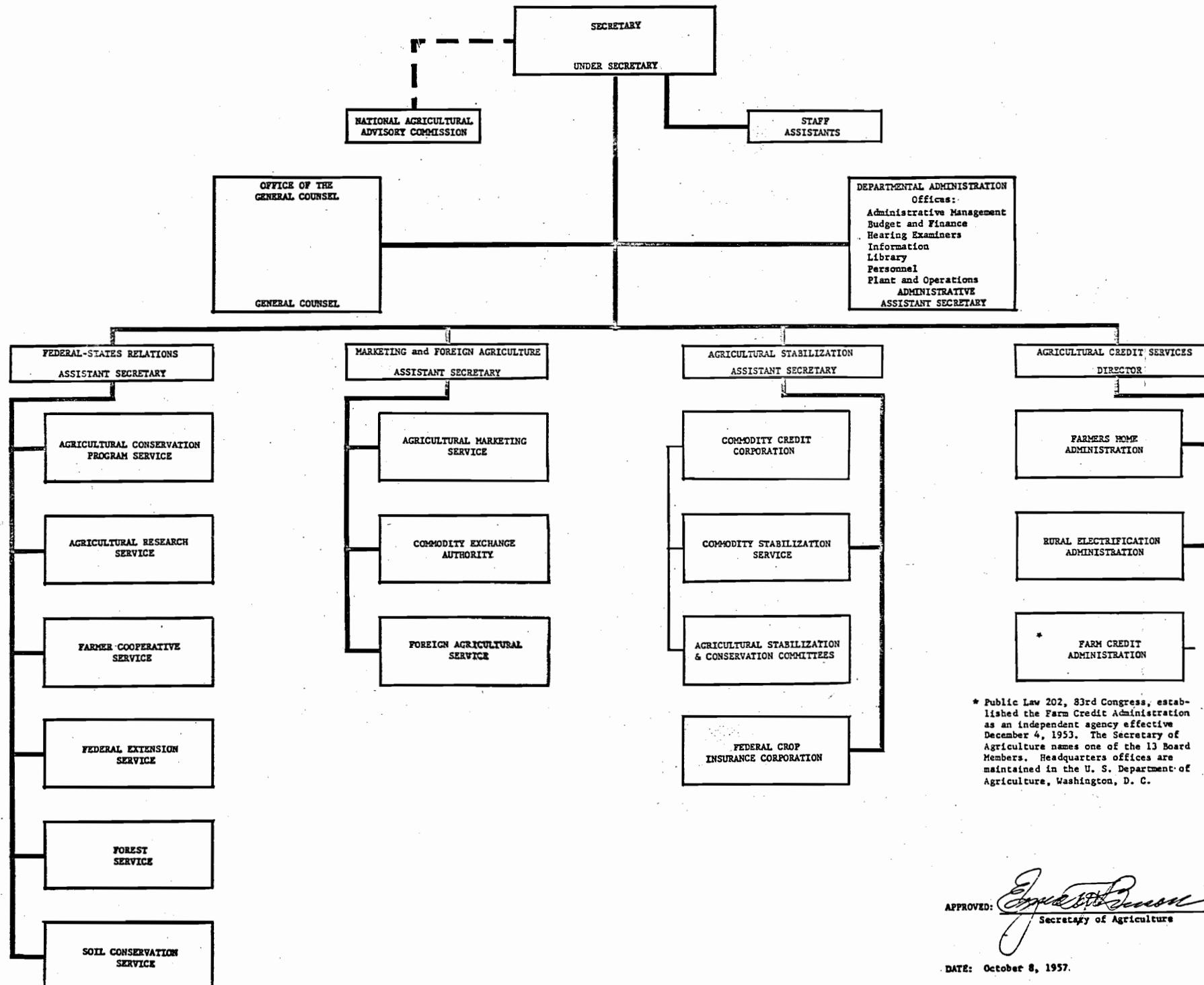
I have forwarded an identical letter to the other officers of the Government principally concerned with carrying out the Executive order.

Sincerely,

DWIGHT D. EISENHOWER

#####

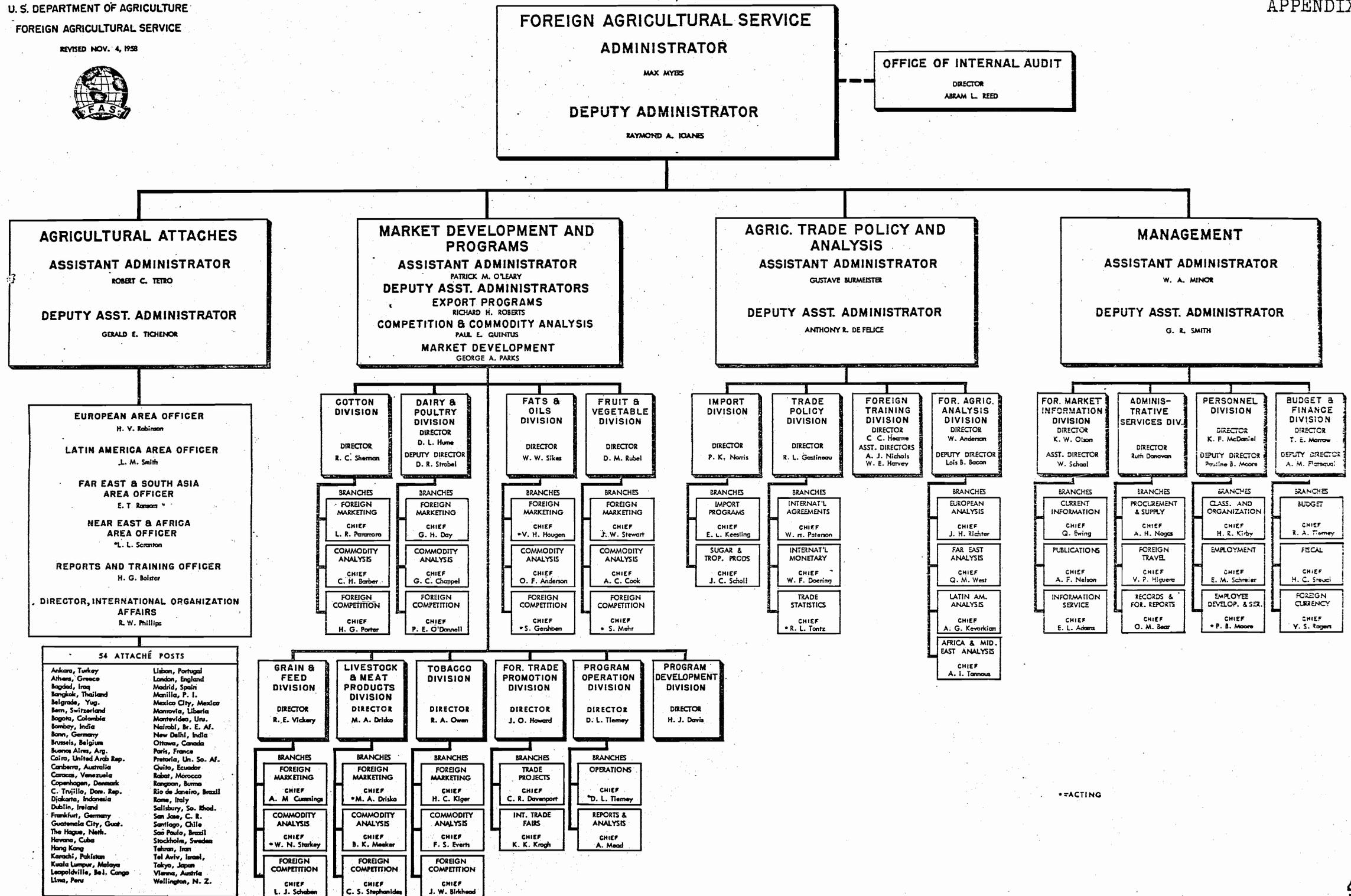
UNITED STATES DEPARTMENT OF AGRICULTURE



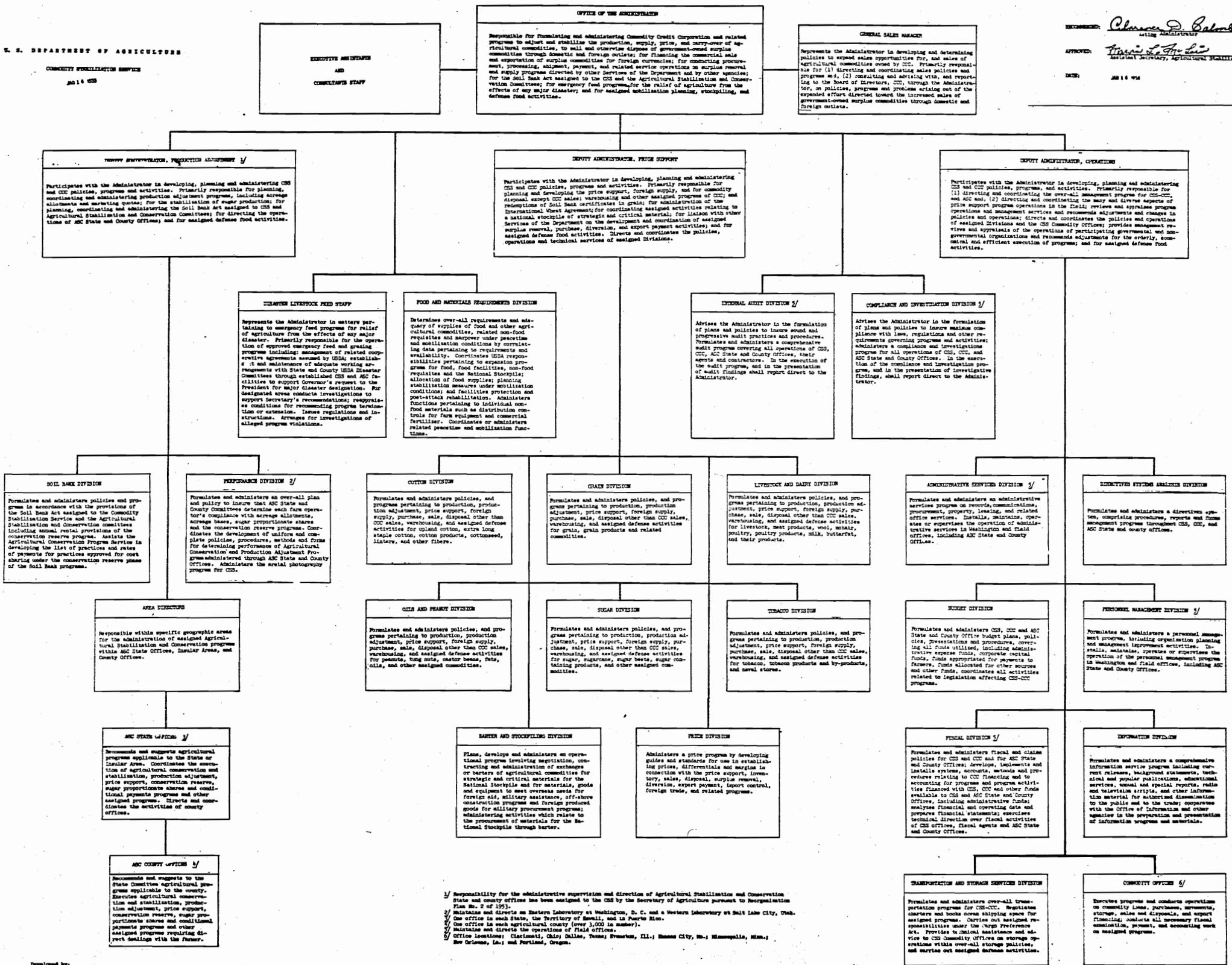
* Public Law 202, 83rd Congress, established the Farm Credit Administration as an independent agency effective December 4, 1953. The Secretary of Agriculture names one of the 13 Board Members. Headquarters offices are maintained in the U. S. Department of Agriculture, Washington, D. C.

APPROVED: *Eugene W. Brown*
Secretary of Agriculture

DATE: October 8, 1957.



APPROVED: *Charles D. Salway*
Acting Administrator
James L. ...
Assistant Secretary, Agricultural Stabilization
DATE: JAN 14 1958



Developed by:
Classification and Organization Branch
Personnel Management Division
Supersedes chart dated May 21, 1957
April 1958

1/ Responsibility for the administrative supervision and direction of Agricultural Stabilization and Conservation State and county offices has been assigned to the CSS by the Secretary of Agriculture pursuant to Reorganization Plan No. 2 of 1953.
2/ Maintains and Laboratory at Washington, D. C. and a Western Laboratory at Salt Lake City, Utah.
3/ One office in each State, the Territory of Hawaii, and in Puerto Rico.
4/ One office in each agricultural county (over 3,000 in number).
5/ Maintains and directs the operations of field offices.
6/ Office locations: Cincinnati, Ohio; Dallas, Texas; Evansville, Ill.; Kansas City, Mo.; Minneapolis, Minn.; New Orleans, La.; and Portland, Oregon.

MAY 20 1958

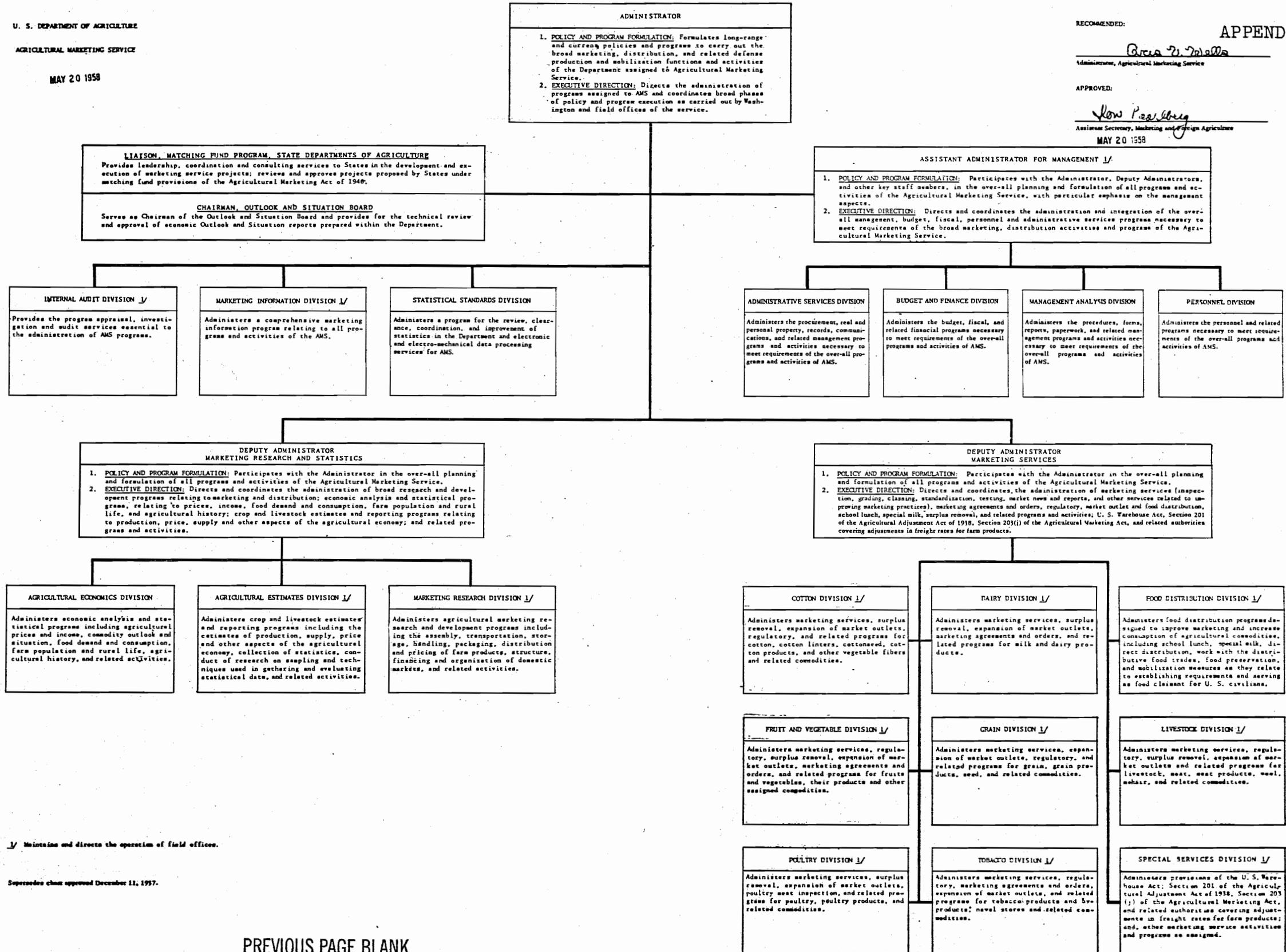
RECOMMENDED:

APPENDIX C

Orin P. Della
 Administrator, Agricultural Marketing Service

APPROVED:

How P. ...
 Assistant Secretary, Marketing and Foreign Agriculture
 MAY 20 1958



1/ Maintains and directs the operation of field offices.

Supersedes chart approved December 11, 1957.

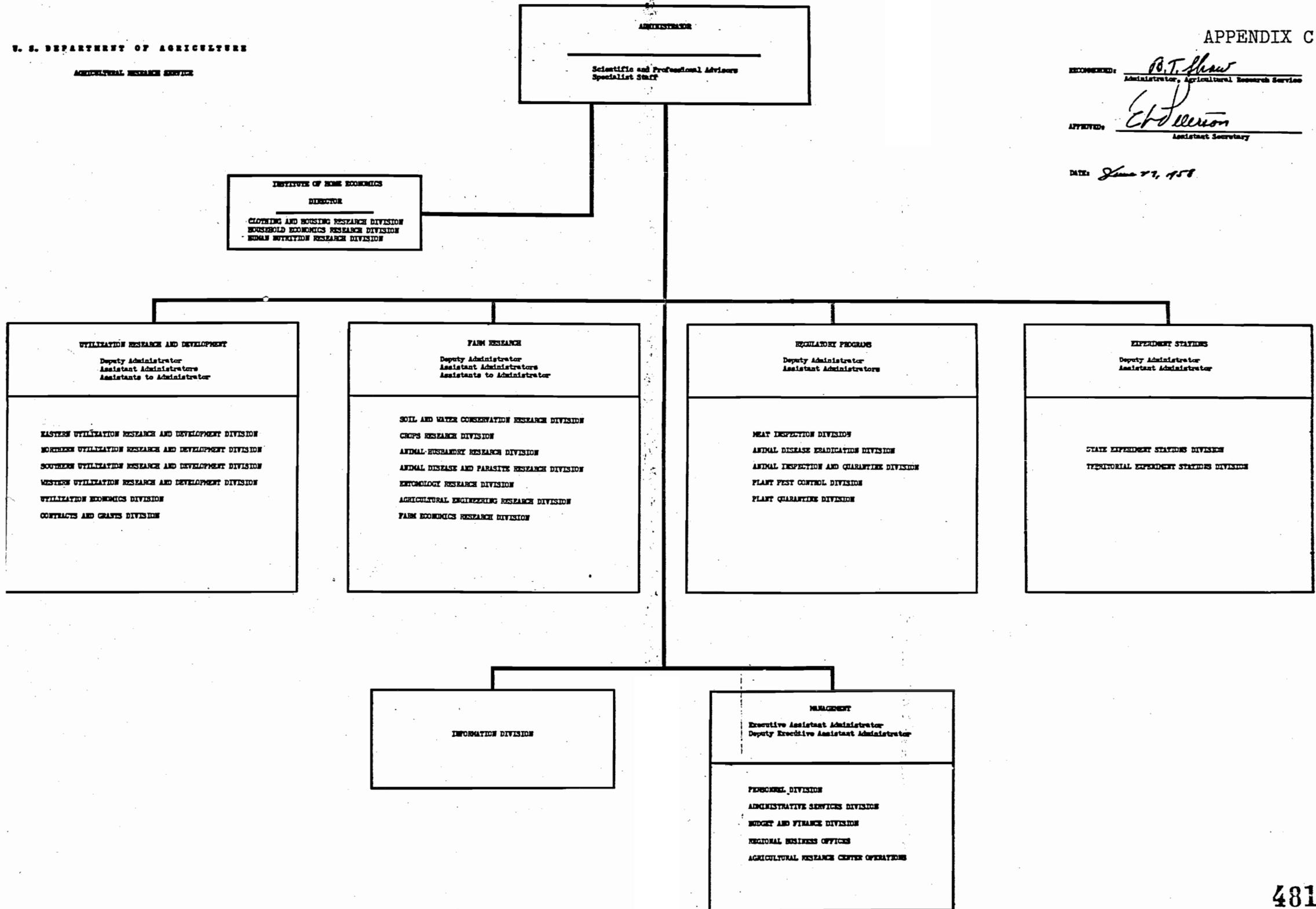
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RECOMMENDED: *B.T. Shaw*
Administrator, Agricultural Research Service

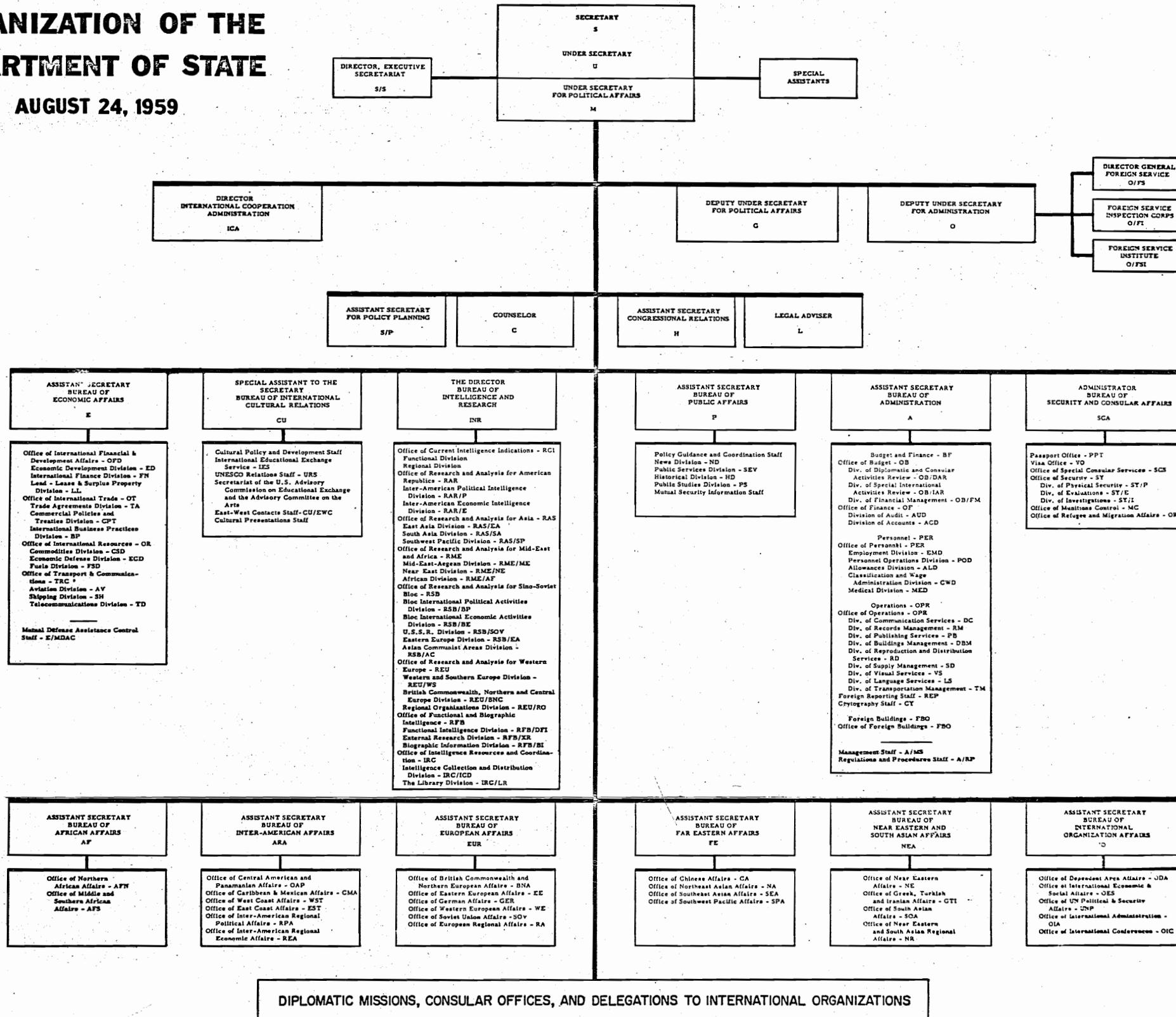
APPROVED: *E.H. Peterson*
Assistant Secretary

DATE: June 27, 1958



ORGANIZATION OF THE DEPARTMENT OF STATE

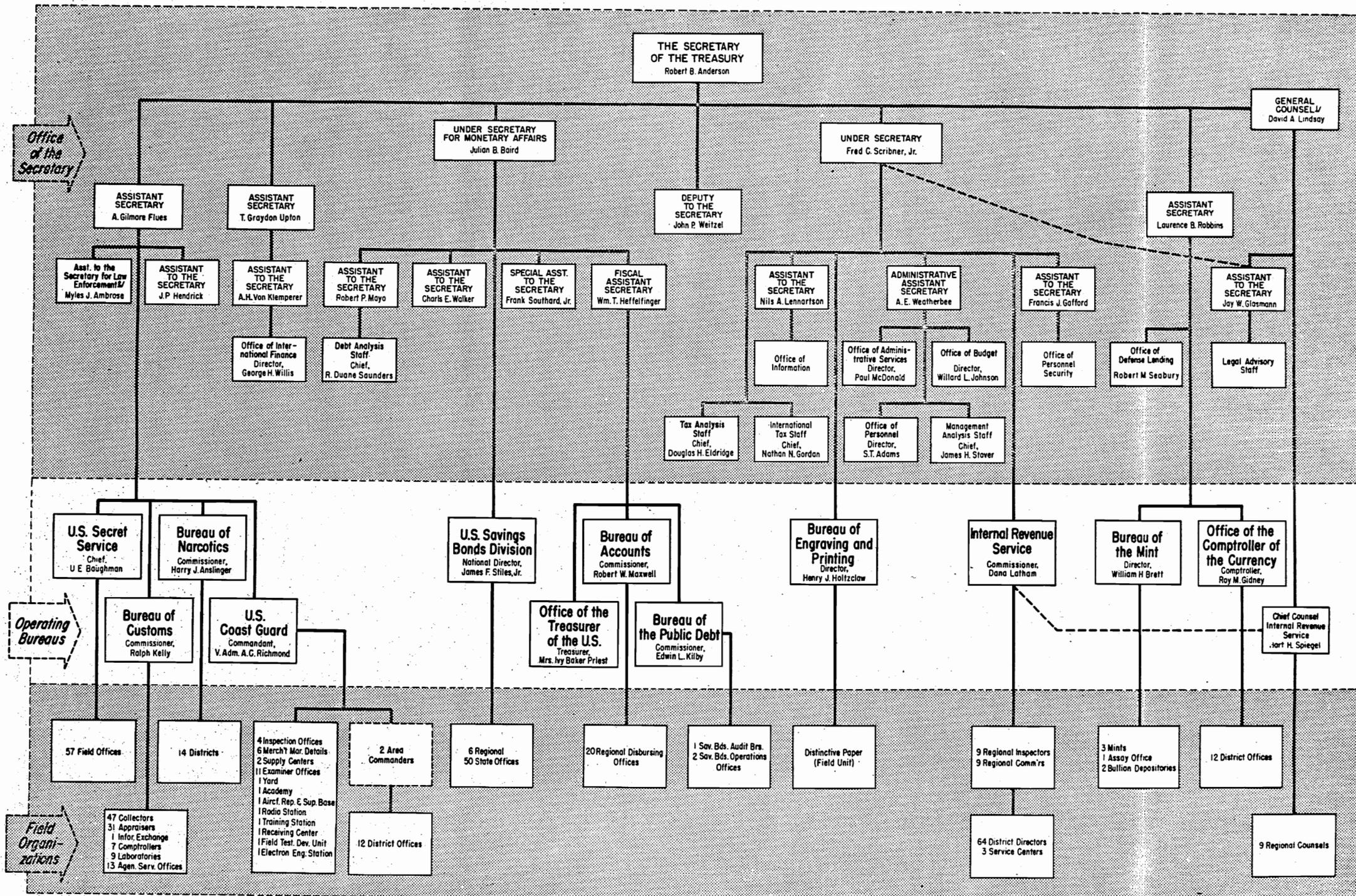
AUGUST 24, 1959



DIPLOMATIC MISSIONS, CONSULAR OFFICES, AND DELEGATIONS TO INTERNATIONAL ORGANIZATIONS

ORGANIZATION OF THE DEPARTMENT OF THE TREASURY.

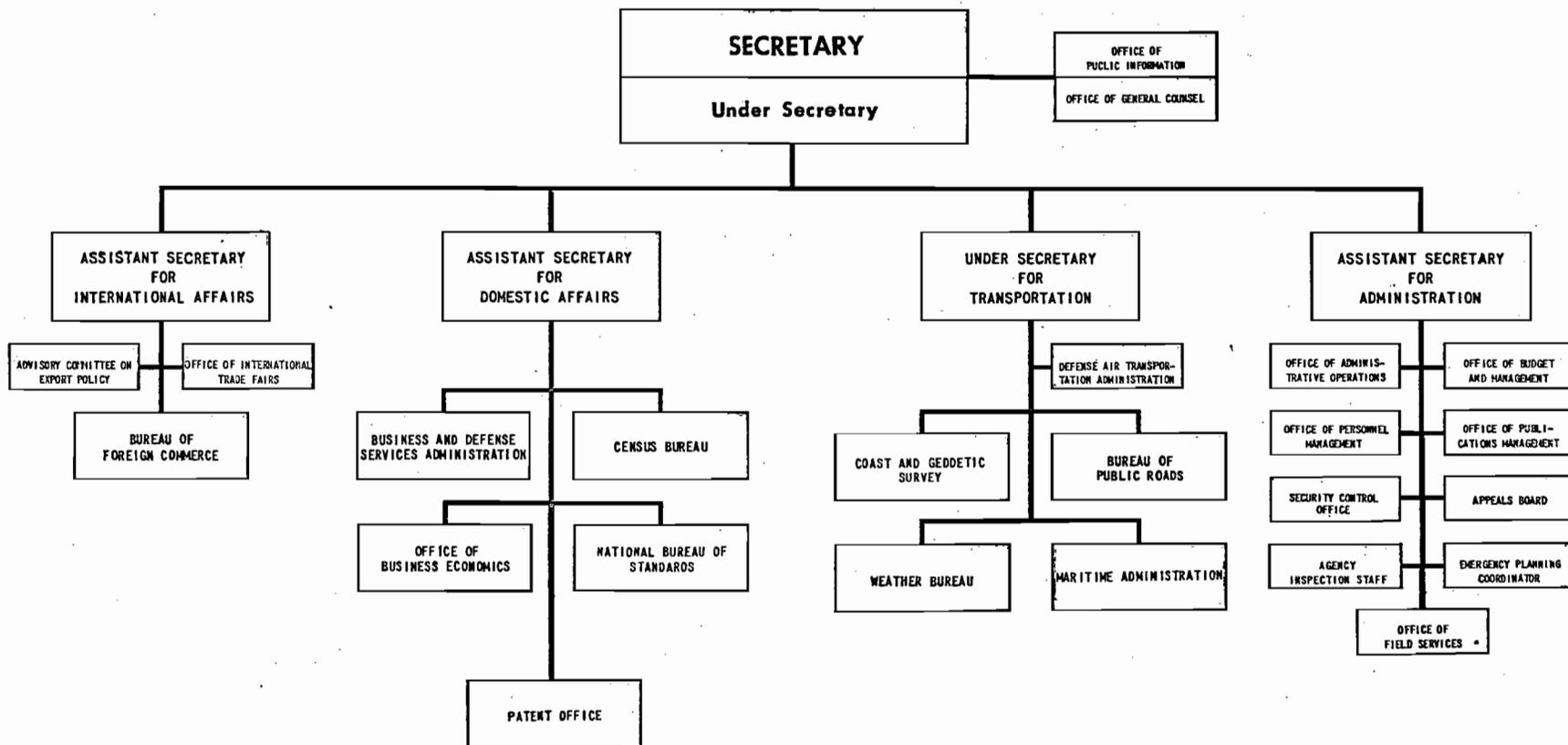
APPENDIX C
December 15, 1959



1/ The General Counsel serves as legal advisor to the Secretary, his associates, and heads of bureaus.

2/ The Assistant for Law Enforcement coordinates enforcement activities of the U.S. Secret Service, U.S. Coast Guard, Bureau of Customs, Bureau of Narcotics, and Internal Revenue Service.

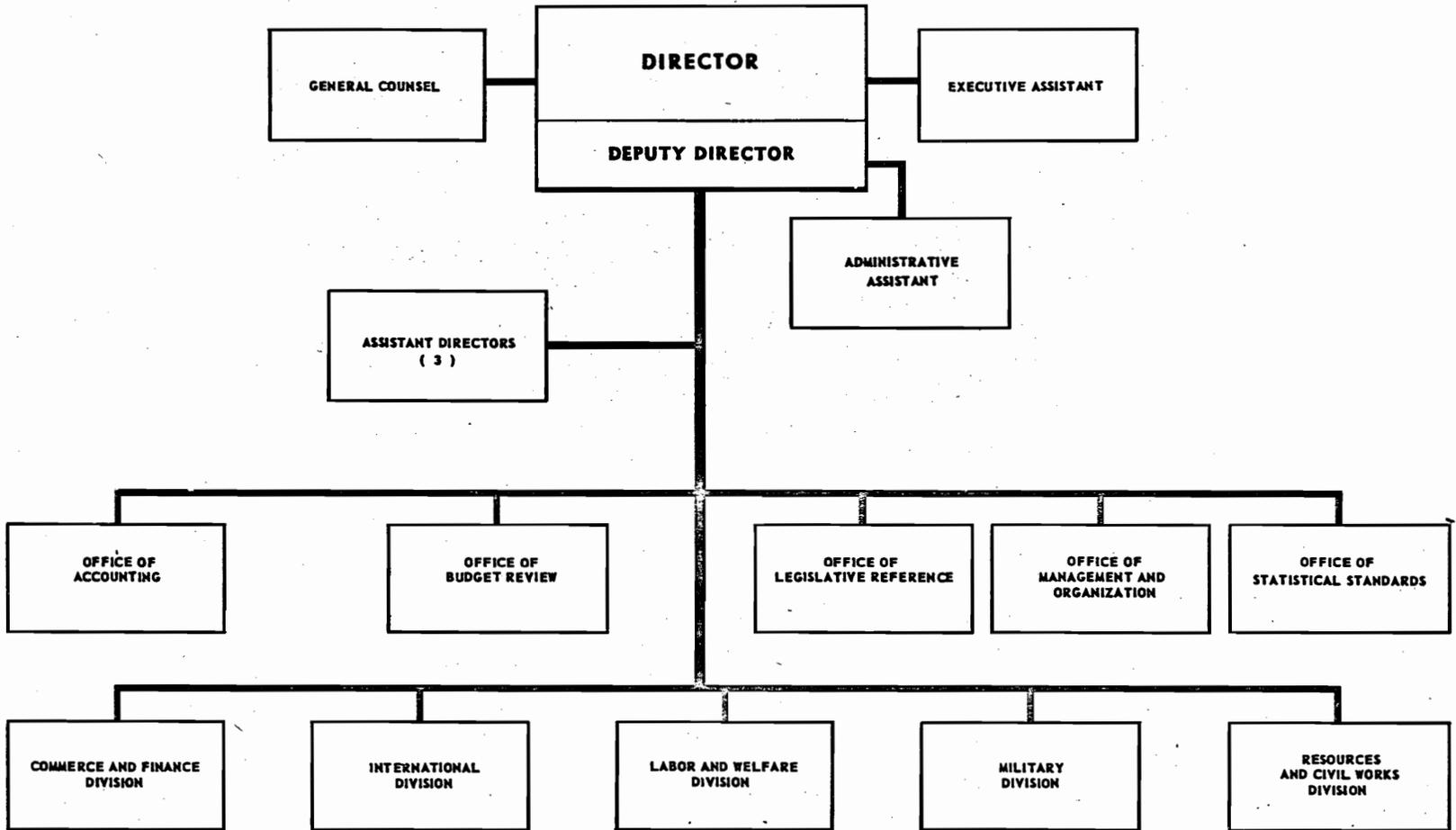
DEPARTMENT OF COMMERCE



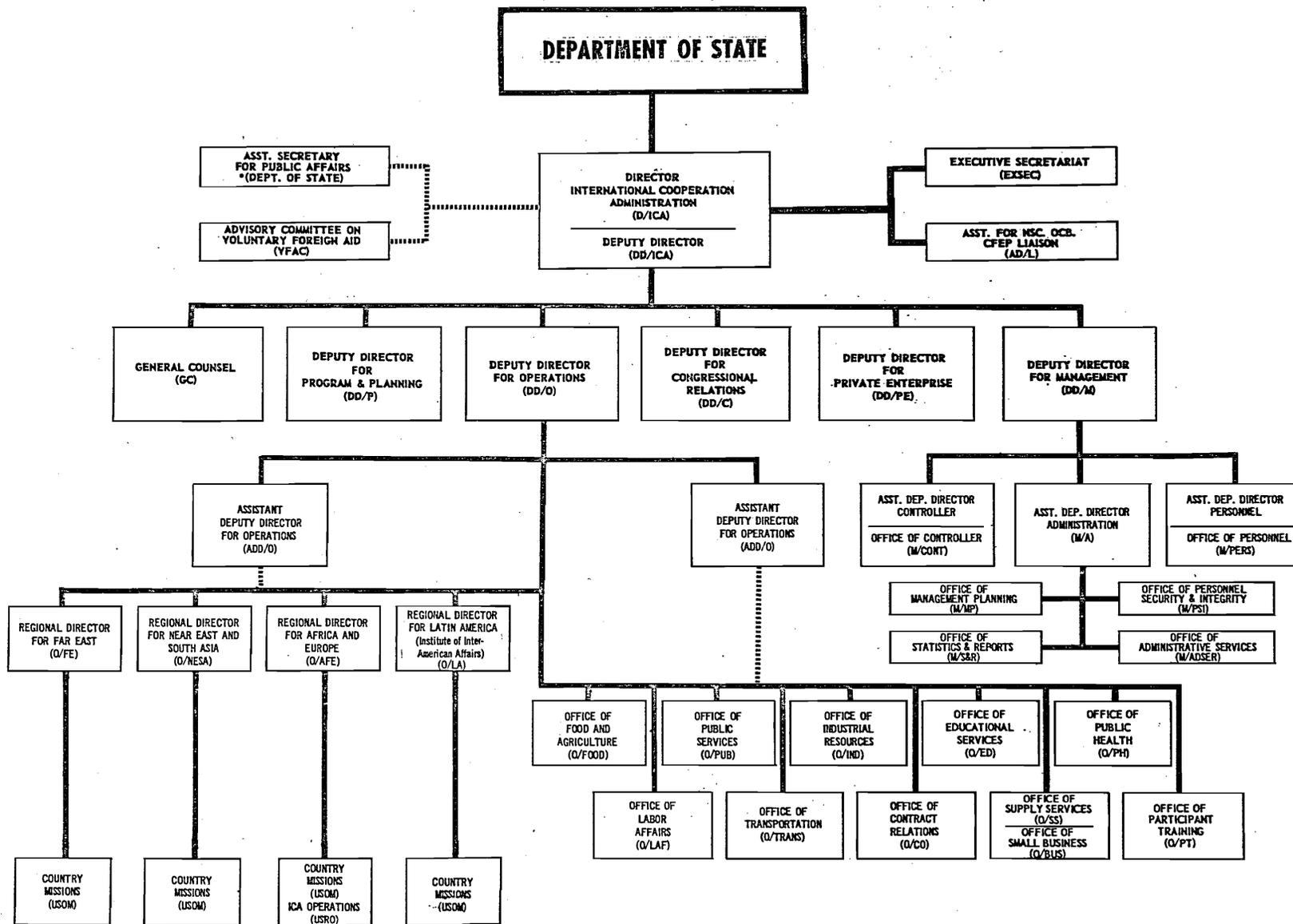
Robert Wood
Assistant Secretary of Commerce for Administration

December 31, 1958

**EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET**



INTERNATIONAL COOPERATION ADMINISTRATION



*RESPONSIBLE FOR MUTUAL SECURITY PROGRAM INFORMATION ACTIVITIES

FEBRUARY 1, 1960

EXPORT-IMPORT BANK OF WASHINGTONOFFICIALS

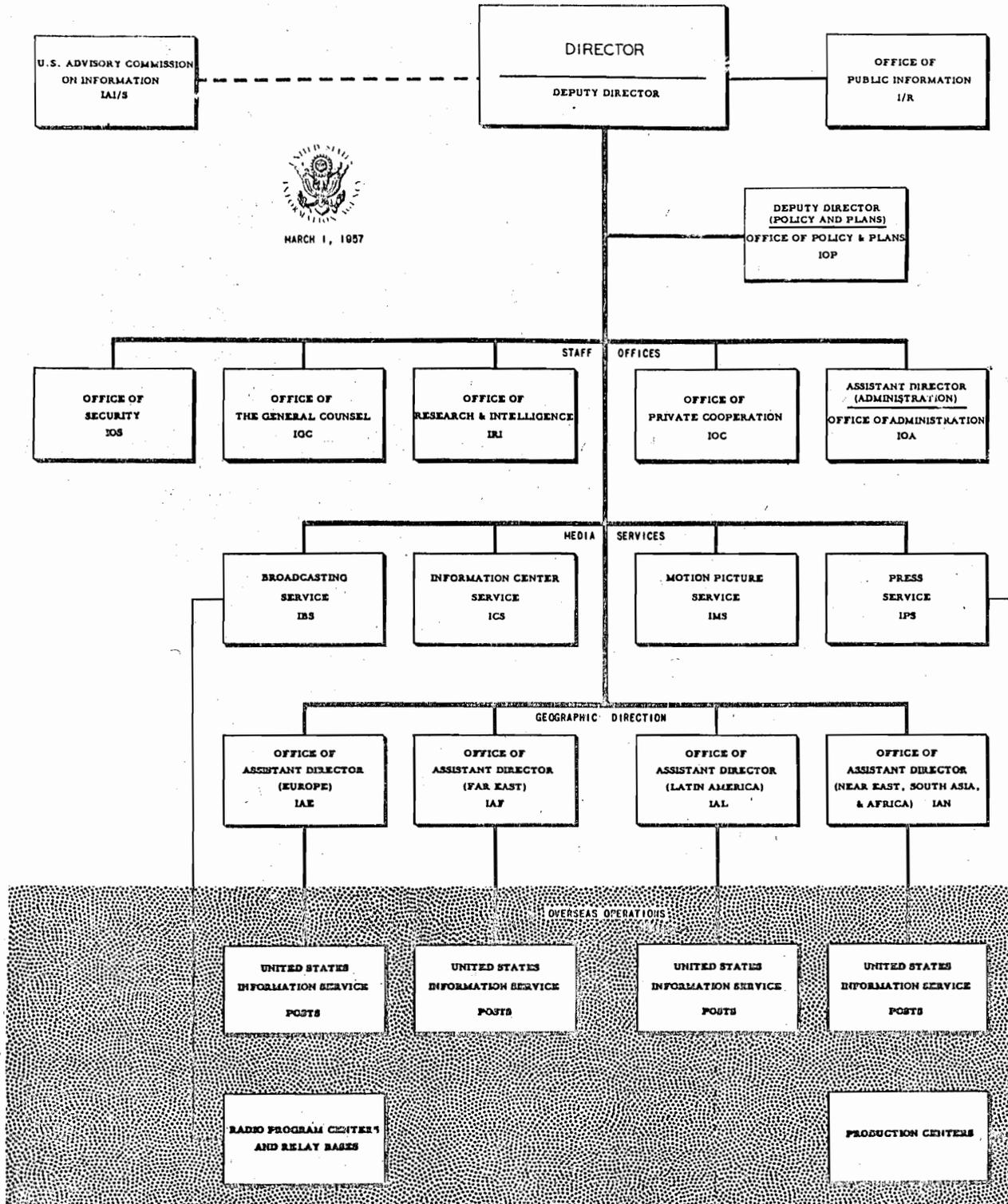
President and Chairman	Samuel C. Waugh
First Vice President and Vice Chairman	Lynn U. Stambaugh
Director	James S. Bush
Director	Hawthorne Arey
Director	George A. Blowers
Executive Vice President	Walter C. Sauer
Senior Vice President	W. D. Whittemore
Treasurer	Arthur M. Anderson
General Counsel	Wilson L. Townsend
Acting Secretary	Edward S. Conger
Assistant Secretary	Joseph H. Regan
Chief, Economics Division	R. Henry Rowntree
Chief, Engineering Division	A. Carl Cass
Chief, Loan Division	Raymond L. Jones
Chief, Private Capital Parti- cipation Division	Albert J. Redway
Chief, Accounts Division	Frank J. Walsh
Administrative Officer	John R. Crown

MANUAL OF OPERATIONS & ADMINISTRATION

200 ORGANIZATION AND MISSION

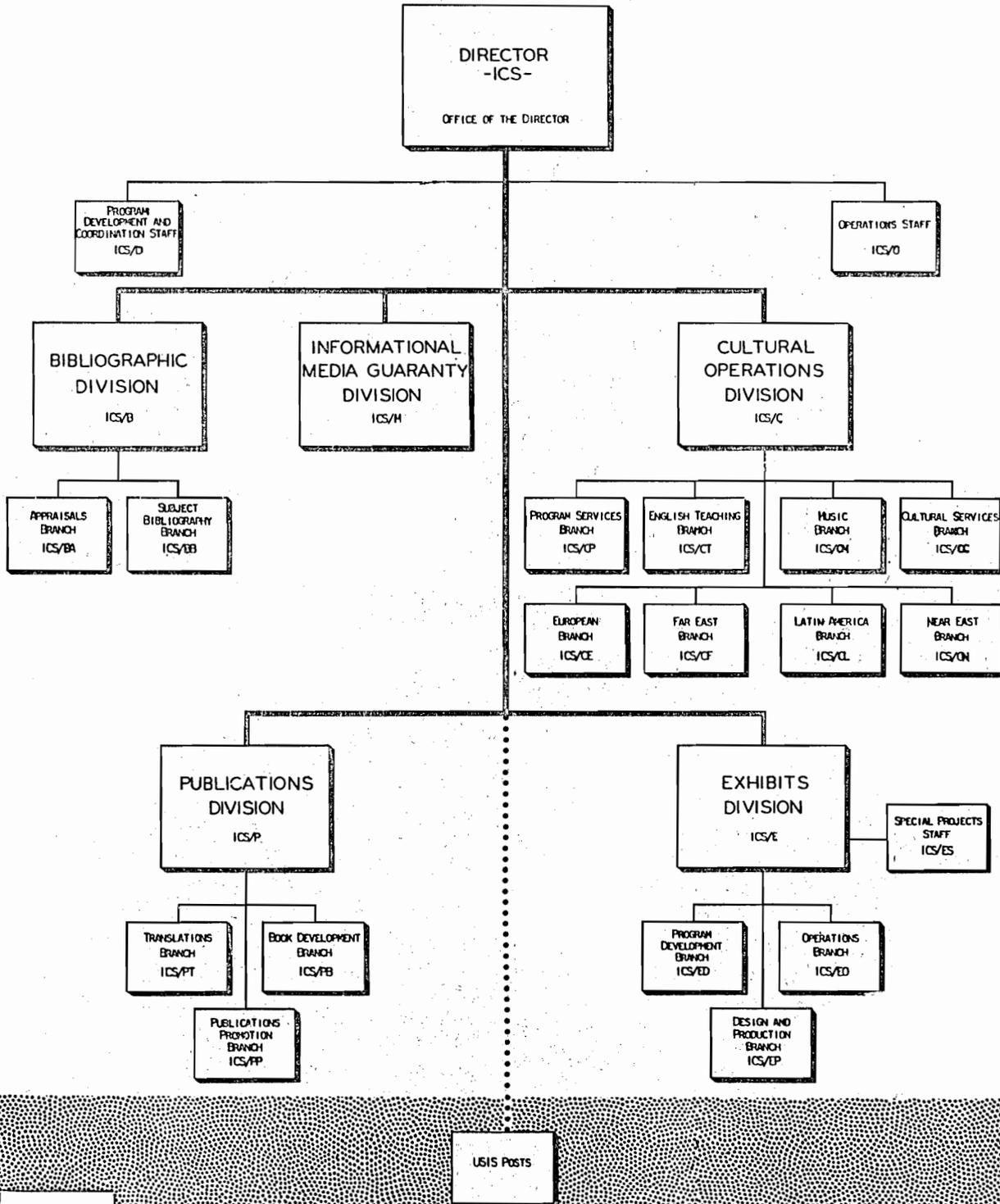
Section 220

Exhibit 220B — Organization of the U. S. Information Agency



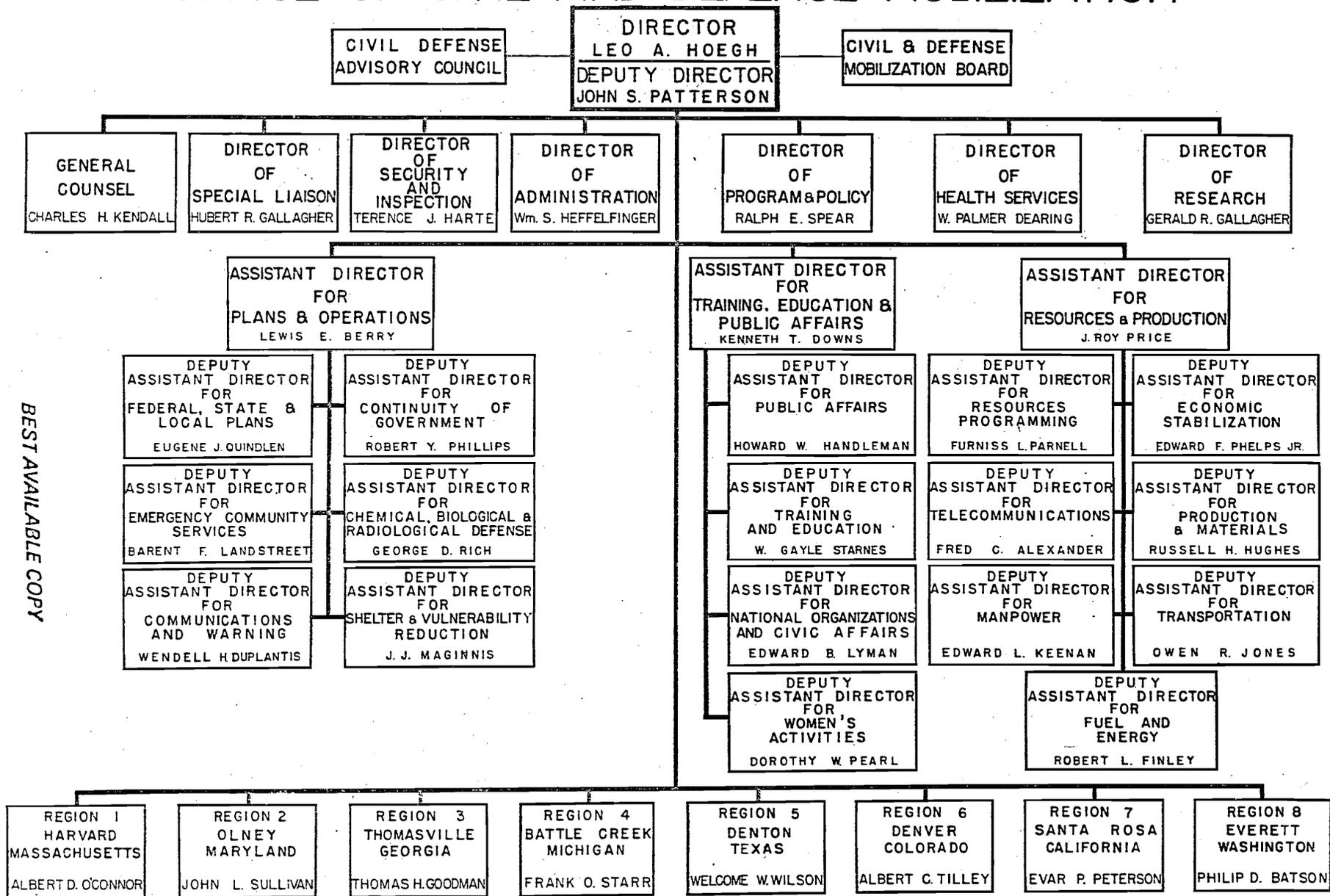
MANUAL OF OPERATIONS & ADMINISTRATION

Exhibit 260B — Information Center Service



492

EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF CIVIL AND DEFENSE MOBILIZATION



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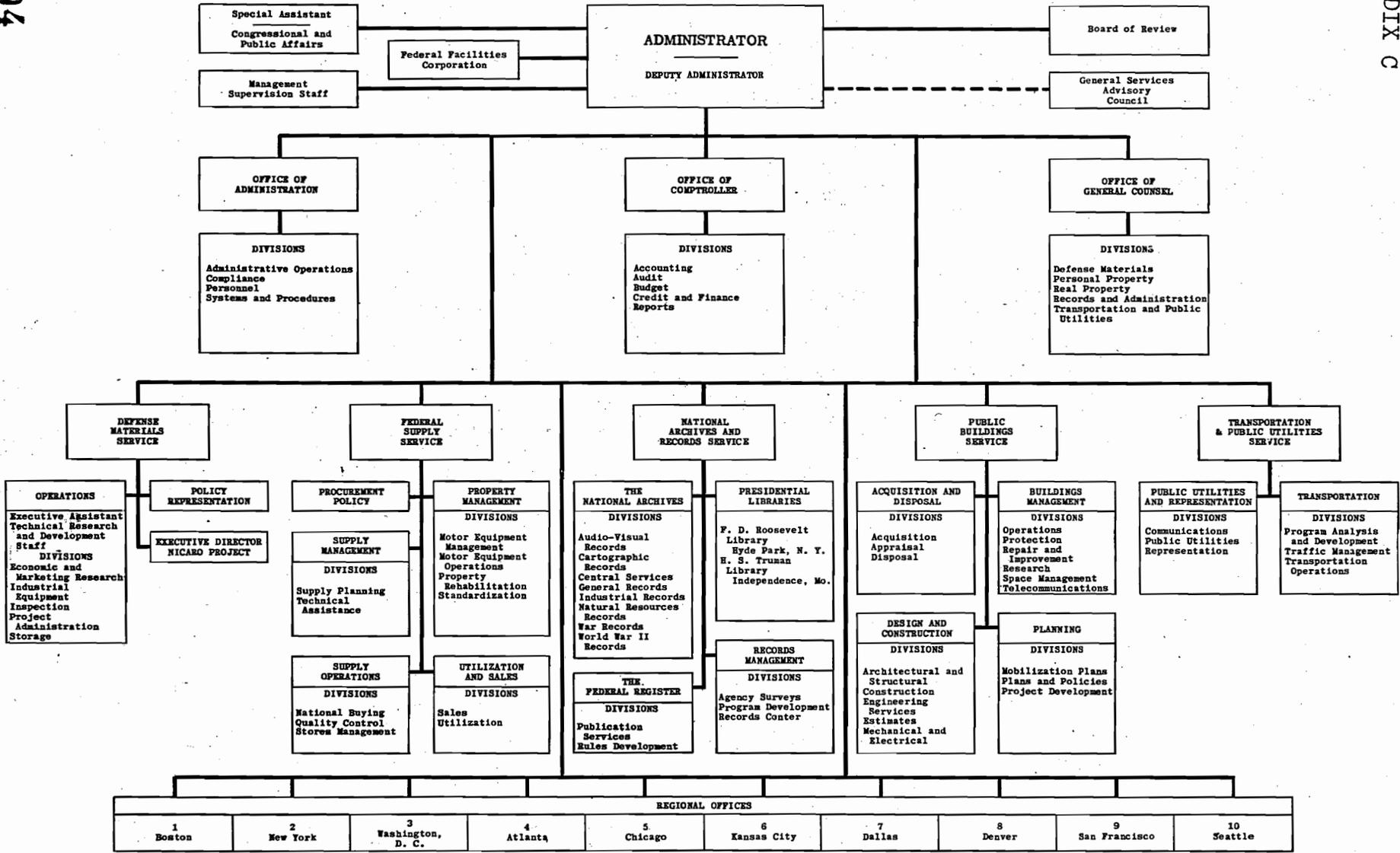
APPENDIX C

APPROVED:
LEO A. HOEGH, DIRECTOR
APRIL 7, 1953

OCDA BC 34883

GENERAL SERVICES ADMINISTRATION

494



December 10, 1959

APPENDIX

TABLE IX. -- Approximate quantities of commodities under Title I, Public Law 480 agreements signed July 1, 1954 through Dec. 31, 1959.

Country	Wheat and flour 1,000 bushels	Feed grains 1,000 bushels	Rice 1,000 cwt.	Cotton 1,000 bales	Tobacco 1,000 pounds	Dairy products 1,000 pounds	Fats and oils 1,000 pounds	Poultry 1,000 pounds	Dry edible beans 1,000 cwt.	Fruits and vegetables 1,000 pounds	Meat 1,000 pounds	Hay and pasture seeds 1,000 cwt.
Argentina.....	--	--	767	--	--	--	386,841	--	--	--	--	--
Austria.....	4,055	11,621	--	65.8	7,425	--	19,449	--	--	1,299	--	--
Brazil.....	88,527	369	--	--	330	6,257	23,715	--	--	--	--	--
Burma.....	--	--	--	215.9	4,084	12,345	11,077	--	--	808	--	--
Ceylon.....	3,650	--	1,932	--	--	--	--	--	--	--	--	--
Chile.....	8,830	--	--	43.3	325	--	94,890	--	--	--	--	10
China (Taiwan).....	9,424	--	--	41.0	7,057	8,810	27,514	--	--	--	--	--
Colombia.....	21,265	--	--	71.5	1,527	1,878	63,340	--	--	--	--	--
Ecuador.....	1,569	--	--	2.5	419	--	27,185	--	--	--	--	--
Finland.....	5,881	1,458	--	49.9	20,992	--	--	--	--	15,080	--	--
France.....	--	--	--	363.1	16,142	--	--	--	--	--	--	--
Germany.....	--	--	--	--	--	--	--	4,542	--	--	--	--
Greece.....	16,598	12,911	--	--	--	35,952	81,347	--	--	--	--	--
Iceland.....	1,002	1,474	29	4.9	1,222	--	1,946	--	--	13,045	--	--
India.....	397,658	14,586	7,646	346.6	6,570	40,524	--	--	--	--	--	--
Indonesia.....	5,999	--	9,699	405.8	24,434	--	--	--	--	--	--	--
Iran.....	5,296	--	--	--	--	1,630	--	--	--	--	--	--
Israel.....	23,284	35,237	94	24.0	1,110	77,738	51,806	--	82	709	24,758	--
Italy.....	896	5,197	--	518.5	22,800	--	253,891	2,858	--	--	--	--
Japan.....	30,979	11,094	2,142	319.3	9,792	--	--	--	--	--	--	--
Korea.....	33,180	30,187	3,030	124.4	8,486	1,210	2,741	--	--	--	15,041	--
Mexico.....	--	20,484	--	--	--	--	--	--	--	--	--	--
Netherlands.....	--	--	--	1.8	--	--	--	--	--	--	--	--
Pakistan.....	75,549	--	10,496	1/175.5	5,777	11,126	91,982	--	--	--	--	--
Paraguay.....	1,001	--	--	--	--	917	3,521	--	--	--	--	--
Peru.....	8,547	--	652	--	--	773	7,964	145	--	--	--	--
Philippines.....	--	--	928	--	29.3	--	15,424	--	2	--	--	--
Poland.....	34,088	36,058	--	426.7	--	--	21,084	131,115	--	--	--	--
Portugal.....	3,879	--	--	--	--	--	--	--	--	--	--	--
Spain.....	2/ 2,598	20,967	--	3/447.0	27,775	7,123	1,516,644	1,787	206	50,822	66,466	--
Thailand.....	--	--	--	--	5,439	--	1,957	--	--	--	--	--
Turkey.....	54,050	16,528	335	--	--	12,014	590,507	6,900	66	--	14,607	--
UAR (Egypt).....	57,042	2,593	883	--	10,588	--	31,275	1,429	--	--	--	--
UAR (Syria).....	2,756	3,083	--	--	--	--	--	--	--	--	--	--
United Kingdom.....	--	--	--	--	52,905	--	--	--	--	92,885	--	--
Uruguay.....	11,023	1,814	--	50.6	6,778	--	--	--	--	--	--	--
Viet Nam.....	--	--	--	--	17,281	--	--	--	--	--	--	--
Yugoslavia.....	135,092	--	--	436.5	--	--	362,497	--	235	3,307	--	--
Total.....	1,043,718	225,661	38,633	4,163.9	259,258	256,762	3,785,910	17,661	591	177,955	120,872	10

(Footnotes on reverse)

Source: The President's eleventh semiannual report on Public Law 480.

- 1/ Includes 5,000 bales extra-long staple.
 2/ Wheat sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.
 3/ Includes 7,000 bales cotton linters and 20,000 bales extra-long staple.

	<u>Thous. bu.</u>
4/ Corn	90,253
Oats	7,644
Barley	89,667
Grain sorghums	33,360
Rye	<u>4,737</u>
Total	225,661

	<u>Thous. lb.</u>
5/ Condensed milk	8,344
Dry whole milk	3,789
Nonfat dry milk	152,922
Evaporated milk	27,607
Butter, butter oil and/or ghee	43,229
Cheese	18,870
Whey	<u>2,001</u>
Total	256,762

	<u>Thous. lb.</u>
6/ Cottonseed oil and/or soybean oil	3,413,150
Linseed oil	7,492
Lard	180,077
Tallow and/or grease	<u>185,191</u>
Total	3,785,910

- 7/ All fruit except Spain which is potatoes.

	<u>Thous. lb.</u>
8/ Israel, frozen beef	24,758
Korea, canned pork	15,041
Spain, canned hams fat backs	2,403
frozen beef & variety meats	2,547
Turkey, frozen beef	61,516
Total	<u>14,607</u>
Total	120,872

Source: The President's eleventh semiannual report on Public Law 480.

TABLE II.-Commodity composition of programs under Title I, Public Law 480 agreements signed July 1, 1954 through Dec. 31, 1959.

Country ^{1/}	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Total				
									Market value	Ocean transportation	Market value including O.T.	Estimated CCC cost including O.T.	
	Million dollars	Million dollars	Million dollars	Million dollars									
Argentina.....	--	--	4.6	--	--	--	54.3	--	58.9	3.6	62.5	70.0	
Austria.....	6.9	15.7	--	10.3	4.8	--	2.4	.2	40.3	3.4	43.7	62.6	
Brazil.....	147.8	.6	--	--	.7	2.2	4.1	--	155.4	24.0	179.4	280.6	
Burma.....	--	--	--	32.0	2.8	2.1	1.8	.1	38.8	1.8	40.6	54.2	
Ceylon.....	5.9	--	11.9	--	--	--	--	--	17.8	3.2	21.0	31.2	
Chile.....	14.1	--	--	7.1	.2	--	14.9	.4	36.7	2.7	39.4	53.7	
China(Taiwan).....	16.3	--	--	4.7	6.0	2.4	3.0	--	32.4	2.4	34.8	45.7	
Colombia.....	39.4	--	--	11.9	1.6	.3	9.5	--	62.7	6.8	69.5	95.9	
Ecuador.....	3.1	--	--	.4	.7	--	4.3	--	8.5	.8	9.3	11.4	
Finland.....	10.5	2.3	--	8.7	11.8	--	--	2.3	35.6	2.0	37.6	49.8	
France.....	--	--	--	47.0	10.1	--	--	--	57.1	.9	58.0	85.5	
Germany.....	--	--	--	--	--	--	--	1.2	1.2	--	1.2	1.2	
Greece.....	26.9	14.5	--	--	--	4.4	13.7	--	59.5	6.8	66.3	93.9	
Iceland.....	1.9	2.2	.2	.9	1.3	--	.3	1.4	8.2	.8	9.0	11.1	
India.....	658.9	17.7	42.9	55.8	6.5	3.5	--	--	785.3	3/ 148.7	934.0	1,364.7	
Indonesia.....	10.0	--	58.8	54.7	15.0	--	--	--	138.5	11.5	150.0	223.2	
Iran.....	9.2	--	--	--	--	.8	--	--	10.0	2.6	12.6	20.8	
Israel.....	39.3	38.6	.6	4.4	.8	16.2	7.5	10.7	118.1	12.7	130.8	186.3	
Italy.....	1.5	6.3	--	82.4	17.9	--	37.7	1.0	146.8	5.3	152.1	190.4	
Japan.....	47.9	13.3	13.7	52.5	7.6	--	--	--	135.0	13.5	148.5	201.6	
Korea.....	55.9	31.8	24.3	17.3	6.6	.3	.5	8.0	144.7	18.9	163.6	217.2	
Mexico.....	--	26.6	--	--	--	--	--	--	26.6	1.6	28.2	63.5	
Netherlands.....	--	--	--	.2	--	--	--	--	.2	4/	.2	.3	
Pakistan.....	124.3	--	65.3	5/ 30.3	4.8	4.9	13.3	--	242.9	27.9	270.8	401.8	
Paraguay.....	1.7	--	--	--	--	.4	.5	--	2.6	.3	2.9	4.5	
Peru.....	14.7	--	4.4	--	--	.2	1.0	4/	20.3	1.8	22.1	35.8	
Philippines.....	--	--	6.1	4.9	--	1.7	.4	4/	13.1	1.3	14.4	21.8	
Poland.....	56.5	41.4	--	63.1	--	1.8	16.4	--	179.2	14.9	194.1	270.1	
Portugal.....	6.3	--	--	--	--	--	--	--	6.3	.9	7.2	13.5	
Spain.....	6/ 4.4	25.9	--	7/ 75.5	20.3	1.5	219.5	20.2	367.3	23.3	390.6	431.8	
Thailand.....	--	--	--	--	3.9	.5	--	--	4.4	.2	4.6	4.9	
Turkey.....	90.1	19.0	2.1	--	--	2.6	86.4	7.1	207.3	24.9	232.2	310.3	
UAR (Egypt).....	91.0	3.4	5.3	--	9.0	--	3.7	.5	112.9	12.8	125.7	183.8	
UAR (Syria).....	4.6	3.9	--	--	--	--	--	--	8.5	1.1	9.6	12.9	
United Kingdom.....	--	--	--	--	38.0	--	--	10.1	48.1	.4	48.5	48.5	
Uruguay.....	18.5	2.2	--	7.3	6.1	--	--	--	34.1	3.2	37.3	51.0	
Viet Nam.....	--	--	--	--	10.5	--	--	--	10.5	.5	11.0	11.0	
Yugoslavia.....	228.4	--	--	64.3	--	--	48.4	2.2	343.3	49.3	392.6	571.0	
Total.....	1,736.0	8/ 265.4	240.2	635.7	187.0	9/ 45.8	10/ 543.6	11/ 65.4	3,719.1	436.8	4,155.9	5,787.5	

(Footnotes on reverse)

Source: The President's eleventh semiannual report on Public Law 480.

Title I, Public Law 480, Shipments by Fiscal Years, Beginning of Program through December 31, 1959
Quantity and Estimated Market Value 1/

Commodity	Unit	FY 1955		FY 1956		FY 1957		FY 1958		FY 1959		1st half FY 1960		Jan. 1955-Dec. 1959	
		Quantity	Value	Quantity	Value	Quantity	Value								
		Thous. units	Thous. dol.	Thous. units	Thous. dol.	Thous. units	Thous. dol.								
Grains															
Wheat.....	bu.	23,756	42,400	93,094	152,549	199,464	324,507	178,298	298,053	221,508	372,463	94,309	154,354	810,429	1,344,326
Wheat flour.....	lb.	--	--	28,472	921	145,546	5,285	33,472	1,434	426,427	13,908	377,354	13,886	1,011,271	35,434
Wheat bulgur.....	lb.	--	--	--	--	--	--	3,290	149	7,490	196	--	--	10,780	345
Corn.....	bu.	--	--	10,894	15,666	13,567	19,786	24,683	31,718	23,273	30,590	8,233	10,250	80,650	108,010
Barley.....	bu.	3,813	4,830	6,837	7,251	20,410	23,057	15,060	14,971	19,753	20,661	15,217	16,468	81,090	87,238
Oats.....	bu.	3,440	3,034	1,306	926	955	689	693	387	413	279	--	--	6,807	5,315
Grain sorghums.....	bu.	754	775	4,238	4,102	--	--	6,061	6,283	14,648	15,671	5,478	5,996	31,179	32,827
Rye.....	bu.	--	--	--	--	--	--	--	--	4,737	5,878	--	--	4,737	5,878
Fats and oils															
Cottonseed oil.....	lb.	50,724	7,329	304,747	48,732	87,539	14,056	115,270	21,031	74,043	10,419	113,834	15,188	746,157	116,755
Soybean oil.....	lb.	--	--	178,996	30,673	597,133	97,301	399,822	60,835	709,562	92,058	298,034	35,978	2,183,547	316,845
Linseed oil.....	lb.	--	--	3,128	455	3,966	593	398	64	--	--	--	--	7,492	1,112
Lard.....	lb.	--	--	99,659	12,907	77,677	12,151	2,741	456	--	--	--	--	180,077	25,514
Tallow.....	lb.	--	--	10,609	934	119,930	11,061	54,208	4,821	444	38	--	--	185,191	16,854
Dairy products															
Nonfat dry milk.....	lb.	--	--	12,284	1,127	--	--	45,494	4,504	69,908	5,487	16,863	1,193	144,549	12,311
Dry whole milk.....	lb.	--	--	--	--	2,010	1,044	1,039	548	--	--	38	20	3,087	1,612
Evaporated milk.....	lb.	--	--	5,585	719	9,558	1,258	6,001	830	5,811	654	1,391	166	28,346	3,627
Condensed milk.....	lb.	--	--	--	--	7,872	1,697	472	102	--	--	--	--	8,344	1,799
Anhydrous milk fat.....	lb.	--	--	--	--	--	--	425	261	319	185	28	16	772	462
Cheese.....	lb.	--	--	2,525	621	5,070	1,227	9,894	2,448	1,381	306	--	--	18,870	4,602
Butter.....	lb.	2,453	962	4,744	1,854	--	--	16,950	6,663	5,202	2,533	--	--	29,349	12,012
Butter oil.....	lb.	--	--	--	--	1,630	826	--	--	--	--	--	--	1,630	826
Ghee.....	lb.	--	--	--	--	1,942	1,064	4,363	2,369	2,135	1,147	--	--	8,440	4,580
Whey.....	lb.	--	--	2,001	130	--	--	--	--	--	--	--	--	2,001	130
Dry modified milk.....	lb.	--	--	--	--	--	--	--	--	--	--	64	49	64	49

--continued--

Source: The President's eleventh semiannual report on Public Law 480.

APPENDIX TABLE XXXIII
Page 2 - Title I, Public Law 480, Shipments by Fiscal Years, continued

Commodity	Unit	FY 1955		FY 1956		FY 1957		FY 1958		FY 1959		1st half FY 1960		Jan. 1955-Dec. 1959	
		Quantity	Value	Quantity	Value	Quantity	Value								
		Thous. units	Thous. dol.	Thous. units	Thous. dol.	Thous. units	Thous. dol.								
Meat and Poultry															
Beef.....	lb.	--	--	4,483	1,811	77,573	22,957	11,146	3,311	--	--	--	--	93,202	28,079
Canned pork products.....	lb.	--	--	--	--	19,774	9,882	217	71	--	--	--	--	19,991	9,953
Poultry.....	lb.	--	--	185	50	4,357	1,147	--	--	8,493	2,751	335	127	13,370	4,075
Fruits and vegetables															
Canned fruits & juices.....	lb.	--	--	--	--	761	108	26,629	3,709	543	88	2,674	333	30,607	4,238
Fresh fruit.....	lb.	--	--	--	--	1,407	102	36,531	2,601	6,811	479	1,144	142	45,893	3,324
Dried fruit.....	lb.	--	--	--	--	9,042	1,347	27,697	4,339	5,531	367	--	--	42,270	6,553
Potatoes.....	lb.	--	--	50,822	1,392	--	--	--	--	--	--	--	--	50,822	1,392
Other															
Cotton.....	bales	58	9,761	464	84,261	1,376	207,429	863	127,639	640	97,700	253	32,901	3,654	559,691
Cotton linters.....	bales	--	--	--	--	7	256	--	--	--	--	--	--	7	256
Tobacco.....	lb.	5,525	3,890	78,722	55,466	52,297	35,238	34,572	25,539	41,305	30,224	33,037	23,741	245,457	174,098
Dry edible beans.....	cwt.	--	--	--	--	41	275	2	17	331	2,739	114	762	488	3,793
Seeds.....	cwt.	--	--	--	--	10	394	--	--	--	--	--	--	10	394
Rice.....	cwt.	--	--	2,530	16,113	18,127	114,709	5,094	34,305	3,767	22,932	4,381	25,557	33,899	213,616
Total value.....			\$72,981		\$438,660		\$909,446		\$659,458		\$730,253		\$337,127		\$ 3,147,925
Total quantity-Thou. M.T.:		838.91		3,669.60		7,944.61		6,786.31		8,506.34		3,893.48		31,639.25	

1/ Quantity is based on tonnage shown on ocean bills of lading. Value is estimated export market value, basis U. S. port of export. Estimates are revised to reflect actual amounts financed by CCC when this information is obtained from completed purchase authorizations. These revisions account for most differences from amounts shown on previous reports.

Source: The President's eleventh semiannual report on Public Law 480.

APPENDIX TABLE XVI. ---Uses of foreign currency as provided in Title I, Public Law 480 agreements signed July 1, 1954 through Dec. 31, 1959.1/
(Amounts are in dollar equivalents at the deposit rate of exchange.)

Country	Total amount in agreements (Market value including O.T.)	104(c) Common defense	104(e) Grants for economic development	104(e) Loans to private enterprise	104(g) Loans to foreign governments	104(f) Payment of U. S. obligations	Other U. S. uses 2/
	Thous. dol. equiv.	Thous. dol. equiv.	Thous. dol. equiv.	Thous. dol. equiv.	Thous. dol. equiv.	Thous. dol. equiv.	Thous. dol. equiv.
Argentina.....	64,100	--	--	8,250	36,500	13,150	6,200
Austria.....	42,900	--	--	--	26,300	2,083	14,517
Brazil.....	179,920	2,000	--	--	149,222	21,850	6,848
Burma.....	40,700	--	--	--	32,550	4,842	3,308
Ceylon.....	21,000	--	3,060	5,260	8,060	1,860	2,760
Chile.....	39,600	100	--	--	31,680	5,831	1,989
China (Taiwan).....	35,300	17,900	--	6,000	1,000	9,150	1,250
Colombia.....	70,890	80	--	11,270	41,180	9,848	8,512
Ecuador.....	9,940	--	--	460	7,160	1,067	1,253
Finland.....	40,095	--	--	2,058	23,964	3,087	10,986
France.....	57,910	--	--	13,989	--	9,019	34,902
Germany.....	1,200	--	--	--	--	120	1,080
Greece.....	66,000	--	7,470	2,900	37,400	14,480	3,750
Iceland.....	8,420	--	--	765	5,986	1,446	223
India.....	926,933	--	194,400	91,699	492,233	91,570	57,031
Indonesia.....	148,300	--	15,900	12,800	85,895	22,030	11,675
Iran.....	12,411	5,763	--	--	2,503	2,814	1,331
Israel.....	130,954	--	--	19,827	91,637	13,126	6,364
Italy.....	152,900	--	--	6,250	100,500	18,256	27,894
Japan.....	150,800	3/	--	--	108,850	305	41,645
Korea.....	165,030	134,540	--	2,000	--	24,540	3,950
Mexico.....	28,200	--	--	7,100	13,600	2,900	4,600
Netherlands.....	275	--	--	--	--	25	250
Pakistan.....	271,950	79,366	12,860	29,260	90,660	26,824	32,980
Paraguay.....	3,000	--	--	--	2,250	559	191
Peru.....	25,280	100	--	1,974	16,123	3,499	3,584
Philippines.....	14,400	3,100	--	1,000	5,200	2,993	2,107
Poland.....	193,800	--	--	--	--	58,980	134,820
Portugal.....	7,100	--	--	--	3,400	1,602	2,098
Spain.....	392,130	9,910	--	--	196,730	146,443	39,047
Thailand.....	4,600	--	--	--	2,050	970	1,580
Turkey.....	232,265	57,789	--	18,230	58,042	75,983	22,221
UAR (Egypt).....	125,600	--	--	26,475	54,150	16,541	28,434
UAR (Syria).....	9,600	--	--	2,400	4,800	960	1,440
United Kingdom.....	48,150	3/	--	--	--	220	47,930
Uruguay.....	37,200	--	--	9,250	18,700	3,480	5,770
Viet Nam.....	10,900	5,400	--	2,700	--	1,870	930
Yugoslavia.....	389,730	--	106,020	--	204,821	39,048	39,841
Total.....	4/ 4,159,483	316,048	339,710	281,917	1,953,146	653,371	615,291
Uses as percent of total.....	100.0	7.6	8.2	6.8	47.0	15.7	14.7

1/ Amounts shown are subject to adjustment when actual commodity purchases and currency allocations have been made.

2/ In order to provide flexibility in the use of funds, many agreements provide that a specified amount of foreign currency proceeds may be used under various U.S. use categories including currency uses which are limited to amounts as may be specified in appropriation acts. These amounts, together with amounts provided for specific U.S. uses, comprise the amounts shown below. Included in this category are uses specified under sub-sections 104(a), (b), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r) and sometimes (d) and (f) in as far as specified in agreements.

3/ The Japanese agreement for the July-June year 1955-56 provides for the use of \$8.1 million and the U.K. agreements provide for approximately \$34.9 million 104(c). However, since in return for this currency use, these countries will construct and make available to the U.S. Armed Forces an equivalent of dependent housing, the amounts are shown under 104(f) and "Other U.S. uses."

4/ Amounts shown in this column may differ from amounts shown on Table II which reflects purchase authorization transactions.

Source: The President's eleventh semiannual report on Public Law 480.

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APPENDIX D

APPENDIX D

TABLE V.--Status of foreign currencies under title I, Public Law 480

Country 1/	: Agreement	: Allocations by	: Collections	: Disbursements
	: amounts through:	: Budget Bureau	: through 3/	: by agencies
	: Dec. 31,	: through 2/ 3/	: through 3/	: through 4/
	: 1959	: Sept. 30, 1959	: Sept. 30, 1959	: Sept. 30, 1959
	: Million dollars:	: Million dollars	: Million dollars:	: Million dollars
	: equivalent	: equivalent	: equivalent	: equivalent
Argentina.....:	64.1 :	59.0 :	29.3 :	8.9
Austria.....:	42.9 :	40.7 :	38.9 :	24.1
Brazil.....:	179.9 :	181.4 :	108.6 :	64.4
Burma.....:	40.7 :	39.1 :	22.8 :	4.6
Ceylon.....:	21.0 :	17.6 :	13.3 :	2.2
Chile.....:	39.6 :	39.6 :	38.9 :	29.9
China (Taiwan)....:	35.3 :	27.8 :	24.2 :	11.3
Colombia.....:	70.9 :	39.3 :	34.4 :	19.7
Ecuador.....:	9.9 :	9.6 :	7.9 :	6.4
Finland.....:	40.1 :	47.8 :	34.5 :	20.2
France.....:	57.9 :	37.8 :	30.6 :	9.9
Germany.....:	1.2 :	1.2 :	1.2 :	.8
Greece.....:	66.0 :	65.0 :	64.3 :	52.0
Iceland.....:	8.4 :	8.0 :	6.3 :	4.0
India.....:	926.9 :	596.1 :	601.7 :	35.9
Indonesia.....:	148.3 :	132.0 :	100.4 :	2.2
Iran.....:	12.4 :	12.5 :	12.4 :	10.5
Israel.....:	131.0 :	128.3 :	121.3 :	71.9
Italy.....:	152.9 :	150.3 :	140.5 :	94.9
Japan.....:	150.8 :	140.1 :	146.3 :	131.1
Korea.....:	165.0 :	134.7 :	129.2 :	120.7
Mexico.....:	28.2 :	27.1 :	25.2 :	8.4
Netherlands.....:	.3 :	.3 :	.3 :	.2
Pakistan.....:	272.0 :	212.1 :	220.3 :	107.4
Paraguay.....:	3.0 :	3.0 :	2.9 :	2.5
Peru.....:	25.3 :	24.0 :	21.2 :	17.7
Philippines.....:	14.4 :	13.1 :	13.8 :	9.0
Poland.....:	193.8 :	32.6 :	159.2 :	.5
Portugal.....:	7.1 :	7.1 :	7.1 :	5.1
Spain.....:	392.1 :	383.7 :	350.0 :	135.2
Thailand.....:	4.6 :	4.6 :	4.3 :	2.1
Turkey.....:	232.3 :	181.6 :	146.9 :	78.8
U.A.R. (Egypt)....:	125.6 :	98.2 :	53.0 :	5.3
U.A.R. (Syria)....:	9.6 :	-- :	-- :	--
United Kingdom....:	48.2 :	47.8 :	48.5 :	15.5
Uruguay.....:	37.2 :	11.5 :	7.9 :	--
Viet Nam.....:	10.9 :	3.0 :	5.9 :	.4
Yugoslavia.....:	389.7 :	347.9 :	372.6 :	98.4
Total.....:	5/ 4,159.5 :	3,305.5 :	3,146.1 :	1,212.1

Source: The President's eleventh semiannual report on Public Law 480.

TABLE V.--Footnotes

- 1/ Agreement with Bolivia expired with no purchases made.
- 2/ Includes amounts specified in the agreements, to be used for loans under sections 104(e) and (g), not subject to allocation.
- 3/ Calculated using the collection rates of exchange.
- 4/ Disbursements under sections 104(c), (d), and (e) grants are calculated at collection rates; section 104(f) sales at current market rates; section 104(g) loans at loan agreement rates; and sections 104(a), (b), (e) loans, (h), (i), and (j) at the weighted average rates at the end of the months in which transfers are made to agency accounts for the balances remaining in such accounts.

Source: The President's eleventh semiannual report on Public Law 480.

APPENDIX TABLE XXVI.--Transfer authorizations issued under Title II, Public Law 480, July 1, 1954 through December 31, 1959.

Area and country	Total	Bread grains	Coarse grains	Fats and oils	Dry beans	Milk and milk products	Rice	Raw cotton
	Thousand dollars	Thousand dollars	Thousand dollars					
Europe (total).....	170,986	76,579	31,346	14,818	1,592	37,055	730	8,866
Austria.....	22,537	500	21,987	--	--	50	--	--
Czechoslovakia.....	1,995	--	1,995	--	--	--	--	--
Germany, Federal Republic.....	3,365	236	686	911	--	367	171	994
Germany, Soviet Occupied.....	758	236	380	81	--	--	61	--
Hungary.....	12,648	4,043	1,907	2,088	437	3,759	414	--
Italy.....	78,502	26,186	4,391	10,306	1,155	32,778	--	3,686
Spain.....	4,186	--	--	--	--	--	--	4,186
Yugoslavia.....	46,995	45,378	--	1,432	--	101	84	--
Africa (total).....	65,490	53,313	6,900	--	--	2,101	3,176	--
Ethiopia.....	6,210	3,460	2,750	--	--	--	--	--
Ghana.....	605	--	605	--	--	--	--	--
Guinea.....	2,000	450	--	--	--	--	1,550	--
Libya.....	16,895	13,600	3,295	--	--	--	--	--
Malagache Republic.....	26	--	--	--	--	--	26	--
Morocco.....	9,584	8,568	--	--	--	16	1,000	--
Tunisia.....	30,170	27,235	250	--	--	2,085	600	--
Near East & South Asia (total).....	128,077	83,963	4,101	9,691	--	5,298	20,550	4,474
Afghanistan.....	17,620	17,620	--	--	--	--	--	--
Ceylon.....	8,166	4,821	--	--	--	--	3,345	--
India.....	4,665	1,017	--	--	--	1,165	2,483	--
Iran.....	2,748	2,748	--	--	--	--	--	--
Jordan.....	17,464	13,954	3,510	--	--	--	--	--
Lebanon.....	10,245	9,715	530	--	--	--	--	--
Nepal.....	3,315	3,250	61	--	--	4	--	--
Pakistan.....	47,717	22,160	--	6,149	--	253	14,681	4,474
Sudan.....	9	--	--	--	--	9	--	--
Turkey.....	12,180	4,730	--	3,542	--	3,867	41	--
Yemen.....	3,948	3,948	--	--	--	--	--	--
Far East & Pacific (total).....	47,599	30,425	--	--	--	8,075	8,712	387
Cambodia.....	2,343	--	--	--	--	--	2,343	--
China, Republic of.....	289	--	--	--	--	--	--	289
Japan.....	37,774	29,699	--	--	--	8,075	--	--
Korea.....	78	--	--	--	--	--	--	78
Laos.....	839	--	--	--	--	--	839	--
Ryukyu Islands.....	5,530	--	--	--	--	--	5,530	--
Viet Nam.....	746	726	--	--	--	--	--	20

Source: The President's eleventh semiannual report on Public Law 480.

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APPENDIX TABLE XVI.--Transfer authorizations issued under Title II, Public Law 480, July 1, 1954 through December 31, 1959.

Area and country	Total	Bread grains	Coarse grains	Fats and oils	Dry beans	Milk and milk products	Rice	Raw cotton
	Thousand dollars	Thousand dollars	Thousand dollars					
Latin America (total).....	57,496	15,406	9,995	1,491	1,377	1,859	4,840	2,528
Bolivia.....	17,182	10,102	--	1,137	--	391	3,024	2,528
British Honduras.....	273	22	25	106	46	44	30	--
Costa Rica.....	212	--	37	68	51	--	56	--
Guatemala.....	3,238	--	3,238	--	--	--	--	--
Haiti.....	3,409	207	133	180	1,210	43	1,636	--
Honduras.....	211	--	59	--	70	--	82	--
Mexico.....	216	--	216	--	--	--	--	--
Peru.....	12,738	5,073	6,287	--	--	1,378	--	--
Uruguay.....	17	2	--	--	--	3	12	--
Christmas Holiday.....	16,688	2,306	--	5,973	1,005	4,206	3,198	--
American Voluntary Relief Agencies & International Organizations (total).....	10,100	--	--	--	--	10,100	--	--
Total commodity programs.....	476,436	261,992	52,342	31,973	3,974	68,694	41,206	16,255
Ocean freight:								
Title II shipments.....	1/ 22,776							
Title III foreign donations.....	85,613							
Grand total.....	1/ 584,825							

1/ Excludes approximately \$22 million ocean freight for fiscal years 1955 and 1956 financed under the Mutual Security Act.

Source: The President's eleventh semiannual report on Public Law 480.

Country	1955		1956		1957		1958		1959	
	Pounds	Cost								
	Thousand									
Aden.....	--	--	--	--	36	7	84	16	48	9
Afghanistan.....	--	--	229	42	250	51	346	64	444	81
Africa, West French.....	--	--	110	20	1,070	219	--	--	--	--
Algeria.....	--	--	124	31	7,737	850	530	62	5,967	726
Antigua.....	500	92	415	76	--	--	315	58	316	57
Austria.....	7,564	3,360	23,521	10,667	11,856	3,203	14,856	3,003	8,735	811
Bahama Islands.....	--	--	255	107	247	78	326	94	--	--
Belgium Congo.....	--	--	--	--	--	--	--	--	253	46
Belgium.....	85	35	195	89	250	59	56	11	--	--
Bolivia.....	3,994	1,412	9,062	2,723	6,453	1,175	--	--	1,743	367
Brasil.....	12,282	2,542	25,912	5,369	11,117	1,942	19,380	3,581	17,912	3,041
Burma.....	498	91	1,639	302	1,816	356	2,981	551	3,054	554
Cambodia.....	--	--	--	--	126	26	83	15	--	--
Canary Islands.....	--	--	480	18	--	--	--	--	--	--
Ceylon.....	449	82	477	88	40,267	5,306	32,620	3,421	40,820	3,995
Chile.....	1,065	195	1,122	238	8,481	1,082	81,113	15,011	100,824	12,297
Colombia.....	4,381	946	13,982	3,164	16,860	2,872	39,816	7,378	33,862	4,180
Costa Rica.....	--	--	132	52	1,086	359	1,086	327	228	96
Cuba.....	--	--	--	--	--	--	--	--	500	35
Dahomey.....	--	--	--	--	--	--	--	--	1,043	97
Dominica.....	--	--	866	159	--	--	229	43	382	64
Ecuador.....	874	160	688	176	1,437	242	3,038	452	7,398	820
Egypt.....	57,758	23,544	35,960	17,514	2,694	274	4,864	557	99,120	8,948
England.....	90	49	149	56	54	18	--	--	--	--
Ethiopia.....	--	--	144	26	36	7	246	45	1,284	223
Finland.....	1,000	737	2,200	1,423	--	--	--	--	--	--
Formosa.....	9,720	2,603	48,636	9,612	91,064	10,529	52,879	5,299	100,125	9,911
France.....	6,124	2,840	12,182	6,413	2,773	568	1,701	304	1,044	158
French Equatorial Africa:	--	--	--	--	--	--	--	--	80	6
French West Indies.....	--	--	--	--	--	--	--	--	514	74
Gambia.....	--	--	263	48	351	72	378	70	--	--
Gaza.....	--	--	--	--	882	181	8,577	1,523	3,527	639
Germany.....	44,611	18,530	85,915	33,108	72,373	15,407	75,625	16,068	62,154	8,657
Goa.....	499	314	400	207	350	62	100	18	--	--
Gold Coast.....	54	10	875	371	215	79	138	32	408	74
Greece.....	29,526	12,787	62,063	22,084	98,682	14,902	149,102	20,570	106,080	11,579
Grenada.....	--	--	338	62	338	69	--	--	90	16
Guadaloupe.....	--	--	--	--	135	39	314	59	--	--
Guatemala.....	1,385	254	--	--	1,594	327	1,260	233	2,214	401
Guiana, British.....	--	--	667	171	72	15	517	96	319	58
Guiana, French.....	--	--	241	44	241	49	--	--	--	--
Haiti.....	2,460	463	1,792	595	2,008	240	3,561	491	13,087	1,299
Holland.....	--	--	4	(1)	--	--	--	--	--	--
Honduras.....	1,482	543	470	86	3,340	738	1,824	549	1,073	179
Honduras, British.....	--	--	650	120	325	67	754	139	658	119
Hong Kong.....	2,689	631	21,060	3,460	52,868	6,625	31,722	2,925	36,045	3,100
India.....	60,041	27,890	76,898	29,318	86,902	17,841	142,394	17,647	142,935	19,358
Indonesia.....	999	202	3,924	691	6,334	1,260	5,464	967	8,154	1,362
Iran.....	2,739	949	2,643	927	5,584	983	2,899	536	7,181	896
Iraq.....	--	--	3,575	658	1,925	395	1,727	319	666	121
Israel.....	902	378	4,237	1,646	13,308	2,291	15,985	2,253	13,013	1,706
Italy.....	85,843	35,649	290,668	44,442	307,161	27,098	394,241	36,471	227,991	18,682
Jamaica.....	--	--	4,420	1,215	3,625	835	3,867	838	6,794	596
Japan.....	6,281	1,623	24,797	4,460	31,386	4,809	28,451	3,680	35,918	4,171

--continued--

Source: The President's eleventh semiannual report on Public Law 480.

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 APPENDIX TABLE XXXII.--Title III, Public Law 480--Authorizations for foreign donations,
 fiscal years 1955-59

Country	1955		1956		1957		1958		1959	
	Pounds	Cost	Pounds	Cost	Pounds	Cost	Pounds	Cost	Pounds	Cost
	Thousand	dollars	Thousand	dollars	Thousand	dollars	Thousand	dollars	Thousand	dollars
Java.....	60	11	--	--	--	--	--	--	--	--
Jordan.....	3,646	1,573	1,792	598	5,567	929	9,769	1,150	20,901	1,972
Kenya.....	--	--	510	130	520	107	892	165	255	46
Korea.....	50,041	10,597	91,209	16,790	226,331	27,249	234,112	22,310	173,579	16,875
Laos.....	--	--	--	--	208	29	--	--	--	--
Lebanon.....	537	139	--	--	1,150	236	1,234	228	7,271	676
Liberia.....	99	18	100	18	36	7	152	19	2,489	231
Libya.....	537	99	1,384	255	3,359	1,116	10,021	1,661	9,301	1,005
Macao.....	--	--	--	--	1,257	136	218	40	1,215	99
Malay States.....	971	337	1,850	473	1,796	359	648	79	2,209	249
Malta.....	396	160	3,015	1,609	3,086	563	5,468	1,062	2,261	205
Martinique.....	--	--	200	37	200	41	200	37	--	--
Mauritius.....	--	--	--	--	--	--	36	7	22	4
Mexico.....	--	--	1,474	357	3,163	426	17,020	1,121	16,048	1,188
Montserrat.....	108	20	--	--	142	29	58	11	112	20
Morocco, French.....	511	149	1,092	327	12,475	2,342	24,198	3,998	17,619	1,725
New Guinea, Netherland.....	--	--	132	24	--	--	132	24	--	--
New Guinea, West.....	--	--	--	--	--	--	--	--	131	24
Nigeria.....	50	9	437	80	85	17	203	38	149	27
North Borneo.....	40	7	140	26	120	25	140	26	111	20
Nyasaland.....	--	--	36	7	36	7	36	7	15	3
Okinawa.....	360	66	3,433	406	--	--	--	--	--	--
Pakistan.....	13,317	4,796	29,874	11,448	60,531	9,679	13,064	1,933	3,633	653
Panama.....	1,252	386	3,732	1,218	5,350	1,615	4,905	1,378	2,368	530
Paraguay.....	1,095	201	593	109	1,121	230	1,020	188	3,152	315
Peru.....	4,719	927	5,690	978	6,075	1,122	11,700	1,958	8,326	1,048
Philippine Islands.....	3,437	659	6,030	1,083	14,282	2,675	52,521	8,277	56,173	7,934
Poland.....	--	--	--	--	--	--	2,905	509	19,639	2,646
Portugal.....	--	--	17,543	4,825	24,309	4,415	20,434	3,472	23,498	2,542
Ryukyu Islands.....	1,250	252	1,880	416	4,960	739	11,090	1,467	9,743	1,143
Scamiland, Italian.....	--	--	--	--	--	--	366	68	--	--
St. Kitts.....	--	--	514	95	514	105	300	55	150	27
St. Helena.....	--	--	--	--	110	23	--	--	40	7
St. Lucia.....	250	46	--	--	--	--	95	18	64	12
St. Vincent.....	--	--	386	71	386	79	--	--	185	34
El Salvador.....	--	--	1,119	206	2,475	601	548	101	703	128
Saravak.....	305	56	1,225	225	900	185	1,170	216	671	122
Sierra Leone.....	--	--	36	7	36	7	--	--	538	67
Singapore.....	80	15	276	51	--	--	484	78	1,136	117
Spain.....	56,938	19,181	129,089	33,814	74,452	17,845	146,001	38,901	60,821	11,903
Sudan.....	--	--	36	7	--	--	50	9	69	13
Surinam.....	--	--	681	125	681	140	--	--	319	58
Syria.....	--	--	655	120	1,020	209	1,152	213	1,104	200
Tanganyika.....	--	--	--	--	--	--	224	42	274	50
Thailand.....	--	--	200	37	371	67	569	105	330	60
Togo.....	--	--	--	--	--	--	--	--	1,110	107
Trieste.....	1,806	677	2,255	848	7,900	1,440	10,190	1,040	7,569	657
Trinidad and Tobago.....	--	--	680	125	301	62	--	--	539	98
Tunisia.....	379	125	394	104	2,561	378	1,914	249	2,126	241
Turks and Caicos Islands.....	--	--	--	--	--	--	--	--	5	1
Turkey.....	664	218	1,250	297	3,509	712	2,574	469	3,603	653
Uganda.....	--	--	--	--	--	--	108	20	465	84
Virgin Islands, British.....	--	--	91	17	85	17	40	7	39	7
Viet Nam.....	5,435	1,497	96,124	14,323	178,517	22,780	61,675	5,151	78,437	6,477
Yugoslavia.....	37,807	16,063	29,141	8,724	182,191	31,369	197,858	28,789	232,623	27,869
Total.....	531,985	197,195	1,200,678	302,488	1,727,877	253,719	1,972,943	272,472	1,867,193	209,781
Number of countries.....	57	--	84	--	85	--	85	--	91	--

1/ Less than \$500.

Source: The President's eleventh semiannual report on Public Law 480.

IMMEDIATE RELEASE

April 13, 1960

Wayne Hawks, Acting Press Secretary to the President

THE WHITE HOUSE
Augusta, Georgia

The President today appointed Don Paarlberg as Food-For-Peace Coordinator. This is a new post on the President's Executive Staff. Paarlberg, who is serving as Special Assistant to the President in the general area of economics, will take over these new duties immediately. He will be located in the White House Offices and will report to the President.

Primary objective of the Food-For-Peace program is the use of our abundant supplies of farm products in meeting the needs of our friends abroad.

The Department of Agriculture, working in close cooperation with the Department of State, has major operating responsibility for the program. Various other Departments are involved. Operating responsibility will continue in the Executive Departments as at present.

The Food-For-Peace program was first announced by the President on January 29, 1959, in a special message to the Congress on agriculture. At that time the President said, "I am setting steps in motion to explore anew with other surplus-producing nations all practical means of utilizing the various agricultural surpluses of each in the interest of reinforcing peace and the well-being of friendly peoples throughout the world -- in short, using food for peace."

A Wheat Utilization Committee, made up of representatives of the United States, Argentina, Australia, Canada and France, with the Food and-Agricultural Organization of the United Nations participating as observer-advisor, was established in 1959 to explore ways and means of carrying out the objectives of Food-For-Peace. Presently a joint mission representing this Committee is completing investigations of various opportunities along this line in the Far East. The Mission will return to Washington later this month to prepare a report on its recommendations to the Wheat Utilization Committee.

APPENDIX E

Chief instrument of the Food-For-Peace program is Public Law 480, the Agricultural Trade Development and Assistance Act, recommended by the Administration and enacted by the Congress in 1954. This is the major legislative authority for the export movement of surplus farm products outside the normal channels of trade. Last year shipments of farm products under this authority reached the following totals (in terms of cost to the Commodity Credit Corporation):

Export sales for foreign currency	\$1,195,000,000
Donated for meeting disaster abroad.....	86,000,000
Donated to needy persons abroad through charitable institutions	210,000,000
Bartered for strategic and critical materials.....	<u>156,000,000</u>
Total.....	\$1,647,000,000

In addition, export sales of agricultural products for dollars last year reached a total of \$2,459,000,000.

In his new duties Mr. Paarlberg will expedite interdepartmental decision making and undertake achievement of better understanding of the program at home and abroad.

Mr. Paarlberg has been Special Assistant to the President since October 1958. Prior to that, he was Assistant Secretary of Agriculture for Marketing and Foreign Agriculture. He is a native of Indiana and served for some years on the faculty of Purdue University.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary
Washington 25, D. C.

October 6, 1954

MEMORANDUM NO. 1361, SUPPLEMENT 1

Operations Under the Agricultural Trade Development and
Assistance Act of 1954

Pursuant to the President's letter of September 9, 1954, I have established the Interagency Staff Committee on Agricultural Surplus Disposal to assure government-wide coordination of operations under the subject Act and other programs and operations involving exports of agricultural commodities. The Administrator of the Foreign Agricultural Service, who will have primary responsibility for carrying out the functions of the Department under Title I of the Act, will serve as Chairman of the Committee.

The initial membership of the Committee will include representatives of the heads of the Departments of State, Defense, Treasury and Commerce, the Foreign Operations Administration, Office of Defense Mobilization, and the Bureau of the Budget. Additional representatives may be added by the Chairman if he considers it desirable.

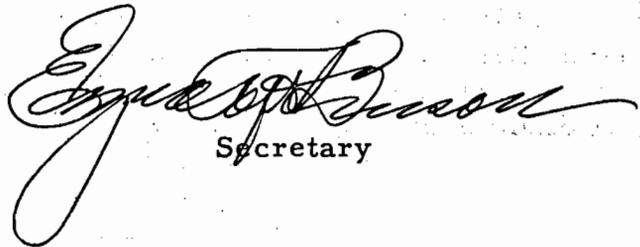
The functions of the Committee will include the development and review of programs and operations under Title I of the Agricultural Trade Development and Assistance Act of 1954. They shall also include the review of basic agreements to be negotiated under Title I of the Act and programs for utilization of foreign currencies for expansion of markets for agricultural commodities and other purposes; the review of proposed agricultural export sales, disposition and related programs undertaken under other authorities, including programs under Title II of the Act; the sale of surplus agricultural commodities under Section 402 of the Mutual Security Act; and other pertinent programs and operations.

It is also contemplated that the Committee will be utilized from time to time for obtaining interagency advice on policy questions relating to other agricultural commodity disposal programs and operations of the Department of Agriculture, including donations for distribution abroad and barter activities.

The Committee will be advisory in nature but any member who is dissatisfied with a proposed policy, agreement or operation may, upon notice to the Chairman, require submission of the matter to the Chairman of the Interagency Committee on Agricultural Surplus Disposal for resolution.

Appropriate subcommittees and working groups may be established by the Chairman as necessary.

In carrying out the functions and responsibilities of the Department under the Agricultural Trade Development and Assistance Act of 1954, the Administrator of the Foreign Agricultural Service shall make fullest possible use of existing services and facilities of the Department, and shall rely upon the advice of the Working Committee established by Memorandum No. 1361 of August 2, 1954.



Secretary

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary
Washington 25, D. C.

April 18, 1956

MEMORANDUM NO. 1361, SUPPLEMENT 1, REVISION 1

Operations Under the Agricultural Trade Development and
Assistance Act of 1954

Pursuant to the President's letter of September 9, 1954, I have established the Interagency Staff Committee on Agricultural Surplus Disposal to assure government-wide coordination of operations under the subject Act and other programs and operations involving exports of agricultural commodities. The Administrator of the Foreign Agricultural Service, will have primary responsibility for carrying out the functions of the Department under Title I of the Act. The Assistant Administrator for Market Development and Programs, Foreign Agricultural Service, will serve as Chairman of the Committee.

The initial membership of the Committee will include representatives of the heads of the Departments of State, Defense, Treasury and Commerce, the International Cooperation Administration, Office of Defense Mobilization, and the Bureau of the Budget. Additional representatives may be added by the Chairman if he considers it desirable.

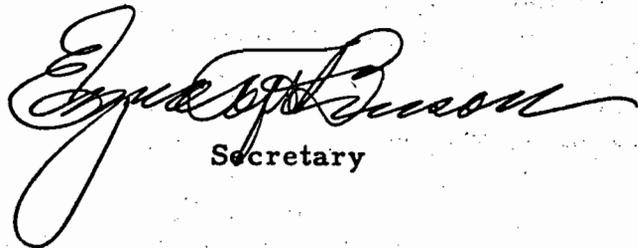
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The Committee will be advisory in nature but any member who is dissatisfied with a proposed policy, agreement, or operation may, upon notice to the Chairman, require submission of the matter to the Chairman of the Interagency Committee on Agricultural Surplus Disposal for resolution.

Appropriate subcommittees and working groups may be established by the Chairman as necessary.

In carrying out the functions and responsibilities of the Department under the Agricultural Trade Development and Assistance Act of 1954, the Administrator of the Foreign Agricultural Service shall make fullest possible use of existing services and facilities of the Department, and shall rely upon the advice of the Working Committee established by Memorandum No. 1361 of August 2, 1954.



Secretary

UNITED STATES GOVERNMENT
(Interagency Committee on Agricultural Surplus Disposal)

Policies for Public Law 480 Title III
Foreign Donation Program

August 26, 1959

General policy

It is the policy of the United States Government to continue and to increase efforts to make more effective use of surplus food products in the interests of peaceful world development. This policy is to be carried out in accordance with the overall policy of seeking to achieve a sound balance between production of food products and prospective demand. The objective of making effective use of available supplies will constitute the framework for operation of government export programs generally. Emphasis is to be placed on programs of the most desirable types in continuing the present programs and in newly developed operations.

In the consideration of each continuing or new program, attention shall be directed to the achievement of satisfactory coordination with other objectives and programs; namely, promotion of commercial markets, credit sales, Public Law 480 Title I sales for foreign currencies, Title II grants and Title III barter and donations.

Title III Voluntary Agency Program

The Title III foreign donation program is one of the most effective means through which the American people in partnership with their Government can continue to demonstrate humanitarian consideration for needy persons overseas and thereby contribute to the U. S. foreign policy interest of peaceful world development. It is the policy of the U. S. Government to broaden the operations under this program where this can be achieved in accordance with basic policies. To this end the U. S. Government desires to foster and maintain the independent status of the private U. S. voluntary agencies and to encourage those types of programs which are least likely to create over-dependence on the United States, adverse repercussion in the event of

U. S. withdrawal and disincentive for recipients to do for themselves. Within this concept it is the intention of the U. S. Government to support the voluntary agencies' foreign humanitarian programs with donations of available surplus foods commensurate with their separate abilities to administer the distribution thereof. Ocean freight charges will continue to be paid as appropriate. The following policies shall guide the U. S. Government and voluntary agencies in negotiation, review and administration of Title III foreign donation programs:

A. Types of programs

1. Voluntary agency independence. In conformity with their efforts to foster the "people to people" concept, voluntary agencies should give primary emphasis to those programs operated in foreign countries through the agencies' own organizations, the international organizations of which the agencies are members, indigenous voluntary agencies or non-governmental groups. Directly and through their private local counterpart agencies, the U. S. voluntary agencies should maintain for themselves the highest feasible degree of participation, supervision and control throughout the distribution process. While the cooperation of host governments is essential in facilitating programs through the provision of free entry of supplies, inland transportation, warehousing, etc., such involvement should not lead to any diminution of the voluntary agencies' direct participation and control of the distribution of U. S. Government donated commodities. Also while the U. S. Government is responsible for assessing, approving and auditing programs in the light of U. S. legislation, regulation, and policy, direct participation in the administration of voluntary agency programs by U. S. Government personnel or by other persons whose salaries are paid in whole or in part by the U. S. Government should be avoided.

2. Supplemental assistance to continuing programs. In the interest of program continuity considering that changes may occur in U. S. commodity supply availability,

emphasis should be given to those programs which supplement other continuing health welfare and social programs of the U. S. voluntary agencies, their international affiliates, or of similar indigenously supported programs. Programs in which U. S. Government donations constitute all or the major part of the distribution are usually less desirable but may be submitted for U. S. Government review. They will be reviewed on the basis of usual criteria including their longer term implications should it become necessary for the U. S. Government to withdraw part or all of its assistance.

3. Expansion in areas of greatest need. One factor which influences the expansion potential of Title III foreign donation programs is the capacity of the voluntary agencies to administer them and in general, administration is most difficult in areas of greatest need. New, inexperienced and inadequately financed governments, absence of knowledgeable and effective indigenous voluntary relief organizations, inadequate storage and transportation facilities, as well as religious differences have tended to retard programming in numerous countries which the U. S. Government, as well as the voluntary agencies have been willing to aid. Challenging as it may be, it is in these areas where programming most needs emphasis.

On the other hand, programs in economically viable countries with more sophisticated governments and voluntary relief organizations are comparatively easy to administer. Here there is a tendency to draw on U. S. contributions disproportionately with the ability of the host government to provide for its own chronically indigent people. Some such countries export in competition with the U. S. the same commodities as are brought in for free distribution under Title III. Therefore, while seeking to expand distribution in the more needy areas, voluntary agencies should endeavor to avoid new programs, and as appropriate should endeavor to disengage from on-going programs, in those countries in which indigenous relief contributions lag behind the ability of the country to meet its own obligations.

4. School lunch programs. School lunch and other child feeding programs have been operated successfully and popularly in both highly developed and underdeveloped countries and they offer one of the more constructive outlets for utilizing surplus agricultural commodities. It is therefore the intention of the U. S. Government to continue to utilize its surplus agricultural commodities to assist countries -- particularly those which are underdeveloped -- to undertake soundly conceived nationwide school lunch programs.

Because of their great potential contribution to peaceful world development, school lunch programs -- particularly those which serve all or substantial portions of a nation -- should be planned and carried out in a manner which will offer the greatest possible assurance of their continuation whether or not the U. S. is able in future years to maintain its contribution. This can best be accomplished where there is potential ability and a firm desire on the part of the host government to gradually assume full responsibility for the program. To this end, emphasis will be placed on securing firm assurance of immediate and continuing interest on the part of the host government and on its annually increasing administrative and budgetary participation with a view to assuming full responsibility within a reasonable period of time. Thus, the U. S. will be enabled gradually to shift this assistance from one country to another.

Emphasis on the degree of host country participation is of lesser importance where the programs are local in character or where there is need for supplemental feeding in schools not served or intended to be served by nationwide programs. Also, even if a nationwide operation is eventually intended, it is often preferable initially to undertake localized pilot programs, particularly in those countries which are unfamiliar with school lunches. In such cases consideration of increasing contributions by the host country may be delayed during the pilot stage before the

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host government is certain that it desires to undertake a large scale operation. It is essential, however, that host governments be advised in advance of the pilot operation that further expansion will be conditioned on a scheduled annual increase of its contributions and that in the event of decreased U. S. supply availability the longer term programs with gradually increasing host country contributions will have preference for such supplies as are available.

School lunch and other child feeding programs may be undertaken under Title II or Title III or may be shifted from one Title to the other depending upon the circumstances which surround each case. However, subject to variation in law and legislative history and to the extent possible without affecting the independent status of voluntary agencies, the U. S. Government will endeavor to apply the same general policy to the administration of all school lunch programs regardless of the Title under which they are conducted. Such school lunch programs now underway as do not fully conform with the above policy will be reviewed with a view to gradually developing the maximum feasible degree of conformity.

5. Supplemental feeding through institutions, health programs, etc. Voluntary agency programs under Title III provide a desirable means to supplement ongoing humanitarian programs operated through health centers and institutions such as hospitals and orphanages established for the care of needy people. These programs offer better opportunity for control than non-institutional types of programs and because they are supplemental in character, the possibilities of adverse repercussions are minimized, in the event that U. S. supplies should later be curtailed or withdrawn. The voluntary agencies are encouraged to continue their emphasis on programs of this kind, taking care, of course, to assure that such assistance as is offered represents an addition to rather than a displacement of indigenous contributions.

6. Family feeding. Family feeding offers another good opportunity to demonstrate the humanitarian interest of Americans and their Government in the welfare of the people of other nations. With adequate planning and sound administration, family feeding programs can make a real contribution to peaceful world development. On the other hand, while the U. S. is willing to assist the chronically indigent in other sovereign nations, it should not and can not take over the responsibility for their welfare. To do so would create future problems for the U. S. and might well be counterproductive to the longer term well being of the recipients themselves and their governments. Sound planning and administration of family feeding programs, therefore, offers a challenge to the voluntary agencies as well as to the U. S. and host country Governments.

Experience has shown that unauthorized food diversions are more likely to occur in large scale non-institutional indigent feeding than in other types of programs, partially because by its nature such distribution is difficult to control and partially because the existence of large numbers of undernourished people creates a temptation to expand beyond the ability of the voluntary agency staff to supervise. Also these programs when operated on a large scale can become a disincentive for recipients to do for themselves. Finally, because they often are nonsupplemental in character, problems of eventual withdrawal of U. S. assistance without adverse repercussion are enhanced.

Notwithstanding these problems, however, the U. S. Government expects to continue to encourage voluntary agencies to undertake family feeding on a reasonable scale but at the same time to continue to challenge them most seriously to consider the longer term implications. In screening and approving family feeding programs, the U. S. Government will pay particular attention to the capacity of the voluntary agency to adequately supervise, to the magnitude of the program in

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relation to the host countries' immediate and future contributions and to the influence of the programs on recipients with respect to doing for themselves.

7. Refugee feeding. In the absence of substantial assistance from the humanitarian conscious nations of the world, the plight of the refugees as a whole would be by far the most acute and hopeless among all of the world's less fortunate people. The U. S. Government, therefore, expects to continue and where appropriate to increase its assistance to these people. As Title III programs offer one such opportunity, voluntary agencies are encouraged to review the needs of the various refugee groups and if they are not being adequately served to consider the feasibility of supplying surplus food to such people.

Refugee feeding encompasses all of the recipient categories -- child feeding, institutional and health programs, and family feeding -- and may be undertaken under either Title II or Title III. However, because of the nature of the refugee problem, it is not always possible or desirable to apply the same policies to refugees as is applied to similar programs for the indigenous population. Since refugees are oftentimes interspersed with the indigenous population, the application of varying policies may in itself create problems. It usually is not wise, for example, to feed refugees better than their indigenous neighbors. Also in some instances it is not desirable administratively for the U. S. to channel assistance to the same group of refugees through both Title II and Title III. Because the situation varies with respect to each group of refugees, program submissions of the voluntary agencies will be examined from an over-all standpoint as applied to each particular case and will be approved or modified on the basis of surrounding applicable considerations.

B. General criteria

Within the policies set forth herein, and pursuant to applicable regulations,

the following general criteria will be applied in considering Title III program requests:

1. The voluntary agency is registered with the Advisory Committee on Voluntary Foreign Aid and thus eligible to receive donations as provided by law.
2. The proposed recipients qualify as economically needy.
3. Their needs are not being met by other available and competent sources.
4. The proposed program is not in conflict with or prejudicial to other U. S. programs in the area.
5. The proposed distribution does not duplicate those of other eligible voluntary agencies in the area.
6. Where separate agreements are entered into between the voluntary agency and the host Government, prior consultation between the voluntary agency concerned and the competent U. S. authorities has occurred. Such agreements shall contain adequate safeguards to avoid giving the impression that these constitute in any way a commitment on the part of the U. S. Government.
7. Host Government cooperation has been obtained to an extent which in fact permits the voluntary agency to carry out the responsibilities assumed by it under U. S. laws and regulations.
8. Field performance and supervision is consistent with the country Plan of Operation filed by the voluntary agency with Government.

C. Priorities in availability of CCC-owned food

Within the framework of applicable legislation, sales and domestic donations will take precedence over foreign donations in the disposal of surplus commodities held by the Commodity Credit Corporation.

D. Advisory committee on voluntary foreign aid

It shall be the policy of the U. S. Government to continue to make full use of the Advisory Committee on Voluntary Aid in the conduct of Title III programs in the same manner as in the past.

UNITED STATES DEPARTMENT OF AGRICULTURE
 AGRICULTURAL MARKETING SERVICE
 WASHINGTON 25, D. C.

JUN 1957

To: Nonprofit Voluntary Agencies and Intergovernmental Organizations
 /S/ Martin D. Garber
 From: Director
 Food Distribution Division, AMS, USDA
 /S/ E. N. Holmgreen
 Director
 Office of Food and Agriculture, ICA

Subject: Annual Program Plan and Estimate of Requirements
 Fiscal Year 1958 (July 1, 1957 to June 30, 1958)

The PL 480 Title III (Section 416) foreign donation program has grown rapidly from a relatively small food disposal activity, to one of major importance. In the first three years of operation Section 416 donations totaled 192 million pounds. In the past three years the program has tripled from donations totaling 531 million pounds in fiscal year 1955 to one that will total about 1.5 billion pounds in the current (1957) fiscal year.

Because of this tremendous growth, additional review and coordination are necessary in the general administration of the Title III program. The program must be evaluated on a country basis to prevent its interference with government sales of surplus foods or with normal commercial trade. It must be correlated with other American foreign aid programs. It must be carefully planned and when placed in operation it must be closely supervised to insure that the donated foods are properly handled and effectively utilized without waste. Since the program is designed to meet supplemental food needs not otherwise provided for and since the availability of surplus foods may be curtailed or discontinued from time to time, the agencies' programs should emphasize distribution to groups where the food can be used to advantage in supplementing other on-going programs. Considering these facts and in order to permit the responsible U. S. government offices, both in the United States and abroad, to be of maximum assistance to the Voluntary Agencies, it is necessary that certain program changes be placed in effect beginning with the 1958 fiscal year. These changes are intended to strengthen the program and assist the U. S. Government in discharging its responsibilities for the Program.

As an initial step in effecting these changes, agencies and inter-governmental organizations are requested to submit an "Annual Program Plan" and an "Annual Estimate of Requirements" for each country in which a program of distribution of surplus foods is contemplated. For fiscal year 1958 (FY 1958) these program plans and estimates shall be submitted on or before July 31, 1957 and in future years on or before May 1, or at least six weeks before a new program is to be placed in operation.

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APPENDIX I

2- Nonprofit Voluntary Agencies and Intergovernmental Organizations

Such plans and estimates shall reflect the manner in which the Voluntary Agency will carry out its operations during the fiscal year (July 1 through June 30), or the unexpired portion of the fiscal year. Requests for commodities shall be submitted on a quarterly basis. Applicable 1st, 2nd, 3rd and 4th quarterly requests must be submitted so as to be received not later than May 15, August 15, November 15, February 15 respectively.

The U.S. citizen representative of the agency in each foreign country will be responsible for the initial preparation and clearance of the country "Annual Program Plan" and "Annual Estimate of Requirements." After initial preparation and clearance with Agency's United States Headquarters in accordance with the latter's instructions, the program plan and estimates will be submitted for review and approval by the U.S. Citizen representative of the agency to the overseas mission of the International Cooperation Administration, (ICA), or where no such mission exists, through the responsible U.S. Diplomatic or Consular officer concerned. After overseas approval is obtained, the program plan and estimates will be sent to the Agencies' U.S. headquarters for final review and submission to the appropriate government offices. The annual program plan and estimates for each country will be reviewed and the data therein utilized by the Advisory Committee on Voluntary Foreign Aid, and the Office of Food and Agriculture, ICA, and the Food Distribution Division, Agricultural Marketing Service, USDA. We ask, therefore, that the Agencies' U.S. office submit three copies of each "Annual Program Plan" and "Annual Estimate of Requirements" for government office use. Two copies will be sent to:

Mr. E. N. Holmgreen, Director
Office of Food and Agriculture
International Cooperation
Administration
Washington 25, D. C.

Mr. Holmgreen will forward one copy to the Advisory Committee on Voluntary Foreign Aid for their use. A third copy should be sent to:

Mr. Martin D. Garber, Director
Food Distribution Division
Agricultural Marketing Service
U. S. Department of Agriculture
Washington 25, D. C.

ANNUAL PROGRAM PLAN

Number (Numbered consecutively
beginning with one (1)
preceded by Agency
initials)

In interest of uniformity, each program plan shall be prepared as outlined below for each country where the Agency has a program:

1. Name of Agency _____
2. Country _____
3. Date Submitted _____ Fiscal Year 19 _____
4. Name and Address of donee Agency counterpart in foreign country (if applicable) _____
5. Explain the extent of participation and cooperation of the government of the donee country, and whether or not the country has established any special conditions applicable to storage, transportation, distribution, or utilization of commodities. Where arrangements are common to several agencies and it is possible to do so, the Coordinating Council should prepare this information on a uniform basis for use by all agencies affected.
6. Explain cooperative arrangements with other American or indigenous voluntary agencies - for assistance in certification of recipients and distribution of commodities.
7. Give full name and address of the American citizen resident in the country representing the agency and directly responsible for program supervision. Indicate whether full time or assigned duties for other activities including whether representing other agencies. List agency supervisory staff and duties including other U. S. citizen and native personnel who will assist in supervision of distribution.
8. Explain method used in determining which persons are eligible to receive commodities.
9. State the controls used to restrict distribution to eligible recipients.
10. State receipting procedure followed to account for commodities from the time commodity arrives in foreign port until it reaches the ultimate eligible recipient.

APPENDIX I

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11. If commodities are held in storage by the agency, describe by size, and/or capacity, the type of storage facilities utilized at main points under the following classifications: (a) Common dry storage, (b) Refrigerated storage (32° to 50° F.).

12. Describe methods and facilities used in making local distribution to schools, institutions, individuals including information on container size if repackaged, or if distribution in bulk, labeling, responsible personnel, etc.

13. If commodities are combined with other ingredients to produce a new end product, explain, including how processing costs are met.

14. Explain how program is financed within the foreign country. Who pays cost of storage, transportation, repackaging, special labels, issuance of informative material, and any other similar or related costs.

15. If whole grain wheat or corn is desired, provide justification for use of these commodities rather than cornmeal or wheat flour. (Whole grains cannot be donated for commercial milling abroad but must be distributed to the recipient - institution or family - as whole grain.)

16. Describe methods of educating recipients on source, regulations and use of surplus foods.

17. It would be very helpful if copies of educational and procedural material as well as forms used were attached to Plan.

18. Annual Estimate of Requirements - A copy of the format to be used by agencies in submitting "Annual Estimate of Requirements" within each country follows. The "Annual Estimate of Requirements" will be submitted in such manner as to permit its detachment from the "Annual Program Plan". Instructions for completing the report are on the reverse side thereof. Any substantial modification in proposed numbers of needy persons to be served, in rates of utilization or estimates of total quantities to be distributed as listed in this report will require prior review and approval in the same manner as the original "Annual Estimate of Requirements". However, program modifications involving emergency assistance to disaster victims will be handled in accordance with our memorandum of January 25, 1957; the urgency of the situation will determine timing of approval.

ANNUAL ESTIMATE OF REQUIREMENTS

1. Country _____ 2. APP# _____

3. Category of Recipients	4. No. of Needy Persons	5. Proposed Rate of Distribution (Number of pounds per person per month)				
		Commodities				
Schools						
Institutions						
Families						
6. Total						

7. Commodities						
8. Amt. on Hand:						
Mar. 31.						
9. Approved orders (Unshipped or in Transit)						
10. Total						
11. Projected Distribution April, May, June						
12. Estimate Inventory June 30.						
13. Estimated Annual Re- quirements FY 19						
14. Balance Needed For Distribution During FY						

15. Submitted by _____ Title _____ Date _____
 (Signature)

16. Reviewed and Approved by _____ Title _____ Date _____
 (Signature)

17. Agency Approval _____ Title _____ Date _____
 (Signature)

18. ICA Approval _____ Title _____ Date _____
 (Signature)

19. USDA Approval _____ Title _____ Date _____
 (Signature)

INSTRUCTIONS FOR COMPLETING THIS FORM

1. Name of country covered by the estimate.
2. Each "Annual Program Plan" will be numbered consecutively preceded by the initials of the agency, such as; AFSC-1. This number will appear in this block.
3. List each category of recipient:
 - Schools - The equivalent of U.S. High Schools and lower grades.
 - Institutions - non-profit tax exempt charitable institutions.
 - Families - Needy persons to whom food is donated for home consumption.List by definitive title all other groups of recipients: such as refugee camps (where mass feeding is undertaken) boy's camps, etc.
4. Indicate number of recipients in each category.
5. List commodities in appropriate spaces provided giving the name of the commodity and the proposed rate of distribution for which an annual estimate is to be provided.
7. List each commodity shown in block 5, and in addition list commodities being held in Agency's storage point(s).
8. Show amount on hand in Agency's storage point(s) on March 31, ____-Indicate Year.
9. Indicate by commodity totals of unfilled approved requests as evidenced by notices of availability received as well as all commodities in transit that have not reached agencies storage point(s) in foreign countries.
10. Column 8 plus Column 9.
11. Projected Distribution - April, May, June. Indicate by commodity totals of each food that is scheduled for distributing during period named.
12. Estimated Inventory on June 30, 19 (Indicate Year). Column 10 minus Column 11.
13. Indicate here the amount (rounded to nearest 100 pounds) of each commodity desired on an annual (Indicate year) basis by multiplying the proposed rate of distribution times the number of recipients for each category and adding together for a total quantity.
14. Column 13 minus Column 12 (rounded to nearest 100 pounds). This represents the amount needed for distribution during the year indicated which will be consumed during that year.
15. Signature and title of U.S. citizen representative of the Agency submitting the estimate for approval on behalf of the Agency. Date submitted.
16. Signature and title of USOM or Embassy Official reviewing and approving estimate. Date approved.
17. Signature and title of person approving estimate for parent agency in U.S. Date approved.
18. Signature and title of ICA official approving plan. Date.
19. Signature and title of USDA official approving plan. Date approved.

12-6-57

To: Voluntary Agencies and Intergovernmental Organizations

From: E. N. Holmgreen, Director, Office of Food and Agriculture, ICA
 M.M. Sandstrom Act. Director, Food Dist. Div., AMS USDA

Subject: Annual Program Plans and Estimates of Requirements
 Fiscal Year 1959 (July 1, 1958 to June 30, 1959)

In an effort to improve the procedures relating to Title III PL 480 surplus food distribution programs, and particularly to expedite the processing of the annual estimates of requirements, certain changes in the FY 1959 plan for annual programming are considered advisable. These changes as discussed in a meeting with the Agencies on November 18, 1957, are as follows:

1. For established programs, it will not be necessary for the Agencies to submit new annual program plans, unless substantial changes are contemplated.
2. A modified FY 1959 form for the annual estimates of requirements will be submitted to U.S. Operations Missions and/or Diplomatic posts abroad in time for the estimate of requirements to reach ICA/W-USDA not later than March 1, 1958. A copy of the format for the FY 1959 annual estimate of requirements is attached. You will note from the related instructions certain changes in format have been made. In brief the principal changes are:
 - a. A new "Item 5" requires agencies to insert the number of months they intend to distribute to each category of recipient.
 - b. In Item 6 the Agencies will insert both the rate per month per person and the annual total required for actual distribution by categories and commodities.
 - c. In Item 8 Agencies will submit total requirements for each commodity. Most agencies did this on the FY 1958 form although it was not a requirement.
 - d. Item 15 is new and permits the Agencies to include an operational reserve where adequate storage facilities are available and where such action may be justified.
 - e. Items 16 and 17 are also new and are included to permit an adjustment between actual inventory, operational reserve, and proposed distribution so as to provide the adjusted total requirements for FY 1959.
3. Ocean Freight Funding

As a corollary benefit of these new arrangements, it may be possible to overcome some of the delays encountered in the past in funding ocean freight costs during the first quarter of each fiscal year. All aspects of this possibility are now being explored and appropriate instructions will be issued you later in the event it becomes a reality.

4. For FY 1958 Agencies were required to submit three signed copies of the annual estimate of requirements. For FY 1959 Agencies will submit four signed copies of this form. The 4th copy after completion by USDA and ICA will be returned to the Agency to indicate the quantities of each food that may be requested by the Agencies for utilization during FY 1959. Three copies will be sent to: Mr. E. N. Holmgreen, Director, Office of Food and Agriculture, I.C.A., Wash. 25, D.C. Mr. Holmgreen will forward one copy to the Advisory Committee on Voluntary Foreign Aid for their use and will return one copy to the Agencies. One copy should be sent to: Mr. Martin D. Garber, Director, Food Distribution Division, AMS, U.S. Dept. of Agriculture, Wash. 25, D. C.

INSTRUCTIONS FOR COMPLETING ANNUAL ESTIMATE OF REQUIREMENTS

1. Name of country covered by the estimate.
2. Enter the same number, preceded by the agency's initials, as assigned to the applicable Annual Program Plan.
3. List each category of recipient:
 - Schools - The equivalent of U.S. High Schools and lower grades.
 - Institutions - Non-profit tax exempt charitable institutions.
 - Families - Needy persons to whom food is donated for home consumption.
 - List by definitive title all other groups of recipients: such as refugee camps (where mass feeding is undertaken) boy's camps, etc.
4. Indicate number of individual recipients in each category.
5. Indicate number of months during the fiscal year 1959 in which Agency proposes to serve each category.
6. Proposed Distribution. Indicate in columns:
 - (a) The name of commodity.
 - (b) The rate at which commodities will be distributed to each person per month in terms of pounds, (avoirdupois weight).
 - (c) Total pounds of each commodity to be distributed to each category. This figure is to be derived by multiplying the number of persons by number of months of operation by rate per month.
7. Enter the sum of figures posted in column 4, above.
8. For each commodity, post the sum of entries in column 6(c).
9. Indicate name of commodity in columnar headings.
10. Post amount on hand in Agency's storage point(s) on December 31, 1957. This amount should include all quantities of the commodity physically located in main warehouse (a) regardless of whether or not certain inventories are scheduled for shipment to distributing center.
11. Indicate by commodity totals the amounts of food programmed but unordered, or unfilled approved requests as evidenced by notices of availability received, as well as all quantities in transit that have not reached agency's storage point(s) in foreign countries.
12. Line 10 plus line 11.
13. Post quantities of each commodity to be distributed during the six months period - January 1 thru June 30, 1958.
14. Line 12 minus line 13.
15. The Agency should indicate on this line that quantity of each commodity which is needed to insure continued distribution on an orderly basis to all eligible participating outlets. In determining this amount consideration must be also given to the storability of the commodity. **EACH OPERATIONAL RESERVE MUST BE JUSTIFIED.**
16. Subtract line 15 from line 14, and enter the difference on line 16 as a minus (-) quantity. (In those isolated instances when line 15 is greater than line 14, subtract line 14 from line 15, and post the result on line 16 as a plus (+) quantity.)
17. When line 16 is a minus quantity, subtract line 16 from line 8, and enter the difference on line 17. Should line 16 be a plus quantity, add line 16 to line 8, and post the sum on line 17.
18. Signature and title of U.S. citizen representative of the Agency submitting the estimate for approval on behalf of the Agency. Date submitted.
19. Signature and title of USCM or Embassy Official reviewing and approving estimate. Date approved.
20. Signature and title of person approving estimate for parent agency in U.S. Date approved.
21. Signature and title of ICA official approving estimate. Date approved.
22. Signature and title of USDA official approving estimate. Date approved.

1. Country _____ ANNUAL ESTIMATE OF REQUIREMENTS - FY 1959 2. Number _____

3. Category of Recipients	4. Number Needy People	5. Number Months Operation	6. Proposed Distribution					
			:(a)		:(a)		:(a)	
			:(b)Rate	:(c)Pounds	:(b)Rate	:(c)Pounds	:(b)Rate	:(c)Pounds
Schools	:	:	:	:	:	:	:	:
Institutions	:	:	:	:	:	:	:	:
Families	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:
7. Total Persons:	:	:XXXXXXXXXXXX	:XXXXXXX	:XXXXXXXXXXXX	:XXXXXXX	:XXXXXXXXXXXX	:XXXXXXX	:XXXXXXXXXXXX
8. Total Requirements for FY 1959	:		:XXXXXXX		:XXXXXXX		:XXXXXXX	:XXXXXXX

9. Name of Commodity	:	:	:	:
10. Total Each Commodity on hand Dec. 31, 1957	:	:	:	:
11. Amount unordered or unshipped or in Transit for FY 1958	:	:	:	:
12. Total (Line 10 + Line 11)	:	:	:	:
13. Projected Distribution Jan. 1 through June 30, 1958	:	:	:	:
14. Estimated Inventory June 30, 1958	:	:	:	:
15. Desired Operative Reserve	:	:	:	:
16. Balance (Plus or Minus)	:	:	:	:
17. Adjusted Total Requirements for FY 1959:	:	:	:	:

18. Submitted by (Signature)	:	Title	Date
19. Reviewed and Approved by (Signature)	:	Title	Date
20. Agency Approval (Signature)	:	Title	Date
21. ICA Approval (Signature)	:	Title	Date
22. USDA Approval (Signature)	:	Title	Date

Administratively Confidential

CCC Docket CZ 224

Policy Governing the Barter
of Agricultural Commodities
Owned by Commodity Credit
Corporation for Strategic
and Other Materials

Approval by Board: November 4, 1958

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ADMINISTRATIVELY CONFIDENTIAL

POLICY GOVERNING THE BARTER OF AGRICULTURAL COMMODITIES OWNED BY
COMMODITY CREDIT CORPORATION FOR STRATEGIC AND OTHER MATERIALS

DOCKET CZ-224

A. INTRODUCTION

I. PURPOSE.

The purpose of this docket is to establish CCC barter policy.

II. JUSTIFICATION.

The exchange or barter of agricultural commodities owned by Commodity Credit Corporation for foreign-produced strategic and other materials provides an economically sound and desirable method for moving into world markets surplus agricultural commodities which it is not possible to export for dollars. In most instances, the strategic and other materials received in exchange for the agricultural commodities would not otherwise be acquired by the Government. To that extent, a market for these materials is created with the result that unemployment abroad is decreased, mining, processing, and manufacturing facilities are more fully utilized, and the general economic well being of the countries supplying the materials is stimulated. The additional purchasing power thus generated in the hands of foreign suppliers is translated into increased exports of U. S. farm and other products. Moreover, it is obviously good business to exchange agricultural commodities which cannot be sold for dollars for materials which are comparatively inexpensive to store, virtually non-deteriorating, and which have an equivalent inherent value.

However, should agricultural commodities exported as a result of barter seriously interfere with or substantially displace dollar sales of U. S. agricultural commodities, the best interests of the United States may not be served. For example, funds required by the Commodity Credit Corporation to carry out its price support and other obligations are borrowed from the Treasury of the United States, and constitute a continuing upward pressure upon the national debt ceiling. When Commodity Credit Corporation agricultural commodities are sold for dollars, the proceeds of these sales are applied against borrowings from the U. S. Treasury reducing the pressure to increase the national debt ceiling. Should agricultural commodities exported under barter contracts reduce dollar sales of agricultural commodities, to that extent

CCC would be unable to reduce its borrowings from the Treasury with corresponding effects upon the national debt. Consequently, it is necessary to so limit the export of agricultural commodities through barter that they will not seriously interfere with dollar sales.

In order to reasonably assure that the barter program commodity exports do not impinge upon dollar sales of U. S. commodities, it is necessary that certain limitations be placed upon the export of agricultural commodities under barter contracts. In administering the programs based upon Title I, Public Law 480, involving the sale of agricultural commodities for foreign currencies, dollar sales of U. S. commodities are protected by appropriate provisions in government-to-government agreements. Because the barter program is conducted generally without government-to-government agreements, it is not possible to employ the protective devices against interference with dollar sales which have been adopted in carrying out foreign currency sales transactions. Neither is the same degree of assurance against interference necessary, because of the greater inherent values received by the United States in payment for barter exports.

B. AUTHORIZATION.

I. PROTECTION OF DOLLAR SALES OF AGRICULTURAL COMMODITIES FROM INTERFERENCE BY AGRICULTURAL COMMODITIES EXPORTED UNDER BARTER CONTRACTS.

Upon recommendation by the Executive Vice President and approval by the Secretary of Agriculture, there shall be established such limitations on the export of agricultural commodities under barter contracts as are determined to be necessary to reasonably safeguard usual marketings of the United States and to assure that barter or exchanges hereunder will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars.

The limitations to be imposed shall be based upon a determination of the current relative ability of each friendly foreign country to acquire its agricultural commodity requirements from the United States for dollars, if it desires to do so. However, the relative ability or lack of ability of a country to purchase U. S. agricultural commodities for dollars shall be qualified by consideration of the past and current records of and current prospects for the export to such country for cash of the specific U. S. agricultural commodities available to barter contractors.

Where the agricultural commodities will move to a country clearly able to pay dollars, only bilateral or multilateral barter transactions shall be permitted, and then only provided CCC is reasonably satisfied that the quantity of commodities proposed to be moved under barter will not unduly disrupt world prices of agricultural commodities or replace cash

sales for dollars. The fact that such a country has not consistently purchased from the U. S. for dollars substantial quantities of the commodity proposed to be exported under barter, or prospectively is not expected to do so, will be considered to provide the required reasonable satisfaction.

Where the ability of a country to purchase its commodity requirements from the U. S. for dollars is less clear, only bilateral or multi-lateral barter transactions involving the movement of agricultural commodities to such country shall be permitted. It shall be conclusively presumed that any such commodity exports under barter will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars, except in those instances where such a country has in the past and is expected in the future to consistently acquire from the United States for dollars a substantial quantity of the agricultural commodity involved. Where such a country has regularly purchased substantial quantities of the commodity involved from the U. S. for dollars and is expected to continue to do so, before such a commodity is permitted to move under a barter contract, Commodity Credit Corporation will reasonably satisfy itself that such commodity will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars.

In reasonably satisfying itself that the commodity proposed to be moved will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars, the Commodity Credit Corporation shall avail itself of whatever pertinent information the prospective barter contractor provides as well as such other pertinent information as it may obtain from trade and government sources. Prospective barter contractors shall not be required to furnish "Certificates of Additionality" from governments of countries to which barter commodities will move.

Exports under open-end barter contracts shall be permitted to those friendly foreign countries which would clearly have difficulty in purchasing their agricultural commodity requirements from the U. S. for dollars. However, if any such country has a past record of substantial imports of a specific commodity for dollars from the U. S., then that commodity may be exported to such country under barter only if the barter transaction is bilateral or multilateral in nature, in which case CCC will assume that the export under barter will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars.

As used above, a bilateral barter transaction is one which contemplates the exportation of all of the agricultural commodities exchanged for materials to the country which produced such materials. By a multi-

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lateral barter transaction is meant one which is not a bilateral transaction but which involves a demonstrable causal relationship between the generation of purchasing power in the country or countries supplying the materials being acquired by CCC and the importation by foreign countries of the agricultural commodities exchanged therefor. An open-end barter transaction is one in which materials are acquired from one or more friendly foreign countries, the commodities exchanged therefor are exported to any friendly foreign country or countries, and there is no demonstrable causal relationship between the generation of foreign purchasing power in the supplying countries and the import of the commodities,

Where a material is being actively procured by another government agency and such agency will pay dollars to CCC upon delivery of the material (delivery to such agency being concurrent with delivery to CCC), a barter transaction for such material is tantamount to a dollar sale and the President or Executive Vice President is authorized, with respect to such a transaction, to approve exceptions to the limitations on the export of agricultural commodities set forth in this docket. Further, the President or the Executive Vice President is authorized to approve exceptions in such limitations whenever he determines that the development or retention of foreign markets for a particular agricultural commodity will be significantly aided by such an exception. The President or Executive Vice President is also authorized to impose restrictions - by permitting only bilateral and multilateral barter transactions or by other appropriate means - on the types of barter transactions under which a specified agricultural commodity may be exported whenever he finds that the supply of a particular commodity available for barter has become limited.

II. MATERIALS TO BE ACCEPTED IN BARTER FOR COMMODITY CREDIT CORPORATION OWNED AGRICULTURAL COMMODITIES.

The President, Executive Vice President, or the Vice President who is also the Deputy Administrator for Price Support, Commodity Stabilization Service, is authorized to contract on behalf of Commodity Credit Corporation for the exchange of Commodity Credit Corporation-owned agricultural commodities for:

- (a) Strategic and other materials designated by or on behalf of the President of the United States 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 than the agricultural commodities to be delivered in exchange.
- (b) Materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs.

- (c) Materials or equipment required in substantial quantities for offshore construction programs.

Materials acquired hereunder may not be produced, processed, or benefited in the U.S. except under bilateral or multilateral type barter transactions and then only when (1) in the case of a bilateral transaction an exchange value of the agricultural commodity approximately equal to the exchange value of the processed materials being acquired will be exported to the source country of the raw material involved, or (2) in the case of a multilateral transaction, when an exchange value of the agricultural commodity approximately equal to the exchange value of the processed materials being acquired will be exported to a country or countries specifically participating in the multilateral transaction and which are eligible to receive the commodity involved under the limitations contained in this docket.

In order to take reasonable precautions to safeguard usual marketings of the United States and to assure that barter will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars, the President or Executive Vice President is authorized to restrict the export of agricultural commodities through barter by imposing such time and quantitative limits as he determines necessary on the acquisition of any material under a barter contract.

III. CLASSIFICATION.

This is a CCC policy docket.

IV. AUTHORITY TO DETERMINE PROGRAM PROVISIONS.

The President or Executive Vice President shall have authority to determine such operating provisions as are necessary to implement the barter policy established in this authorization.

Approved by CCC Board of Directors
At Meeting Held November 4, 1958

/s/ Lionel C. Holm
Secretary
Commodity Credit Corporation

/s/ Clarence L. Miller
Acting Executive Vice President
Commodity Credit Corporation

Approved: November 14, 1958

/s/ E. T. Benson
Secretary of Agriculture

MODIFIED BARTER PROGRAM
Commodity-Country Designations for Exportation of
Agricultural Commodities under Barter Transactions

DESTINATION COUNTRY	WHEAT	FEED GRAINS	COTTON	TOBACCO	RICE	BUTTER	NON-FAT DRY MILK
NORTH AMERICA							
Canada	A	A	A	A	A	C	C
Costa Rica	B	C	C	C	B	C	C
Cuba	A	A	A	B	A	C	C
Dominican Republic	A	B	B	B	B	C	C
El Salvador	A	B	B	B	B	C	C
Guatemala	B	C	C	B	B	C	C
Haiti	B	C	C	B	B	C	C
Honduras	B	C	C	B	B	C	C
Mexico	B	A	B	A	B	C	A
Nicaragua	A	B	B	B	B	C	C
Panama	A	A	B	B	B	C	C
Tobago	A	B	B	B	B	C	C
Trinidad	A	B	B	B	B	C	C
SOUTH AMERICA							
Argentina	C	C	C	C	B	C	C
Bolivia	C	C	C	C	B	C	C
Brazil	B	C	C	C	B	C	C
Chile	B	C	B	C	B	C	C
Colombia	B	C	B	C	B	C	C
Ecuador	B	C	C	C	B	C	C
Paraguay	C	C	C	C	B	C	C

- A - Bilateral and multilateral transactions only after USDA determines that export of the commodity will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars.
 B - Bilateral and multilateral transactions only.
 C - No restrictions -- all types of transactions, including open end.

Approved: November 14, 1958

/s/ E. T. Benson
 Secretary

DESTINATION COUNTRY	WHEAT	FEED GRAINS	COTTON	TOBACCO	RICE	BUTTER	NON-FAT DRY MILK
SOUTH AMERICA (Continued)							
Peru	B	C	C	C	B	C	C
Uruguay	C	C	C	B	B	C	C
Venezuela	A	B	B	B	B	C	C
EUROPE							
Austria	B	B	A	A	B	C	C
Belgium-Luxembourg	A	A	A	A	A	C	C
Denmark	A	A	A	A	B	C	C
Finland	C	C	B	B	B	C	C
France	B	B	A	A	B	C	C
Germany, West	A	A	A	A	B	C	C
Greece	C	B	C	C	B	C	C
Iceland	C	B	C	B	B	C	C
Ireland	B	C	B	B	B	C	C
Italy	A	A	A	A	B	C	C
Netherlands	A	A	A	A	A	C	C
Norway	A	A	A	A	B	C	C
Poland	C	C	C	C	B	C	C
Portugal	A	B	A	A	B	C	C
Spain	C	C	C	B	B	C	C
Sweden	B	B	A	A	A	C	C
Switzerland	A	A	A	A	A	C	C
Turkey	C	C	C	C	B	C	C
United Kingdom	A	A	A	A	B	C	C
Yugoslavia	C	C	C	C	B	C	C
ASIA							
Afghanistan	C	C	C	C	B	C	C
Bahrain, State of	A	B	B	B	A	C	C
Burma	C	C	C	C	B	C	C
Cambodia	C	C	C	C	B	C	C
Ceylon	C	C	C	B	B	C	C
China (Taiwan)	C	C	B	B	B	C	C

DESTINATION COUNTRY	WHEAT	FEED GRAINS	COTTON	TOBACCO	RICE	BUTTER	NON-FAT DRY MILK
ASIA (Continued)							
India	B	C	B	C	B	C	C
Indonesia, Republic of	B	C	B	B	B	C	C
Iran	B	B	B	B	B	C	C
Iraq	C	C	C	C	B	C	C
Israel	B	B	B	B	B	C	C
Japan	A	A	A	A	B	C	C
Jordan	C	C	C	B	B	C	C
Korea, South	C	C	C	C	B	C	C
Kuwait	A	B	B	B	A	C	C
Laos	C	C	C	C	B	C	C
Lebanon	B	C	C	B	B	C	C
Malaya, Federation of	B	B	B	B	B	C	C
Nepal	C	C	C	C	B	C	C
Pakistan	C	C	C	C	B	C	C
Philippines	B	C	B	C	B	C	C
Saudi Arabia	A	B	B	B	A	C	C
Syria	C	C	C	C	B	C	C
Thailand	B	B	B	B	B	C	C
Viet Nam, South	C	C	C	C	B	C	C
AFRICA							
Angola	A	B	B	B	B	C	C
Egypt	C	C	C	B	B	C	C
Ethiopia	C	C	C	C	B	C	C
Ghana	B	C	C	B	B	C	C
Liberia	B	B	B	B	A	C	C
Libya	C	C	C	C	B	C	C
Morocco	C	C	C	B	B	C	C
Nigeria	A	B	B	B	B	C	C
Rhodesia and Nyasaland	C	C	B	C	B	C	C
Sudan	C	C	C	C	B	C	C

DESTINATION COUNTRY	WHEAT	FEED GRAINS	COTTON	TOBACCO	RICE	BUTTER	NON-FAT DRY MILK
AFRICA (Continued)							
Tangier	C	C	C	B	B	C	C
Tunisia	C	C	C	B	B	C	C
Union of South Africa	B	B	A	B	B	C	C
AUSTRALIA AND OCEANIA							
Australia	B	B	A	A	B	C	C
New Zealand	B	B	B	A	B	C	C

November, 1958

BEST AVAILABLE COPY

UNITED STATES DEPARTMENT OF AGRICULTURE
COMMODITY STABILIZATION SERVICE
Washington 25, D. C.

ADMINISTRATIVELY CONFIDENTIAL

October 31, 1958

To: Board of Directors, Commodity Credit Corporation

From: Director, Barter and Stockpiling Division

Subject: Policy Governing the Barter of Agricultural Commodities Owned
by Commodity Credit Corporation for Strategic and Other
Materials - Docket CZ-224

Public Law 85-931, approved September 6, 1958, amends Section 303, Public Law 480, 83rd Congress, as amended, The Agricultural Trade Development and Assistance Act of 1954, and Section 206(a), Public Law 540, 84th Congress, The Agricultural Act of 1956. Both Section 303, Public Law 480, and Section 206, Public Law 540, provide for the barter of Commodity Credit Corporation owned agricultural commodities and the disposition of certain of the strategic and other materials received in exchange for the commodities.

As a result of the approval of Public Law 85-931, it is believed necessary to establish a new policy for the conduct of Commodity Credit Corporation barter operations. The attached proposed docket sets forth this policy.

There is attached a draft of a press release announcing the basis upon which future barter operations will be conducted.

Recommended:

/s/ T. R. Rawlings

Director, Barter and Stockpiling
Division

Approved for submission to the Board of
Directors, Commodity Credit Corporation

/s/ Clarence L. Miller

Acting Executive Vice President

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE GENERAL COUNSEL

November 3, 1958

To: Board of Directors, Commodity Credit Corporation

From: General Counsel

Subject: Policy Governing the Exchange of Commodities Acquired
Under Commodity Credit Corporation Price Support Programs
for Strategic and Other Materials, CZ-224

This office has reviewed the attached Docket CZ-224 pursuant to which the President, CCC, Executive Vice President, CCC, or the Vice President, CCC, who is also the Deputy Administrator for Price Support, CSS, would be authorized in stated circumstances and upon certain determinations to contract on behalf of Commodity Credit Corporation for the exchange of commodities designated by him acquired under CCC price support programs for stated strategic and other materials, goods or equipment, pursuant to the basic authority of CCC to barter agricultural commodities in its inventories for materials, goods or equipment, as implemented by Section 416 of the Agricultural Act of 1949, as amended, Section 303 of the Agricultural Trade Development and Assistance Act of 1954, as amended, and Section 206 of the Agricultural Act of 1956, as amended.

The proposed program authorization is within the referred-to authority of Commodity Credit Corporation and is within the Program Description contained in the annual budget of the Corporation submitted to the Congress pursuant to the Government Corporation Control Act.

The docket establishes a basis for designating the countries to which bartered commodities are to be exported. In this connection, there is for observance the statutory requirement:

In carrying out barters 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 barters or exchanges under this Act will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars.

2 - Board of Directors

The docket establishes categories of countries according to ability to buy commodities for dollars and other criteria for determining conditions upon which specific commodities may move to such countries.

If the Secretary and the Board of Directors determine that this basis of establishing to which countries specific commodities may move is necessary in accordance with the statutory requirements quoted above, the proposed policy of CZ-224 is within the legal authority of CCC as contained in the Commodity Credit Corporation Charter Act and pertinent statutes, and is without legal objection. A form of resolution for use of the Board of Directors is attached.

/s/ R. L. Farrington

Attachment

November 12, 1958

To: The Secretary of Agriculture

From Acting Executive Vice President, Commodity Credit Corporation
/s/ Clarence L. Miller

Subject: Modified Barter Program

Transmitted herewith for your approval are Docket CZ-224, Policy Governing the Barter of Agricultural Commodities Owned by Commodity Credit Corporation for Strategic and Other Materials, and the press release proposed to be issued in announcing the barter program, both of which were approved by the CCC Board of Directors at the meeting at which you presided held on November 4, 1958; and a table titled "Commodity-Country Designations for Exportation of Agricultural Commodities under Barter Transactions", embodying the limitations on barter commodity exports to friendly foreign countries under the modified barter program. The bases upon which this table was prepared were discussed at the Board meeting.

The table of Commodity-Country Designations represents the application to individual countries of the limitations on barter commodity exports established in accordance with the policies contained in the docket. Your approval of the table and the docket will constitute your determination, pursuant to Public Law 85-931, that the restrictions resulting therefrom on countries to which agricultural commodities may be exported are necessary in order to take reasonable precautions to safeguard usual marketings of the United States and to assure that barter or exchanges will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars.

There are attached the data, consisting of analyses of exports of certain U. S. agricultural commodities during recent years and an evaluation of the current relative ability of the principal friendly foreign countries to buy for cash from the U. S., used by me and my staff in establishing the table of Commodity-Country Designations. I recommend your approval of the table, the press release, and the docket.

Attachments

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, November 14, 1958

Changes in Barter Program Announced:

The U. S. Department of Agriculture today announced some changes in the barter program through which surplus Commodity Credit Corporation-owned farm products are exchanged for strategic and other materials produced abroad. The changes will be effective immediately with respect to new barter offers. Provisions of previous programs will continue to apply to existing barter commitments only.

Under the modified program, which implements new barter legislation enacted by the 85th Congress, barter contractors will no longer be required to obtain "certificates of additionality" -- that is, written statements by responsible officials of importing countries that the commodities to be imported will be a net addition to U. S. exports to the recipient countries. The modified barter program does, however, include other measures to assure protection of the national interest of the United States, to safeguard U. S. usual marketings, and to prevent undue disruption of world prices or replacement of cash sales for dollars.

To expedite barter transactions, three classifications of acceptable barter outlets for agricultural commodities have been set up. These classifications, which are based on an analysis of current economic and financial conditions and historical dollar marketings of U. S. agricultural commodities abroad, are designated "A", "B", and "C". Each designation involves a combination of an importing country and a specific agricultural commodity or group of commodities. An "A" designation indicates a higher potential as a dollar market than a "B" designation, and a "B" higher than a "C".

A country may be designated "A" for one commodity and "B" or "C" for another. For example, wheat, cotton, and tobacco transactions involving Portugal fall into the "A" category, whereas rice and feedgrain barter arrangements are in the "B" classification.

Any country not specifically listed will be classified as "C" for all commodities.

A complete list of the commodity-country designations, which will be revised from time to time as necessary, may be obtained from the Barter and Stockpiling Division, Commodity Stabilization Service, Room 3725 South Building, U. S. Department of Agriculture, Washington 25, D. C.

Barter contracts involving either an "A" or a "B" commodity-country designation may be either "bilateral" or "multilateral", but not "open end". A "bilateral" contract is one under which the agricultural commodity moves to the same country from which the material comes. Under a "multilateral" contract the material may come from a country other than the one to which the agricultural commodity moves but the importation of the material must be tied directly to the agricultural export thru auxiliary transactions involving named third countries. The contractor will be required to specify in advance all countries which will be involved and the commodities which will move to or from each country.

Also, for any "multilateral" or "bilateral" contract involving an "A" designation, the Department will reasonably satisfy itself, on the basis of data which may be presented by the contractor or developed by the Department, that usual U. S. marketings will be safeguarded and that undue disruption of world market prices and replacement of cash sales for dollars will be prevented. In a "bilateral" or "multilateral" contract involving a "B" commodity-country designation, no data in addition to specifying the countries and commodities involved in the transaction will be required.

Barter contracts involving only "C" commodity-country designations may be "open end"-- that is, the commodity to be exported and the country of destination need not be named in advance, and the material to be imported may be from any source country in the free world.

The following agricultural commodities are currently eligible for barter: cotton, tobacco, rice (limited quantities), wheat, corn, oats, barley, sorghum grain, butter, and non-fat dry milk. This list is subject to change from time to time.

A copy of a letter from the President to the Secretary of Agriculture designating the materials acceptable under barter contracts is attached. Reasonable limitations may be placed on the acquisition of any of these materials. It is anticipated that additions and changes will be made in this list from time to time.

CCC's ability to conclude barter arrangements depends at any one time upon such factors as U. S. national interest, existing commitments, requirements, and market conditions. Therefore, the fact that a material can be considered by CCC does not necessarily mean that it will be accepted. Likewise, "bilateral" and "multilateral" barter transactions, as outlined above, will be preferred to "open end" transactions.

Foreign-produced materials acquired under barter may be processed in the U. S. under "bilateral" or "multilateral" type barter transactions when (1) in the case of a "bilateral" transaction, an exchange value of the agricultural commodity approximately equal to the exchange value of the processed materials being acquired will be exported to the source country of the raw material involved or (2) in the case of a "multilateral" transaction, an exchange value of the agricultural commodity approximately equal to the exchange value of the processed materials being acquired will be exported to an eligible country or countries specifically participating in the "multilateral" transaction. The same requirements will apply to processing in foreign countries, under "bilateral" or "multilateral" type barter transactions, if the processing country is not an approved recipient of the agricultural commodities designated in the proposed barter arrangement.

Other general barter requirements are applicable to the modified barter program. These include, among others, customary barter contract provisions prohibiting the transshipment of the agricultural commodities from the approved import destinations, the posting of letters of credit for commodities received in advance of materials deliveries, payment of interest on the value of such commodities, and shipment of at least 50 percent of the materials involved on privately-owned U. S. flag vessels.

(more)

USDA 3182-58 551

Text of the communication from President Eisenhower to Secretary Benson follows:

THE WHITE HOUSE

Washington, November 11, 1958

Dear Mr. Secretary:

Your letter of September sixteenth points out that Section 303 of the Agricultural Trade Development and Assistance Act of 1954, as amended by the last Congress, provides for the designation by the President of the materials that may be acquired through barter transactions.

Attached to this letter is a list of materials which, on the recommendation of your Department, I hereby designate as eligible for acquisition through transactions authorized by Section 303 of the Agricultural Trade Development and Assistance Act of 1954, as amended. In addition, I hereby designate as eligible for acquisition such materials as may be procured from abroad from time to time for the strategic and critical materials stockpile by order of the Director of the Office of Civilian and Defense Mobilization.

Since you retain responsibility for actual barter transactions, I request that you continue to take the lead in recommending materials to be designated and that you continue to consult the appropriate agencies in order to assure a broad and flexible consideration of the problems inherent in this program.

Unless there is a net gain to the United States from the exchange of surplus domestic agricultural commodities for these foreign materials, the national interest does not lie in the accumulation of additional amounts of commercially available materials on the attached list for which there is no current or prospective governmental need. Therefore, the practice of approving only those barter transactions that will expand total exports of surplus agricultural commodities without disrupting world markets should be continued.

Sincerely,

(signed)

DWIGHT D. EISENHOWER

The Honorable Ezra Taft Benson
The Secretary of Agriculture
Washington 25, D. C.

USDA 3182-58

MATERIALS WHICH MAY BE ACQUIRED FOR THE SUPPLEMENTAL STOCKPILE THROUGH BARTER OR EXCHANGE TRANSACTIONS APPROVED BY THE SECRETARY OF AGRICULTURE AS AUTHORIZED BY SECTION 303 OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED.

Abrasives, Crude Aluminum Oxide	Lead
Antimony	Manganese Battery Grade (Commercial)
Asbestos: Amosite Crocidolite	Battery Grade (Natural Grade A) Chemical Grade Type A
Bauxite Surinam Jamaican Refractory	Chemical Grade Type B
Beryl (hand-cobbed only)	Mercury
Bismuth	Mica: Muscovite Block Muscovite Film Muscovite Splittings
Cadmium	Nickel
Chromite Metallurgical Refractory Chemical	Palladium
Columbite	Quartz Crystals
Cryolite	Ruthenium
Diamonds & Bort	Selenium
Ferrochrome	Silicon Carbide
Fluorspar Acid Metallurgical	Tantalite
	Tin
	Zinc

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APPENDIX J

Administratively Confidential

CCC Docket - CZ 224,
Amendment 1

Policy Governing the Barter of
Agricultural Commodities Owned
by Commodity Credit Corporation
for Strategic and Other Materials

Approval by Board: April 21, 1959

ADMINISTRATIVELY CONFIDENTIAL

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service
Washington 25, D. C.

Barter and Stockpiling Division

April 16, 1959

TO: Board of Directors, Commodity Credit Corporation

FROM: Director

SUBJECT: Proposed Amendment No. 1 to Docket CZ-224

The attached proposed amendment is necessary to clarify, and further spell out, CCC's commodity exchange program with specific reference to authority currently contained in B II (b) and (c) of the subject docket. While similar authority is contained in Part II, Section A, 1, c, of Docket CZ-200, Revision 1, it is desirable to restate it in Docket CZ-224.

Other Government agencies, particularly the International Cooperation Administration, are actively procuring materials (including goods, equipment or agricultural commodities) for which they pay appropriated dollars. Contractors supplying these agencies would be willing to barter such materials with CCC for agricultural commodities. In order to simplify the contractual situation, and so CCC will not have to become involved with title to such materials and the many attendant problems, it is desirable to permit such contractors to contract directly with such agencies and to assign to CCC the dollars otherwise payable to them.

In a broad sense, exportation of CCC-owned agricultural commodities pursuant to any of these programs results in a barter as between the Government on one hand and, on the other hand, a contractor responsible for shipping or delivering materials under one of these programs. This is so because a material (including goods, equipment, or agricultural commodities) will be furnished to another Government agency in payment for which such a contractor, or his designee, will receive CCC-owned commodities rather than appropriated dollars.

Page 2 - Board of Directors, Commodity Credit Corporation

In connection with ICA and Department of Defense procurement programs, quantities of CCC-owned commodities have in the past been exported. It appears that quantities of commodities may now, and in the future, be exported pursuant to ICA, and other, procurement programs which will result in payment of dollars to CCC by the agency concerned. This is desirable since CCC will receive prompt dollar reimbursement for commodities exported.

No press release will be issued.

Recommended:

/s/ T. R. Rawlings
Director, Barter and Stockpiling
Division

Approved for submission to the Board
of Directors, Commodity Credit
Corporation:

/s/ Clarence D. Palmby
Acting Executive Vice President

Attachment

ADMINISTRATIVELY CONFIDENTIAL

AMENDMENT NO. 1 to Policy Governing the Barter of
Agricultural Commodities Owned by Commodity Credit
Corporation for Strategic and Other Materials

DOCKET CZ-224, Amendment No. 1

A. INTRODUCTION

I. Purpose

This authorization enlarges powers already delegated to the President, Executive Vice President, or the Vice President who is also the Deputy Administrator for Price Support, Commodity Stabilization Service, by permitting them to approve the exchange of agricultural commodities acquired by CCC for material (including goods, equipment or agricultural commodities) of domestic or foreign origin being actively procured by another Government agency.

II. Justification

In connection with the policy stated in Docket CZ-224 governing the barter of agricultural commodities for strategic and other materials, it is necessary to enlarge our activities with respect to disposal operations to accommodate a wider range of programs of other Government agencies. CCC will be permitted thereby to take advantage of opportunities which exist to effect a greater disposition of CCC-owned commodities by reason of the commerce generated by the procurement programs of other Government agencies. Since CCC will receive dollars for commodities so exported, it is desirable that appropriate authority be stated in this docket.

B. ADDITIONAL AUTHORIZATION

Part B, II, MATERIALS TO BE ACCEPTED IN BARTER FOR COMMODITY CREDIT CORPORATION OWNED AGRICULTURAL COMMODITIES, is amended by inserting the following at the end thereof:

In addition to transactions otherwise authorized by this docket, where material (including goods, equipment or agricultural commodities) of domestic or foreign origin is being actively

procured by another Government agency which will pay dollars therefor, CCC may enter into commodity contracts provided a contractor with such an agency assigns to CCC all dollars payable by such agency and, in lieu thereof, such contractor, or his designee, agrees to take CCC-owned agricultural commodities. No strategic or critical material shall be acquired by Commodity Credit Corporation as a result of barter or exchange, except for the national stockpile, for the supplemental stockpile, for foreign economic or military aid or assistance programs, or for offshore construction programs.

Approved by CCC Board of Directors
at Meeting Held April 21, 1959

/s/ Lionel C. Holm
Secretary, Commodity Credit
Corporation

/s/ Clarence D. Palmby
Acting Executive Vice President
Commodity Credit Corporation

Approved: April 21, 1959

/s/ True D. Morse
Acting Secretary of Agriculture

Administratively Confidential

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service
Washington 25, D. C.

April 20, 1959.

To: Board of Directors, Commodity Credit Corporation
From: Director, Budget Division
Subject: Availability of Funds Statement, Docket CZ-224, Amendment 1

No commitment of Commodity Credit Corporation funds is required for the proposed amendment No. 1 to "Policy Governing the Barter of Agricultural Commodities Owned by Commodity Credit Corporation for Strategic and Other Materials, CZ-224."

R. J. Savage

APPENDIX J

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE GENERAL COUNSEL
Washington 25, D. C.

April 20, 1959

To: Board of Directors, Commodity Credit Corporation
From: Acting General Counsel
Subject: Proposed Amendment No. 1 to Docket CZ-224

There are a number of Government agencies, such as the International Cooperation Administration and various units of the Department of Defense, which are actively procuring materials (including goods, equipment, and agricultural commodities) for which they are paying dollars covering the full costs of acquisition. The proposed amendment No. 1 would permit Commodity Credit Corporation to take advantage of such procurement in connection with its barter program and at the same time simplify operating procedure.

Instead of the Corporation acquiring title and possession of materials from the contractors for delivery to the other Government agencies, it is proposed that the Corporation avoid many of the problems attendant upon this part of the transaction by having the contractors deal directly with the other Government agencies, then assign to Commodity Credit Corporation their rights to the dollars payable by the agencies. The contractor or his designee would then acquire agricultural commodities from Commodity Credit Corporation.

In one sense, the transaction, as far as CCC is concerned, may be considered as constituting a sale rather than a barter since the Corporation will be receiving dollars for its agricultural commodities and not be taking title and possession to material in the exchange. On the other hand, as pointed out in the memorandum to the Board of Directors from the Director, Barter and Stockpiling Division, CSS, the transactions, when viewed in a broad sense from the overall Government standpoint, may be considered as constituting a barter inasmuch as the Government will be surrendering agricultural commodities to private contractors in exchange for the material delivered to it.

There is no legal objection to the proposed amendment.

Attachment

/s/ Edward M. Shulman

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Policy Governing the Barter of Agricultural Commodities
Owned by Commodity Credit Corporation for Strategic and
Other Materials.

DOCKET CZ 224, Amendment 2

A. INTRODUCTION

I. Purpose

The purpose of this amendment is to authorize the establishment of additional limitations on export under barter of certain agricultural commodities to certain specified countries.

II. Justification

Certain countries in a fair or poor foreign exchange position are exporters of a commodity or commodities which are also eligible for export under barter by the U. S. Such countries would normally have no record of substantial imports of the commodity from the U. S. for dollars. The combination of a fair or poor foreign exchange position and no past record of substantial imports of the commodity for dollars would permit "open end" barter contracts with the country. However, because of the country's need for foreign exchange, or for other reasons, the country may import the commodity under barter, enabling the export of additional quantities of the same commodity from its own production. Such additional exports could compete with U. S. dollar exports and displace them in world markets. This amendment authorizes the establishment of additional limitations on the export of agricultural commodities under barter contracts to countries which ordinarily export such commodities where it is determined necessary to prevent the displacement of dollar sales.

Experience since November 14, 1958, has indicated that barter exports of certain commodities to certain countries under certain conditions has resulted in the disruption of world prices or the replacement of cash sales for dollars or both. Such disruption of world prices or replacement of cash sales for dollars are the result of a combination of conditions. Among these conditions are (1) the commodity exported is priced competitively on the world market, (2) the commodity is exported to a country in an excellent dollar exchange position, (3) the commodity is exported to a country where the U. S. has historically been the major source of imports of the commodity and (4) the importing country exercises no import or exchange controls on the importation of the commodity. When one or more of these or other conditions are present at the same time it may be necessary to prohibit export under the barter program to prevent displacement of dollar sales.

B. AUTHORIZATION

The last sentence of the last paragraph of Section B. 1. of the docket is eliminated and the following two paragraphs are added immediately after the last full paragraph on the bottom of page 3.

"In addition to the foregoing limitations, based upon the current relative ability of countries to acquire agricultural commodities from the United States for dollars, if the Secretary so approves, limitations may be imposed by permitting only bilateral or multilateral barter transactions or by other appropriate means, (1) on those barter transactions under which a specified agricultural commodity may be exported, if it is determined that the supply of a particular commodity available for barter has become limited, or (2) on the export under barter of a specified agricultural commodity to a country producing and exporting its surplus of the same commodity."

"If the Secretary determines that because of existing conditions the foregoing limitations will not adequately serve to accomplish the objectives stated in the first paragraph of this authorization and that it is necessary to prohibit the export under barter of a surplus agricultural commodity to a specified country of the free world in order to effect the necessary precautions, the export under barter of the agricultural commodity to the specified country shall be prohibited for the duration of the period during which such conditions prevail."

Approved by the CCC Board of Directors
at meeting held on July 9, 1959

/s/ Lionel C. Holm

Secretary
Commodity Credit Corporation

/s/ Clarence D. Palmby

Acting Executive Vice President
Commodity Credit Corporation

Approved: September 16, 1959

/s/ True D. Morse

Acting Secretary of Agriculture

Barter Program

Commodity Country Designation for Exportation of
Agricultural Commodities Under Barter Transactions

COUNTRY	WHEAT AND WHEAT FLOUR	CORN GR. SORGHUMS BARLEY	COTTON	TOBACCO	RICE	SOYBEANS	NONFAT DRY MILK	CHEESE
I. Excellent Financial Position								
Angola	A	B	B	B	B	B	C	C
Austria	A	C	A	A	B	B	C	C
Bahamas	B	B	B	B	B	B	C	C
Bahrain, State of	A	B	B	B	A	B	C	C
Barbados	A	B	B	A	B	A	C	C
Belgium - Luxembourg	A	X	X	A	A	X	C	C
Bermuda	A	B	B	B	A	B	C	C
British Guiana	A	B	B	A	A	B	C	C
British Honduras	A	B	B	B	A	B	C	C
Canada	A	A	X	A	A	X	X	X
Canal Zone	A	A	B	B	B	B	C	C
Gambia	A	B	B	B	B	B	C	C
Gibraltar	B	B	B	B	B	B	C	C
Guam	A	B	B	B	B	B	C	C
Italy	A	A	X	A	A	A	C	C
Jamaica	A	B	A	A	A	A	C	C
Japan	A	A	X	A	B	A	C	C
Kuwait	A	B	B	B	A	B	C	C
Leeward and Windward Isles	A	B	B	B	A	B	C	C
Madeira Islands	A	B	B	B	B	B	C	C
Malta and Cyprus	B	B	B	B	B	B	C	C
Netherlands	A	X	X	A	A	X	C	C
Nigeria	A	B	A	A	B	B	C	C
Panama	A	A	B	A	A	A	C	C

- A - Bilateral and multilateral transactions only - after USDA determines that export of the commodity will not unduly disrupt world prices or replace dollar sales.
- B - Bilateral and multilateral transactions only.
- C - No restrictions.
- X - Not eligible for barter.

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Barter ProgramCommodity Country Designation for Exportation of
Agricultural Commodities Under Barter Transactions

APPENDIX J

COUNTRY	WHEAT AND WHEAT FLOUR	CORN GR. SORGHUMS BARLEY	COTTON	TOBACCO	RICE	SOYBEANS	NONFAT DRY MILK	CHEESE
(I. Excellent Financial Position Continued)								
Portugal	A	B	A	A	B	B	C	C
Portuguese Asia	B	B	B	B	B	B	C	C
Sierra Leone	A	B	B	B	B	B	C	C
Switzerland	A	X	X	A	A	X	C	C
Tobago, Trinidad	A	A	A	A	A	B	C	C
United Kingdom	A	X	X	A	A	X	C	C
Venezuela	A	A	A	B	B	A	C	C
West Germany	A	X	X	A	B	X	C	C
II. Good Financial Position								
Australia	A	A	A	A	A	B	C	C
Belgian Congo	A	A	A	A	B	B	C	C
Costa Rica	A	B	B	B	A	A	C	C
Denmark	A	A	A	A	A	A	C	C
Ecuador	A	B	B	B	A	A	C	C
El Salvador	A	B	A	A	B	B	C	C
Ghana	A	B	B	A	B	B	C	C
Hong Kong	A	B	A	A	A	A	C	C
Iran	B	B	A	B	B	B	C	C
Ireland	A	B	A	A	B	A	C	C
Liberia	A	B	B	B	A	B	C	C
Malaya, Federation of	A	B	B	B	B	B	C	C
Mexico	A	A	A	A	B	A	A	C
Netherlands Antilles	A	A	B	A	A	A	C	C
Norway	A	A	A	A	B	A	C	C
Okinawa	A	B	B	B	B	B	C	C
Surinam	A	B	B	B	B	B	C	C
Sweden	A	A	A	A	A	A	C	C
Thailand	A	B	B	A	A	B	C	C
Union of South Africa	A	A	A	B	A	B	C	C

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- 3 -
Barter Program

Commodity Country Designation for Exportation of
Agricultural Commodities Under Barter Transactions

COUNTRY	WHEAT AND WHEAT FLOUR	CORN GR. SORGHUMS BARLEY	COTTON	TOBACCO	RICE	SOYBEANS	NONFAT DRY MILK	CHEESE
III. <u>Fair Financial Position</u>								
Afghanistan	C	C	C	C	B	C	C	C
Algeria	B	B	C	C	B	C	C	C
Burma	B	C	C	C	A	C	C	C
Ceylon	B	C	C	B	B	C	C	C
Cuba	B	B	B	C	A	B	C	C
Dominican Republic	B	B	B	C	A	C	C	C
Ethiopia	C	C	B	C	B	C	C	C
Finland	B	C	B	B	B	C	C	C
France	A	A	B	B	B	B	C	C
Guatemala	B	C	A	B	B	C	C	C
Honduras	B	B	C	B	B	C	C	C
Iraq	C	C	A	C	B	C	C	C
Lebanon	B	C	C	B	B	C	C	C
New Zealand	B	C	C	B	B	C	C	C
Nicaragua	B	C	A	B	B	C	C	C
Rhodesia and Nyasaland	B	C	B	C	B	C	C	C
Saudi Arabia	B	C	C	C	B	C	C	C
Yemen, Oman, Qatar, and Trucial Shiekdoms	B	C	C	C	B	C	C	C

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Barter ProgramCommodity Country Designation for Exportation of
Agricultural Commodities Under Barter Transactions

APPENDIX J

COUNTRY	WHEAT AND WHEAT FLOUR	CORN GR. SORGHUMS BARLEY	COTTON	TOBACCO	RICE	SOYBEANS	NONFAT DRY MILK	CHEESE
<u>IV. Poor Financial Position</u>								
Argentina	A	A	C	C	B	C	C	C
Bolivia	C	C	C	C	B	C	C	C
Brazil	B	C	A	C	B	C	C	C
Cambodia	C	C	C	B	A	C	C	C
Canary Islands	B	B	C	C	B	C	C	C
Chile	B	C	B	B	B	C	C	C
China (Taiwan)	C	C	B	B	A	C	C	C
Colombia	B	B	B	C	B	C	C	C
Egypt	B	C	A	B	A	C	C	C
Greece	C	B	A	C	B	C	C	C
Guinea	B	C	C	C	B	C	C	C
Haiti	B	C	C	B	B	B	C	C
Iceland	B	B	C	C	B	C	C	C
India	B	C	A	C	B	C	C	C
Indonesia, Republic of	B	C	B	B	B	C	C	C
Israel	B	B	B	B	B	B	C	C
Jordan	B	C	C	B	B	C	C	C
Korea, South	C	C	C	C	B	C	C	C
Laos	C	C	C	C	B	C	C	C
Libya	C	C	C	C	B	C	C	C
Morocco	B	C	C	B	B	B	C	C
Nepal	C	C	C	C	B	C	C	C
Pakistan	B	C	A	C	B	C	C	C
Paraguay	B	C	C	C	B	C	C	C
Peru	B	B	A	C	B	C	C	C
Philippines, Republic of	B	C	B	B	B	B	C	C

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Barter Program

Commodity Country Designation for Exportation of
 Agricultural Commodities Under Barter Transactions

COUNTRY	WHEAT AND WHEAT FLOUR	CORN GR. SORGHUMS BARLEY	COTTON	TOBACCO	RICE	SOYBEANS	NONFAT DRY MILK	CHEESE
(IV. Poor Financial Position - Continued)								
Poland	C	C	C	C	B	C	C	C
Spain	A	C	C	B	A	B	C	C
Sudan	B	A	A	C	B	C	C	C
Syria	C	C	A	C	B	C	C	C
Tunisia	C	C	C	B	B	C	C	C
Turkey	A	A	A	C	B	C	C	C
Uruguay	A	C	B	C	B	C	C	C
Viet-Nam, South	C	C	C	B	A	C	C	C
Yugoslavia	C	A	C	C	B	C	C	C

ADMINISTRATIVELY CONFIDENTIALUNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation
Washington 25, D. C.

TO: The Secretary of Agriculture September 9, 1959

FROM: Acting Executive Vice President

SUBJECT: Approval of Revised Listing of Commodity-Country Designations
for Exportation of Agricultural Commodities Under Barter
Transactions

Transmitted herewith for your approval are my recommendations for certain revisions in the commodity-country designations which you approved for wheat, feed grains, cotton, tobacco, rice, and non-fat dry milk on November 14, 1958, for soybeans on November 26, 1958, and for wheat flour on January 30, 1959.

The attached table of commodity-country designations represents the application to individual countries of the limitations on barter commodity exports established in accordance with the policies established by the Board of Directors, Commodity Credit Corporation, and approved by you. These revisions are based, as were the commodity-country designations previously approved by you, on an evaluation of the current external exchange position of each friendly foreign country together with a review of the history of imports by the country from the United States for dollars. In addition, consideration has been given to such other factors as whether the foreign country is an exporter of the agricultural commodity and whether the U. S. is the major supplier of the agricultural commodity in a particular country and is fully competitive in that market.

One hundred and five friendly foreign countries and dependent overseas territories are included in this table. Eighty-three were listed on the table approved by you on November 14, 1958. Cheddar cheese has been added to the list of commodities eligible under barter. Butter and oats have been removed. Wheat and wheat flour are listed together, with a single designation for each country, rather than separately. Among the other many changes, the most significant are: (1) the designation as "A" of a country which normally exports from its own production a specified barter commodity which competes with U. S. exports if it is expected the country will

ADMINISTRATIVELY CONFIDENTIAL

2 - The Secretary of Agriculture

be in an export position during the current season and (2) the designation of specified countries as "X" for soybeans, cotton, and feed grains, which I recommend not be eligible for export under barter to those countries until conditions warrant a change because at present such exports would disrupt world prices and replace dollar sales.

Attached are supporting data used by me and my staff in establishing the table of commodity-country designations. Your approval will constitute your determination, pursuant to Public Law 85-931, that the proposed restrictions on countries to which agricultural commodities may be exported are necessary in order to take reasonable precautions to safeguard usual marketings of the United States and to assure that barters or exchanges will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars.

Recommended:

/s/ Clarence D. Palmby
Acting Executive Vice President

Approved: September 16, 1959

/s/ True D. Morse
Acting Secretary of Agriculture

Attachments

ADMINISTRATIVELY CONFIDENTIALUNITED STATES DEPARTMENT OF AGRICULTURE
Office of the General Counsel
Washington 25, D. C.

July 9, 1959

To: Board of Directors, Commodity Credit Corporation

From: General Counsel

Subject: Amended Policy Governing the Exchange of Commodities Acquired Under Commodity Credit Corporation Price Support Programs for Strategic and Other Materials, CZ-224

Pursuant to Docket CZ-224, as heretofore amended, the President, CCC, Executive Vice President, CCC, or the Vice President, CCC, who is also the Deputy Administrator for Price Support, CSS, are authorized in stated circumstances and upon certain determinations to contract on behalf of Commodity Credit Corporation for the exchange of commodities designated by him acquired under CCC price support programs for stated strategic and other materials, goods or equipment, pursuant to the basic authority of CCC to barter agricultural commodities in its inventories for materials, goods or equipment, as implemented by Section 416 of the Agricultural Act of 1949, as amended, Section 303 of the Agricultural Trade Development and Assistance Act of 1954, as amended, and Section 206 of the Agricultural Act of 1956, as amended. The original docket establishes categories of countries according to ability to buy commodities for dollars and other criteria for determining conditions upon which specific commodities may move to such countries.

It appears that contracts made under the referred-to criteria under certain circumstances may not achieve in practice the objective of reasonably safeguarding usual marketings of the United States and of assuring that the barterers will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars. Accordingly, amendment of the docket is proposed.

This office has reviewed the attached Amendment 2 to Docket CZ-224 pursuant to which other criteria would be added to the circumstances and determinations which circumscribe the authority to barter presently delegated by the docket. The new criteria which would be for consideration under the amendment are directed to the limitation, with the approval of the Secretary, of the export of a specified agricultural commodity under barter to a country producing and exporting its surplus of the same commodity, and to the prohibition, if the Secretary finds it necessary, of the export under barter of a surplus agricultural

2 - Board of Directors, CCC

commodity to a specified country for a period during which certain conditions prevail because of which, as determined by the Secretary, other limitations stated in the docket will not adequately serve to accomplish the referred-to safeguards and assurances.

The docket establishes a modified basis for designating the countries to which bartered commodities are to be exported. In this connection, there is for observance the statutory requirement:

In carrying out barters 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 barters or exchanges under this Act will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars.

If the Secretary and the Board of Directors determine that these additional criteria are a part of the basis for establishing to which countries specific commodities may move which is necessary in accordance with the statutory requirement quoted above, the proposed policy of Amendment 2 to Docket CZ-224 is within the legal authority of Commodity Credit Corporation as contained in the Commodity Credit Corporation Charter Act and pertinent statutes and is without legal objection.

Attachment

/s/ Frank A. Barrett

ADMINISTRATIVELY CONFIDENTIAL

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service
Barter and Stockpiling Division
Washington 25, D. C.

July 8, 1959

TO: Board of Directors, Commodity Credit Corporation

FROM: Director

SUBJECT: Policy Governing the Barter of Agricultural Commodities
Owned by CCC for Strategic and Other Materials -
Docket CZ-224, Amendment 2

This amendment to the barter program authorizes the use of additional precautions in order to safeguard usual marketings of the U. S., to prevent undue disruption of world prices of agricultural commodities or replace cash sales for dollars.

Experience since the announcement of the "modified" barter program on November 14, 1958, has indicated that under the provisions of that program possibilities exist, under certain conditions, for both undue disruption of world prices of agricultural commodities and replacement of cash sales for dollars. It is the consensus of opinion in Commodity Stabilization Service that the measures authorized in this amendment are reasonable precautions which are needed to further restrict the export of agricultural commodities under barter by: (1) replacing "open end" transactions with bilateral or multi-lateral transactions for the export of an agricultural commodity to a country exporting the same commodity and (2) prohibiting the export under barter of a specified agricultural commodity to a specified country or countries under certain conditions. Accordingly, I recommend approval of the subject amendment.

A proposed press release is attached.

Recommended:

/s/ T. R. Rawlings
Director, Barter and Stockpiling
Division

Approved for submission to the Board of
Directors, Commodity Credit Corporation:

/s/ Clarence D. Palmby
Acting Executive Vice President
Commodity Credit Corporation

Attachment

Administratively Confidential

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service
Washington 25, D. C.

July 8, 1959.

To: Board of Directors, Commodity Credit Corporation
From: Director, Budget Division
Subject: Availability of Funds Statement, Docket CZ-224, Amendment 2

No commitment of Commodity Credit Corporation funds is required for the proposed amendment No. 2 to "Policy Governing the Barter of Agricultural Commodities Owned by Commodity Credit Corporation for Strategic and Other Materials, CZ-224."



Washington, September 16, 1959

Changes in CCC Barter Program Announced:

The United States Department of Agriculture announced today a number of changes in the barter program through which the Commodity Credit Corporation exchanges surplus agricultural commodities for strategic and other materials produced abroad. The changes are incorporated in a new table of commodity-country designations which reclassifies barter outlets for the surplus agricultural commodities.

The new table, which is effective immediately, will govern all barter offers received after today.

The major differences from the earlier table, which has been in effect since Nov. 14, 1958 (press release USDA 3182-58), are as follows:

(1) Many dependent overseas territories of foreign countries are included for the first time. These previously unlisted areas automatically fell into the "C" (open-end) category heretofore. A total of 105 destination areas are now listed, as compared with 83 on the earlier list. All countries not listed will automatically fall into the "C" category for all commodities except rice, and into the "B" category for rice.

(2) A new "X" category, designating countries to which barter exports of specified commodities will not be authorized, has been established.

(3) All countries which produce agricultural commodities available under the barter program and which export their surplus production of those commodities in competition with U. S. exports have been put in the "A" (screened multilateral or bilateral) category with respect to those commodities. Previously some of these commodity-country designations had been "B" (unscreened multilateral or bilateral) or "C" (open-end).

(4) In determining the appropriate commodity-country designations for wheat and wheat flour, consideration has been given in the new listing of traditional markets of other exporting countries which are signatories of the International

Wheat Agreement (IWA). Also, instead of two separate listings, there is now a combined listing for wheat and wheat flour.

(5) Cheddar cheese has been added to the list of surplus agricultural commodities available for export under the barter program. Oats and butter have been removed.

The changes in the table were viewed as necessary to safeguard usual marketings of the United States and avoid undue disruption of world prices of agricultural commodities or replacement of cash sales for dollars. Each commodity-country designation has also been reappraised in the light of current world economic and marketing conditions and current availability of the various CCC-owned agricultural commodities.

Although Department officials recognized that the changes could result in a reduction in the current fiscal year from last year's level of barter exports, they expected the changes to help focus future barter efforts on countries where they should be focused, that is, on countries less able to pay cash and on those which historically are not major markets for agricultural commodities. Such a change in emphasis could bring about a substantial increase in barter exports to these areas.

The following agricultural commodities are currently eligible for barter: Cotton, tobacco, rice (milled), wheat, corn, barley, sorghum grain, soybeans, cheddar cheese, and nonfat dry milk. This list is subject to change from time to time.

Other provisions of the barter program, as announced in the press release issued Nov. 14, 1958 (USDA 3182-58) and subsequent notices, will remain in effect.

Copies of the complete new list of commodity-country designations may be obtained from the Barter and Stockpiling Division, Commodity Stabilization Service, Room 3725, South Building, U. S. Department of Agriculture, Washington 25, D.C.

A list of the materials acceptable for the supplemental stockpile for which CCC can currently consider barter offers follows:

MATERIALS ACCEPTABLE UNDER BARTER TRANSACTIONS: Antimony; Bauxite; Jamaican, Refractory; Beryl (Hand-cobbed); Bismuth; Chromite, Refractory; Columbite; Fluorspar, Metallurgical; Manganese Ore, Metallurgical; Mica: Muscovite Block, Muscovite Film, Muscovite Splittings; Nickel; Silicon Carbide; Tantalite; Tin, and Zinc.

(Note: This list does not include all materials designated by the President as eligible for barter acquisition for the supplemental stockpile, but only those materials for which CCC is currently in a position to accept offers).

Administratively Confidential

CCC Docket - CZ 224,
Amendment 3

Policy Governing the Barter of
Agricultural Commodities
Owned by CCC for Strategic
and Other Materials

Approval by Board: July 29, 1959

ADMINISTRATIVELY CONFIDENTIALPolicy Governing the Barter of Agricultural Commodities
Owned by Commodity Credit Corporation for Strategic and
Other Materials.DOCKET CZ 224, Amendment 3

A. INTRODUCTION

I. Purpose

The purpose of this amendment is to authorize Commodity Credit Corporation, in the case of barter, to sell upland cotton in warehouse, but to price it on a port basis by increasing the exchange value of the cotton by an amount determined reasonable to cover the average cost of storage, transportation, compression and other operations which will be performed by the exporter, and--after exportation of the cotton--reimbursing the exporter for such costs by payment of an amount equal to the amount by which the exchange value was increased.

II. Justification

Grain is delivered on an f.o.b. port or vessel basis, under barter contracts. It is desirable to place cotton on the same basis. It is not administratively feasible, however, for CCC to move cotton, stored throughout the Belt, to various ports and place it aboard vessels, because of the work involved in arranging for and keeping records in connection with operations such as storing, insuring, loading out, sampling, weighing, picking out by tag numbers, transporting, ranging, compressing, patching, marking, draying and forwarding. Furthermore, it is desirable to follow, insofar as possible, the normal channels in moving cotton from interior to port. Neither is it feasible to reimburse exporters on an actual-cost basis, since it is expected that this would be more costly to CCC. Also checking the documents and verifying charges paid by the exporter constitutes a sizeable administrative burden on the New Orleans office.

Therefore, under cotton barter transactions, it is proposed that CCC sell cotton in warehouse but price it on a port basis by (1) increasing the exchange value of the cotton by an amount determined to be reasonable to cover the average cost of these operations, and (2) after exportation of the cotton, reimbursing the exporter for such average cost by payment of an amount equal to the amount by which the exchange value was increased. This will place the cotton exporter upon substantially the same basis as the grain exporter, under barter contracts. The amounts which will be added in computing the exchange value and paid to the barter contractors to cover the costs incurred in placing warehouse-stored cotton in an f.o.b. vessel position will not be in excess of the average cost of performing the operations necessary to place cotton in an f.o.b. vessel position.

Since the barter docket does not specifically provide for the making of payments by Commodity Credit Corporation to barter contractors in lieu of delivering the commodity f.o.b. vessel, it appears that the docket should be amended to provide for bartering cotton on this basis.

B. AUTHORIZATION

The following paragraph is added to Section II immediately after the last paragraph thereof:

"In the case of barter for cotton, the President, Executive Vice President or the Vice President who is Deputy Administrator Price Support, Commodity Stabilization Service, is authorized to arrange barter in which cotton is sold in warehouse but valued on a port basis. Such cotton shall be acquired by submission of bids under CCC's unrestricted sales program. The exchange value of such cotton shall be (a) the price bid, (b) less an amount equal to the payment-in-kind cotton export payment rate in effect on the date of the acceptance of the bid, and (c) plus an amount determined to be reasonable to cover storage, transportation, compression and other costs which will be incurred by the exporter. The amount to be added to cover such costs shall not be in excess of the average cost of performing the operations necessary to place cotton in f.o.b. vessel position. After exportation of the cotton, CCC will reimburse the exporter for such costs by payment of an amount equal to the amount which was added in computing the exchange value to cover such costs."

Approved by the CCC Board of Directors
at meeting held on July 29, 1959

/s/ Lionel C. Holm

Secretary
Commodity Credit Corporation

/s/ Clarence D. Palmby
Acting Executive Vice President
Commodity Credit Corporation

Approved: July 30, 1959

/s/ True D. Morse
Acting Secretary of Agriculture

ADMINISTRATIVELY CONFIDENTIAL

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service
Washington 25, D. C.

July 27, 1959.

To: Board of Directors, Commodity Credit Corporation
From: Director, Budget Division
Subject: Availability of Funds Statement -- Docket CZ-224, Amendment 3

No commitment of Commodity Credit Corporation funds for commodity acquisition costs is required in connection with the proposed amendment to docket "Policy Governing the Barter of Agricultural Commodities Owned by Commodity Credit Corporation for Strategic and Other Materials--Docket CZ-224."

To the extent that funds may be required for payment of storage, transportation, compression and other operations performed by the exporter, it is estimated that funds will be available.



July 28, 1959

To: Board of Directors, Commodity Credit Corporation
From: General Counsel
Subject: Docket CZ-224, Amendment 3

We have examined and approve as free from legal objection the authorization contained in the attached docket, relating to the exchange of cotton by Commodity Credit Corporation for strategic and other materials.

It is pointed out in the docket justification that grain is delivered on an f.o.b. port or vessel basis under barter contracts and that it is desirable to place barter contracts of cotton on the same basis. However, it is not believed to be administratively feasible for Commodity Credit Corporation to undertake to move cotton to the port and perform all of the other required operations. Accordingly, it is provided that cotton will be delivered in warehouse, and the exchange value of the cotton will be determined by adding to the price which would otherwise be applicable (the price bid under the Corporation's unrestricted sales program less the applicable export subsidy) an amount determined to be reasonable to cover transportation and other costs which will be incurred by the exporter, since it is not believed to be feasible to compute the actual costs. This amount is not to be in excess of the average cost of performing such operations. After the cotton is exported, Commodity Credit Corporation will reimburse the exporter for such costs by paying him an amount equal to the amount which was added in establishing the exchange value of the cotton.

Commodity Credit Corporation has full authority to barter agricultural commodities for delivery f.o.b. vessel, under section 4(h) of the Commodity Credit Corporation Charter Act and other legislation, and Commodity Credit Corporation has bartered grain and other commodities upon this basis. Bartering cotton upon this basis would, however, require the Corporation to arrange for transportation to the port, compression, sampling, weighing, marking, and a number of other required operations, and the costs incurred by the Corporation would be reflected in the exchange value of the agricultural commodities. It is our understanding that the proposed procedure will result in Commodity Credit Corporation accomplishing the desired objective of

2 - Board of Directors, CCC

bartering cotton on an f.o.b. vessel basis, without requiring the Corporation to perform all of the various operations which would be required in making deliveries f.o.b. vessel. We also understand that the amount which Commodity Credit Corporation will pay to barter contractors to cover the expense of these operations will be so calculated that the Corporation will be at least as well off as if it arranged for such services and paid the cost involved. Under these circumstances, the net effect of the proposed procedure will be the same as if Commodity Credit Corporation made cotton available to barter contractors on an f.o.b. vessel basis.

An appropriate form of resolution is attached.

/s/ Frank A. Barrett

Attachments

ADMINISTRATIVELY CONFIDENTIAL

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service
Washington 25, D. C.
Barter and Stockpiling Division

July 28, 1959

To: Board of Directors, Commodity Credit Corporation

From: Deputy Director

Subject: Policy Governing the Barter of Agricultural Commodities
Owned by CCC for Strategic and Other Materials - Docket
CZ 224, Amendment 3

Proposed Announcement CN-EX-8 covering the acquisition of cotton for export under Commodity Credit Corporation barter and credit sales programs provides in the case of barter that the identical cotton acquired from Commodity Credit Corporation shall be exported. It also provides for pricing barter cotton f.o.b. vessel on an average cost basis by increasing the exchange value of the cotton ex warehouse by an amount determined reasonable to cover average costs incurred by the exporter in moving cotton from warehouse to vessel. The exporter is to be reimbursed for such costs by the payment to him of an amount equal to the amount by which the exchange value was increased.

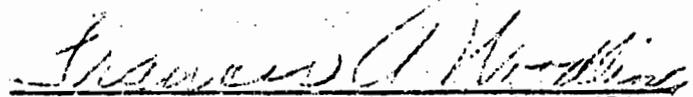
This announcement, which will be issued by the Cotton Division, Commodity Stabilization Service, is the result of a series of meetings participated in by the Cotton Division, the office of the General Sales Manager, Fiscal Division, Barter and Stockpiling Division and the office of the Deputy Administrator, Price Support. The reason for the port pricing provisions of the announcement is the consensus in the Commodity Stabilization Service that cotton should be priced on the same basis as grain is priced for barter, i.e., f.o.b. port or vessel.

It is the purpose of this amendment to modify existing Board authority for the barter program so that cotton may move under barter pursuant to the proposed cotton announcement CN-EX-8.

2 - Board of Directors, Commodity Credit Corporation

A press release will be prepared when terms of the program are announced.

Recommended:


Deputy Director, Barter and Stockpiling
Division

Approved for submission to the Board of
Directors, Commodity Credit Corporation:

/s/ Clarence D. Palmby
Acting Executive Vice President,
Commodity Credit Corporation

Attachment

Washington, August 10, 1959

New Upland Cotton Barter Sales Provisions Announced:

Revised terms and conditions governing sales of Commodity Credit Corporation owned cotton for export under barter contracts were announced today by the U. S. Department of Agriculture.

The new terms and conditions, which are effective immediately for the 1959-60 cotton marketing year, are contained in Announcement CN-EX-8, which is being distributed by the New Orleans CSS Commodity Office to its catalog holders and other interested persons.

Cotton exported under the barter program during the 1959-60 marketing year must have been purchased through competitive bid from the New Orleans CSS Commodity Office under either Announcement NO-C-12 (1958-and prior-crop cotton) or Announcement NO-C-13 (1959-crop Cotton). These Announcements govern sales of CCC-owned cotton for unrestricted use.

If any cotton purchased under either of the Announcements is to be exported under a barter contract, the buyer must so inform the New Orleans CSS Commodity Office within 72 hours after he has been notified of acceptance of his bid. He must also designate the cotton which will be applied to the barter contract. The identical bales so designated must be exported under the contract, unless the contractor provides evidence acceptable to CCC that substitution of an equivalent quantity of cotton is necessary to meet commitments already made for export of barter cotton during August.

The payment-in-kind export payment rate applicable to exports of upland cotton will be reflected in sales for barter in an appropriate adjustment in the accepted bid price.

Copies of Announcements CN-EX-8, NO-C-12, or NO-C-13 may be obtained upon request from the New Orleans CSS Commodity Office, Wirth Building, 120 Marais Street, New Orleans 16, La.

A STATEMENT, FURNISHED BY ICA, CONCERNING
THE DELAYS IN THE USE OF FOREIGN CURRENCIES

"Delays in use of foreign currencies - Some time must always elapse between the signing of the sales agreements and the use of the foreign currency sales proceeds. Sales proceeds are not available for loans or grants or for any purpose until the commodities are shipped and the foreign country deposits currencies to U.S. account. In addition, loan funds do not usually become available for disbursement until the full amount of the sales proceeds earmarked for all other purposes has been deposited to the United States account. Under the terms of the sales agreements, the United States has the right to determine the order and priority of expenditures of foreign currencies among the various purposes specified in the agreement. Recent sales agreements provide that shortfalls in the expected accrual of foreign currencies, which may result from the failure to purchase the full amount of commodities included in the agreement, or for other reasons, are deductible from the amounts set aside for loans under Section 104(g). In order to carry out this provision, apportionments of loan funds may be delayed until there is reasonable assurance that the full amount of the planned sales proceeds will be deposited. Time spent in negotiating loan agreements after the sales agreements have been signed has also accounted for some delay in the use of loan proceeds. Beginning in fiscal year 1958, this time lag was reduced by negotiating the loan agreement and the sales agreement simultaneously to the extent practicable.

Some difficulties have also been encountered in reaching agreement with some countries on the use of these loan funds.

For example, if inflation threatens or already exists, additional expenditures of local currency without compensating commodity imports may be unwise. Under these circumstances, governments may be reluctant to borrow these local currencies, which are usable only within their own countries, and to incur the obligation to repay such loans with interest.

Also, most PL 480 sales are made to the less developed countries in which economic planning, particularly for the use of local currencies, takes time to develop. Other problems include the inadequacy or lack of established credit institutions in many of these countries, as well as various political difficulties. Finally, some countries have objected to U.S. procedures and requirements in regard to these local currencies. Objections to interest rates, standard audit provision, and U.S. approval of projects have temporarily delayed completion of some loan agreements and project approvals. Effort is made to include in the sales agreement a provision permitting the U.S. to use the currency for the other purposes of PL 480 if agreement on its use is not reached within a specified period, usually from three to five years."

INTERNATIONAL COOPERATION ADMINISTRATION MANUAL	ORDER NO.	PAGE
	243.1	1
SUBJECT Functions of the ICA Disaster Relief Coordinating Committee	TRANS. LETTER NO.	EFFECTIVE DATE
	General-207 SUPERSEDES	July 7, 1955

I. General

In view of the increasingly active participation by ICA in the U.S. Government response to appeals for assistance resulting from natural disasters abroad, the following internal procedures are established for effective ICA participation in coordination with other U.S. Government agencies, the American Red Cross, and U.S. Voluntary Agencies, in overseas relief activities.

II. Definitions

Ordinarily the Committee is called upon to meet for consideration of emergency situations arising from natural causes as the result of which large numbers of people are in imminent or potential danger of loss of life or property through famine, disease, or similar causes. It is expected that less serious situations would normally be handled through the usual program process.

III. Establishment of ICA Coordinating Committee

In order to insure expeditious ICA action in full coordination with the Departments of Defense, State, and Agriculture and the American Red Cross, there is hereby established the ICA Disaster Relief Coordinating Committee.

- A. The Committee is comprised of representatives designated by the ICA offices principally concerned, including the Office of Food and Agriculture (S/FOOD), Public Health Division (PHD), Office of the Deputy Director for Operations (country desks involved in each instance) (DD/O), Office of the Controller (M/CONT), General Counsel (GC), Office of the Deputy Director for Refugees, Migration and Voluntary Assistance (DD/REF), and is on call for prompt consultation when a disaster occurs in a country within the ICA program orbit.
- B. On the receipt of information about a disaster from a USOM, State or Defense Departments, the American Red Cross (through DD/REF), or at the request of a senior ICA official, DD/O is responsible for requesting offices listed in paragraph III.A. above to designate representatives to attend a Coordinating Committee meeting. As chairman, the DD/O representative is also responsible for insuring that action assignments are determined and subsequently carried out by the appropriate offices. Attendance at meetings called by the Chairman and action on decisions shall be accorded high priority by all Coordinating Committee members.
- C. DD/REF is responsible for maintaining continuing liaison with the American Red Cross and Voluntary Agencies and furnishing the Coordinating Committee with information regarding relief plans and contributions by these agencies to disaster relief.

APPENDIX L

PAGE

2

ORDER NO.

243.1

EFFECTIVE DATE

July 7, 1955

TRANS. LETTER NO.

General-207

ICA MANUAL

- D. Programs under Title II of PL 480 are handled by an Interdepartmental Committee established by Presidential Order to deal with these matters. The activities of the internal ICA Disaster Relief Coordinating Committee are therefore limited on PL 480 matters to development of an ICA position.

AIRGRAM

INTERNATIONAL COOPERATION ADMINISTRATION

Security Classification
OFFICIAL USE ONLY

From - Washington
Subject - Title III PL 480 Voluntary and Inter-governmental Agencies Surplus Food Distribution Programs.
Reference - ~~XX~~ Circulars A-636, 195, 132, 240, 264, 265, 225.
(Check one before each address)

Page 1 of 2
Date sent MAY 17, 1958
Date Rec'd.

Distribution ACTION INFO

ADDRESS AND SERIAL NUMBER

Action

ICATO CIRCULAR A 337

X

XXXXXXXXXXXXXXXXXXXXXX

Info.

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6D

HONG KONG ICATO A-UNN

FOOD

BARBADOR ICATO A-UNN

ACC

CAPE TOWN ICATO A-UNN

ADE

PORT OF SPAIN ICATO A-UNN

AFE

NAIROBI ICATO A-UNN

AUD

MARTINIQUE ICATO A-UNN

DDM

DAKAR ICATO A-UNN

EXSEC

ADEN ICATO A-UNN

FPM

ALGIERS ICATO A-UNN

MCONT

DAMASCUS ICATO A-UNN

MMP

NASSAU ICATO A-UNN

OR

KUALA LUMPUR ICATO A-UNN

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VALLETTA ICATO A-UNN

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SYDNEY ICATO A-UNN

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SALISBURY ICATO A-UNN

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Other Agency

AGRIC

Voluntary agencies and intergovernmental organizations making shipments of Title III - P.L. 480 commodities donated by the Department of Agriculture have been notified that, effective immediately, they shall provide for notification of the arrival of shipments in countries of destination to the responsible U.S. overseas Mission, Embassy or Consulate.

CIA

COMM

STATE

The on-board bill of lading will be notated in such a manner that the delivering SS carrier will have the responsibility of notifying, in addition to the normal notify party, the appropriate

Authorizing Officer E.D. White, Acting Director
Drafted by GFRottnno:amd
Office S/FOOD
Phone No. 3035
Date 5-13-58

ICA and Other Clearances
Security Classification
ICA and Other Clearances
OFFICIAL USE ONLY

White, S/FOOD
JHutchins, USDA (in substance)
WMcCahon, S/VFA (in substance)
LRocke, State (in substance)
RStewart, S/FOOD
ICA - 5-39 (2-58)

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AIRGRAM
Continuation

INTERNATIONAL COOPERATION ADMINISTRATION

AIRGRAM

Post	No.	Security Classification	Page	Pages
ICATO CIRCULAR A	337	OFFICIAL USE ONLY	2 of	2

field post in the country of destination "attention P.L. 480 Title III officer." Ref Circular 240 suggested that the Food and Agriculture officers and Program officers USOMs be assigned the tasks of program planning, coordination, review and evaluation. Audit and end use activities were assigned to the USOM controller. The notice of arrival of Title III P.L. 480 surplus foods should be of interest to all of these persons.

Please report the name and title of the person whom you designate to receive the notices, who will be responsible for assuring that all of the personnel mentioned above are advised. Also advise if you desire the notification marked in any way other than "attention Title III P.L. 480 officer."

SMITH

Copy

INTERNATIONAL COOPERATION ADMINISTRATION

ICA CABLE AND AIRGRAM ADDRESS SHEET FOR CIRCULAR MESSAGES

Security Classification
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3 of 3

CABLE ROOM: SEND TO FOLLOWING AS:

ICATO CIRCULAR A-337

XX

3 REYKJAVIK
3 ACCRA
5 ADDIS ABABA
5 BELGRADE
6 BONN
5 ~~mc~~LONDON
7 MADRID
3 MOGADISCIO
10 MONROVIA
6 PARIS MISSION
10 PARIS USRO
6 RABAT
3 ROME
3 TRIPOLI
5 ~~m~~ TUNIS
6 VIENNA
3 BENGHAZI
3 LAGOS
ICATO CIRCULAR X

5 BANGKOK
10 DJAKARTA
10 MANILA
6 PHNOM PENH
5 RANGOON
6 SAIGON
6 TAIPEI
9 TOKYO
7 VIENTIANE
15 CINCREP SEOUL
0 CINCUNC SEOUL

6 AMMAN
7 ANKARA
10 ~~m~~ ATHENS
8 BAGHDAD
6 BEIRUT
7 ~~m~~ COLOMBO
8 KABUL
10 KARACHI
8 KATMANDU
8 NEW DELHI
10 TEHRAN
8 TEL AVIV
3 KHARTOUM
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2 LISBON
2 BRUSSELS
3 HONGKONG
3 BARBADOS
3 CAPETOWN
3 PORT OF SPAIN
3 NAIROBI
3 MORTINIQUE
3 DAKKR
3 ADEN
3 ALGIERS
3 DAMASCUS
3 XXXXXX NASSAU
3 KUALA LUMPUR
3 VALLETTA
3 NAHA
3 SINGAPORE
3 SYDNEY
3 SALISBURY
3 MOZAMBIQUE

10 ASUNCION
3 BELIZE
9 ~~m~~ BOGOTA
3 BUENOS AIRES
5 CARACAS
4 CIUDAD TRUJILLO
3 GEORGETOWN
9 GUATEMALA
4 ~~x~~ HABANA
4 ~~x~~ KINGSTON
10 LA PAZ
10 LIMA
10 MANAGUA
7 MEXICO
5 MONTEVIDEO
10 PANAMA CITY
5 PARAMARIBO
10 PORT AU PRINCE
7 QUITO
10 RIO DE JANEIRO
9 SAN JOSE
8 SAN SALVADOR
11 SANTIAGO
8 ~~m~~ TEGUCIGALPA

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INTERNATIONAL COOPERATION ADMINISTRATION

AIRGRAM

AIRGRAM

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From - Washington

Page 1 of 3
Pages

Subject - Voluntary Agencies Title III - P.L. 480
Distribution Programs

Date sent 5/22/57
Date Rec'd.

Reference - (1) USFOTO CIRC XA-636 *
(Check one before each address) (2) ICATO CIRC XA-195

Distribution ACTION INFO

ADDRESS AND SERIAL NUMBER

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- ACC
- ADFIN
- AFE
- AUD
- BUD
- DDP
- DDS
- DDO
- EXSEC
- FPM
- GC
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I. Planning - Review - Evaluation

Reference (1) which is attached for convenience outlines the responsibilities of the Missions as conditions existed at the time of issuance (4-16-55). Subsequently, donations to the Voluntary Agencies have increased considerably and have reached a scope of operation that demands effective program planning, coordination, review and evaluation by the USOM staffs.

In order to accomplish the objectives required, it will be necessary for the Mission to meet from time to time with the Voluntary Agency Coordinating Committee (where these exist) to obtain full information on plans, programs and status of operations. Where no committee exists, arrangements should be made to organize one if two (2) or more Voluntary Agencies are involved in distribution programs, ~~otherwise~~ otherwise the USOM should meet with U.S. citizen Voluntary Agency Representative.

As of May 1, 1957, Voluntary Agencies are being required to submit their annual projections and program plans to the Mission for the purpose of planning, review, evaluation and recommendations before any Title III programs are considered by ICA/W for approval. USOM's should review and evaluate such program projections of the Voluntary Agencies to assure that the Voluntary ~~XXXX~~ Agencies have provided (1) adequate staff to cope with receipt and distribution of surplus foods together with effective controls to provide inventory and distribution records, (2) proper warehousing to adequately

* ATTACHMENTS 1 and 2 COLLATED TOGETHER

Authorizing Officer	Drafted by	Office	Phone No.	Date
/s/ E. N. Holmgreen, E. N. Holmgreen, Director, S/FOOD	GRotunno:amd	S/FOOD	3007	5-17-57
ICA and Other Clearances Fosmark, AUB (in draft)	Security Classification OFFICIAL USE ONLY			ICA and Other Clearances
Hutchins, USDA (in draft)				
McCahon, S/VFA (in draft)				
Tyson, S/FOOD				
FitzGerald, DD/O				

ICA 5-39 (7-55)

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protect foods to be distributed, (3) safeguards to prevent exchange or sale of donated foods, (4) adequate supervision to determine that donated foods reach persons for whom intended; and further, to determine (1) areas of distribution to avoid overlapping of agencies program, (2) accuracy of estimated number of persons who qualify for economic need of food assistance in relation to the general economic level of the country, (3) suitability of foods available for donation in relation to dietary habits of persons to be benefited, (4) adequacy of proposed rate of distribution, (5) effect, if any, on other U.S. surplus disposal programs, (6) effect on local economy, (7) effects on total imports and exports, (8) value in terms of U.S. interest if program is properly proven as people to people effort and (9) ability of Volagency to provide proper management and supervision to undertake program proposed. The Title III program should be considered in relation to any on-going or projected Title I, Title II or Section 402 food programs.

It is suggested that the Agricultural and Program Officers be assigned ~~and~~ the ~~tasks~~ tasks of program planning, coordination, review and evaluation.

6/30/57

Submit not later than ~~8/13/57~~ to ICA/W Voluntary Agency projections for FY '58 together with your recommendations and comments in relation to program justification.

Attached is a paper entitled "Grants of U.S. Surplus Agricultural Commodities under P.L. 480 as amended" which gives the background of Titles II and III and includes a table of surplus food disposals under P.L. 480 and other legislation since 1950 which should prove useful.

II. Audit and End-Use Activities

USOM Controller will be concerned primarily with audit and end-use checking, although his responsibilities need not necessarily be restricted to this review area alone.

The USOM Controller will proceed on the basis that the main burden of distribution, control, accountability,

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review, and reporting, rests with the ~~AMERICAN~~ American citizen representative of the Voluntary Agency or Agencies.

The USOM Controller will satisfy himself in advance of actual transactions, from interviews and such inspections as he deems necessary, that these agencies, functioning under the American citizen representative, are equipped with staff, and have available the necessary storage and distributive facilities. He will also satisfy himself that the agencies possess adequate record-keeping systems for maintaining data on arrivals, ~~xxx~~ ^{port} clearance inventories, and distribution of types and quantities of commodities to the intended recipients; and that they submit necessary reports to the Mission or ~~xxxxx~~ otherwise as required.

He will complement the foregoing by conducting such selective tests in the field as he deems necessary to assure that commodities are being properly stored, that they are efficiently distributed, and that they reach the recipients for whom they were intended, according to regulations and programming objectives. The intensity and number of such checks in the field will be determined in large part by the effectiveness displayed by the agencies in carrying out their duties.

Although MO 704 does not apply specifically to Title III transactions, it does contain material which may be useful to the USOM Controller as a guideline. Specific guidelines will be prepared and forwarded at a future date in M.O. form.

III. General

ICA and USDA are in the process of developing instructions and guidelines for the Voluntary Agencies to follow in developing their programs of distribution. These will be forwarded to the USOMs in the near future.

Attachment

HOLLISTER

CABLE ROOM: PLEASE SEND TO

~~TEKSSE~~ LISBON
HONG KONG BRUSSELS

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INTERNATIONAL COOPERATION ADMINISTRATION

ICA CABLE AND AIRGRAM ADDRESS SHEET FOR CIRCULAR MESSAGES

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ICA - 5-81 (11-56)

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August 11, 1958

Honorable Ezra Taft Benson
Secretary of Agriculture
Washington 25, D.C.

Dear Mr. Secretary:

Since assuming office as Director of the International Cooperation Administration about a year ago, I have been attempting to ease the burden of our overworked staff and improve the Agency's efficiency by discontinuing or transferring to agencies with more direct responsibility those activities which are peripheral to this Agency's central task of operating programs of technical and economic (developmental) assistance. One of these peripheral activities, I have concluded, is this Agency's participation in the administration of Title III, PL 480. Furthermore, I am concerned with the increasing workload on our Missions abroad for audits and end-use checks as a result of the rapidly expanding magnitude of Title III program.

In the past, as a service to the Department, our Missions abroad have been attempting to coordinate the work of voluntary agencies in those countries where two or more of them have programs, and we have been reviewing and recommending for Washington approval voluntary agencies' program plans, supervising such plans and conducting audits and end-use checks to a limited extent, in an attempt to assure that the appropriate regulations and instructions are being followed. We believe that these responsibilities can be more effectively discharged by representatives of the directly responsible agency, namely, the Department of Agriculture. It is recognized that Agricultural Attaches' are not stationed in some countries in which the voluntary agencies are conducting relief programs. However, it should be noted that ICA does not have Missions in all such countries either, and in the past has had to arrange to rely upon the Embassy or to dispatch personnel from particularly its regional office in Paris, for periodic visits to individual countries. It seems clear that the Department of Agriculture can make the same arrangements.

As I understand it, ICA/W has participated in the past in the review of and negotiation of program plans with the voluntary agencies. However, we understand that it is now largely being done directly by the Department of Agriculture. It seems clear to me that it could be done more efficiently and effectively if the

Department of Agriculture undertakes full responsibility for administering the Title III, PL 480 program.

In the past ICA has administered, under delegation of authority by E.O. 10560, a program of ocean freight financing on voluntary agency shipments of surplus agricultural commodities donated by the Department of Agriculture with funds transferred to it from CCC. I would prefer that, hereafter, the Department of Agriculture allocate these ocean freight funds direct to the voluntary agencies concerned, and suggest we jointly recommend to the Bureau of the Budget the necessary amendments in the Executive Order.

I recognize that it may take a little time for the Department of Agriculture to assume full responsibility for PL 480, Title III program, both in Washington and in the field, so I am prepared to have ICA continue to participate to the extent necessary for an interim transition period. I propose, therefore, that we consider the balance of this calendar quarter as the transition period, and effective on October 1 the new arrangement go into effect.

ICA will be happy, as a member of the Interagency Staff Committee, to participate in any discussion of the voluntary agency program as the Department may wish to submit to such agency for comment. In the field our Mission Directors will be prepared as a member of the country team to participate, as the Ambassador, the leader of the country team, may wish. Finally, as provided in ICA Regulation 3, the Advisory Committee on Voluntary Foreign Aid will continue to maintain a register of eligible voluntary relief agencies, as well as a list of specific countries and areas in which programs have been registered and approved. This information, together with all information filed with the Committee pertaining to relief agreements with foreign governments, granting privileges and facilities with respect to the entry and distribution of relief supplies, will continue to be available to the Department of Agriculture.

Sincerely yours,

/s/ J. H. Smith, Jr.

DEPARTMENT OF AGRICULTURE
Washington 25, D.C.C
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P
Y

August 14, 1958

Honorable J. H. Smith, Jr.
Director, International Cooperation
Administration
Washington, D.C.

Dear Mr. Smith:

This will acknowledge receipt of your letter of August 11, in which you make certain recommendations with respect to the transfer of responsibilities associated with Title III of P.L. 480.

We will naturally desire to study your proposals in detail in view of their significance to both agencies, and will respond more fully as soon as practicable. However, Assistant Secretary Paarlberg, who is immediately responsible for this program and who is deeply concerned with it is on an extended field trip which will keep him out of the country until mid-September. Therefore we hope that final resolution of this problem can be deferred until his return and the transfer of any functions which may be decided upon be effected sometime after your proposed date of October 1.

Sincerely yours,

/ s/ True D. Morse

Memorandum of Agreement Between United States Department of Agriculture and International Cooperation Administration on Audits of Operations of Voluntary Agencies Abroad and End-Use Checks of Donations of Agricultural Commodities and Related Activities Under Section 416, of the Agricultural Act of 1949, as Amended.

I General

The International Cooperation Administration (ICA) has the facilities necessary to supervise and conduct audits of its programs abroad, and related activities. ICA agrees to use these facilities to perform for the U. S. Department of Agriculture, under authority of Section 601 of the Economy Act, as amended (31 U.S.C. 686), audits of the operations of Voluntary Agencies and end-use checks of donations of agricultural commodities abroad and related activities under Section 416 of the Agricultural Act of 1949, as amended. Accordingly it is agreed:

II International Cooperation Responsibilities

A. Audit Program

It shall be the responsibility of ICA to prepare and carry out a program of audits of operations of Voluntary Agencies and end-use checks of donated agricultural commodities abroad under Section 416 of the Agricultural Act of 1949, as amended. Audit reports shall be prepared by the auditors in the manner consistent with the general practice of ICA. Three copies of reports of each of the audits shall be submitted to the Secretary of Agriculture.

B. Related Activities

In addition to its responsibilities directly related to the Audit Program, ICA will be responsible for the technical review and evaluation of existing programs and shall be responsible for the approval of proposed programs.

C. Expenses

Except for the expenses set forth in Paragraph III, all costs incident to these audits and end-use checks, and related activities, including the overseas transportation to the points of destination and return, per diem, and transportation within the foreign countries and between such countries as well as all other related incidental expenses of conducting this audit program shall be paid by ICA. Foreign currencies equivalent to \$100,000, as allocated by the Bureau of the Budget to the Department of Agriculture, will be transferred to ICA for this purpose. Expenses heretofore incurred during Fiscal Year 1960 for related activities under II B. in anticipation of the approval of this agreement may be charged against funds allocated for these purposes.

APPENDIX O

III U. S. Department of Agriculture Responsibilities

Commodity Stabilization Service of USDA shall detail four auditors to International Cooperation Administration to participate in this audit program until June 30, 1960. In performance of this audit program auditors detailed by CSS shall be responsible to ICA designees under whose guidance, direction, and supervision they will be working. The salaries of the four detailed auditors shall be paid by CSS. For other expenses see paragraph II C.

IV Countries to be Visited

A tentative list of foreign countries to be visited for the purpose of these audits comprises: Colombia, Korea, Italy and Morocco. This list is subject to change upon mutual determination of ICA and USDA.

V Effective Date

This agreement shall remain in effect until June 30, 1960. Beginning with July 1, 1960, such activities will be carried out by the International Cooperation Administration under a separate agreement with the United States Department of Agriculture.

Approved:

Jan 18 1960
Date

/s/ Clarence L. Miller
Assistant Secretary of Agriculture

Feb 2 1960
Date

/s/ James W. Riddleberger
Director
International Cooperation
Administration

DEPARTMENT OF STATE INSTRUCTION

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NO.: CA-8787 May 8, 1956

SUBJECT: Role of the State Department, Agriculture, ICA and Other
Agencies in Title I, PL 480

JOINT STATE-ICA-USDA MESSAGE

TO: AMERICAN DIPLOMATIC MISSIONS EXCEPT BUCHAREST, BUDAPEST,
PRAGUE, MOSCOW

Missions distribute to USOM's, Agricultural Attaches,
and appropriate Consular posts.

I. General

As PL 480, Title I agreements have been signed and implementation has proceeded, questions have arisen in Washington and in U.S. missions abroad as to the concrete procedural applications of the division of responsibilities among the U.S. agencies concerned with the administration of Title I of PL 480; these questions have also suggested a lack of adequate awareness in some Missions of existing instructions on this division of responsibilities. The following statement is intended to reaffirm previous instructions and clarify some of their procedural implications in the light of working experience with Title I of PL 480 to date. Chiefs of Diplomatic Missions are responsible for exercising coordination, general direction, and leadership in the conduct of all Title I PL 480 matters, to assure that U.S. foreign policy objectives are properly met; that activities of all field representatives of agencies with responsibilities pursuant to the Act are effectively coordinated; that friendly relations with foreign governments are not impaired; and that foreign governments clearly understand the procedures and objectives of Title I, PL 480.

II. Agency Responsibilities

The following basic documents set out the provisions of PL 480 and the inter-agency division of responsibilities for administering these provisions.

- 1) Agricultural Trade Development and Assistance Act of 1954 (PL 480, 83rd Congress, as amended by PL 25 and PL 387, 84th Congress).

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- 2) Executive Order No. 10560, Sept. 9, 1954. (pp. 70-71 of the 1954 supplement to Title III - The President, Code of Federal Regulations).
- 3) President's letter of Sept. 9, 1954, concerning EO No. 10560. (Dept. of State Bulletin No. 797 of October 4, 1954)
- 4) Executive Order 10575, Nov. 6, 1954, (pp. 79-83 of the 1954 supplement op. cit.)

Chiefs of Missions should assure familiarity with these documents by all personnel at their posts concerned with the operation of Title I of PL 480.

Very briefly, these documents contemplate or provide that a number of agencies have a responsibility for administration of Title I. Primary responsibility in Washington is in the Department of Agriculture, with important phases vested in the Department of State and ICA, and with ancillary responsibilities assumed by the Defense and Treasury Departments, the Office of Defense Mobilization and the Budget Bureau. The coordination required by this joint administration is achieved in Washington: firstly, through a senior interagency policy committee known as "The Interagency Committee on Agricultural Surplus Disposal", headed by a representative of the White House Office (Mr. Clarence Francis); secondly, through a staff committee chaired by the Department of Agriculture and known as "The Interagency Staff Committee on Agricultural Surplus Disposal (ISC)"; and, thirdly, through continuous interagency consultation and clearances on the substance of implementation questions as they arise.

Through the foregoing committee structure, Title I policies and sales programs are developed, reviewed and approved by the interested agencies, while the individual agencies prepare proposals for ISC consideration and follow-up on the administration of their respective responsibilities. The division of the major responsibilities for Title I is as follows, although several of the responsibilities listed are to some extent shared.

- 1) Leadership in determining the countries, quantities and commodity composition of U.S. surplus sales - Agriculture.
- 2) Coordination of preparation of negotiating instructions and draft sales agreements - Agriculture.
- 3) Coordination of programs with U. S. foreign policy, and negotiation and consultation with foreign governments - State, utilizing specialists of other agencies for appropriate aspects of negotiations.

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- 4) Coordination of programs with the MSP; coordination of preparation of negotiating instructions and draft loan agreement; use of local currency proceeds to promote economic development and multilateral trade, and to purchase goods and services for third countries - ICA.
- 5) Arranging for the procurement and shipment of commodities and the deposit of local currencies - Agriculture.

Other responsibilities connected with Title I administration are distributed as follows:

- 1) Use of local currencies to develop markets for U. S. agricultural commodities - Agriculture.
- 2) Use of local currencies to purchase strategic materials - ODM, which issues necessary authorizations to GSA to purchase.
- 3) Use of local currencies for military purchases for common defense - Defense.
- 4) Use of local currencies to pay U.S. obligations abroad - disbursing officers and agencies responsible for effecting payments.
- 5) Use of local currencies for international educational exchange activities - State.
- 6) Regulations governing purchase, custody, deposit, transfer and sale of foreign currencies - Treasury.
- 7) Allocation and apportionment of local currency proceeds to administering agencies, and exercise of waiver authority in Section 104 - Budget Bureau.
- 8) Publicizing abroad Title I activities as appropriate - USIA.

III. Field Coordination

The Washington agencies assigned these responsibilities must of course rely largely on their respective field staffs in discharging such responsibilities.

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Because of the many facets of Title I and the specific allocation of responsibilities among agencies, positive coordination by Chiefs of Mission and full and timely participation of all field representatives concerned are essential. The pertinent paragraphs from the President's letter of September 9, 1954, read:

"3. The delegation to the State Department of responsibility for negotiations with foreign governments is intended to give recognition to State Department's central responsibility in this area. Other agencies directly concerned with the substance of the negotiation, however, must continue to carry substantial responsibility in such negotiations. Moreover, it is assumed that these other agencies will conduct day-to-day discussions with representatives of the foreign governments in implementing basic agreements reached with such governments. Such discussions, of course, must be in conformance with the foreign policy responsibilities of the State Department and the chiefs of our diplomatic missions."

"4. It is imperative that we continue to coordinate United States programs affecting other nations. For this reason, the accompanying Executive Order makes this program subject to my previous instructions with respect to coordination of United States activities in foreign countries. Under those instructions, the chief of the diplomatic mission is the principal officer of the United States in each country and has full responsibility and authority for assuring effective action in that country."

The reference to "my previous instructions" (in paragraph 4 of President's letter quoted above) is to the provision for field coordination in Executive Order 10575, which is made applicable by Executive Order 10560 to activities under PL 480. The substance of these previous instructions is to provide that the field coordination mechanism for PL 480 shall be the same as that for the Mutual Security Program--joint consideration by the field representatives of the responsible agencies under the leadership of the Chief of Mission. In the event agreement in the field cannot be reached, Executive Order 10575 provides that the Chief of Mission may recommend a course of action; however, representatives of other agencies have, under the Executive Order, not only the right but the obligation to see that unresolved differences are jointly referred to Washington for solution when in their judgment the solution proposed at the country level does not adequately meet their agencies' responsibilities.

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The exact division of duties among field representatives in the conduct of negotiations relating to Title I, PL 480, may vary from post to post, depending on the type of personnel available, the content of the specific PL 480 program under consideration, and other local factors. The various agency representatives should participate in negotiations and maintain contact with their Washington offices to whatever extent is necessary to enable them effectively to discharge their particular responsibilities for the implementation of PL 480. After PL 480, Title I programs pass from the negotiation of the sales agreement to the implementation stage, the various agency representatives should assume responsibility for the aspects of implementation charged to their agency, subject of course to the over-all coordinating authority of the Chief of the Diplomatic Mission over all U.S. activities at his post. Although it is intended that field representatives concerned will consult freely with their opposite numbers in the foreign government in connection with their assigned responsibilities, the Chief of Diplomatic Mission is responsible to see that care is taken to avoid any possible inadvertent misunderstandings or misrepresentation of U.S. foreign policy.

IV. Typical Operational Sequence for PL 480, Title I Programs.

In order to clarify the operational implications of the foregoing divisions of responsibility for Title I of PL 480, there follows a description of a typical sequence of steps in carrying a PL 480, Title I program from the initial proposal stage through the implementation stages. It should be understood, however, that variations in this sequence may occur for any individual program for special reasons applicable to the development of that program, and that this generalized description omits many particulars. The responsible agencies have issued or will issue separately to the extent necessary and after appropriate clearance, detailed operating instructions for the various phases of PL 480, Title I implementation for which they are responsible.

1. Proposals for PL 480, Title I programs may originate from any interested source, e.g., from field missions, from foreign governments, or from one of the interested Washington agencies.
2. All recommendations and proposals for Title I sales programs are referred to the Department of Agriculture which is responsible for assuring and coordinating the preparation of the necessary papers, either independently or in cooperation with other interested agencies, for the consideration of the Staff Committee on Agricultural Surplus Disposal (ISC). This committee includes representatives of Agriculture, State, ICA, Treasury, Defense, Commerce,

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Bureau of the Budget and ODM. (USIA sits as observer).

3. Under the chairmanship of an Agriculture Department representative, the ISC considers and approves sales agreements for negotiation and the associated negotiating instructions to U.S. field missions. Policy differences that the ISC is unable to resolve are referred to the Interagency Committee on Surplus Disposal. The sales agreements include both the magnitude and terms of the proposed sales of U.S. agricultural commodities, and the division of the local currency proceeds among the various categories of uses authorized by the sub-sections of Section 104 of PL 480. They may also specify some broad types of local currency uses or limitations within the use categories stated in Section 104.

4. The negotiating instructions for Title I sales agreements are transmitted to the field through State channels, except for a few agreements which are negotiated in Washington. Upon receipt of the negotiating instructions, the Chief of the Diplomatic Mission turns to a U.S. staff group at his post to consult on and carry out the necessary negotiations. This staff group will probably already have been constituted to coordinate a series of exchanges between the interested agencies and their field staffs while the U.S. negotiating proposals were being developed. The State Department has the over-all responsibility for negotiations, which are therefore ordinarily conducted under the direction of the Chief of the Diplomatic Mission. It is expected, however, that he will rely heavily for this purpose on officers from agencies with the specific implementation responsibilities for the agreement under consideration, and especially on USDA representatives for the commodity aspects of the negotiations and on ICA representatives with regard to uses of the local currency proceeds and the relation between PL 480 and Mutual Security Act programming, to the extent that representatives of these agencies are available at his post.

5. Problems arising either before negotiations are initiated with foreign governments or during the course of negotiations may be referred to Washington. Joint replies thereto are usually prepared, with action responsibility in the agency in whose area the problem falls, and approved by State, Agriculture and ICA, with other agencies participating with respect to matters affecting them. Any departures from the negotiating instructions must receive such joint clearance. When negotiations are concluded, the Chief of Mission is usually authorized to sign the agreement for the U.S. without returning it to Washington for final clearance (except for foreign language versions). However, any textual changes in the agreement must be cleared with Washington prior to signing.

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6. In addition to the basic sales agreement, several subsidiary agreements are ordinarily required to govern implementation of the local currency use aspects of the basic agreement. These agreements are usually negotiated after the basic sales agreement is signed, but some of them may need to be wholly or partially negotiated simultaneously with the sales agreement. The development of the content of these local currency use agreements and their negotiation is normally carried on by the direct or delegated representatives of the agencies responsible for the particular uses in question, operating under the general direction of the Chief of the Diplomatic Mission who has final responsibility for negotiating agreements with foreign governments in accordance with Executive Order 10560. As noted above, the responsible agencies have provided or will provide the necessary detailed instructions to their field representatives coordinating their activities with other interested agencies in Washington through normal interagency consultation and clearance procedures.

7. The most important of these subsidiary agreements is usually that governing the uses of local currency apportioned for economic development purposes (subsection 104(g) of PL 480). For this purpose, there is first a "Loan Agreement", per se, which is primarily a technical agreement covering the terms of subsection 104(g) loans, (interest rate, repayment schedule, etc.) A copy of the draft agreement is sent to the USOM for consideration by the country. After agreement has been reached on the terms of the loan, the copy of the loan agreement for signature in Washington is prepared by the Export-Import Bank after authorization by ICA. The borrowing government is asked to empower its Ambassador or other representative to sign the formal agreement with the Export-Import Bank. In addition, there must also be an agreement or agreements on the specific uses to be made of the loan funds and on the degree of U.S. surveillance or control of these uses to be applied. Instructions on the form of these agreements and associated procedures are currently being prepared. These specific use agreements will normally be negotiated and signed by the USOM.

8. The procurement, shipment and financing of all sales covered by Title I, PL 480 agreements are governed by USDA regulations, procedures and forms. Generally, procurement action may begin as soon as the basic sales agreement is signed, whether or not the subsidiary agreements on local currency use have been completed. To initiate procurement, it is necessary for the host government to prepare and submit applications for the purchase of individual commodities and to accept purchase authorizations. In order to conduct these operations and to handle details of executing a sales program, it is advantageous to have someone in the embassy of the foreign government in Washington specifically designated and empowered to work with USDA in such matters.

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9. Instructions covering the collection and deposit of foreign currencies accruing from PL 480 sales are covered in Form FAS 480 authorizations and joint Treasury-State messages relating to specific agreements. (Basic instruction is Dept. of State CA-4325, January 5, 1955; subject: "Accounting for Foreign Currencies Received from Sale of Agricultural Commodities Abroad under Various Provisions of Law"). The sales proceeds are deposited in a special bank account of the U.S. Government which is maintained by the U.S. disbursing officer of the Embassy and accounted for in his books in a foreign exchange account designated by the Secretary of the Treasury. As the proceeds are subsequently apportioned to the agencies which administer the various kinds of local currency uses, they are transferred to separate accounts which each administering agency maintains for this purpose.

10. The Bureau of the Budget is responsible for making allocations and apportionments to agencies in Washington which are responsible for carrying out programs for the use of foreign currency proceeds. In so doing, they are of course governed by the provisions of the sales agreement governing the use of the sales proceeds. The apportionments control priorities over the use of currencies. Agencies in Washington which receive fund apportionments make allotments to their representatives at foreign posts, as appropriate, and prescribe the procedures for obligating and expending the local currencies that have been allotted by them.

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EXTRACT FROM THE

1961 BUDGET MESSAGE OF THE PRESIDENT OF THE UNITED STATES

(Page M75)

CONTROL OF FOREIGN CURRENCIES.--The Government receives from its operations considerable quantities of foreign currencies each year. Much of this currency is earmarked for grants to and loans in the country concerned, and some is available for programs of the U. S. Government. In many countries the currencies available to us are needed for conducting normal U. S. operations, yet such use is prevented in some cases by statutes or by the international agreements under which the currencies are received.

As a result of a detailed study, this budget includes provisions to bring under budget and appropriation controls all foreign currencies available for U. S. agency operations which are received from the sale of surplus agricultural commodities. This change will not alter total appropriations or expenditures, but will increase those of the agencies using the currencies and decrease those of the Commodity Credit Corporation. Accordingly, I intend that no more allocations be made for uncontrolled use after the current fiscal year except for country grants and loans committed in international agreements, and I recommend that at an appropriate time the Congress remove from the laws the provisions which permit uncontrolled use for other purposes. I am also instructing that in future negotiations of international agreements we endeavor to avoid restrictions which would limit our ability to apply normal budget and appropriation controls to the use of those currencies which are earmarked for U. S. agency operations.

The Comptroller - C

February 8, 1957

General Counsel - L

Storage and Handling Costs for Supplemental Stockpile Materials

Your memorandum of July 11, 1956 requested our advice as to (1) whether GSA clearly has the responsibility for maintaining the supplemental stock pile, and (2) whether the Independent Offices Appropriation Act, 1957 (P.L. 623, 84th Cong.) provides authority to use funds appropriated for the purposes of the Strategic and Critical Materials Stock Piling Act for expenses of storage and handling strategic and critical materials transferred to the supplemental stock pile pursuant to section 206 of the Agricultural Act of 1956 (P.L. 540, 84th Cong.).

This memorandum will confirm the advice given to Mr. Llewellyn of your office some time ago. No materials have as yet been transferred to the supplemental stock pile pursuant to section 206 of the Agricultural Act of 1956, but it is possible that some may be so transferred prior to the end of this fiscal year.

Section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(b)) provides authority for purchasing and contracting to purchase strategic and critical materials for the supplemental stock pile. Since no specific reference is made in that Act to the matter of storage and handling of such materials it is concluded that the authority to store and handle is a part of the authority to purchase or contract to purchase. The authority relative to purchasing or contracting to purchase was delegated by ODM to GSA November 17, 1954 (DMO V-4). GSA therefore does have the responsibility for maintaining the supplemental stock pile.

The Independent Offices Appropriation Act, 1957 authorizes the use of regular stock pile funds for "necessary expenses for transportation and handling, within the United States (including charges at United States ports), storage, security, and maintenance of strategic and critical materials acquired for the supplemental stock pile pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954." While this language does not mention specifically strategic and critical materials acquired by the Commodity Credit Corporation and transferred to the supplemental stock pile pursuant to section 206 of the Agricultural Act of 1956, we think it is reasonable to conclude that regular stock pile funds may, under the appropriation act language, be used for the storage and handling of such materials so transferred by CCC.

As mentioned before, GSA has the responsibility for the storage and handling of such materials. No other funds are available for these purposes. Giving a narrow construction to the appropriation language would therefore operate to defeat the purposes of section 206 of the Agricultural Act of 1956, a result which, in our opinion, would be illogical.

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The Comptroller - C

The General Counsel of the General Accounting Office has indicated his informal approval with our conclusion on this second point, conditioned upon our representation that GSA would request revision of the appropriation act language for fiscal year 1958 so as to eliminate any possible question on that point. The appropriation language which is proposed under the heading "Strategic and Critical Materials" in the GSA Justification of Estimates for Appropriations for the Fiscal Year 1958 is adequate for that purpose.

(Signed) Byron E. Harding
Assistant General Counsel

Concurred in:

H. H. Pike
Associate General Counsel
Associate General Counsel

Approved:

(signed) Edw. C. Sweeney
General Counsel

AGREEMENT

This agreement, entered into this 18th day of August, 1955, between General Services Administration and Commodity Credit Corporation, both agencies of the United States of America, hereinafter respectively called "GSA" and "CCC".

WITNESSETH THAT:

Whereas, CCC desires GSA to perform services for it on strategic materials acquired by it in barter transactions under Section 303 of the Agricultural Trade Development and Assistance Act of 1954 and other applicable law,

Now Therefore, it is hereby agreed between GSA and CCC as follows:

Article I. Scope of Work

(A) Preliminary to or at the time of negotiations between CCC and others looking toward transactions under Section 303 of the Agricultural Trade Development and Assistance Act of 1954 and other applicable law, CCC will want the advice of specialists of GSA, and will later want GSA to perform or arrange for, on the materials, all those inspection, handling, transportation, custodial and other services, not specifically excluded herein, which GSA would perform or arrange for in the case of its own acquisitions of strategic materials.

(B) CCC agrees that GSA's performance hereunder of services outside the continental United States shall in each case be subject to the prior written consent of GSA.

Article II. Major Services

(A) As to strategic materials for which CCC is conducting negotiations for acquisition, GSA shall furnish such technical advice and assistance of its specialists as may be requested by CCC. As to strategic materials which, after acquisition by CCC, are to be placed and maintained in storage arranged by GSA on behalf of CCC, GSA, upon timely written notice from CCC of the acquisition, and of the scheduled date of arrival of the materials at the point of delivery to CCC, shall take custody of the materials at such point on behalf of CCC, and on behalf of CCC, shall arrange for their inspection, acceptance or rejection, transportation to storage, maintenance of inventory records, management of inventory, and retention in storage until such time as CCC shall dispose of them. GSA shall also, upon request by CCC, arrange for delivery of the material from storage on board cars or trucks.

(B) If space for materials serviced by GSA hereunder is not available at permanent storage sites, GSA shall have the

right, at CCC expense, to place such materials in temporary storage, pending their transportation to permanent storage sites when space for the materials at such sites becomes available.

(C) CCC, in its contracts with its suppliers, on materials to be serviced by GSA hereunder, shall make provision for the physical disposition to be made of the materials between the time of their arrival at the points of delivery stated in the contracts and the time of their final acceptance or a rejection thereof under the contracts.

(D) With respect to all ores and other materials serviced by GSA hereunder, whose identity could become lost by commingling prior to the time of final acceptance by GSA on behalf of CCC, GSA shall hold each delivery of material under each contract between CCC and the supplier separate and apart from all other material (whether or not delivered under the same contract) until notice of final acceptance of the particular delivery by GSA on behalf of CCC has been dispatched to the supplier.

(E) After final acceptance by GSA on behalf of CCC of a particular lot of material in bulk, it shall be permissible for GSA, at CCC expense, to consolidate the same, with similar CCC material, into a common pile. In no case, shall CCC material coming into the custody of GSA hereunder be commingled with material belonging to GSA or any third person or agency; and all CCC material serviced by GSA hereunder shall be so stored that it shall be at all times readily identifiable as CCC material.

(F) Rail and other inland U. S. movements of materials by GSA hereunder shall be made on U. S. Government bills of lading, with specification thereon of GSA as consignee on behalf of CCC. But this paragraph shall not apply to movements of materials antedating the date of execution of this agreement.

Article III. Financial Provisions

(A) GSA is hereby authorized to contract to the extent that it deems to be appropriate for the performance of its functions hereunder.

(B) Working funds for the performance of GSA's functions hereunder shall be advanced to GSA by CCC in such amounts and at such times as may be requested by GSA. To avoid delay in processing applicable vouchers and to provide some flexibility for field cash accounts, each advance of such working funds shall be in such amount as shall be sufficient to cover the requirements of GSA hereunder for the three month period immediately following the advance.

(C) All bills contracted by GSA for services which are direct costs on the materials serviced by GSA hereunder shall be verified by GSA and shall be paid from the said working funds.

Among the costs covered by this paragraph shall be the direct costs on unusual and emergency services performed by GSA personnel at GSA depots on the materials serviced by GSA hereunder. Examples of services of this character are unusual and emergency site preparations by GSA personnel at GSA depots, unusual and emergency handlings in or out of storage by GSA personnel at GSA depots, and unusual and emergency repacking operations by GSA personnel at GSA depots.

(D) All normal staff expenses incurred by GSA in the performance of its functions hereunder, and all claims payable by GSA under Article IV(B) hereof, shall also be paid from the working funds provided for in Article III(B) hereof.

(E) All normal staff expenses incurred by GSA in the carrying out of such maintenance-in-storage responsibilities of GSA hereunder as are carried out at GSA depots shall be chargeable against the described working funds on a square foot-time or ton-time basis, as arrived at by agreement in writing between GSA and CCC.

(F) With the assistance of CCC, GSA shall prepare budget estimates of the amounts of all other normal staff expenses of GSA hereunder which are clearly assessable against CCC hereunder in accordance with budget and accounting procedures normally employed by GSA in allocating expense of comparable character to service and commodity programs administered by it. Upon the approval by CCC of such budget estimates and any changes therein, all such other normal staff expenses shall be chargeable against the described working funds on the basis of and in accordance with such approved budget estimates and changes.

(G) The term "normal staff expenses", as used in this agreement, means all salary, travel, supplies, telephone, telegraph and other expenses of the commodity-specialist, inspection, transportation, storage, administrative and other staffs of GSA, except such of the same as are appropriately classifiable as direct costs on unusual and emergency services by GSA personnel at GSA depots under Article III(C) hereof.

(H) CCC recognizes that GSA's prime responsibility on the servicing of materials is on the servicing of materials delivered on its own contracts, and CCC agrees that any direct costs incurred by GSA on the servicing of GSA materials which are caused by GSA's servicing of CCC materials hereunder shall, subject to the approval of CCC in each case, be for the account of CCC.

Article IV. General Provisions

(A) GSA shall place only such insurance on materials serviced by GSA hereunder as CCC, after consultation with GSA, shall request in writing. As between GSA and CCC, CCC, as owner, shall assume the risk of loss of or damage to such materials during the full term of GSA custody thereof on behalf of CCC.

(B) Exclusive of claims by or against the supplier, all claims relating to the said materials after their delivery at point of delivery to CCC under its contract with the supplier shall be handled by GSA.

(C) As regards each contract which CCC makes with a supplier on materials to be serviced by GSA hereunder, CCC shall make it clear to the supplier, by contract provision or otherwise, that the inspection and transportation and other servicing of the materials, from time of tender of delivery by the supplier, are to be performed or arranged for by GSA as representative of CCC, and that acceptance or rejection of the materials as complying or failing to comply with the contract is to be accomplished by GSA as representative of CCC.

(D) The procedures to be established for the cooperation of CCC and GSA in carrying out the provisions of this agreement shall be worked out between the staffs of the two agencies. Such procedures shall, among other things, include the timely exchange between CCC and GSA of all such information and reports as will facilitate performance hereunder. But none of such procedures shall exceed the scope of this agreement or appropriate amendment thereto.

(E) Nothing in this agreement shall be deemed to commit GSA to make duty-free customs entry of strategic materials in any case in which it would not do so if this agreement did not exist.

(F) No acceptance of materials or other action of GSA on behalf of CCC hereunder shall be deemed to limit GSA's freedom of decision in any case in which GSA purchase for national stockpile of any of the materials serviced by GSA hereunder is under consideration.

(G) This agreement shall be subject to termination upon thirty days' notice in writing from either party to the other.

(H) Upon the termination of this agreement by notice as aforesaid, or by operation of law, the parties shall mutually agree in writing upon the manner in which their activities hereunder shall be liquidated.

(I) This agreement shall be effective as of October 5, 1954.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have executed this agreement on the day of the date first above written.

GENERAL SERVICES ADMINISTRATION

/s/ Z. F. Mansure
Administrator of General Services

COMMODITY CREDIT CORPORATION

/s/ Walter C. Berger
Acting Executive Vice President

AMENDMENT NO. 1 TO AGREEMENT OF AUGUST 18, 1955
BETWEEN GENERAL SERVICES ADMINISTRATION
AND COMMODITY CREDIT CORPORATION

Whereas, General Services Administration (hereinafter referred to as GSA) and the Commodity Credit Corporation (hereinafter referred to as CCC) entered into an agreement on August 18, 1955, regarding the servicing by GSA of strategic materials acquired by CCC under barter contracts;

And, whereas GSA has reported to CCC that expenses out of proportion to the possible benefits are being incurred on behalf of CCC in implementing Article II.(D) of the Agreement;

And, whereas GSA has assured CCC that it will exercise due caution in the commingling of materials, as hereinafter described, to minimize the mingling of sub-specification materials with acceptable materials and will, in general, use the same care in this respect as is employed in the storage of stockpile materials acquired for its own account;

Now, therefore, it is agreed between GSA and CCC as follows:

1. Article II.(D) is hereby deleted from said Agreement in its entirety.
2. Article II.(E) is hereby amended to read:

(E) It shall be permissible for GSA to commingle into a common pile with similar CCC material, prior to or after the time of final acceptance thereof by GSA on behalf of CCC, ores and other bulk materials serviced by GSA hereunder. In no case, shall CCC material coming into the custody of GSA hereunder be commingled with material belonging to GSA or any third person or agency; and all CCC material serviced by GSA hereunder shall be so stored that it shall be at all times readily identifiable as CCC material.

3. This amendment shall be effective as of July 1, 1957.

GENERAL SERVICES ADMINISTRATION

COMMODITY CREDIT CORPORATION

/s/ Franklin Floete
Administrator of General Services

/s/ Walter C. Berger
Executive Vice President

Date January 31, 1958

Date August 15, 1957