84TH CONGRESS 2d Session } HOUSE OF REPRESENTATIVES { DOCUMENT No. 447

FOURTH SEMIANNUAL REPORT ON ACTIVITIES UNDER PUBLIC LAW 480, EIGHTY-THIRD CONGRESS, AS AMENDED

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE FOURTH SEMIANNUAL REPORT ON ACTIVITIES CARRIED ON UNDER PUBLIC LAW 480, 83D CONGRESS, AS AMENDED, OUTLINING OPERATIONS UNDER THE ACT DURING THE PERIOD JANUARY 1 THROUGH JUNE 30, 1956

JULY 11, 1956.—Referred to the Committee on Agriculture and ordered to be printed

To the Congress of the United States:

I am transmitting herewith the fourth semiannual report on activities carried on under Public Law 480, 83d Congress, as amended, outlining operations under the act during the period January 1 through June 30, 1956.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 11, 1956.*

INTRODUCTION

This report deals with activities under the several Public Law 480 programs during the last 6 months of fiscal year 1956. During the period covered by this report, Public Law 510 amended title II and title III of the act, increasing the title II authority for famine relief and other assistance from $300 million to $500 million, and permitting payment of ocean transportation costs for title II shipments and

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title III donations. In addition, the Agricultural Act of 1956 provided that strategic and other materials acquired by the Commodity Credit Corporation through barter transactions under title III shall be transferred to the supplemental stockpile established by section 104 (b) of Public Law 480 unless these materials are obtained for other purposes. The Agricultural Act of 1956 also provided that strategic materials acquired through barter may be entered free of duty and CCC shall be reimbursed for materials transferred to the supplemental stockpile.

The administration has recommended that Public Law 480 be amended to increase the authorized amount of title I from $1,500 million to $3,000 million. The administration also has recommended that (1) section 104 (h) of the act be amended to provide assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948; and (2) that section 304 be repealed to permit barter transactions with Soviet bloc countries.

SUMMARY

During the period January–June 1956, the programing of surplus agricultural commodities under the three titles of the act totaled $1,264.8 million, bringing to $2,953 million the total amount of programs since the beginning of operations under the act.

Since the beginning of the program, agreements for the sale of agricultural commodities for foreign currency under title I total $1,466.9 million at an estimated CCC cost [1] ($1,041.9 million at export market value), of which $801.2 million ($537.8 million at export market value) represents agreements signed during the period covered by this report. This acceleration in programing reflects the mandate of the Congress contained in Public Law 387, 84th Congress, 1st session, which increased the title I authorization from $700 million to $1,500 million and directed that this amount be considered an objective to be achieved as rapidly as possible within the safeguards established in the law.

A worldwide ship shortage existed during the last half of the period covered by this report. This resulted in shipments under all titles of the act being delayed.

Shipments under title I since the beginning of the program total nearly $500 million at export market value, of which approximately $225 million represented shipments during the January–June 1956 period.

Cumulative shipments made or authorized for famine relief and other assistance abroad under title II of the act totaled $218 million at CCC cost, of which $78 million was authorized during this period. Cumulative donations for foreign and domestic relief through nonprofit voluntary agencies and intergovernmental organizations under title III of the act amounted to $681 million at CCC cost, of which $129.4 million was donated during this period. Cumulative barter contracts entered into under title III amounted to $587.1 million at export market value, of which $256.2 million represents contracts

[1] As used in this report, CCC cost represents the cost of commodities to the Commodity Credit Corporation, including investment, processing, handling, and other costs. Export market value reflects the price at which these commodities are sold to foreign buyers under the program. The export market value figures are less than the CCC cost for those commodities for which special export programs have been developed for dollar as well as foreign currency sales to meet competition in international trade.

entered into during this period. Although the figures cited for the different programs are not comparable, the amounts shown give an indication of the value of commodities being moved or committed under these programs.

The benefits gained from the uses of foreign currency being generated from title I sales became more evident during the reporting period. Important projects are being developed for the purposes specified in section 104 of the act.

Title I. Foreign Currency Sales

AGREEMENTS SIGNED

A total of 27 agreements, or supplements to agreements, involving a CCC cost of approximately $801.2 million, were entered into with 19 countries during the period January–June 1956. The commodity composition, export market value, and CCC cost of these agreements are shown in table I.

Table I.—*Commodity composition of all agreements signed, January–June 1956*

Commodity	Approximate quantity	Market value	CCC cost
		Millions	*Millions*
Wheat and wheat flour	69,996,000 bushels [1]	$116.1	$234.8
Feed grains	25,975,000 bushels [2]	32.5	51.1
Rice	8,144,000 hundredweight	52.2	102.7
Cotton	903,200 bales	126.8	195.5
Tobacco	64,585,000 pounds	41.8	41.8
Dairy products	52,542,000 pounds	11.8	18.7
Fats and oils	529,075,000 pounds	85.9	85.9
Fruits and vegetables	82,061,000 pounds	3.1	3.1
Meat products	75,464,000 pounds	22.7	22.7
Cotton linters	16,700 bales	.3	.3
Seeds	55,000 hundredweight	2.5	2.5
Total commodities		495.7	759.1
Ocean transportation		42.1	42.1
Total, including ocean transportation		537.8	801.2

[1] Wheat and wheat equivalent of flour.
[2] See the following:

Corn	8,356,000
Barley	17,619,000

A total of 59 agreements, or supplements to agreements, with a total CCC cost of $1,466.9 million, have been entered into with 27 countries since the inception of the program. The commodity composition, export market value, and CCC cost of these agreements are shown in table II.

TABLE II.—*Commodity composition of all agreements signed, ending June 30, 1956*

Commodity	Approximate quantity	Market value	CCC cost
		Millions	*Millions*
Wheat and wheat flour	156,196,000 bushels [1]	$268.2	$536.1
Feed grains	56,770,000 bushels [2]	70.7	109.2
Rice	10,262,000 hundredweight	66.7	123.8
Cotton	1,712,500 bales	260.5	357.9
Tobacco	123,478,000 pounds	81.2	81.2
Dairy products	90,227,000 pounds	19.9	32.5
Fats and oils	1,023,822,000 pounds	157.2	165.7
Poultry	3,000,000 pounds	1.2	1.2
Dry edible beans	37,000 hundredweight	.3	.3
Fruits and vegetables	82,051,000 pounds	3.1	3.1
Meat products	75,854,000 pounds	22.7	22.7
Cotton linters	16,700 bales	.3	.3
Seeds	55,000 hundredweight	2.5	2.5
Total commodities		954.5	1,426.5
Ocean transportation		87.4	87.4
Savings anticipated from CCC costs adjustments and procurement shortfall.			(47)
Total		1,041.9	[3] 1,466.9

[1] Wheat and wheat equivalent of flour.
[2] See the following:

	Bushels
Corn	18,622,000
Oats	4,751,000
Barley	27,562,000
Grain sorghums	5,795,000

[3] Net obligation.

SHIPMENTS

Title I shipments since the beginning of the program totaled approximately $500 million at export market value through June 30, 1956, of which about $225 million represented shipments made during the reporting period. The export market value of commodities programed under all agreements signed through June 30, 1956, was approximately $954 million (excluding ocean-transportation costs), but $496 million of this amount was covered by agreements entered into during the reporting period.

The difference between the total amount programed and the total amount shipped as of June 30, 1956, is $185 million in the case of cotton. and $269 million for all other commodities combined. Cotton has moved slowly because of price difficulties. This condition should be relieved after August 1, 1956, when exports can be made under the new CCC cotton export sales program. This program provides for the sale of CCC cotton for export at competitive world prices. The delay may mean that shipment of the amount of cotton programed through June 30, 1956, will extend beyond the end of the calendar year 1956. Shipments of other commodities should be substantially completed by the end of the calendar year if cargo vessels are available.

The value of shipments under title I represented about 12 percent of the total value of agricultural exports during the fiscal year 1956.

Shipments since the beginning of the program through June 30, 1956, totaled nearly 4,500,000 metric tons, of which about 3,700,000 metric tons were shipped during fiscal year 1956. Title I wheat exports comprised about 28 percent of total wheat exports during the fiscal year 1956; cotton, 23 percent; cottonseed oil and soybean oil, 50 percent; and tobacco, 13 percent.

USUAL MARKETINGS

In accordance with the provisions of title I requiring reasonable safeguards that sales of agricultural commodities for foreign currencies shall not displace our usual marketings or be unduly disruptive of world market prices, appropriate assurances have been obtained from governments with which agreements have been negotiated. Also, sales for foreign currencies under title I have been made at the price level no lower than that for commodities available for export sales for dollars.

CURRENCY USES

Under agreements entered into during the January–June 1956 period, the dollar values of planned foreign currency uses for the eight purposes specified in section 104 of the act are shown in table III.

TABLE III.—*Planned uses of foreign currency under agreements signed during January–June 1956*

	Million dollars equivalent	Percent of total
Agricultural market development (sec. 104 (a))[1]	6.3	1.2
Purchase of strategic material (sec. 104 (b))[1]	2.0	.4
Common defense (sec. 104 (c))	87.3	16.2
Purchase of goods for other countries (sec. 104 (d))[1]	7.4	1.4
Grants for balanced economic development and trade among nations (sec. 104 (e))		
Payment of United States obligations (sec. 104 (f))[1]	157.7	29.3
Loans for multilateral trade and economic development (sec. 104 (g))	273.2	50.8
International educational exchange (sec. 104 (h))[1]	3.9	.7
Total signed agreements	[2]537.8	100.0

[1] In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under sec. 104 (a), (b), (f), and (h). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsecs. (a), (b), (d), and (h). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

[2] Includes ocean transportation financed by CCC.

Agricultural market development.—Section 104 (a): A part of the foreign currencies accruing from title I sales is being used to assist the development and expansion of foreign markets for United States agricultural products. As of June 30, 1956, foreign currencies equivalent to approximately $20.3 million have been tentatively planned for these activities in 26 countries.

Market development projects are initiated and carried out in close cooperation with United States and foreign trade groups in a manner designed to be beneficial to both groups. In most cases, the United States Government furnishes part of the foreign currencies required for the projects and supervises the activities. The United States trade group carries out the project and provides for the necessary dollar costs. The cooperating foreign trade group meets part of the local costs.

This procedure gives private traders in the United States and abroad the opportunity to work together on the problems of expanding old and developing new commercial markets for United States agricultural commodities on a continuing basis. It ensures that projects are beneficial to both the United States and the foreign country.

A wide variety of market development projects is carried on pursuant to section 104 (a). Types of projects that have been approved to date follow.

Market surveys: This type of project is designed to determine potential demand for specific agricultural commodities and how this demand may be developed and supplied. During the reporting period, market surveys were undertaken for dairy products and wheat products in Colombia and tobacco in Spain. A team representing American dairy interests studied the potential market for dairy products in Colombia in close cooperation with Colombian dairy interests. The team has made specific recommendations concerning the expansion of markets for dairy products and suitable followup projects are being developed. A survey conducted by a representative of the American flour millers with the Colombian wheat and wheat products trade has resulted in proposed projects to popularize American wheat flour. Three United States tobacco groups, cooperating with the University of Kentucky, have sent United States agricultural economists to Spain to work with Spanish tobacco interests in exploring the market potential for United States tobacco products. The team will submit a report of findings and recommendations this summer.

Nutrition education: These activities improve the health and welfare of people abroad and at the same time expand the market for agricultural commodities that can be supplied by the United States. For example, a project is being undertaken with Japanese private groups to put nutrition demonstration teams with mobile kitchens in the field demonstrating to housewives and others the benefits of an improved diet. Wheat products are the chief commodities used in these demonstrations.

Two-way visits: Visits by foreigners to the United States and visits of United States citizens to foreign countries improve international trade relations. The exchange of ideas and information in this manner is expected to result in greater consumption of United States agricultural commodities. Visits to the United States have been arranged for tobacco officials and buyers from Thailand and Korea, and cotton specialists from Japan and France. United States soybean and poultry experts are now in Europe and United States tobacco, cotton, and soybean representatives have visited Japan.

Advertising and sales techniques: United States advertising and sales techniques are being used abroad with appropriate variations to meet local conditions. Cooperative programs to expand the use of cotton in France and Japan, and tobacco in Japan, have been undertaken. A Japanese-American Soybean Council has been established to promote the use of soybeans and soybean products.

Trade fairs: Market-development projects are also conducted through participation in international trade and food fairs. The United States participates in two kinds of fairs: One is the diversified fair of a largely industrial type; the other is the food fair, which is devoted exclusively to food items. Exhibits are planned where the greatest number of potential buyers of agricultural products are expected to congregate.

Typical of the agricultural exhibits staged abroad was the market-promotion exhibit at the International Trade Fair in Osaka, Japan, April 8–22, 1956. The exhibit demonstrated the availability, quality, and uses of dairy, wheat, cotton, tobacco, rice, and soybean products.

Samples of products made from surplus commodities were distributed to fair visitors. Among the samples handed out were cups of milk and ice-cream cones made from United States nonfat milk solids and anhydrous butterfat, sweet rolls and cake made from United States wheat flour; cigarettes made from United States tobacco leaf; and "ala," a cracked wheat product which is cooked and eaten like rice.

Market-promotion exhibits are not limited to trade fairs. One of the largest exhibits during the January–June 1956 period was the "supermarket" exhibit held in Rome, Italy, June 17–30, 1956. The exhibit was held in connection with the International Congress on Food Distribution, June 18–22. A full-scale United States supermarket, complete in every major detail, was put on display.

United States exhibits are organized cooperatively with private agricultural trade groups. In general, exhibit ideas, technical personnel, and display materials for the agricultural exhibits are provided by private agricultural trade groups. The United States Government organizes and manages the exhibits; rents the space; provides for the design, construction, and operation of the exhibits; ships necessary exhibit material; and provides travel and per diem for industrial technicians and commodity specialists participating in the joint effort.

Exhibits during the January–June 1956 period were held at Cuidad Trujillo, Dominican Republic; Osaka, Japan; Rome, Italy; and Barcelona, Spain. Exhibits scheduled for the balance of the year will be held in London, England; Salonica, Greece; Zagreb, Yugoslavia; and Vienna, Austria.

Purchase of strategic materials.—Section 104 (b): During the reporting period, the title I agreement entered into with the Government of Indonesia provided for the tentative earmarking of $2.0 million in local currency for the purchase of strategic materials. This brings the total amount of local currency earmarked for this purpose to $6.8 million. A contract has been signed with Brazil for the purchase of $2.8 million worth of "rare earth" for the supplemental stockpile. Under section 104 (f) the equivalent of $5.7 million in Argentine pesos was used for the purchase of tungsten for the strategic stockpile, and the equivalent of $1.0 million in Austrian schillings was used to purchase aluminum powder for the armed forces.

Common defense.—Section 104 (c): This section of the act provides that local currency proceeds of sales may be used to procure military equipment materials, facilities and services for the common defense. Up to June 30, 1956, sales agreements signed with four countries—Iran, Korea, Pakistan, and Yugoslavia—provide that about $166 million equivalent may be used for this purpose, of which about $108 million will accrue from fiscal year 1956 sales. The use of $20.5 million equivalent has been authorized so far, including about $14.5 million worth of rupees to Pakistan and $6 million worth of hwan to Korea. In Pakistan the funds provided are being used primarily to meet military construction and Pakistani troop support costs. Currency available in Korea is being used to bolster the military position of the Republic of Korea.

Purchase of goods for other countries.—Section 104 (d): Nine sales agreements signed through June 30, 1956, provide that a portion of the sales proceeds may be used by the United States to finance the purchase of goods or services for other friendly countries. The sales agreements may earmark specific amounts or may provide that unspecified portions of sales proceeds which will be set aside for various United States uses may be used for this purpose. The act provides that, unless the requirement is waived, dollar reimbursement must be made to the CCC if the local currency is used to procure goods or services which will be provided to an aid-receiving country on a grant basis.

There is usually no prior commitment on the part of the United States to use these funds either to procure specific goods or services or to procure goods or services for a particular country. Certain standards conforming as closely as possible with commercial practice have been established for programing the use of these funds. These are designed to avoid disrupting normal trade patterns as far as possible and to assure that the goods or services are purchased at competitive prices.

By June 30, 1956, arrangements had been concluded for use of $8.8 million equivalent of these funds: $5 million worth of lire accruing from the sale of surplus commodities to Italy will be used to procure industrial commodities for Israel; half of the lire will be granted to Israel and will be purchased with dollars appropriated for the mutual security program in Israel, while the remainder will be loaned to that country. About $1.8 million of Japanese yen, which will also be purchased with appropriated dollars, will be used to purchase textiles for Vietnam.

The fiscal year 1956 sales agreement with Austria contained provisions under which the United States may exchange up to $2 million in schillings for Spanish pesetas acquired from Austria from the sale of fertilizer to Spain. Sixty percent of any pesetas so acquired by the United States will be loaned to Spain and 40 percent retained for use in payment of United States expenses there.

Grants for economic development.—Section 104 (e): Through June 30, 1956, only one sales agreement has provided for a grant of local currency proceeds to promote economic development. This was for Greece. Because of the great damage and human misery caused by the earthquakes in April 1955, it was agreed that the drachma equivalent of $7.5 million would be granted to that country to help finance rebuilding and repair of housing in the areas devastated by the earthquake. This work got underway very shortly after the disaster and will continue for at least another year. Accordingly, a grant of $6.5 million equivalent has now been approved for this purpose and the remainder will be made available as soon as additional drachma funds are available.

Payment of United States obligations.—Section 104 (f): Agreements signed during the period January-June 1956 tentatively earmarked $157.7 million, or 29.3 percent of sales proceeds, for the payment of United States obligations, a percentage which approximates the portion of sales proceeds reserved for this purpose in earlier agreements. Since dollar reimbursement is required for nearly all of these funds, it is expected that eventual dollar recovery will be considerably more than the 10 percent minimum stipulated in the law.

All dollar payments for these foreign currencies are credited to the Commodity Credit Corporation.

Of the funds earmarked for the payment of United States obligations, a major portion is allocated to the Treasury Department for sale to United States Government agencies for appropriated dollars. The Treasury sells the currencies at the rate of exchange at which the purchasing agencies could otherwise obtain the currencies. This is not necessarily the same exchange rate as is applicable to the commodity sales. The dollar return to the CCC consequently will not be the same as the dollar market value of the commodities sold. In countries such as Turkey and Spain, most sales are to defense agencies for use in meeting the costs of military base construction. Substantial purchases are also made by such agencies as the Department of State and the United States Information Agency which have continuing needs for funds to meet administrative and operating expenses.

The Department of Defense is authorized to use up to $100 million worth of these funds for military family housing purposes. This program, for which $85.1 million has been tentatively allocated, is more fully discussed below.

Sales of funds for specific purposes, which may be formally stipulated in the country agreements, include the equivalent of $3.0 million in Argentine pesos to the General Services Administration for the purchase of tungsten, and about $1.0 million in Austrian schillings to the Navy for the purchase of aluminum powder.

A small portion of these currencies has been made available for congressional travel expenses, a use exempted from the requirement for dollar reimbursement by section 502 (b) of Public Law 665, 83d Congress.

Military family housing.—The Department of Defense plans for the uses of foreign currency under section 104 (f) are largely for military family housing and construction in accordance with Public Law 765, 83d Congress, and Public Law 161, 84th Congress. These laws authorize the Department, subject to the approval of the Bureau of the Budget, to use $100 million worth of foreign currencies, generated by title I sales, for construction, rent, or procurement of United States military family housing in foreign countries. Public Law 161 further provides that the Department of Defense shall reimburse the Commodity Credit Corporation from appropriations available for the payment of quarters allowances. The reimbursements to CCC are made on a deferred, rather than a lump-sum, basis.

Tentative allocation of local currency for purchase or construction of military family housing amounted to a total of $85.1 million equivalent in agreements with the following countries:

	Million equivalent
Austria	$6.4
Japan	25.0
Finland	7.0
Italy	3.5
Spain	16.0
United Kingdom	27.2
Total	85.1

A summary of planned uses of foreign currencies for military family housing follows:

Austria: The $6.4 million equivalent of Austrian schillings will be used by the United States Air Force to purchase about 577 prefabricated units to be erected at 4 different locations in Morocco.

Japan: Of the $25.0 million equivalent of Japanese yen earmarked for military family housing, the United States Army plans to construct a total of 1,700 units for the 3 United States services in Japan (898 units to be constructed for the Air Force at 9 different locations in Japan; 297 units for the Navy, and 505 units for the Army).

Finland: Approximately $7 million worth of prefabs will be purchased in Finland for construction of military family housing in countries of the Mediterranean area, including Greece and Libya.

Italy: The equivalent of $2.7 million in Italian lire is being allocated for the construction of 219 units in Italy, including 30 units for the Air Force and 189 for the Army.

Spain: The $16 million equivalent earmarked for military dependent housing is planned for the construction of 687 units in Spain (495 for the Air Force and 192 for the Navy). The program has been delayed due to nonavailability in Spain of certain equipment items (plumbing, heating, electrical, etc.). The Bureau of the Budget has allocated $190,000 for architectural development and site engineering costs.

United Kingdom: The full amount of the 1955 agreement ($15.2 million) has been obligated and housing contracts have been awarded for construction of 1,481 units for the United States Air Force and 16 for the Navy.

Loans for multilateral trade and economic development.—Section 104 (g): Sales agreements signed with 21 countries provide that a substantial portion of local currency proceeds may be used for loans under section 104 (g) of the act to promote multilateral trade and economic development. The act provides that loans may be made through established banking facilities of the foreign country or in any other appropriate manner. Strategic materials, services, foreign currencies or dollars may be accepted in payment of the loans.

Negotiations to conclude loan agreements are conducted by United States representatives with foreign governments. The agreements specify terms and conditions of repayment, and so forth, which have been developed in consultation with the National Advisory Council on International Monetary and Financial Problems. The Export-Import Bank acts as agent of the United States Government in executing the agreements and servicing the loans.

A total of about $508 million equivalent, or a little less than half of the total proceeds expected as a result of sales concluded by June 30, 1956, is earmarked for loan purposes. This includes $153 million provided by fiscal year 1955 sales agreements and $355 million by fiscal year 1956 agreements. As noted previously, sales increased appreciably in the last half of fiscal year 1956 and amounts earmarked for loan purposes increased almost proportionately during this period.

By June 30, 1956, loan agreements had been concluded with 7 countries providing for local currency loans of the equivalent of about $105 million. These include (in million dollar equivalents): Austria, $1.5; Spain, $10.5; Israel, $19.14; Japan, $59.5; Ecuador, $3.1; Peru, $7.75; and Chile, $4.0.

Most of the loan agreements which have been signed refer to sales negotiated in fiscal year 1955. Virtually all of the local currency proceeds of these sales is on deposit and can be released for expenditure for loans or for other purposes specified in the sales agreements. Negotiations to conclude additional loan agreements to carry out the provisions of the remainder of the fiscal year 1955 and fiscal year 1956 sales are actively underway. In several instances, however, negotiations have been protracted because of delays in securing complete agreement with foreign governments as to loan terms, loan uses, and other relevant issues so as adequately to protect these United States assets.

The loan agreements usually do not specify the purposes for which funds will be used within the general area of economic development. This is usually covered by a supplementary agreement as programs are developed. By the end of the fiscal year, programs involving expenditures of up to $96.9 million in local currency had been approved for seven countries; including (in million dollar equivalents): Austria, $1.5; Spain, $9.0; Israel, $15.4; Japan, $59.5; Ecuador, $3.1; Peru, $4.4; and Chile, $4.0. Final arrangements for utilization of the total amount of the loan funds have not been made with Spain, Israel, or Peru. Actual disbursement of funds is authorized as local currency deposits become available and as funds are needed during the progress of the project work.

The funds will be used for a variety of purposes designed to increase purchasing power and standards of living in these friendly countries. For example, the equivalent of $57 million, or almost 60 percent of the total value of these projects, will be used to develop additional electric power facilities, including about $51 million of Japanese yen and $6.5 million worth of Israeli pounds. Another portion of the loan to Israel—about $3 million equivalent—will be made available to finance construction of about 1,000 dwelling units for workers. Examples of other programs include reforestation and watershed control in Spain, improving highways in Chile, and establishing agricultural credits in the tropical coastal area of Ecuador. The equivalent of about $20 million will be spent to finance part of the costs of irrigation projects in Spain, Israel, Peru, and Japan. The projects in Israel and in the isolated parts of Spain, where agricultural unemployment is acute as a result of last winter's freeze, will improve land used for fruit (other than citrus) and vegetable production. The newly irrigated land in Peru is intended to be used for the production of bananas, coffee, and other tropical products. The $8.4 million of yen used for this purpose in northern Japan will permit continuation of work previously started by the Japanese Government on land to be used for the production of grain, fruit, and vegetables needed for domestic consumption.

International Educational Exchange.—Section 104 (h): The educational exchange program is authorized by Congress to help promote mutual understanding between the people of the United States and those of other countries.

Substantially all of the title I agreements to date have provided for the use of some of the local currency proceeds under section 104 (h) of the act to finance international educational exchange programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (Public Law 584, 79th Cong., the Fulbright Act). Educational exchange programs have been signed with Chile and Peru, each program amounting to $300,000 (dollar equivalents).

Authorizations have been furnished the diplomatic missions to enter into formal negotiations for executive agreements to provide for the following educational exchange programs (dollar equivalents):

Argentina, $300,000; Brazil, $540,000; Colombia, $300,000; Ecuador, $300,000; Finland, $250,000; Spain, $600,000; Thailand, $400,000; and Turkey, $750,000.

Five additional programs totaling more than $2 million are in active preparation within the Department of State.

Title II

As a result of the amendment included in the Agricultural Act of 1956, the amount of transfers of surplus commodities which may be made under title II of Public Law 480 was increased to $500 million, compared to the previous limitation of $300 million in terms of CCC investment. The amendment also makes it possible to pay ocean-freight costs on these shipments, as well as on surplus foods donated through the United States voluntary agencies and intergovernmental organizations under title III of Public Law 480. Programs of assistance may be authorized over a 3-year period ending June 30, 1957. Reasonable precautions must be taken to assure that these transfers will not displace or interfere with sales that might otherwise be made.

Title II authority enables the United States to use some of its surplus farm products to alleviate suffering following in the wake of flood, earthquake, hurricane, drought, crop shortages, and other natural disasters. Although the program has been largely limited to supplying emergency relief, it has also been possible to undertake others of a somewhat different nature which equally serve humanitarian purposes.

Through June 30, 1956, commitments undertaken under this authority approximate $260 million in estimated CCC costs. Programs already authorized total $218 million, of which over two-thirds, or about $150 million, was grain. Other commodities include $31 million of fats and oils, $27 million of milk and milk products, $7 million of raw cotton, and $3 million of dry beans.

During the past 6 months, about $78 million of shipments was authorized, bringing the total authorizations for the fiscal year 1956 to $110 million or about the same amount as last year. Shipment of about 211,000 metric tons of food and feedstuffs was authorized in connection with the President's offer of assistance to Western Europe, which was afflicted by one of the worst winters in the past 2 or 3 decades. Over $19 million of food and feedstuffs was provided to Italy to meet emergency needs; over $13 million of grain, fats, and milk products went to Turkey to help meet the needs created by the winter emergency, as well as that caused by severe earthquake and fire; and $3.2 million of grains, beans, and butter will be distributed under the supervision of the League of Red Cross Societies to the needy people afflicted by storms and floods in Hungary. Still under discussion are programs for Greece and Yugoslavia to replace stocks used for relief distribution. Additional quantities of foods available in stocks were distributed free by the voluntary agencies in five countries, including France, Greece, Portugal, Spain, and Italy. Shipments to replace these stocks have been authorized under title III of the act.

Other programs included the provision of $34.5 million of wheat and rice to Pakistan to avert threatened famine as a result of floods and insect damage to crops. Shipment of $1.2 million worth of rice was authorized to Japan to replace that which Laos had received earlier for drought relief. Almost $6 million of wheat is being furnished to

Libya to meet the continuing shortage of food grains in that country. About $1.3 million worth of surplus foods will be shipped to Western Germany for assistance in feeding refugees and escapees from behind the Iron Curtain.

These programs are typical of those undertaken during the last 2 years. Help has been supplied to countries in many parts of the world including, in addition to those already mentioned, India, Nepal, Cambodia, Laos, and Vietnam in the Far East, several central and southern European countries, and several countries in Central and South America. Expansion of school-lunch programs in Japan and Italy has been made possible by contributions of surplus foods. Relatively small amounts of raw cotton have been made available to United States voluntary agencies for manufacturing into bedding, towels, and shirts for free distribution abroad.

As a general rule, foreign governments must agree to distribute the commodities to needy people. Packages or containers of food are labeled as gifts of the United States. The foreign governments arrange for suitable publicity within their countries to publicize the gift of these commodities, as well as those furnished in bulk. In a few instances it has been determined to be in our national interest or has been necessary for practical reasons to permit foreign governments to use some of the commodities as payment for work relief or for sale to consumers. If the latter is permitted, the sales proceeds must be used by the foreign government, upon agreement with the United States, for purposes designed to strengthen and rehabilitate its economy.

Title III

Title III of the act covers donations for domestic use and for distribution abroad by nonprofit voluntary agencies and intergovernmental organizations as well as CCC barter activities.

Section 302, domestic donations.—Since January 1, 1956, the distribution of surplus commodities to domestic outlets, which had been made under authority of this act for the period July–December 1955, has been made under authority of section 32 of the act of August 24, 1935, as amended. During the 6 months' period domestic donations totaled approximately 456 million pounds, an increase of about 55 percent over the previous 6 months.

Section 302, foreign donations.—Section 302 of the act authorizes donations of surplus foods in CCC stocks to United States nonprofit voluntary relief agencies and to intergovernmental organizations, such as the United Nations International Children's Emergency Fund and the American Red Cross to assist needy persons outside of the United States. Most of these agencies have been making regular relief distribution around the world for many years. The availability of surplus foods permits them to distribute substantially larger amounts of relief foods than would be possible from their own private financing.

As previously noted, Public Law 540 now makes it possible to finance some of the ocean-freight costs of these shipments, as well as processing, packaging, and other related costs. The foreign governments accord duty-free entrance to these shipments and cover the cost of transportation within their own countries. The United States origin of the commodities is clearly identified as a gift from the people of the United States. The foods are given free to needy persons who do not have the means to buy them. Program requests and operations in each country are reviewed by a committee consisting of representatives of United States diplomatic missions, foreign governments, and the voluntary agencies. Assurances are obtained that the relief program does not conflict with other United States surplus food disposal operations.

Wheat, rice, corn, and dry beans were added in mid-December 1955 to the list of commodities available for foreign donation. Butter and butter oil have also been available but were withdrawn on July 1, 1956, because CCC inventories of butter have been depleted and anticipated purchases are expected to be sufficient only to cover sales and requirements for domestic donations. The quantity and value of commodities approved for foreign donation for the period January–June 1956 are shown in table IV.

TABLE IV.—*Commodities approved for donation for foreign relief through nonprofit voluntary agencies and intergovernmental organizations, January-June 1956*

Commodity	Millions of pounds	Millions of dollars at CCC cost
Dry beans	49.6	4.4
Butter	30.2	20.1
Butter oil	22.8	19.7
Cheese	47.9	21.3
Corn	78.0	3.0
Cottonseed oil	6.7	1.4
Milk, nonfat dry	180.3	33.2
Rice	104.0	15.1
Wheat	224.7	11.2
Total	744.2	129.4

Section 303, barter: Prior barter legislation was strengthened and reemphasized by this section. Early legislation providing for barter included the Commodity Credit Corporation Charter Act of 1948, as amended, the Agricultural Act of 1949, and the Agricultural Act of 1954. Section 303 directs the Secretary of Agriculture to use every practicable means to expedite the barter or exchange of CCC-owned agricultural commodities for strategic materials entailing less risk of loss through deterioration or subject to substantially lower storage costs; and for other materials, goods, and equipment needed by Government agencies for their programs. Further, other Government agencies procuring such materials, goods, or equipment are directed to cooperate with the Secretary of Agriculture in the disposal of agricultural commodities by means of barter or exchange.

During the reporting period, the Agricultural Act of 1956, containing certain barter provisions, was enacted. This law provides that strategic and other materials acquired by the CCC through barter, unless obtained for other purposes, shall be transferred to the supplemental stockpile established by section 104 (b) of Public Law 480; strategic materials acquired through barter may be entered free of duty; and CCC shall be reimbursed for materials transferred to the supplemental stockpile.

Barter transactions are effected through contracts between CCC and private United States business firms which use commercial trade channels in fulfilling these contracts. Barter contracts call for the delivery of specified materials with payment to be received in CCC-owned agricultural commodities which must be exported by the contractor. The origin of materials and the destination of agricultural commodities are limited to friendly countries but are not required to be identical. Materials are valued at not to exceed current market prices when the offer is accepted and agricultural commodities are valued at prevailing CCC export prices applicable to export sales when commodities are taken by the contractor. Contracts generally run for a period of up to 2 years. As a supporting export program, barter is designed to place private United States business firms in a competitive position of purchasing materials from other countries conditional upon the exportation of agricultural commodities in payment.

Barter contracts entered into during January–June 1956 totaled $256.2 million, bringing the total for 1955–56 to $305.3 million in comparison with $281.8 million for 1954–55. During period January–June 1956, agricultural commodities exported by contractors, largely against prior contracts, totaled $106.8 million and materials delivered to CCC totaled $105.7 million. The excess in agricultural commodity exports is covered by cash deposits or irrevocable letters of credit in favor of CCC.

Barter contracts entered into in the current period were at a higher rate than during the July–December 1955 and the July 1954–June 1955 periods and considerably above that for the first 5 years of the barter program. Table V compares barter contracts negotiated since the inception of the barter program for these periods.

TABLE V.—*Comparison of barter contracts entered into in specified periods.*[1]

[Million dollars]

Materials	1949–50 through 1953–54	1954–55	July–December 1955	January–June 1956
Strategic:				
Minimum stockpile	$71.8	$5.7	$0.7	$4.2
Long-term stockpile		152.8	2.3	187.4
Supplemental stockpile type[2]		100.9	43.8	55.6
Total strategic	71.8	259.4	46.8	247.2
Supply:[3]				
ICA	28.4	22.4	2.3	6.3
Defense	7.4			
Other				2.7
Total supply	35.8	22.4	2.3	9.0
Total	107.6	281.8	49.1	256.2

[1] Years beginning July 1.
[2] Acquired and held as assets by CCC using as a guide the ODM supplemental stockpile list for kinds, quantities, and specifications. Materials to be transferred to GSA as provided by sec. 206 of the Agricultural Act of 1956.
[3] Nonstrategic materials, goods, and equipment for other Government agencies.

Agricultural commodity exports by contractors in fulfillment of barter contracts with CCC totaled $106.8 million for the period covered by this report. This amount is $50.8 million, or one-third, less than the value of barter exports for the July–December 1955 period. The sharp decline results from the low total value of new barter contracts of $49.1 million concluded during the July–December 1955 period (table V) because of restricted barter opportunities in that period. However, barter exports are expected to rise during the next 6 months in view of the larger amount of new barter contracts of $256.2 million entered into during the reporting period.

TABLE VI.—*Agricultural commodities exported through barter in specified periods* [1]

Commodities	Unit	1949–50 through 1953–54	1954–55	July–December 1955	January–June 1956 [2]		
					Under all contracts	1954–55 contracts	1955–56 contracts
		Quantities in thousand units					
Wheat	Bushel	33,445	46,261	23,473	31,701	6,980	24,721
Corn	do	9,398	4,381	39,401	13,292	7,059	6,233
Grain sorghums	Hundredweight	900	4,725	15,925	4,011	632	3,379
Barley	Bushel		5,244	21,905	14,415	1,904	12,511
Oats	do		2,835	6,854	4,342	526	3,816
Rye	do		217	2,786	404		404
Cottonseed oil	Pound	4,630	19,687	15,044			
Cotton [3]	Bale	56			55		55
Others [4]	Metric ton	20	6	26	1		1
Total quantity	do	1,227	1,759	3,043	1,783	447	1,336
		Million dollars					
Total value		107.6	124.6	157.6	106.8	26.8	80.0

[1] Year beginning July 1.
[2] Includes partial estimate for June.
[3] January–June 1956 represents sales (exportation to be made within 1 year). Under new cotton export sales program (announcement CN-EX-2, dated Apr. 17, 1956, as amended) a substantial increase is expected.
[4] Includes flaxseed, dried skim milk, rice, linseed oil, cottonseed meal, soybeans, tobacco, peanuts, and pinto beans.

A total of 35 different countries has received agricultural commodities exported under barter arrangements since the expanded barter program beginning in 1954–55 through June 30, 1956, as shown in table VII.

TABLE VII.—*Value of agricultural commodity exports by designation, 1954–55 and 1955–56 barter contracts through June 30, 1956* [1]

[Thousand dollars]

Country	Value	Country	Value
Austria	4,082	Mexico	9,61
Belgium	39,407	Netherlands	60,682
Colombia	652	Norway	11,101
Costa Rica	17	Panama	25
Denmark	967	Peru	1,479
Egypt	6,989	Portugal	2,424
Finland	782	Spain	4,126
France	1,000	Sweden	967
West Germany	47,820	Switzerland	995
Greece	11,209	Taiwan (Formosa)	2,829
Guatemala	141	Trieste	1,360
India	505	Turkey	40,599
Iran	94	United Kingdom	20,262
Ireland	12,974	Venezuela	24
Israel	6,985	Yugoslavia	2,616
Italy	4,474	Others [2]	14,875
Japan	54,892		
Korea	2,084	Total	380,065

[1] Year beginning July 1. Includes partial estimate for June.
[2] Includes Cuba (1), Cyprus (6), and other shipments for which documents listing countries of destination have not been processed.

The rate of material deliveries to CCC by contractors against barter agreements in the report period increased somewhat over that for past periods. Materials delivered by contractors, except for supplemental-type strategic materials, either have been transferred or are scheduled for transfer to other agencies with full reimbursement to CCC. The acquisitions of supplemental-type strategic materials have been limited to materials within the Office of Defense Mobilization supplemental stockpile list and of a durable nature for which carrying costs are significantly less than the carrying costs for the agricultural commodities exchanged. As provided by the Agricultural Act of 1956, supplemental-type strategic materials will be transferred to the supplemental stockpile with reimbursement to the CCC. Materials delivered in the report period compared with past deliveries are indicated in table VIII.

TABLE VIII.—*Value of materials delivered by barter contractors in specified periods*[1]

[Value in million dollars]

Materials	1949-50 through 1953-54	1954-55	July-Dec. 1955	January-June 1956[2]		
				Under all contracts	1954-55 contracts	1955-56 contracts
Strategic:						
Minimum stockpile	71.6	4.8	1.0	1.4	0.1	1.2
Long-term stockpile		54.6	35.7	43.5	35.0	8.5
Supplemental stockpile[3]		2.1	18.8	52.6	22.6	30.0
Total strategic	71.6	61.5	55.5	97.5	57.7	39.8
Supply:[4]						
ICA	28.4	21.1	1.0	8.2	.1	8.1
Defense	7.4					
Other						
Total supply	35.8	21.1	1.0	8.2	.1	8.1
Total	107.6	82.6	56.5	105.7	57.3	47.9

[1] Years beginning July 1.
[2] Includes partial estimate for June.
[3] Acquired and held as assets by CCC, using as a guide the ODM supplemental stockpile list for kinds, quantities, and specifications. Materials to be transferred to GSA as provided by sec. 206 of the Agricultural Act of 1956.
[4] Nonstrategic materials, goods, and equipment for other Government agencies.

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APPENDIX

TABLE I.—*Commodity composition of programs under title I, Public Law 480 agreements signed through June 30, 1956*

[Million dollars]

Country	Wheat	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value, including ocean transportation [1]	CCC cost, including ocean transportation [1]
Argentina							30.4		30.4	0.7	31.1	34.0
Austria	3.4	10.6		6.1	3.5		2.4	[2] 0.3	26.3	2.2	28.5	41.8
Brazil	32.1	3.0			.2		1.8		37.1	4.8	41.9	73.1
Burma				17.5	1.1	2.0		[2] .2	20.8	.9	21.7	31.2
Chile	8.4			5.3	.2	1.0	10.0	[3] 6.2	37.1	2.5	39.6	53.1
Colombia	5.0			7.6		.7	2.5		15.8	1.1	16.9	24.1
Ecuador	1.1			.9	.2		1.5		3.7	.3	4.0	5.3
Egypt	17.1								17.1	2.5	19.6	28.7
Finland	6.0	1.1		5.8	6.0	.5		[2] 1.2	20.6	1.7	22.3	31.6
France					.7				.7		.7	.7
Germany								[4] 1.2	1.2		1.2	1.2
Greece	6.0	2.4				2.5	8.0		18.9	1.6	20.5	27.5
Indonesia	5.0		35.8	36.0	15.0				91.8	4.9	96.7	155.2
Iran	3.9					6.0	1.4		11.3	1.2	12.5	20.0
Israel	11.1	6.4	.1	2.6	.4	3.3	2.9	[5] 10.3	37.1	3.8	40.9	59.2
Italy	1.6	3.0		35.9	3.2		4.5		48.2	1.8	50.0	71.7
Japan	49.7	14.3	14.4	52.8	7.7				138.9	11.9	150.8	219.6
Korea	6.4	11.5		17.2	6.6	1.0	3.0	[6] 5.0	53.7	5.1	58.8	74.9
Pakistan			15.0	21.5	3.3	2.3	1.0		43.1	3.2	46.3	69.8
Paraguay	1.7					.4	.5		2.6	.4	3.0	5.2
Peru	8.9					.2	3.0		12.1	1.4	13.5	21.3
Portugal	6.3								6.3	.8	7.1	14.2
Spain	[7] 14.6	5.7		33.2	4.2		56.5	[8] 2.7	108.9	8.6	117.5	140.3
Thailand					1.9				1.9	.1	2.0	2.0
Turkey	13.8	12.7	1.4				9.0		36.9	7.6	44.5	66.6
United Kingdom					27.0				27.0	.2	27.2	27.2
Yugoslavia	78.1			18.1			10.8		106.0	18.1	123.1	199.4
Savings anticipated from CCC cost adjustments and procurement shortfall												(47)
Total agreements	288.2	70.7	66.7	260.5	81.2	19.9	157.2	30.1	954.5	87.4	1,041.9	[9] 1,466.0

[1] Includes only ocean transportation to be financed by CCC.
[2] Fruit.
[3] Hay and pasture seeds $2.5 million; frozen beef $3.7 million.
[4] Poultry.
[5] Dry edible beans, $0.3 million; chilled or frozen beef, $10 million.
[6] Canned pork.
[7] Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.
[8] Hams $1.0 million; potatoes $1.4 million; cotton linters $0.3 million.
[9] Estimated net obligation.

TABLE 11.—*Commodity composition of programs under title I, Public Law 480 agreements signed Jan. 1, 1956, through June 30, 1956*

[Million dollars]

Country	Wheat	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value, including ocean transportation [1]	CCC cost, including ocean transportation [1]
Austria	3.4	6.1		5.6	3.0		2.4	[2] 0.3	20.8	1.7	22.5	33.5
Burma				17.5	1.1	2.0		[2] .2	20.8	.9	21.7	31.2
Chile	6.2			5.3	.2	1.0	13.6	[3] 6.2	32.5	2.1	34.6	45.4
Egypt	12.2								12.2	1.8	14.0	28.0
Finland	6.0	1.1		2.9	3.8	.5		[5] 1.2	15.5	1.5	17.0	28.4
Greece							5.9		5.9	.2	6.1	6.1
Indonesia	5.0		35.8	36.0	15.0				91.8	4.9	96.7	155.2
Iran	3.9					6.0	1.4		11.3	1.2	12.5	20.0
Israel						.9		[4] 10.0	10.9		10.9	11.8
Japan	27.3	11.2		18.7	2.7				59.9	5.9	65.8	108.3
Korea	6.4	11.5		7.8	2.0	1.0	3.0	[4] 8.0	39.7	4.1	43.8	59.9
Pakistan			15.0						15.0	1.9	16.9	30.7
Paraguay	1.7					.4	.5		2.6	.4	3.0	5.2
Peru	2.5								2.5	.3	2.8	5.4
Portugal	6.3								6.3	.8	7.1	14.2
Spain	[6] 4.6	3.3		24.5	2.0		43.5	[7] 2.7	80.6	5.3	85.9	104.6
Turkey	7.3	.3	1.4				4.8		13.8	1.7	15.5	25.4
United Kingdom					12.0				12.0		12.0	12.0
Yugoslavia	23.3			8.5			10.8		42.6	6.4	49.0	77.9
Total agreements, Jan. 1-June 30, 1956	116.1	32.5	52.2	126.8	41.8	11.8	85.9	28.6	495.7	42.1	537.8	801.2

[1] Includes only ocean transportation to be financed by CCC.
[2] Fruit.
[3] Hay and pasture seeds $2.5 million; frozen beef $3.7 million.
[4] Chilled or frozen beef.
[5] Canned pork.
[6] Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.
[7] Hams $1.0 million; potatoes $1.4 million; cotton linters $0.3 million.

TABLE III.—*Approximate quantities of commodities under agreements signed through June 30, 1956, title I, Public Law 480*

Country	Wheat	Feed grains [1]	Rice	Cotton [2]	Tobacco	Dairy products [3]	Fats and oils [4]	Poultry	Dry edible beans	Fruit and vegetables	Meat	Hay and pasture seeds
	Thous. bu.	*Thous. bu.*	*Thous. cwt.*	*Thous. bales*	*Thous. lbs.*	*Thous. lbs.*	*Thous. lbs.*	*Thous. lbs.*	*Thous. cwt.*	*Thous. lbs.*	*Thous. lbs.*	*Thous. cwt.*
Argentina							220,000					
Austria	2,025	7,091		42.5	5,900		[5] 16,552			[6] 2,084		
Brazil	18,995	2,905			100		[5] 11,000					
Burma				125.0	1,467	14,385				[6] 2,350		
Chile	4,927			37.6	300	9,900	[5] 105,562				[7] 13,214	55
Colombia	2,612			48.3		3,307	14,141					
Ecuador	560			6.0	323		13,629					
Egypt	10,329											
Finland	3,357	750		30.1	9,990	1,163				[6] 10,950		
France					867							
Germany								3,000				
Greece	3,479	2,366				21,264	44,966					
Indonesia	2,594		5,629	257.2	23,000							
Iran	2,120					11,708	5,773					
Israel	6,426	6,082	7	15.5	550	10,793	18,450		37		[7] 40,000	
Italy	948	1,923		253.8	4,000		33,322					
Japan	30,754	12,227	2,111	308.6	9,629							
Korea	4,122	10,000		102.7	14,000	10,000	20,000				[7] 21,000	
Pakistan			2,300	141.3	3,650	4,000	8,274					
Paraguay	990					3,086	[5] 3,126					
Peru	5,040					621	22,000					
Portugal	3,753											
Spain	[6] 2,446	3,504		[2] 239.6	7,573		[5] 339,086			[6] 66,667	[7] 1,640	
Thailand					2,700							
Turkey	8,009	10,532	215				59,967					
United Kingdom					39,429							
Yugoslavia	44,[illegible]			114.4			87,964					
Total agreements	158,196	56,770	10,262	1,729.2	123,478	90,227	1,028,822	3,000	37	82,051	75,854	55

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[1] See the following:

	Thousand bushels
Corn	18,662
Oats	4,751
Barley	27,562
Grain sorghums	5,795
Total	56,770

[2] Includes 16,700 bales cotton linters for Spain.

[3] See the following.

	Thousand pounds
Nonfat dry milk	36,219
Evaporated milk	23,535
Butter	11,367
Cheese	2,679
Butter oil and/or ghee	10,426
Ghee	4,000
Whey	2,001
Total	90,227

[4] See the following:

	Thousand pounds
Cottonseed oil	202,781
Cottonseed oil and/or soybean oil	302,463
Cottonseed oil, soybean oil and/or lard	344,104
Linseed oil	8,800
Lard	129,828
Tallow and/or grease	35,750
Total	1,023,822

[5] Entire quantity shown for country is lard except Chile, Paraguay, and Spain, which includes lard as follows:

	Thousand pounds
Chile	2,257
Paraguay	1,300
Spain	9,655

[6] See the following:

	Thousand pounds
Austria, canned fruit and fruit juices	450
Dried fruit	1,634
Burma, dried fruit.	
Finland:	
Dried fruit	9,800
Fresh apples	1,150
Spain, potatoes.	

[7] Israel and Chile, chilled or frozen beef; Korea, canned pork; Spain, canned hams.

[8] Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

TABLE IV.—*Approximate quantities of commodities under agreements signed Jan. 1, 1956, through June 30, 1956, title I, Public Law 480*

Country	Wheat	Feed grains [1]	Rice	Cotton [2]	Tobacco	Dairy products [3]	Fats and oils [4]	Fruit and vegetables	Meat	Hay and pasture seeds
	Thous. bu.	*Thous. bu.*	*Thous. cwt.*	*Thous. bales*	*Thous. lbs.*	*Thous. lbs.*	*Thous. lbs.*	*Thous. lbs.*	*Thous. lbs.*	*Thous. cwt.*
Austria	2,025	4,242		40.0	5,000		[5] 16,552	[6] 2,084		
Burma				125.0	1,467	14,385		[6] 2,350		
Chile	3,725			37.6	300	9,900	[5] 88,234		[7] 13,214	55
Egypt	7,482									
Finland	3,557	750		20.4	6,300	1,163		[6] 10,950		
Greece							30,800			
Indonesia	2,894		5,629	257.2	23,000					
Iran	2,120					11,708	5,773			
Israel						2,300			[7] 40,000	
Japan	17,231	9,461		133.6	3,375					
Korea	4,122	10,000		55.7	4,000	10,000	20,000		[7] 21,000	
Pakistan			2,300							
Paraguay	900					3,086	[5] 3,126			
Peru	1,470									
Portugal	3,753									
Spain	[9] 2,446	1,324		[3] 101.7	3,143		[5] 243,848	[6] 66,667	[7] 1,640	
Turkey	4,374	197	215				32,778			
United Kingdom					18,000					
Yugoslavia	13,807			58.7			[5] 87,964			
Total agreements, Jan. 1–June 30, 1956	69,906	25,975	8,144	919.0	64,585	52,542	520,075	82,051	75,854	55

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[1] See the following:

	Thousand bushels
Corn	8,356
Barley	17,619
Total	25,975

[2] Includes 16,700 bales cotton linters for Spain.

[3] See the following:

	Thousand pounds
Nonfat dry milk	22,545
Evaporated milk	14,385
Butter	4,877
Cheese	309
Butter oil and or ghee	10,426
Total	52,542

[4] See the following:

	Thousand pounds
Cottonseed oil	81,191
Cottonseed oil and/or soybean oil	241,974
Cottonseed oil, soybean oil and or lard	50,800
Linseed oil	526
Lard	118,828
Tallow and/or grease	35,756
Total	529,075

[5] **Entire quantity shown** for country is lard except Chile, Paraguay, and Spain, which **includes lard as follows:**

	Thousand pounds
Chile	3,357
Paraguay	1,300
Spain	9,655

[6] See the following:

	Thousand pounds
Austria, canned fruit and fruit juices	450
Dried fruit	1,534
Burma, dried fruit.	
Finland:	
Dried fruit	9,800
Fresh apples	1,150
Spain, potatoes.	

[7] Israel and Chile, chilled or frozen beef; Korea, canned pork; Spain, canned hams.

[8] Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

TABLE V.—*Planned uses of foreign currency under title I Public Law 480 agreements signed Jan. 1–June 30, 1956* [1]

[Million dollars]

Country	Total amount programed (market value including ocean transportation)	Market development (sec. 104 (a))	Purchase of strategic material (sec. 104 (b))	Payment of United States obligations [2] (sec. 104 (f))	International educational exchange (sec. 104 (h))	Military procurement (sec. 104 (c))	Purchase of goods for other countries (sec. 104 (d))	Grants for multilateral trade and economic development (sec. 104 (e))	Loans for multilateral trade and economic development (sec. 104 (g))
Austria	22.5	0.5	....	5.5	....	....	2.0	....	14.5
Burma	21.7	....	....	21.7	....	....	(3)	....	....
Chile	34.6	.6	....	6.0	0.3	....	....	....	27.7
Egypt	14.0	.7	....	2.9	.7	....	(3)	....	9.7
Finland	17.0	....	....	17.0	....	....	(3)	....	....
Greece	6.1	.3	....	1.5	....	....	....	....	4.3
Indonesia	96.7	1.0	2.0	16.0	.3	....	....	....	77.4
Iran	12.5	.2	....	3.7	.2	5.9	....	....	2.5
Israel	10.9	....	....	1.3	....	....	(3)	....	9.6
Japan	65.8	1.3	....	[4] 8.4	1.3	(4)	5.4	....	49.4
Korea	43.8	....	....	4.4	....	39.4	....	....	....
Pakistan	16.9	....	....	3.4	....	11.0	....	....	2.5
Paraguay	3.0	.2	....	.5	.1	....	....	....	2.2
Peru	2.8	.4	....	.4	....	....	....	....	2.0
Portugal	7.1	.3	....	2.9	.5	....	....	....	3.4
Spain	85.9	.5	....	33.4	.5	....	....	....	51.5
Turkey	15.5	....	....	8.0	....	....	....	....	7.5
United Kingdom	12.0	....	....	[4] 12.0	....	(4)	....	....	....
Yugoslavia	49.0	.3	....	8.7	....	31.0	....	....	9.0
Total agreements, Jan. 1–June 30, 1956	537.8	6.3	2.0	157.7	3.9	87.3	7.4	....	273.2
Uses as percent of total	100.0	1.2	.4	29.3	.7	16.2	1.4	....	50.8

[1] Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.

[2] In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under secs. 104 (a), (b), (f), and (h). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsecs. (a), (b), (d), and (h). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

[3] Sales agreements include unspecified amounts for possible procurement for 3d countries. Although not specified in the agreement, there is a definite understanding in regard to the amount shown for Argentina.

[4] The Japanese agreement provides for the use of $3.1 million and the United Kingdom agreement provides for the entire currency use under subsec. 104 (c). However, since in return for this currency use, these countries will construct and make available to the United States Armed Forces an equivalent value of dependent housing, the amounts are shown under sec. 104 (f).

TABLE VI.—*Planned uses of foreign currency under title I Public Law 480 agreements signed through June 30, 1956* [1]

[Million dollars]

Country	Total amount programed (market value including ocean transportation)	Market development (sec. 104 (a))	Purchase of strategic material (sec. 104 (b))	Payment of United States obligations [2] (sec. 104 (f))	International educational exchange (sec. 104 (h))	Military procurement (sec. 104 (c))	Purchase of goods for other countries (sec. 104 (d))	Grants for multilateral trade and economic development (sec. 104 (e))	Loans for multilateral trade and economic development (sec. 104 (g))
Argentina	31.1	0.5		8.9	0.7		[3] 1.0		20.0
Austria	28.5	.7		9.6	.2		2.0		16.0
Brazil	41.9	.7	2.8	6.2	.9				31.3
Burma	21.7			21.7			([3])		
Chile	39.6	.8		6.5	.6				31.7
Colombia	16.9	.8		5.5	.6		([3])		10.0
Ecuador	4.0	.2		.5	.2				3.1
Egypt	19.6	1.0		4.0	1.0		([3])		13.6
Finland	22.3	.2		21.8	.3		([3])		
France	.7	.6		.1					
Germany	1.2	1.1		.1					
Greece	20.5	.5		4.0				7.5	8.5
Indonesia	96.7	1.0	2.0	16.0	.3				77.4
Iran	12.5	.2		3.7	.2	5.9			2.5
Israel	40.9	.4		8.2	.4		3.1		28.8
Italy	50.0	1.7	1.0	12.3			5.0		30.0
Japan	150.8	3.3		[4] 25.7	2.1	([4])	10.9		108.8
Korea	58.8	.5		12.9		45.4			
Pakistan	46.3	1.6		6.3		25.9			12.5
Paraguay	3.0	.2		.5	.1				2.2
Peru	13.5	.7		2.5	.6				9.7
Portugal	7.1	.3		2.9	.5				3.4
Spain	117.5	2.0	1.0	46.2	1.0				67.3
Thailand	2.0	.2		.6	.4				.8
Turkey	44.5	.7		21.0	.8				22.0
United Kingdom	27.2			[4] 27.2		([4])			
Yugoslavia	123.1	.3		25.1		86.7			9.0
Total agreements	1,041.9	20.2	6.8	300.0	10.9	165.9	22.0	7.5	508.6
Uses as percent of total	100.0	1.9	.7	28.8	1.1	15.9	2.1	.7	48.8

[1] Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.

[2] In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under sec. 104 (a), (b), (f), and (h). In some instances, possible uses under sec 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsecs. (a), (b), (d), and (h). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

[3] Sales agreements include unspecified amounts for possible procurement for 3d countries.

[4] The Japanese agreement provides for the use of $8.1 million and the United Kingdom agreement provides for the entire currency use under subsec. 104 (c). However, since in return for this currency use, these countries will construct and make available to the United States Armed Forces an equivalent value of dependent housing, the amounts are shown under sec. 104 (f).

TABLE VII.—*Transfer authorizations issued under title II, Public Law 480, July 1, 1954, to June 30, 1956*

[Thousand dollars]

Area and country	Total	Bread grains	Coarse grains	Fats and oils	Dry beans	Milk and milk products	Rice	Raw cotton
Europe (total)	97,743	55,965	9,931	12,916	1,105	17,157	246	423
Austria	2,155		2,155					
Czechoslovakia	1,700		1,700					
Germany:								
Federal Republic	2,737	229	686	952		362	185	323
Soviet occupied	758	236	380	81			61	
Hungary	5,894	2,020	1,760	1,724	390			
Italy	38,282	8,338	3,250	9,084	715	16,795		100
Yugoslavia	46,217	45,142		1,075				
Near East and Africa (total)	21,443	13,612		3,722		4,062	47	
Libya	8,047	8,047						
Turkey	13,396	5,565		3,722		4,062	47	
South Asia (total)	49,259	17,663	60	6,506		257	20,483	4,300
India	3,500	1,017					2,483	
Nepal	210	146	60			1		
Pakistan	45,559	16,500		6,506		253	18,000	4,300
Far East (total)	4,376	726					3,650	
Cambodia	2,500						2,500	
Laos	1,150						1,150	
Vietnam	726	726						
Latin America (total)	28,307	13,119	6,093	1,503	1,219	1,469	2,376	2,528
Bolivia	14,590	9,432		1,137		391	1,102	2,528
British Honduras	258	18	22	106	42	44	26	
Costa Rica	240		39	80	58		63	
Guatemala	3,348		3,348					
Haiti	2,660	169	125	180	1,049	34	1,103	
Honduras	211		59		70		82	
Peru	7,000	3,500	2,500			1,000		
Christmas holiday program	16,672	2,306		5,970	1,005	4,206	3,185	
Grand total	217,810	103,391	16,084	30,617	3,329	27,151	29,987	7,251