

Public Law 88-638

AN ACT

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

October 8, 1964
[S. 2687]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

Agricultural
Trade Development
and Assistance
Act of 1954,
amendments.
75 Stat. 306.
7 USC 1701.

(1) Section 101 of such Act is amended by striking out in subsection (f) the words "from the government or agencies thereof" and further by striking the period at the end of subsection (f) and adding the following: ", and which are not less favorable than the highest of exchange rates obtainable by any other nation."

(2) Section 101 of such Act is amended by adding at the end thereof the following new subsection:

"(g) require such foreign currencies to be convertible to dollars to the extent consistent with the effectuation of the purpose of this Act, but in any event to the extent necessary to permit that portion of such currencies made available for payment of United States obligations to be used to meet obligations or charges payable by the United States or any of its agencies to the government of the importing country or any of its agencies."

(3) Section 102(a) of such Act is amended by adding at the end thereof the following: "The Commodity Credit Corporation shall finance ocean freight charges incurred pursuant to agreements entered into after December 31, 1964, only to the extent that such charges are higher (than would otherwise be the case) by reason of a requirement that the commodities be transported in United States flag vessels. Such agreements shall require the balance of such charges for transportation in United States vessels to be paid in dollars by the nations or organizations with whom such agreements are entered into."

Ocean freight
charges.
69 Stat. 44.
7 USC 1702.

(4) Section 103(a) of such Act is amended by adding at the end thereof the following: "In presenting his budget, the President shall classify expenditures under this Act as expenditures for international affairs and finance rather than for agriculture and agricultural resources."

68 Stat. 456.

(5) Effective January 1, 1965, section 103(b) of such Act is amended to read as follows:

75 Stat. 306.

"(b) Agreements shall not be entered into under this title during the period beginning January 1, 1965, and ending December 31, 1966, which will call for appropriations to reimburse the Commodity Credit Corporation in a total amount in excess of \$2,700,000,000 plus any amount by which agreements entered into in prior years have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior years by this Act as in effect during such years: *Provided*, That agreements shall not be entered into during any calendar year of such period which will call for appropriations to reimburse the Commodity Credit Corporation in amounts in excess of \$2,500,000,000."

(6) Section 104 of such Act is amended by striking out in subsection (c) the word "military" and inserting after the words "common defense" the words "including internal security".

7 USC 1704.

(7) Section 104 of such Act is amended by striking from subsection (e) the words "not more than 25 per centum of the currencies received pursuant to each such agreement shall be available" and substituting "currencies shall also be available to the maximum usable extent."

Private busi-
ness loans.
Limitations
removed.

7 USC 1704.

(8) Section 104 is amended by adding at the end thereof the following:

Advisory committee, establishment.

"There is hereby established an advisory committee composed of the Secretary of Agriculture, the Director of the Bureau of the Budget, the Administrator of the Agency for International Development, the chairman and the ranking minority member of the House Committee on Agriculture, and the chairman and the ranking minority member of the Senate Committee on Agriculture and Forestry. Such Committee shall review from time to time the status and usage of foreign currencies which accrue under this title, and shall make recommendations to the President as to ways and means of assuring to the United States (1) the maximum benefit from the use of such currencies, making special reference to any such currencies which are excess to the normal requirements of United States agencies, and (2) the maximum return from sales made under this title. Such Committee shall make such other recommendations for improving this Act and its administration as such Committee may deem fit.

Uses of foreign currencies, review.

"The committee shall be consulted with respect to: (1) policies relating to (a) loans under subsections (e) and (g) hereof, (b) the degree of convertibility to be required under section 101(g), and (c) the amount of currency to be reserved in sales agreements for loans to private industry under subsection (e) hereof; and (2) each proposal to establish an interest rate for dollar sales under title IV higher than the minimum provided in section 403.

Transmittal of proposal to congressional committees.

"No agreement or proposal to grant any foreign currencies (except as provided in subsection (c) of this section), or to use (except pursuant to appropriation Act) any principal or interest from loan repayments under this section, shall be entered into or carried out until the expiration of thirty days following the date on which such agreement or proposal is transmitted by the President to the Senate Committee on Agriculture and Forestry and to the House Committee on Agriculture, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session, and then only if, between the date of transmittal and the expiration of such period there has not been passed by either of the two Committees a resolution stating in substance that that Committee does not favor such agreement or proposal."

(9) The first proviso at the end of section 104 of such Act is amended by striking out the colon at the end thereof and inserting "pursuant to agreements entered into on or before December 31, 1964 and to not less than 20 per centum in the aggregate of the foreign currencies which accrue pursuant to agreements entered into thereafter:"

(10) Section 104 of such Act is amended by adding at the end thereof the following: "Any loan made under the authority of this section shall bear interest at such rate as the President may determine but not less than the cost of funds to the United States Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturity of such loans, unless the President shall in specific instances upon the recommendation of the advisory committee herein established designate a different rate."

"Friendly nation."
68 Stat. 457.
7 USC 1707.

(11) Section 107 of such Act is amended by inserting before the period at the end thereof a comma and the following: "or (3) for the purpose only of title I any nation or area dominated or controlled by a Communist government, or (4) for the purpose only of title I any nation which permits ships or aircraft under its registry to transport to or from Cuba (excluding United States installations in Cuba) any equipment, materials, or commodities, so long as Cuba is governed by the Castro regime. Notwithstanding any other Act, the President is

authorized to enter into agreements for the sale of surplus agricultural commodities for dollars under title IV with nations which fall within the definition of 'friendly nation' for the purpose of that title. In the case of any such agreement which would be prohibited by any other Act but for the foregoing sentence the maximum payment period shall be five years, instead of twenty years."

"The President is directed that no sales under this Act shall be made with any country if he finds such country is (a) an aggressor, in a military sense, against any country having diplomatic relations with the United States, or (b) using funds, of any sort, from the United States for purposes inimical to the foreign policies of the United States".

(12) Section 108 of such Act is amended by striking out the words "six months" and inserting in lieu thereof the word "year".

7 USC 1708.

(13) Section 203 of such Act is amended (i) by striking out "1961" and substituting "1965"; (ii) by striking out "1964" and substituting "1966"; (iii) by striking out "\$300,000,000", and substituting "\$400,000,000"; and (iv) by inserting after "charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto" the following: "or donated under said section 416, section 308 of this Act or section 9 of the Act of September 6, 1958 (72 Stat. 1790)". Clauses (i), (ii), and (iii) hereof shall not become effective until January 1, 1965.

Famine relief,
etc.
75 Stat. 307.
7 USC 1723.

68 Stat. 458.
7 USC 1431.
73 Stat. 609.
7 USC 1697.
7 USC 1431b.

(14) Section 203 of the Act is amended by inserting after the third sentence of said section the following new sentence: "In addition to other funds available for such purposes under any other Act, funds made available under this title may be used in an amount not exceeding \$7,500,000 annually to purchase foreign currencies accruing under title I in order to meet costs (except the personnel and administrative costs of cooperating sponsors, distributing agencies, and recipient agencies, and the costs of construction or maintenance of any church owned or operated edifice or any other edifices to be used for sectarian purposes) designed to assure that commodities made available under this title or under title III are used to carry out more effectively the purposes for which such commodities are made available or to promote community and other self-help activities designed to alleviate the causes of the need for such assistance: *Provided, however,* That such funds shall be used only to supplement and not substitute for, funds normally available for such purposes from other non-United States Government sources."; and by inserting after the word "costs" in the last sentence the words "or for the purchase of foreign currencies".

(15) Sections 109 and 204 of such Act are amended by striking out "1964" and inserting "1966".

7 USC 1709,
1724.

(16) Clause (1) of section 304(a) of such Act is amended by inserting after the words "Union of Soviet Socialist Republics" the words "or the Communist regime in China".

71 Stat. 345.
7 USC 1693.

(17) The first sentence of section 403 of such Act is amended to read as follows: "Payment for such commodities shall be in dollars with interest at such rate as the Secretary may determine but not less than the minimum rate required by section 201 of the Foreign Assistance Act of 1961 for loans made under that section."

73 Stat. 610.
7 USC 1733.

SEC. 2. Subsection (b) of section 612 of the Foreign Assistance Act of 1961, as amended, is amended (1) by redesignating it as subsection (t) of section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended.

Foreign currency sales.
77 Stat. 385.
22 USC 2362.
7 USC 1704.

(2) By inserting after the subsection designation the following: "For sale to United States citizens as provided herein.";

(3) By striking "this Act" and substituting "the Foreign Assistance Act of 1961, as amended.";

(4) By changing the period at the end of the subsection to a comma and adding "except that in the case of any such foreign currencies acquired through operations under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, the United States dollars received from the sale of such foreign currencies shall be deposited to the account of the Commodity Credit Corporation and shall be treated as a reimbursement to Commodity Credit Corporation under section 105 of this Act."

7 USC 1705.

Long staple
cotton, exportation.

SEC. 3. Notwithstanding any other provision of law, the Commodity Credit Corporation, in order to encourage exports of extra long staple cotton which is in surplus supply at competitive world prices, is directed to offer for sale, whenever extra long staple cotton is in surplus supply, any extra long staple cotton owned by it (except stocks released from the stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act, as amended) at prices not in excess of the prices at which cotton of comparable quality is being offered by other exporting countries, on condition that such cotton be exported or that an equal quantity of extra long staple cotton will be exported within the period specified by the Secretary of Agriculture. The Commodity Credit Corporation may accept bids in excess of the maximum prices specified herein but shall not reject bids at such maximum prices unless a higher bid is received for the same cotton. The Secretary of Agriculture shall make a determination of the amount, if any, of extra long staple cotton which is in surplus supply for the 1964-65 marketing year not later than thirty days after the effective date of this section and for each succeeding marketing year not later than thirty days prior to the beginning of each such marketing year. Extra long staple cotton shall be deemed to be in surplus supply whenever the Secretary of Agriculture determines that the total supply of such cotton (under the formula for determining the "Total supply" of cotton specified in Section 301 (b) (16) (C) of the Agricultural Adjustment Act of 1938, as amended, but not including cotton released from such stockpile) is in excess of estimated domestic consumption and estimated exports of such cotton excluding estimated exports made under the authority of this section, plus an allowance for carryover equal to fifty per centum of such estimated consumption and exports. Exports hereunder shall be excluded in making any determination with respect to national marketing quotas under the Agricultural Adjustment Act of 1938, as amended. Nothing herein shall preclude the Corporation from accepting bids which may be made at higher than world prices.

60 Stat. 596.
50 USC 98 note.

63 Stat. 676.
7 USC 1301.

53 Stat. 31.
7 USC 1281.

68 Stat. 458.
7 USC 1431.

SEC. 4. Section 416 of the Agricultural Act of 1949, as amended, is amended by adding the following at the end of such section: "The assistance to needy persons provided in (4) above shall, insofar as practicable, be directed toward community and other self-help activities designed to alleviate the causes of the need for such assistance."

Approved October 8, 1964.