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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#10b memo	Walt Rostow for the Secretaries of State and Agriculture - Draft <del>Confidential</del> <i>open 5-24-95 NLS 93-318</i> 2 p.	7/30/66	<del>A</del>
#16a, memo	Dean Rusk for the President <del>Confidential</del> <i>open 3-7-94 NLS 93-321</i> 2 p.	5/16/66	<del>A</del>
#17 memo	Dean Rusk for the President " 2 p.	3/29/66	<del>A</del>
#17a memo	State memo re Follow-up on President's Food Initiative <del>Secret</del> 3 p.	n.d.	<del>A</del>
#18b memo	duplicate of #17 <i>open 3-7-94 NLS 93-321</i>		
#18d memo	duplicate of #17b "		
#19 memo	Dean Rusk for the President " 2 p.	3/12/66	<del>A</del>
#19a memo	State memo re Follow-up on President's Food Initiative <del>Secret</del> [duplicate #17a] 3 p.	n.d.	<del>A</del>

## FILE LOCATION

National Security File; U.S. ~~XXX~~ Food Aid Policy  
Subject File, Box 15

## RESTRICTION CODES

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## OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

I am pleased to transmit to the Congress a report of our food aid programs during calendar year 1966.

This report marks a year in which the productivity of American agriculture and the generosity of the American people have done much to help others to help themselves.

Food and fiber valued at \$1.5 billion were provided to needy people in more than one hundred countries. Since 1954 the United States has provided almost \$16 billion in farm products to 116 countries which together contain almost half of the world's population.

To millions of human beings, this sharing has meant survival in the face of drought or other natural disaster. To countless children it has meant freedom from the weakness, disease, and mental retardation which are the tragic consequences of malnutrition.

In 1966, however, United States food aid programs entered a new and more critical stage. The world's food problem was growing -- not diminishing. Despite our efforts, serious food shortages threatened many countries. The problem of feeding rapidly growing populations was compounded by serious drought in India and Pakistan -- the worst drought on the South Asian subcontinent in this century.

The world faced two related problems:

- to stimulate agricultural production in the food-deficit countries so that they will eventually be able to grow their own food, or to buy it through the normal channels of world commerce; and
- to provide direct food shipments sufficient to ward off starvation and severe malnutrition during the interim period until the deficit countries achieve self-sufficiency.

After a long and careful study, the United States undertook to carry its share of the burden in a worldwide War on Hunger. I sent to the Congress a special message proposing that the United States lead an all-out effort to reverse the dire trend in the race between world population and world food supply. The response of the Congress gave us the tools to wage that war.

There are six main elements of the new strategy.

Emphasis on self-help. The War on Hunger must be fought and won within the countries where hunger exists. Our food aid and other forms of assistance must go primarily to those who do the most to help themselves. The key to victory over hunger is self-help.

more



Policy for a non-surplus era. In the past, our food aid programs have been based on the existence of food surpluses in the United States. These surpluses are gone. Until the less-developed countries are able to provide for themselves, our domestic farm programs must be geared to ensure that we produce enough to meet pressing foreign needs as well as the demand here at home.

Population programs. Rapid population growth can make the dream of plenty a nightmare of famine. This is an enormous problem. It is clearly a matter for the conscience of each family and each nation. We will never dictate an answer, nor intrude on the decision others must make for themselves. But many countries have voluntarily decided that the time has come to confront the population challenge. We stand ready to respond to the requests for help from these nations in formulating and carrying out effective programs.

Integration of all U. S. assistance programs. Relief from immediate suffering is only part of the War on Hunger. It gives precious time and strength for a larger task. The developing countries must use this time to gather the resources and skills to improve their agricultural production so that they can ultimately stand on their own feet. This is the goal of our technical and economic assistance. Clearly, our food aid must be closely related to these other forms of help in a single, carefully integrated approach to the entire food problem.

Increased private investment. There is no easy or simple answer to the scourge of poverty and hunger. No single program, no single plan, and no single government holds the key. We must marshal the sum of our experience. We must bring to bear more and more the capital and know-how of private enterprise -- both in the United States and in the developing nations themselves.

A multi-national effort. The food deficit is a world problem. Developed nations must join in an international undertaking to combat hunger and modernize agriculture. The United States cannot shoulder this responsibility alone. In meeting the world's food needs, the common interest lies in common effort. In sum, we propose to enlist the very best talent -- private and public, of all nations, rich and poor.

As I have stressed, our own food aid is only a part of a wider attack on the causes of hunger. We made effective use of this new approach in the Sales agreements signed in 1966. In the program with India, for example, our food assistance complements India's own strenuous measures to increase agricultural production. We also made a special effort to encourage help to India from other developed nations.

We seek new agreements with other countries in the same spirit. Our goal is to achieve both self-help in the developing countries and close integration of our own aid with the assistance of other wealthy countries.

The developing nations are helping themselves. Given a critical margin of capital, technical skill, and interim food shipments from the advanced countries, the threat of mass hunger will eventually diminish. Over the past twelve years, PL 480 has meant the difference between life and death for millions all around the world. That challenge and that momentous obligation are still with us.

I know that Americans have the dedication, the patience, the skills, and the wisdom to see the job through. Working together with rich nations and poor, all equally determined that mankind will conquer its oldest enemy, we will win the war on hunger.

LYNDON B. JOHNSON

World Food  
WWR  
2  
Mr. Goldstein  
W. Rostov  
rwp

Tuesday, October 17, 1967 -- 11:30 AM

Mr. President:

You may want to glance through the attached proposal from Marsha Hunt Presnell. I know Mrs. Presnell well; she is serious and very intelligent. Her idea is that we cooperate with one or more of the TV networks to put together a two-hour TV Special on the world food problem -- to be shown on or about Thanksgiving night. She hasn't yet sold the idea to a network, but I think her plan may have real merit.

In rough outline, she proposes the following:

- a two-hour, coast-to-coast special at prime time this Thanksgiving even or Thanksgiving night;
- public service or low-key commercial sponsorship by major food, fertilizer and farm equipment companies;
- a broad treatment of the problem; the growing urgency of chronic food scarcity; the race with population growth; our efforts to stimulate self-help; the bitter irony of Congressional aid-cutting just when the need is greatest; and the hope inspired by such recent events as the widespread use of new high-yield wheat and rice seed on the Asian subcontinent.
- narration by TV and movie personalities, as well as figures from the Administration (Orville Freeman) and the Congress (George McGovern). (She also envisages a brief film spot by you.)
- liberal plugs to arouse public sympathy and concern. The program would invite donations to the UN Food & Agriculture Organization and other voluntary agencies. It would urge Congressional support of existing programs.

I have given the idea some circulation around town. John Schnittker likes it. Bill Gaud approves, though he's not sure many people will watch or become seized with the problem enough to get active. Nick Katzenbach is for it -- provided it be shown Thanksgiving eve or some other time which doesn't juxtapose starving children with the drowsy afterglow of Thanksgiving dinner.



My own view is that we should let Mrs. Presnell try to sell the idea to the networks. (We couldn't guarantee any appearance by you, but we would agree to cooperate, perhaps involving the Vice President or even yourself if your schedule permitted.) Done carefully, the program could give us a badly needed boost in getting the problem before the public. It could also dramatize the trend toward agricultural revolution in many hungry countries. It would be particularly useful just at the time the Congress is debating the foreign aid appropriation bill. (Thanksgiving looks about right for this purpose.)

There's no assurance, of course, that anything of this sort can be sold to a network at such a late date -- even with our backing. But I thought you would want to consider the idea.

W. W. Rostow

Approve. Explore possibilities, including my appearance \_\_\_\_\_

Explore, but without my appearance \_\_\_\_\_

Disapprove \_\_\_\_\_

Speak to me \_\_\_\_\_

13131 Magnolia Blvd.  
Sherman Oaks, California  
91403

September 9, 1967

2a

Dear Walt,

May I ask a favor? It's rude and brash to ask it, but it seems to me important on two levels, and I think you might agree. Will you read the enclosed proposal, and then if you think it has merit, put it before the President? I've sent it to the White House with an accompanying letter, but fear a barricade of the reader brigade, and its being ruled against as unworthy of further consideration.

But there are two items to consider. The first needs no arguing as to its importance: human hunger rapidly worsening on a global scale. The second may not have had consideration, at least in these terms: a chance to enhance the American people, in their own eyes and in the world's.

As a people we are more deeply divided today than I have ever seen us. With anguish - from varying viewpoints - over Vietnam, racial aspirations running headlong into entrenched bigotry, and almost general youthful rebellion against every status quo, we have across the land a discontent that is bruising our spirit and frequently erupting into violence. We badly need some unifying force, some action we can all support with pride, and feel the better for it, as a nation.

Thanks giving seems to me an ideal time to focus national attention on the world's food shortage, while all Americans are celebrating abundance. And by mustering the appropriate governmental, religious and voluntary agency forces in one major TV effort, it might well result in the most massive voluntary out-pouring of American good-will ever seen.

For all the aid our taxes have sent abroad, we don't have the friends we'd like to have. My guess is that since we've insisted on gearing our giving to our cold war interests, our motives are suspect. And Food For Peace II, with its laudable new emphasis on technical assistance, is unaccountably still not off the ground. Response to my proposed TV Special would result in a massive spur to all the aid programs for more and better food, impartially conducted on a world scale, - the American people's gift of hope to the whole of humanity. It might make quite a difference in our



international popularity poll. And Americans, grown cynical about our foreign "hand-outs", should approve of help for self-help, which is what Freedom From Hunger is all about. I think it would do us and the world a world of good. Do you agree?

But oh, how I'll need help to get it done. Besides the usual hurdles, there's shortness of time. It will take immediate approval, enthusiasm and much weight to pre-empt regular TV programming on that holiday night. That's why I ask my favor. What's needed is word from the White House that the President endorses the concept and would agree to tape or film a message to highlight the program. That would make tackling the networks and sponsors much easier. But better far would be initial contact with them from the White House. Then we'd be off and running!

As to my own part in this, I'll be overjoyed just to see it get done. But if I could work in any way on its preparation, I'd be happier still.

I've sent copies of the outline to: the President, the Vice-President, his sister, Frances Howard, Program Officer of the War on Hunger at A.I.D., Ambassador Goldberg, Secretary Freeman and first Director of Food for Peace, Senator George McGovern, who encouraged me to develop the idea.

And if anything comes of it, I'll have the best excuse for another visit to Lowell Street very soon. Robert and I send the fondest greetings all around your dear household.

Marsha

Marsha Hunt Presnell

Mr. Walt W. Rostow  
3414 Lowell Street N.W.  
Washington, D.C.

## Some Ideas for a Thanksgiving Freedom From Hunger Television Special

submitted by Marsha Hunt

It should be on Thanksgiving Eve or Thanksgiving Night.

It should be a Two-Hour Television Special, at a prime viewing time.

It should be over a coast-to-coast major network, - or possibly more than one.

It should, ideally, be presented by the network or networks as a public service, but if that is not possible, then an assortment of the nation's largest food, fertilizer and farm equipment companies should be asked to join in collective sponsorship of the program, minus any commercials, but with a dignified message at the start and finish of the program such as: "This special program brought to you in the interest of world-wide freedom from hunger, by ....."

It should feature a live or filmed appearance by President Johnson, speaking on the need for Americans to wage a war on world hunger.

It should include Dr. B.R. Sen, Director General of the U.N. Food & Agriculture Organization, -(F.A.O.)- telling the history and the workings of the Freedom From Hunger Campaign, a global effort of crucial urgency.

It should bring forth representatives of government, religion and voluntary agencies involved in this pursuit. - (Suggested list follows on Page 2.)

It should involve a great parade of our most celebrated stars, each appearing to introduce footage selected from a great number of films that picture and explain the extremes of hunger and plenty, the race between food production and human reproduction, - the peril, the plight, the problems, the progress and the promise.

It should be a program with a 3-fold purpose: To inform, to concern, and raise funds.

It should explain, - through films, stills and narration - the self-help lasting effects of technical assistance projects abroad, in their many aspects.

It should balance a heart-renderer with a heart-warmer: first show the need and suffering, then a step taken somewhere to prevent that, or relieve it.

It should express concern for such malnutrition as exists today in our own country, but should stress that it is very minimal, and that our rich nation as a whole can provide federal and state programs of welfare and relief, as well as charity drives, whereas hungry people in poor countries cannot hope for help from their governments or their equally poor neighbors.

It should acknowledge U.S. Government programs of foreign aid, but should point out that the latest Foreign Aid Appropriation by Congress was the smallest in years, just as the need is growing most acute, and that this cut is largely due to lack of public appreciation and support of the program.

It should offer the American people the chance to make a voluntary contribution to the prevention of world hunger, besides what their taxes accomplish. It should make clear that money so given would be their individual, - not official - gifts to the whole human race, channeling Thanksgiving gratitude for our own abundance into creating abundance where now there is need, suffering and death by starvation.

It should explain that all church and voluntary agencies as well as F.A.O. projects are valuable and necessary, and that it doesn't greatly matter which one an individual chooses to support, so long as the work goes forward.

It should invite the viewers to send donations to their choice among the listed organizations, or the American Freedom From Hunger Foundation, -(our link with global F.A.O.)- cite addresses and tax-deductibility. It should announce a cut-off date for the immediate drive such as Tuesday of the following week, with an accounting of the total received nationally, by all receiving agencies, announced on the following Thursday, November 30th.



Suggested list of guests who might appear:

Vice President Hubert Humphrey... U.S. Ambassador to the U.N. Arthur Goldberg, Secretary of Agriculture Orville Freeman... first Food For Peace Director, Senator George McGovern... State Department Agency for International Development people, and national leaders of all the religious faiths and denominations in the U.S., spokesmen for Committee on the World Food Crisis, Care, Red Cross, Church World Service, Catholic Relief Services, American Friends Service Committee, Meals for Millions, Agricultural Missions, Agricultural Development, National Farmers Union, Farmers and World Affairs, Future Farmers of America, Heifer Project, National 4-H Clubs, etc., and their umbrella organization: the American Freedom From Hunger Foundation.

To vary the talk-and-illustration format, it might lend interest to show ethnic and tribal dances in supplication of rain, or celebration of harvest, pointing up the prime importance of food to all people, winding up with the American Family gathered around a groaning board laden with turkey and all the trimmings, heads bowed in prayer of thanksgiving.

And songs of planting, fishing, harvesting and cattle round-up could be sung in many languages, as well as several songs for young people, written especially for the Freedom From Hunger Campaign.

Suggested points our guests might make:

That there has always been hunger in the world, but that now more people are hungry than ever before, simply because there are more people than ever before.

That the poor and hungry nations are the very ones with the highest birth rates, so that while the rich nations get richer, the poor ones grow poorer.

That for the first time in history, hunger is not inevitable; we now know enough to provide food enough for all, - even for a growing population.

That the trick is to bring that knowledge, - the tools and skills to abolish hunger - to every underdeveloped area on earth.

That for such a global job, only the United Nations is sufficiently organized, far-flung and impartial, to supervise the task.

That its Food & Agriculture Organization, -(F.A.O.)- has been doing just this work ever since World War II, but with modest budget and personnel.

That now, faced with a doubling world population by the year 2000, -(in the next 33 years we shall grow from 3 to 6 billion)- the program must be intensified, - indeed multiplied - with no time lost.

That the alternative is literally world famine.

That to mobilize the world for its own salvation, F.A.O. has launched the global Freedom From Hunger Campaign, inviting, urging all nations, all people who are well-fed, to give their time, effort and money, - their concern - to teach and equip the under-fed to feed themselves.

That 86 countries have formed Freedom From Hunger National Committees, of which ours is the American F.F.H. Foundation, which President Kennedy formed and which President Johnson urges us all to make effective.

That we Americans are the best-fed people in all history. That but for an accident of geography, we would be the ones in such dire need of help, rather than the lucky ones who can afford to extend the help.

That until recently, U.S. aid was chiefly the sharing of our surplus food with selected friendly and needy countries, such aid tied in with military aid. That our once-enormous food surplus now barely protects us against local emergencies.



That there's a great difference between distribution of food - (to famine, drought and disaster areas) - and the dissemination of skills with which the people in hungry lands can provide their own food. Further, they can learn to produce more than their own family needs, so that they can market the surplus, thus bettering their own lot and helping to supply city folk who don't grow food, and who rely on farmers, in order to stay alive.

That both kinds of help - feeding and teaching - are necessary, but that sharing our food is only an emergency measure, solving nothing but the hunger of the moment, whereas sharing our skills is the long-range answer, enabling people to become self-sufficient.

That to relieve hunger, you give-away, but to conquer hunger, you must show the way. As the ancient Chinese proverb has it: Give a man a fish, and he eats for that one day; teach a man to fish, and he eats for all his days.

That in countries like South Korea and Ceylon, the people unite in back-breaking efforts to better their common lot, once shown a self-help program's potential.

That in many parts of the world, the most simple improvement in farming tools or strain of seeds, or the introduction of fertilizer works wonders among farmers abroad, who are not ready for mechanization or any of our sophisticated American methods, and that for such basic, simple aids as are needed, the cost of each demonstration project is extremely low. But that many, many such projects need to be conducted in many, many localities.

That one-third of all the food grown in the world is destroyed by pests, - rodents and insects - pointing up the need of eradication programs. That F.A.O.'s aerial spraying has brought locust damage to an all-time low.

That equally needed are better food storage facilities, processing, preserving, packaging, transport, distribution, and marketing in the now-teeming cities.

That forming co-operatives increases incentives and the possibility of profits rather than mere subsistence for small farmers and fishermen.

That tenant farmers' hopelessness over constant debts and no reward for their labor, must be cured by government reform of land ownership by a wealthy few.

That simultaneous war on ignorance, illiteracy and disease, as well as on hunger must be waged, for they affect each other, perpetuating these greatest evils.

That malnutrition cripples young children's mental as well as physical development, condemning their remaining lifetime to listlessness, indolence, and an inability to learn how to better their own lot.

That we are just now developing new sources of high-protein foods at low cost, such as fish-flour, soy bean, peanut, sea-plants, etc.

That as young people in developed countries become aware of hunger, they raise money and enlist in personal service to fight it, under F.A.O.'s banners of Young World Mobilization and Young World Food & Development Program.

That most of America's youth are not yet aware or involved. That there is much they could be doing, working through their clubs, schools and church groups.

That we need many more young Americans going into agriculture as a profession, - ours is the most highly developed in the world - both to continue our own exciting strides forward, and to share our wondrous discoveries with a hungry world. That agriculture surely is as noble a calling as medicine, and as challenging.

That our best way to give thanks for plenty, is to give hope of plenty.



2

THE WHITE HOUSE  
WASHINGTON

3  
file

Wednesday, May 17, 1967 -- 5:55 pm

Mr. President:

The attached package from Charlie Schultze on food aid management has been cleared with all your senior advisers. It is self-explanatory.

I think the procedure worked out here is excellent. My staff will, of course, cooperate with the Budget Bureau in every possible way.

If you approve, we need your signature on the Executive Order at Tab B and the memorandum at Tab C.

Walt  
W. Rostow

read  
3-22-67  
10/5a

He m ✓

3a

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON, D.C. 20503

OFFICE OF  
THE DIRECTOR

March 21, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: War on Hunger Policy Committee

As a result of our conversation on Saturday, I have given further thought to the question of chairmanship of the War on Hunger Policy Committee. No matter how the committee structure is set up, we can make sure you will continue to control the program.

1. You will continue to approve every P.L. 480 agreement.
2. Budget staff are members of the working level Committee -- we can give you advance reports on problems before they get to you officially and inject your views into specific cases at an early stage.
3. I am a member of the proposed Policy Committee, and can do the same at that level.

I still believe there is good reason to have State (really Katzenbach) chair the proposed War on Hunger Policy Committee.

- . since we are no longer shipping food out of surplus stocks, our P.L. 480 program must be considered as "hard" foreign aid, and planned like any other aid program costing hard dollars.
- . to get the maximum leverage for self-help, food aid in each country ought to be closely tied with our other aid programs.



- . the Congress, in last year's Food for Freedom Act, specifically emphasized the foreign policy and foreign aid aspects of the P.L. 480 program.
- . Katzenbach is moving to improve the top staff at State for coordinating foreign affairs activities like the War on Hunger. He has hired (or is about to hire) Tom Schelling from Harvard -- a top flight hard-headed individual -- to be "chief of staff" for program planning and operations.

There are other possibilities for chairman of the War on Hunger Committee -- but all have some disadvantages.

1. Walt Rostow. Using a Presidential staff aide to chair a permanent Cabinet-level Committee is not good. Moreover, you would probably not want him to lose his flexibility to give you independent advice, which might happen if he chaired the Committee.
2. The Vice President. Senator McGovern has often suggested this possibility. However, I doubt that the Vice President has either the time or the staff to do this job.
3. The Secretary of Agriculture. His appointment as chairman would go 180 degrees in the opposite direction from the thrust of the new Food for Freedom program -- i.e., we are no longer giving away "surplus" food; food aid is an integral part of our foreign policy and our other aid programs.
4. The Budget Director. I think the foreign policy aspects of this program are too overriding to give the chairmanship of this Committee to me. Moreover, having the Budget Director as chairman would probably create a bad public image.

On balance, therefore, I still recommend State (Katzenbach) as chairman. The Budget Bureau will exert every effort to get your policies injected at every level of the program.

If you wish to try one of the other alternatives, we will, of course, make it work.

*Charles L. Schultze*

Charles L. Schultze  
Director

Set up Executive Order to have the  
War on Hunger Policy Committee  
chaired by:

State           ✓            
Agriculture                     
Rostow                     
Vice President                     
Budget Director





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3-b

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON, D.C. 20503

2

MAY 16 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Administration of Food Aid

I have now checked with Freeman, Katzenbach, and Gaud on the arrangements for administering the food aid program, which you approved on the basis of my memorandum of April 21 (Tab A). Specifically, they have agreed to the Executive Order and the accompanying memorandum from you.

The Executive Order assigning responsibilities to specific agencies for carrying out the many and varied provisions of the Food Aid Act is attached for your signature (Tab B). The specifics of the order have previously been cleared with the major agencies involved, including the Justice Department.

Also attached for signature is the memorandum to the principal agency heads involved (Tab C).

I recommend you sign the attached Executive Order and Memorandum.



Charles L. Schultze  
Director

Attachments



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HUSTON'S OFFICE

1967 MAY 17 PM 12 07

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3-d  
APR 21 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Administration of Food Aid

At your request, I have considered and discussed with you alternative proposals for administering the Food-for-Freedom program. Two main alternatives emerge.

You could appoint a well-known person as a Special Assistant in the White House. However, in the past, we have had little success with similar arrangements. In 1954, President Eisenhower appointed Clarence Francis, former President of General Foods, as his special advisor and chairman of an interagency committee on P. L. 480 matters. President Kennedy appointed George McGovern and later Dick Rutter as Director of the Food-for-Peace program, a function you transferred to the Secretary of State in October 1965. It would probably be difficult to attract a man to this specialized job who could deal effectively with Cabinet officers. Even if we find the right man, he would require time to learn the job and to build the necessary staff.

These considerations lead me to propose the following:

I. You could designate me as your agent to do a tougher review of the self-help and budgetary aspects of the food aid program. There would be four parts to this job:

1. We would continue the new commitments process, where all proposed sales agreements are submitted through the Budget Bureau and Rostow for your approval.
2. We would submit new commitments to you for both P. L. 480 and A.I.D. for the same country at the same time, wherever feasible, to make best use of U. S. resources and to get the most bargaining leverage on our aid.
3. We will establish an early warning information system, in cooperation with other agencies, to keep you better informed of agreements before they get to the final stage. A sample is attached (Tab A).
4. At budget time, we will give the same kind of intensive review to food aid, country by country, as we now give to dollar aid.

II. We propose to drop the first Executive Order setting up both the Cabinet level War on Hunger Policy Committee, and its Executive Committee. However, because food aid is such a key instrument of foreign policy, we still need to fix responsibility for coordinating the food and economic assistance programs, country by country, in the context of U. S. foreign policy.

This could be done simply through a memorandum from you, such as the one attached (Tab B), instructing the Secretary of State to perform this role. This instruction would parallel your general directive in National Security Action Memorandum No. 341, of March 2, 1966, to direct, coordinate and supervise interdepartmental activities of the U. S. Government overseas. The memorandum would leave to the Secretary the establishment of a committee to assist him in the coordination process.

III. We need the second Executive Order making specific delegations to the Secretaries of Agriculture, State and Treasury and the Budget Director (Tab C). Technically, we are now operating under the outdated 1961 Executive Order signed by President Eisenhower. That Executive Order does not cover the new responsibilities added in last year's law, such as applying the more stringent self-help criteria and effecting the transition from cost currency to dollar sales. In addition, there are a host of technical operating responsibilities which need to be handled by operating agencies, such as Agriculture and State.

The proposed order assigns responsibilities to specific agencies for carrying out the many and varied provisions of the Act. It is necessary to orderly administration in an area which is frequently the subject of Congressional and GAO inquiry. I do not believe you should retain the authority and take the heat in a number of these technical, and occasionally controversial matters.

I have not discussed this proposal with Freeman, Katzenbach or Gold. If you approve, I will check it with them before resubmitting the memorandum and the Executive Order for final approval.

(signed) Charles L. Schultze  
Charles L. Schultze  
Director

Attachments

Approve my proposal for check out \_\_\_\_\_

Approve White House Special Assistant \_\_\_\_\_

See me \_\_\_\_\_



3-2

B

3-6

EXECUTIVE ORDER

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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 as follows:

PART I - ASSIGNMENT OF RESPONSIBILITIES TO AGENCIES

Sec. 101. Department of Agriculture. (a) 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 delegated to the Secretary of Agriculture.

(b) The functions conferred upon the President by sections 103(c) and 103(i) of the Act shall be exercised by the Secretary of Agriculture with the concurrence of the Secretary of State.

(c) Except as otherwise provided in this order, the Secretary of Agriculture shall perform such functions as may be necessary in the carrying out of agreements referred to in section 101 of the Act.

(d) The Department of Agriculture shall transmit to the Senate and House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof the reports required by the provisions of paragraph (5) of the Act of August 13, 1957, 71 Stat. 345 (7 U.S.C. 1704a).

Sec. 102. Department of State. (a) The functions of negotiating and entering into agreements with friendly countries, conferred upon the President by section 101 of the Act, are delegated to the Secretary of State.

(b) The functions conferred upon the President by sections 103(j), 103(l), and 103(m) of the Act, and by Title II of the Act, are delegated to the Secretary of State.

(c) The function of determining countries which are friendly to the United States, conferred upon the President by section 103(d)



of the Act, is delegated to the Secretary of State.

(d) The functions conferred upon the President by sections 103(a), 103(b), 103(h), 103(k), and 109(a) of the Act are delegated to the Secretary of State and shall be exercised with the concurrence of the Secretary of Agriculture.

(e) The Secretary of State shall have responsibility for the utilization of excess currencies under the last proviso to section 104 of the Act and for assuring compliance with the requirements of section 106(b) of the Act, but with respect to the use of such currencies for agricultural development under that proviso of section 104, he shall act after consultation with the Secretary of Agriculture.

(f) The provisions of Part II of Executive Order No. 10893 of November 8, 1960, are extended and made applicable to United States agencies and personnel concerned with the administration in foreign countries of the functions provided for in the Act.

(g) 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 such functions.

Sec. 103. Joint Delegation. The function conferred upon the President by section 103(g) of the Act is delegated to the Secretary of Agriculture and the Secretary of State, to be performed by them jointly.

Sec. 104. Department of the Treasury. (a) The administration on behalf of the United States of the credit provisions of agreements entered into pursuant to Title I of the Act (including the receiving of payments under such agreements) shall be performed by the Secretary of the Treasury, or by such other agency or agencies as may be designated by the Secretary of the Treasury.

(b) The functions conferred upon the President by the final sentence of section 105 of the Act are delegated to the Secretary of the Treasury, who shall act after consultation with the Director

of the Bureau of the Budget.

Sec. 105. Foreign Currencies. (a)(1) Foreign currencies which accrue under Title I of the Act may be used for the purposes set forth in section 104 of the Act in amounts consonant with applicable provisions of law and of sales agreements and loan agreements. Except as may be inconsistent with such laws or agreements, priority shall be accorded to the use of such currencies for purposes for which appropriated funds or other funds are available to reimburse the Commodity Credit Corporation. To such extent as he may deem necessary, the Director of the Bureau of the Budget shall fix the amounts of such currencies which may be used for the purposes set forth in section 104 of the Act. The Director shall notify the Secretary of the Treasury with respect to any amounts so fixed.

(2) The function of waiving the applicability of section 1415 of the Supplemental Appropriation Act, 1953 (31 U.S.C. 724), conferred upon the President by paragraph (2) of the first proviso following section 104(j) of the Act, is delegated to the Secretary of State in respect of section 104(f) of the Act and to the Director of the Bureau of the Budget in all other respects.

(3) The functions conferred upon the President by paragraph (4) of the first proviso following section 104(j) of the Act are delegated to the Secretary of State.

(4) The function of determining what manner of use other than loans is in the national interest of the United States, conferred upon the President by section 104(f) of the Act, is delegated to the Secretary of State, who shall act after consultation with the Director of the Bureau of the Budget and, in cases involving agricultural development, after consultation with the Secretary of Agriculture.

(5) The functions of establishing procedures and of determining the qualification of local agencies to administer the activities set forth in section 104(h) of the Act, conferred upon the



President by that section of the Act, are delegated to the Secretary of State.

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

(c) 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 section 104(a) of the Act, by the respective agencies of the Government having authority to pay United States obligations abroad.

(2) Those under sections 104(b)(1) and 104(i) of the Act, by the Department of Agriculture.

(3) Those under section 104(b)(2) of the Act, by the Department of State.

(4) Those under section 104(b)(3) of the Act as follows:  
(i) those with respect to collecting, collating, translating, abstracting, and disseminating scientific and technological information, by the National Science Foundation, and by such other agency or agencies as the Director of the Bureau of the Budget may designate, (ii) those with respect to programs of cultural and educational development, family planning, health, nutrition, and sanitation, by the Department of State or the Smithsonian Institution, as those agencies shall agree, and by such other agency or agencies as the Director of the Bureau of the Budget may designate, (iii) all others, by such agency or agencies as the Director of the Bureau of the Budget may designate.

(5) Those under section 104(b)(4) of the Act, by the Department of State and by such other agency or agencies as the Secretary of State may designate.

(6) Those under section 104(b)(5) of the Act, by the

Librarian of Congress.

(7) 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.

(8) Those under section 104(d), 104(e), 104(f), 104(g), and 104(h) of the Act, by the Department of State.

(9) Those under section 104(j) of the Act, by the Department of the Treasury in cooperation with the Department of State.

(d) The function of making reports to Congress conferred upon the President by the last sentence of section 104 of the Act, is delegated to the Secretary of the Treasury, who shall act after consultation with the Director of the Bureau of the Budget.

(e) In negotiating international agreements in pursuance of the Act, the Secretary of State shall avoid restrictions which would limit the application of normal budgetary and appropriation controls to the use of those foreign currencies accruing under Title I of the Act which are to be available for operations of United States Government agencies.

Sec. 106. Reservation of Functions to the President. There are reserved to the President the functions of making findings or determinations regarding the national interest of the United States, conferred upon him by section 103(d)(3) and 103(d)(4) of the Act, the functions of making findings conferred upon him by the last sentence of section 103(d) of the Act, and the functions conferred upon him by sections 109(c), 403 and 408 of the Act.

## PART II - GENERAL PROVISIONS

Sec. 201. Definitions. As used in this order, the term "Act" and the term "Agricultural Trade Development and Assistance Act of 1954" mean the Agricultural Trade Development and Assistance Act of 1954 as amended from time to time, and include, except

as may be inappropriate, provisions thereof amending other laws.

Sec. 202. References. Except as may for any reason be inappropriate:

(a) References in this order or in any other Executive order to (1) the Act, (2) any other act which relates to the subject of Parts I and II of this order, or (3) any provisions thereof, shall be deemed to mean the Act, such other acts, or provisions thereof, respectively, as amended from time to time.

(b) References in any prior Executive order not superseded by this order to any provisions of any Executive order so superseded shall hereafter be deemed to be references to the corresponding provisions, if any, of this order.

(c) References in this order or in any other Executive order to this order or to any provision of this order shall be deemed to include references thereto, respectively, as amended from time to time.

Sec. 203. Superseding and Savings Provisions. (a) Executive Order No. 10900 of January 5, 1961, as amended by Executive Orders No. 10915 of January 24, 1961, No. 10972 of November 3, 1961, No. 11036 of July 11, 1962, and section 403 of No. 11051 of September 27, 1962, is hereby superseded except to the extent necessary to carry out such agreements (or parts thereof) entered into under the Act prior to January 1, 1967, as are not governed by the provisions of the Act of November 11, 1966 (Public Law 89-808).

(b) Executive Order No. 11252 of October 20, 1965, is hereby revoked.

(c) Except to the extent that they may be inconsistent with this order, all determinations, authorizations, regulations, rulings, certificates, orders, directives, contracts, agreements, and other actions made, issued or entered into with respect to



any functions affected by this order and not revoked, superseded, or otherwise made inapplicable before the date of this order, shall continue in full force and effect until amended, modified or terminated by appropriate authority.

THE WHITE HOUSE

3-9

DRAFT PRESS RELEASE

President Johnson today issued an Executive Order providing for the administration of new food aid legislation enacted late last year. In delegating the functions vested in the President by that legislation, commonly known as P. L. 480, the Executive Order facilitates the effective operation of United States food aid programs. These programs, along with economic development programs under the Foreign Assistance Act, are key elements of our participation in the War on Hunger.

The administrative arrangements in the new order incorporate the 1966 amendments to P. L. 480. They are similar to those established in Executive Order No. 10900, which is superseded by the Order issued today.

The Secretary of State continues to have responsibility for negotiating and entering into food aid agreements with friendly countries and for overall foreign policy supervision and control of the program.

The Secretary of Agriculture continues to have responsibility for carrying out those agreements and for all of the Presidential functions not specifically delegated to other Government agencies.

In recognition of the close relationship which existed between domestic agricultural policy and foreign policy in the conduct of the P. L. 480 program, the Executive Order delegates several key new responsibilities -- including reviewing self-help performance by recipient countries, encouraging countries to produce food crops, and ensuring transition from sales of agricultural commodities for foreign currencies to sales for dollars -- to

the Secretary of State or the Secretary of Agriculture acting with the concurrence of the other.

Responsibility for the control and use of foreign currencies available under the terms of the Act, and for other functions in the law, are delegated to the Treasury Department, the Budget Bureau, and other Government agencies.

In a memorandum accompanying the Executive Order, the President instructed the Secretary of State to coordinate the assistance provided under P. L. 480 and related programs under the Foreign Assistance Act. In this task the Secretary is to consult with the Secretary of Agriculture, the Administrator of the Agency for International Development, the Director of the Bureau of the Budget, and other officials as appropriate. The President also instructed the Director of the Bureau of the Budget to develop an information system to keep the President informed on the progress of the War on Hunger and to develop procedures to ensure that food aid and economic assistance programs are integrated in the programming and budgeting process.



3h

C

3-6  
          

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF STATE  
THE SECRETARY OF AGRICULTURE  
THE SECRETARY OF THE TREASURY  
THE ADMINISTRATOR OF THE AGENCY FOR  
INTERNATIONAL DEVELOPMENT  
THE DIRECTOR OF THE BUREAU OF THE BUDGET

To provide for the administration of the Food for Freedom program, I have issued a new Executive Order assigning certain responsibilities under the Agricultural Trade Development and Assistance Act of 1954, as amended, to the Secretary of State, the Secretary of Agriculture, the Secretary of the Treasury, the Director of the Bureau of the Budget and other agency and department heads.

In carrying out this program, it is essential that food aid and economic assistance are fully coordinated in each country to make best use of both resources and to ensure effective self-help efforts. I have asked the Secretary of State, in consultation with the Secretary of Agriculture, the Administrator of AID, the Director of the Bureau of the Budget, and officials of other agencies as appropriate, to coordinate the assistance provided under this Act and related programs under the Foreign Assistance Act in the context of our foreign policy.

To supplement existing procedures, I have asked the Budget Director, in cooperation with the heads of agencies involved, to develop an information system to keep me informed on the progress of the War on Hunger. In addition, I have asked him to develop procedures to ensure integration of food aid and economic assistance programs in the programming and budgeting process.

May 1

Ruth,

Mr. Smith called Mr. Schultze on  
attached, and I sent him a copy of his  
covering memo with President's check.

A.

THE WHITE HOUSE  
WASHINGTON

Saturday, April 29, 1967  
2:30 p. m.

Mr. President:

Herewith Charlie Schultze's  
recommendations for the administration  
of the Food for Freedom program.

I held the paper until you were  
back from Germany.

*Walt* Rostow



EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON, D.C. 20503

APR 21 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Administration of Food Aid

At your request, I have considered and discussed with you alternative proposals for administering the Food-for-Freedom program. Two main alternatives emerge.

You could appoint a well-known person as a Special Assistant in the White House. However, in the past, we have had little success with similar arrangements. In 1954, President Eisenhower appointed Clarence Francis, former President of General Foods, as his special advisor and chairman of an interagency committee on P. L. 480 matters. President Kennedy appointed George McGovern and later Dick Reuter as Director of the Food-for-Peace program, a function you transferred to the Secretary of State in October 1965. It would probably be difficult to attract a man to this specialized job who could deal effectively with Cabinet officers. Even if we find the right man, he would require time to learn the job and to build the necessary staff.

These considerations lead me to propose the following:

I. You could designate me as your agent to do a tougher review of the self-help and budgetary aspects of the food aid program. There would be four parts to this job:

1. We would continue the new commitments process, where all proposed sales agreements are submitted through the Budget Bureau and Rostow for your approval.
2. We would submit new commitments to you for both P. L. 480 and A.I.D. for the same country at the same time, wherever feasible, to make best use of U. S. resources and to get the most bargaining leverage on our aid.
3. We will establish an early warning information system, in cooperation with other agencies, to keep you better informed of agreements before they get to the final stage. A sample is attached (Tab A).
4. At budget time, we will give the same kind of intensive review to food aid, country by country, as we now give to dollar aid.

II. We propose to drop the first Executive Order setting up both the Cabinet level War on Hunger Policy Committee, and its Executive Committee. However, because food aid is such a key instrument of foreign policy, we still need to fix responsibility for coordinating the food and economic assistance programs, country by country, in the context of U. S. foreign policy.

This could be done simply through a memorandum from you, such as the one attached (Tab B), instructing the Secretary of State to perform this role. This instruction would parallel your general directive in National Security Action Memorandum No. 341, of March 2, 1966, to direct, coordinate and supervise interdepartmental activities of the U. S. Government overseas. The memorandum would leave to the Secretary the establishment of a committee to assist him in the coordination process.

III. We need the second Executive Order making specific delegations to the Secretaries of Agriculture, State and Treasury and the Budget Director (Tab C). Technically, we are now operating under the outdated 1961 Executive Order signed by President Eisenhower. That Executive Order does not cover the new responsibilities added in last year's law, such as applying the more stringent self-help criteria and effecting the transition from soft currency to dollar sales. In addition, there are a host of technical operating responsibilities which need to be handled by operating agencies, such as Agriculture and State.

The proposed order assigns responsibilities to specific agencies for carrying out the many and varied provisions of the Act. It is necessary to orderly administration in an area which is frequently the subject of Congressional and GAO inquiry. I do not believe you should retain the authority and take the heat in a number of these technical, and occasionally controversial matters.

I have not discussed this proposal with Freeman, Katzenbach or Gaud. If you approve, I will check it with them before resubmitting the memorandum and the Executive Order for final approval.

*Charles L. Schultz*  
Charles L. Schultz  
Director

Attachments

Approve my proposal for check out ✓

Approve White House Special Assistant \_\_\_\_\_

See me \_\_\_\_\_

4-c

A



4-c

UPCOMING P.L. 480 AGREEMENTS

Based upon discussions in the Interagency Staff Committee (ISC) and information provided by State, AID, and Agriculture, we estimate that the following P.L. 480 agreements will be submitted to you by about June 30, 1967. Of course, there may be changes in the scope and commodity composition of the agreements by the time they are finally submitted for your approval. The wheat component of the anticipated agreements for this fiscal year are all within the requirement and availability estimates which you considered earlier.

We have also attempted to relate upcoming food aid agreements to economic aid proposals expected for these countries through June 30.

	<u>Estimated market value in millions</u>
<u>India:</u> 1.5 million tons of wheat of the three million tons under the joint resolution, based on appropriate matching contributions to date. Future agreements will be submitted when additional contributions from other donors are known.	125
<u>Pakistan:</u> The first portion of our FY 1968 program which may total about \$120 million, about the same as this year. We will be making our economic aid pledge to the Consortium in May and will consider how we can best combine the two programs.	60
<u>Brazil:</u> Our full 1967 program which compares to \$64 million last year. We will also be considering an AID agricultural sector loan in this period.	50
<u>Chile:</u> Our estimated full 1967 program, which is about the size of our last program. We will also be considering an agricultural sector loan during this period and we will see about submitting them to you together.	15
<u>Israel:</u> Our 1967 program, compared to about \$32 million last year.	19
<u>Indonesia:</u> Part of a package of \$85 million of U. S. food and dollar aid for 1967, to be matched two-for-one by other nations, which you approved earlier for negotiation.	15

<u>Ceylon:</u>	Part of \$14 million in U. S. food and dollar aid this fiscal year to be provided along with aid from a World Bank Consultative group of donors. You have already approved announcement of a combined aid package for FY 1968 at the same level.	6
<u>Jordan:</u>	Balance of this year's \$13 million program - up over last year's \$1.5 million because of a severe drought. We will also be considering AID loans for a potash plant and a thermal power plant in this period.	7
<u>Tunisia:</u>	Some additional cotton to supplement this year's \$25 million program.	2
<u>Morocco:</u>	A part of a total program this year of \$29 million. Because of the drought, this is well above last year's \$6 million program.	4
<u>Ghana:</u>	An add-to this year's \$7 million program to include textile products. We will also be considering \$20 million of AID program assistance during this period.	2
<u>Afghanistan:</u>	The balance of an \$8 million program to add wheat now available to help relieve severe shortage. We will also be considering an AID large power project during this period.	4
<u>Ecuador, Ivory Coast, Sierra Leone, Mali, Lebanon and Iceland:</u>	To meet small but important 1967 requirements.	<u>12</u>
TOTAL:		321

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B

4-6

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF STATE  
THE SECRETARY OF AGRICULTURE  
THE ADMINISTRATOR OF THE AGENCY FOR  
INTERNATIONAL DEVELOPMENT  
THE DIRECTOR OF THE BUREAU OF BUDGET

To provide for the administration of the Food for Freedom program, I have issued a new Executive Order assigning certain responsibilities under the Agricultural Trade Development and Assistance Act of 1954, as amended, to the Secretary of State, the Secretary of Agriculture, the Secretary of the Treasury, and the Director of the Bureau of the Budget.

In carrying out this program, it is essential that food aid and economic assistance are fully coordinated in each country to make best use of both resources and ensure effective self-help effort. I have asked the Secretary of State, in consultation with the Secretary of Agriculture, the Administrator of AID and the Director of the Bureau of the Budget, as appropriate, to coordinate the assistance provided under this Act and related programs under the Foreign Assistance Act in the context of our foreign policy.

To supplement existing procedures, I have asked the Budget Director, in cooperation with other agencies, to develop an information system to keep me informed on the progress of the War on Hunger program. In addition, I have asked him to develop procedures to ensure integration of food aid and economic assistance programs in the programming and budgeting process.



4-58  
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3

EXECUTIVE ORDER

4-h  
THE  
PROVIDING FOR 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 as follows:

PART I - ASSIGNMENT OF RESPONSIBILITIES TO AGENCIES

Sec. 101. Department of Agriculture - (a) 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 delegated to the Secretary of Agriculture.

(b) The functions conferred upon the President by sections 103(c) and 103(i) of the Act shall be exercised by the Secretary of Agriculture with the concurrence of the Secretary of State.

(c) Except as otherwise provided in this order, the Secretary of Agriculture shall perform such functions as may be necessary in the carrying out of agreements referred to in section 101 of the Act.

(d) The Department of Agriculture shall transmit to the Senate and House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof the reports required by the provisions of paragraph (5) of the Act of August 13, 1957, 71 Stat. 345 (7 U.S.C. 1704a).

Sec. 102. Department of State - (a) The functions of negotiating and entering into agreements with friendly countries, conferred upon the President by section 101 of the Act, are delegated to the Secretary of State.

(b) The functions conferred upon the President by sections 103(j), 103(l), and 103(m) of the Act, and by title II of the Act, are delegated to the Secretary of State.

(c) The function of determining countries which are friendly to the United States, conferred upon the President by section 103(d) of the Act, is delegated to the Secretary of State.

(d) The functions conferred upon the President by sections 103(a), 103(b), 103(g), 103(h), and 109(a) of the Act are delegated to the Secretary of State and shall be exercised with the concurrence of the Secretary of Agriculture.

(e) The Secretary of State shall have responsibility for the utilization of excess currencies under the last proviso to section 104 of the Act and for assuring compliance with the requirements of section 106(b) of the Act, but with respect to the use of such currencies for agricultural development under this provision of section 104, he shall act after consultation with the Secretary of Agriculture.

(f) The provisions of Part II of Executive Order No. 10893 of November 8, 1960, are extended and made applicable to United States agencies and personnel concerned with the administration in foreign countries of the functions provided for in the Act.

(g) 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 such functions.

Sec. 103. Joint Delegation - The function conferred upon the President by section 103(k) of the Act is delegated to the Secretary of Agriculture and the Secretary of State, to be performed by them jointly.

Sec. 104. Department of the Treasury - (a) The administration on behalf of the United States of the credit provisions of agreements entered into pursuant to title I of the Act (including the receiving of payments under such agreements) shall be performed by the Secretary of the Treasury, or by such other agency or agencies as may be designated by the Secretary of the Treasury.

(b) The functions conferred upon the President by the final sentence of section 105 of the Act are delegated to the Secretary of the Treasury, who shall act after consultation with the Director of the Bureau of the Budget.

Sec. 105. Foreign Currencies - (a)(1) Foreign currencies which accrue under title I of the Act may be used for the purposes set forth in section 104 of the Act in amounts consonant with applicable provisions of law and of sales agreements and loan agreements. Except as may be inconsistent with such laws or agreements, priority shall be accorded to the use of such currencies for purposes for which appropriated funds or other funds are available to reimburse the Commodity Credit Corporation. To such extent as he may deem necessary, the Director of the Bureau of the Budget shall fix the amounts of such currencies which may be used for the purposes set forth in section 104 of the Act. The Director shall notify the Secretary of the Treasury with respect to any amounts so fixed.

(2) The function of waiving the applicability of section 1415 of the Supplemental Appropriation Act, 1953 (31 U.S.C. 724), conferred upon the President by paragraph (2) of the first proviso to section 104 of the Act, is delegated to the Secretary of State in respect of section 104(f) of the Act and to the Director of the Bureau of the Budget in all other respects.

(3) The functions conferred upon the President by paragraph (4) of the first proviso to section 104 of the Act are delegated to the Secretary of State.

(4) The function of determining what manner of use other than loans is in the national interest of the United States, conferred upon the President by section 104(f) of the Act, is delegated to the Secretary of State, who shall act after consultation with the Director of the Bureau of the Budget and, in cases involving agricultural development, after consultation with the Secretary of Agriculture.

(5) The functions of establishing procedures and of determining the qualification of local agencies to administer the activities set forth in section 104(h) of the Act, conferred upon the President by that section of the Act, are delegated to the Secretary of State.

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

(c) 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 section 104(a) of the Act, by the respective agencies of the Government having authority to pay United States obligations abroad.

(2) Those under sections 104(b)(1) and 104(i) of the Act, by the Department of Agriculture.

(3) Those under section 104(b)(2) of the Act, by the Department of State.

(4) Those under section 104(b)(3) of the Act as follows: (i) Those with respect to collecting, collating, translating, abstracting, and disseminating



scientific and technological information, by the National Science Foundation, and by such other agency or agencies as the Director of the Bureau of the Budget may designate. (ii) Those with respect to programs of cultural and educational development, family planning, health, nutrition, and sanitation, by the Department of State or the Smithsonian Institution, as those agencies shall agree, and by such other agency or agencies as the Director of the Bureau of the Budget may designate. (iii) All other, by such agency or agencies as the Director of the Bureau of the Budget may designate.

(5) Those under section 104(b)(4) of the Act, by the Department of State and by such other agency or agencies as the Secretary of State may designate.

(6) Those under section 104(b)(5) of the Act, by the Librarian of Congress.

(7) 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.

(8) Those under section 104(d), 104(e), 104(f), 104(g), and 104(h), of the Act, by the Department of State.

(9) Those under section 104(j) of the Act, by the Department of the Treasury in cooperation with the Department of State.

(d) The function of making reports to Congress conferred upon the President by the last sentence of Section 104 of the Act, is delegated to the Secretary of the Treasury, who shall act after consultation with the Director of the Bureau of the Budget.

(e) In negotiating international agreements in pursuance of the Act, the Secretary of State shall avoid restrictions which would limit the application of normal budgetary and appropriation controls to the use of those foreign currencies accruing under title I of the Act which are to be available for operations of United States government agencies.

Sec. 107. Reservation of Functions to the President - There are reserved to the President the functions of making findings or determinations regarding the national interest of the United States, conferred upon him by section 103 (d)(3) and 103(d)(4) of the Act, and the functions conferred upon him by sections 109(c), 403 and 408 of the Act.

#### PART II - GENERAL PROVISIONS

Sec. 103. Definitions - As used in this order, the term "Act" and the term "Agricultural Trade Development and Assistance Act of 1954" mean the Agricultural Trade Development and Assistance Act of 1954 as amended from time to time, and include, except as may be inappropriate, provisions thereof amending other laws.

Sec. 302. References - Except as may for any reason be inappropriate:

(a) References in this order or in any other Executive Order to (1) the Act, (2) any other act which relates to the subject of Parts I and II of this order, or (3) any provisions thereof, shall be deemed to mean the Act, such other acts, or provisions thereof, respectively, as amended from time to time.

(b) References in any prior Executive Order not superseded by this order to any provisions of any Executive Order so superseded shall hereafter be deemed to be references to the corresponding provisions, if any, of this order.

(c) References in this order or in any other Executive Order to this order or to any provision of this order shall be deemed to include references thereto, respectively, as amended from time to time.

Sec. 303. Superseding and Savings Provisions - (a) Executive Order No. 10900 of January 5, 1961, as amended by Executive Orders No. 10915 of January 24, 1961, No. 10972 of November 3, 1961, No. 11036 of July 11, 1962, and section 403 of No. 11051 of September 27, 1962, is hereby superseded except to the extent necessary to carry out agreements entered into under the Act prior to January 1, 1967, or the parts of such agreements which are not governed by the provisions of the Act of November 11, 1966 (Public Law 89-808).

(b) Except to the extent that they may be inconsistent with this order, all determinations, authorizations, regulations, rulings, certificates, orders, directives, contracts, agreements, and other actions made, issued or entered into with respect to any functions affected by this order and not revoked, superseded, or otherwise made inapplicable before the date of this order, shall continue in full force and effect until amended, modified or terminated by appropriate authority.

THE WHITE HOUSE

SECRET

January 30, 1967

TO THE CONGRESS OF THE UNITED STATES

Last February I proposed that all mankind join in a way against man's oldest enemy--hunger.

Last March I proposed that the United States take part in an urgent international effort to help the Government of India stave off the threat of famine there.

I address you today to report progress in organizing the war against hunger, and to seek your counsel on steps still to be taken. For again this year, drought in India--as in other nations--underlines the cruel mathematics of hunger, and calls for action.

I ask for your endorsement and support of the long range policies proposed in this message. The problem is immense. It cannot be solved unless each country reaches a considered judgment on the course to be pursued. The greatest power on earth is the will of free peoples, expressed through the deliberative processes of their national assemblies. I ask you today to take the lead in a vital act of democratic affirmation.

India is not alone in facing the specter of near famine; half the world's people are near this boundary.

SECRET

DO NOT BE AN ADMINISTRATIVE  
TRAINING, CANCELLED PER E.O. 12356,  
SEC. 1.3 AND ARCHIVISTS MEMO OF  
MAR. 16, 1983.

BY DLA ON 11-2-89



~~SECRET~~

-2-

India's plight reminds us that our generation can no longer evade the growing imbalance between food production and population. India's experience teaches that something more must be done about it.

We know from our own experience and that of other countries, that something can be done. We know that the land can be made to produce ample food for all. We know that an agricultural revolution is within the capacity of modern science. We know that man can plan his families and allocate his resources so as to banish the nightmare of hunger from the life of man.

We know there is hope. We know, too, that failure to act--and to act now--will multiply the political unrest and the suffering of our children and their children beyond any tolerable measure.

We have known these facts for some time, but the international War on Hunger has only begun.

The aim of the war against hunger is to help the developing nations meet the challenge of this task--the indispensable first step they all wish to take on the road to progress.

If we are to succeed, every nation in the world--rich and poor alike--must press the revolution in the same spirit, with the same energy, and with the same sense of urgency that it applies

~~SECRET~~

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-3-

to its national defense in time of crisis. Nothing less is consistent with the values at stake. And we must all work together.

Last year, many responded to India's emergency. Canada was particularly generous in sending food aid. The private contributions of the Italian and Dutch people were especially heartwarming. Each member of the India Aid Consortium and Australia among others made a special effort to meet India's need. The British contribution was conspicuous. But the bleak facts require a sustained international effort on a greater scale. Today I propose that all nations make the new Indian emergency the occasion to start a continuing worldwide campaign against hunger.

# I.

The first obligation of the community of man is to provide food for all of its members. No single nation or people can fulfill this common trust by itself. No nation should be expected to do so. Every country must give to insure the future of all. Every country making a determined effort to achieve the goal of sufficiency in food will find our government, our technicians and our people its enthusiastic partners. The United States is prepared to do its share.

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In pursuing the War on Hunger we--and the world--have had to face up to stark new facts about food in our times.

--Food is scarce. Nowhere is there a real surplus. Food aid must be allocated according to the same priorities that govern other developmental assistance.

--Per capita food production in many parts of the less developed world is stagnant--and in some cases even declining. This grim fact reflects both a rising curve of population, and a lagging curve of per capita agricultural output.

--There is no substitute for self-help. The first responsibility of all nations is to supply the food their people need. The war against hunger must be won by the efforts of the developing nations, or it will be lost.

--Food aid is a stop-gap, not a cure. It should be viewed as part of a nation's effort to achieve sufficiency in food, not as a substitute for it.

--Agriculture must receive a much higher priority in development plans and programs. The developing nations can no longer take food supplies for granted while they concentrate on industrial development alone.

--Agricultural development must be planned as part of a nation's overall economic and social program. Achieving a balance between population and resources is as important as achieving a balance between industrial and agricultural growth.

--Fertilizer, seed, and pesticides must be provided in much greater quantities than ever before. They are more than the equivalent of food aid. Their use increases food production and permanently changes the habits of farmers.

--All advanced nations--including those which import food--must share the burden of feeding the hungry and building their capacity to feed themselves.

--The War on Hunger is too big for governments alone. Victory cannot come unless businessmen, universities, foundations, voluntary agencies and cooperatives all throw their energies and resources into the battle.

--Nations with food deficits must put more of their resources into voluntary family planning programs.

These are the facts your Government has been stressing throughout the world. Many of them are unpleasant. But our lives are pledged to the conviction that free people meet their responsibilities when they face the truth.

These facts draw into bold relief the two main thrusts in the offensive against hunger. First, the hungry nations of the world must be helped to achieve the capacity to grow the food their people need or to buy what they cannot grow. Second, until they can achieve this goal, the developed nations must help meet



their needs by food shipments on generous terms. The level of food aid will decline as self-help measures take hold. Until that point is reached, food aid is an inescapable duty of the world community.

## II.

During the past year progress has been made among the advanced nations in preparing the ground for the international War on Hunger.

First: The pattern of international cooperation is steadily being improved.

--We were pleased to act as host to a high-level meeting last July of the Development Assistance Committee of the OECD which focused primarily on the world food problem.

--We encouraged greater contributions to the World Food Program by increasing our pledge and offering to match with commodities contributions in both cash and commodities from other countries.

--We co-sponsored a resolution in the United Nations that launched a joint UN-FAO study of whether and how to organize a multilateral food aid program of vastly larger proportions.

--In the Kennedy Round of trade negotiations, we have advanced a proposal to make available ten million tons of food

grains annually for food aid, to be supported by grain exporters and importers alike. This proposal is now being discussed in Geneva as part of an International Cereals Arrangement.

--We are now participating in a study initiated by the FAO, in cooperation with the World Bank, the UN and the OECD, to examine how multilateral action might increase the availability and effective use of fertilizers and other materials needed to accelerate agricultural production.

--This Fall, at the OECD Ministerial Meeting, we advanced a proposal to develop an Agricultural Food Fund, to encourage private investment in the basic agricultural industries of the developing countries.

Second: The United States encouraged a multilateral response to last year's emergency in India. The worst drought of the century threatened millions with starvation and countless more with disease born of malnutrition. The Congress endorsed my proposals, and we sent over 8 million tons of food grain. In an unprecedented display of joint concern, governments, private organizations and individuals in 42 other nations joined in providing \$180 million in food and other commodities to meet the needs of that emergency. Overall, India imported almost 11 million tons of grain and drew down its own reserves by several million.

The fact that India did not experience famine ranks among the proudest chapters in the history of international cooperation. But last year's effort--heartening as it was--was hasty and improvised. The world is challenged better to organize its response to famine--both today and for the years ahead.

Third: The Eighty-Ninth Congress enacted a Foreign Assistance Act with explicit emphasis on agriculture as a primary objective. With it came the resources to finance imports of fertilizer, irrigation pumps, and other American equipment and know-how necessary to improve agriculture in the developing countries.

Fourth: Congress enacted a far-reaching and most important statute building on PL 480 legislation, the strong foundation for our Food for Freedom program. It authorized concessional sales of US food to countries which prove their determination to expand their own food production.

### III.

But all of us know where the real battle is fought. Whatever the efforts in world capitals, the real tale is told on the land. It is the man behind the mule--or the bullock--or the water buffalo--who must be reached. Only his own government and his own people can reach him.

Thus, the most important progress of the past year has occurred in the developing countries themselves. And there is progress to report.

Perhaps India--the largest consumer of food aid -- is the most relevant example.

This has been a year of innovation in Indian agriculture. Agricultural development now has top priority in India's economic plan. Much remains to be done. But the evidence is unmistakable. India has started on the right path. Despite severe political difficulties, India has:

- imposed a food rationing system to make efficient use of existing supplies.

- streamlined its transportation system to improve distribution.

- increased prices paid to the farmer thus providing new incentives to use fertilizer, improved seeds and other modern materials.

- begun large-scale operations with new varieties of rice introduced from Taiwan and with large quantities of high-yielding wheat seed imported from Mexico. Some were developed in Mexico and the Philippines with the aid of US foundations; others were developed in India by Indian scientists. Encouraging increases in yields have resulted.

- approved plans to increase public investment in agriculture by more than 100% during the Fourth Five Year



Plan beginning last year.

--set about expanding rural credit, improving water acquisition and improving the distribution of fertilizer to remote areas.

--stepped up family planning.

--negotiated an agreement for the first of several externally financed fertilizer plants expected to expand India's supply of home-produced fertilizers.

These are worthy beginnings. But they are only beginnings. As Indian officials have warned, hard work remains in reaching targets and improving cooperation among state governments. India's economic problems are enormous, but they can be solved.

What India has begun to do represents a growing realization in the developing world that long-term economic growth is dependent on growth in agriculture. Not every record is as good as India's. Some are better.

But everywhere there is an air of change. No longer is glamor restricted to industrial development. Agriculture is attracting the young and more enterprising economists, administrators and entrepreneurs

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in the developing world.

This is the best measure of progress in the War on Hunger and the best assurance of success.

#### IV.

I invite your action with regard to India's food problem today because of its inherent importance.

In size alone, it requires a major commitment of our resources and those of other advanced countries. And its content is typical of the problems all the developing countries face, to a greater or lesser degree.

Broad authority exists under our legislation for national action by Executive decision alone. But the issues presented are of such moment, and on such a scale, as to make it preferable that we act together, as we do on other great issues, on the firm foundation of a Joint Resolution of Congress.

I therefore ask your support for the broad approach we have proposed to the international community as a basic strategy for the War on Hunger. That strategy rests on three essential principles:

First: that of self help. I am convinced that the War on Hunger can be won only by the determined efforts of the developing nations themselves. International aid

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can help them in their programs. But it will be to no avail unless they pursue well-conceived and well-executed long-range plans;

Secondly: the essential assistance of the international community should be concerted by a peaceful coalition of the advanced and the developing nations;

Third: the application of that international approach in planning a comprehensive effort to assist India to fulfill its program of achieving food sufficiency, both this year and for the next few years.

Most of you are familiar with the events of the past year. Despite her best efforts, drought limited India's food grain production to 72 million tons in the 1965-66 crop year, compared with a record 88 million tons the previous year. A massive international emergency program met the crisis, but left India without reserves against another bad crop.

The weather since then brought little relief. The general outlook is slightly improved, and over-all production may reach 79 million tons this year. But a severe drought hit heavily-populated areas in north-central India. Unless Indian production is supplemented by substantial imports--perhaps 10 million tons by present tentative estimates for

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calendar year 1967--this fact spells near famine for more than 70 million people.

The Government of India has already taken internal measures to move grain from its more fortunate areas to the drought areas. Imports of 2.3 million tons of grain are now in the pipeline to meet India's needs for the first two or three months of 1967. Some of this India has bought with scarce foreign exchange--an estimated 200,000 tons. Canada with 185,000 tons, Australia with 150,000 tons and the Soviet Union with 200,000 tons have already joined the United States with its 1.6 million tons in an impressive multilateral effort to help.

India's immediate problem--and the world's problem--is to fill the remaining gap for the balance of the calendar year 1967.

Because these facts bear heavily on the extent of US food shipments, I have requested and received careful verification from our Embassy in New Delhi, from Department of Agriculture experts, and from members of Congress who have recently been in India, including Senators McGee and Moss.

I am particularly grateful to Congressmen Poage and Dole

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and Senator Miller who at my request made a special trip to India in December to assess the situation on the ground. Their careful and thorough analysis of the immediate problem and their thoughts on steps our Government might take have been of great value.

During the last two weeks Under Secretary of State Rostow and Under Secretary of Agriculture Schnittker have consulted in New Delhi and with most members of the World Bank's India consortium. Their mission, and the diplomatic efforts of the Government of India, have laid the foundation for the steps we must now take.

All these estimates and recommendations must serve as our planning base--though we shall spare no effort to refine and correct them as the facts become clearer.

I do not believe that the United States can approach this problem alone or on an improvised basis. We must support the Indian Government's efforts to enlist the aid of other nations in developing a systematic and international approach to the general problems of Indian agriculture of which the present crisis is a symptom. Our long term objective is to help India achieve its goal of virtual independence in grain

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imports in the early 1970's. Meanwhile, as a step in that effort, we must help India meet its immediate food needs.

In line with the policies established by the Congress, and after promising consultations with the Government of India and other governments involved, I propose the following specific steps to achieve these objectives:

First: Our basic policy is to approach the problem of Indian food through the India Aid Consortium organized under the chairmanship of the World Bank. That Consortium has already developed a multilateral approach to economic assistance for India. Now, the United States will propose that food aid become a part of that multilateral assistance program. We seek effective multilateral arrangements to integrate Indian food aid with broader programs of economic assistance and specifically with capital and technical assistance for agricultural development.

In a preliminary way, we have consulted with the Government of India and with other members of the Consortium. And there is substantial agreement among Consortium members on the major points of our proposal:

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-- that meeting India's food needs during this emergency should be accepted as an international responsibility in which each nation should share;

-- that such emergency food and food-related aid should be coordinated through the World Bank Consortium;

-- that this aid should not diminish the flow of resources for other development programs, but should be additional to the targets for each country suggested by the World Bank.

Adding food aid to the Consortium's responsibilities is, we believe, sound economics and fair burden-sharing. It would provide a proper channel for the food and food-related aid of donors which have not previously been engaged in the food field. And it will make clear that food provided from outside is as much a real contribution to Indian development as capital for specific projects or foreign exchange assistance for import programs.

Second: Should such a program be established, we will support the Indian Consortium in:

-- undertaking a detailed projection of Indian food production and food aid requirements;

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-- preparing, in connection with this analysis, a plan of non-food imports required to meet food production targets, as a basis for determining an equitable sharing by donors of financing;

-- reviewing India's self-help efforts, reporting regularly on progress and identifying areas for future concentration.

Third: We must take prompt action now to help India meet its emergency food needs. Our best present estimate is that India needs deliveries of 10 million tons of food grains this year or roughly \$750 million worth of food. 2.3 million tons or roughly \$185 million are already in the pipeline from a number of countries, including our own. In order to keep food in the pipeline, I am making an immediate allocation of 2 million tons worth nearly \$150 million. I now ask the Congress to approve a commitment by the U.S. to share fully in an international effort to meet India's remaining deficit of 5.7 million tons or about \$470 million worth of food. To that end, I propose that the U.S. provide an additional 2.4 million tons toward meeting

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this deficit and that \$180 million of funds available to the Commodity Credit Corporation in calendar year 1967 be used for this purpose. We expect that other nations of the world will contribute food or other special assistance as part of this international response to India's food emergency.

Fourth: In order to assist the Government of India in a special additional emergency feeding program in the drought areas of Bihar and Uttar Pradesh, I am today authorizing an allocation of \$25 million under P.L. 480 Title II for distribution by CARE and other American voluntary agencies. This amount will provide among other things, corn meal and vegetable oil to which the Government of India would add peanut meal and other high protein commodities.

Fifth: We will encourage other donors to accelerate their exports of fertilizers to India.

Unless the application of chemical fertilizers rises sharply in India, she simply will not be able to meet her food grain targets. Those fertilizer targets are ambitious, yet they must be met. If possible, they should be exceeded. Marshalling urgent imports of fertilizers must be as important a part of the world's response to India's emergency as gathering additional grain.

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Sixth: I propose for the longer run to continue encouraging U.S. private investors to participate in the Government of India's program to expand production of chemical fertilizers. We will urge other governments similarly to encourage their own producers.

Seventh: Simultaneously with this proposed reorganization of the wrld's food aid program for India, we will also pursue other initiatives in the broader context of world agricultural development:

-- we shall continue to press for appropriate and effective action on multilateral efforts to meet the world-wide challenge of the War on Hunger in every international forum in which we participate, including the current negotiations on the proposal for a 10 million ton food aid program as part of an International Cereals Arrangement.

-- we shall continue our policy of encouraging private capital and technology in this effort.

-- we shall press for the early creation of the guarantee fund to encourage private investment in the agricultural industries of developing countries we proposed at the OECD meeting last November.

-- I look to the study by my Science Advisory Committee on the application of science to the problems of food production

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due this spring as the beginning of a sharp improvement in the technology of food production, which the United States stands ready to implement.

Of course, none of these steps can be as important as Indian resolve and Indian performance. The Indian Government is committed to a bold program of agricultural modernization. That program is the foundation for the entire international program of help for India. We believe that a self-reinforcing process of improvement is under way in India, affecting both agricultural techniques and government administration. On the basis of that conviction, we can move forward to do our share in this program under the Food for Freedom program of 1966.

V.

These proposals are in our national interest, and they reflect the deepest purposes of our national spirit.

There are many legitimate claims on our resources. Some may question why we devote a substantial portion to a distant country.

The history of this century is ample reply. We have never stood idly by while famine or pestilence raged among any part of the human family. America would cease to be America

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if we walked by on the other side when confronted by such catastrophe.

The great lesson of our times is the interdependence of man. My predecessors and I have recognized this fact. All we and other nations have sought to accomplish in behalf of world peace and economic growth would be for naught if the advanced countries failed to help feed the hungry in their hour of need.

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MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

Wednesday, January 11, 1967 - 6:00 pm

*L* *cy sent*  
*Ed Hamilton*  
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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Executive Order on Food Aid

As you directed, I have asked Charlie Schultze to go slow on the Food Aid Order now in preparation. But he will need more specific guidance soon. The relevant facts are as follows:

1. There must be an Executive Order of some kind if the program is to operate at all. Authorities must be delegated, procedures established, administrative arrangements revised to fit the new Act, etc.
2. Most of the provisions in the draft Order are agreed among the relevant agencies, including Agriculture. (There seem to be some differences between Orville and his people on this; but it seems clear that his objections do not extend to the minor authorities and technical details of the Order.)
3. The Order does not divest Agriculture of a leading role in formulation of policy and administration of programs. It does strengthen State/AID. Many of your advisers -- including Schultze, Katzenbach, Gaud, Califano, Bator and myself -- believe that we should move in this direction if we are to maximize our leverage on recipient countries and give any substance to our promise that food aid will be more closely coordinated with other economic aid.

Thus, Schultze and I believe it makes sense to get the relevant senior people together and try to thrash out an Order -- without prejudice to your decision, and with clear notice to any Congressional or press questioners that no decisions have been made. If agreement is impossible, we would plan to come to you with a full presentation of the issues and options.

None of this is meant to ignore the very real Congressional problem which concerns Orville. Any hint of movement to strengthen State/AID in the food aid business raises some hackles on the Hill -- but it also pleases some people. On balance, I am convinced that the substantive case for some movement is strong enough that you should have an opportunity to hear it before making up your mind.

*Walt* Rostow

You and Schultze go ahead with meeting as above ✓  
Revise the Order to take out the passage to which Freeman objects \_\_\_\_  
Stop work on the Order \_\_\_\_  
Speak to me \_\_\_\_

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THE WHITE HOUSE

WASHINGTON

Wednesday, January 11, 1967 - pm

WALT:

Attached is the memorandum to the President on food aid which we discussed yesterday. I checked it out with Charlie Schultze. He concurs. The sentiments ascribed to Califano and Katzenbach represent their views as of about a week ago. Schultze particularly hopes that Katzenbach will weigh in heavily on this one.

A handwritten signature in blue ink, appearing to be 'EH' with a stylized flourish.

Ed Hamilton

MEMORANDUM

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WASHINGTON

Wednesday, January 11, 1967 - 6:00 pm

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Stop work on the Order \_\_\_\_\_  
Speak to me \_\_\_\_\_





Public Law 89-808  
89th Congress, H. R. 14929  
November 11, 1966

## An Act

80 STAT. 1526

To promote international trade in agricultural commodities, to combat hunger and malnutrition, to further economic development, 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 "Food for Peace Act of 1966".*

Food for Peace  
Act of 1966.

SEC. 2. The Agricultural Trade Development and Assistance Act of 1954, as amended, is amended—

(A) By amending section 2 to read as follows:

68 Stat. 454.  
7 USC 1691.  
Declaration of  
policy.

"SEC. 2. The Congress hereby declares it to be the policy of the United States to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States."

(B) By amending title I to read as follows:

7 USC 1701-  
1709.

### "TITLE I

"SEC. 101. In order to carry out the policies and accomplish the objectives set forth in section 2 of this Act, the President is authorized to negotiate and carry out agreements with friendly countries to provide for the sale of agricultural commodities for dollars on credit terms or for foreign currencies.

"SEC. 102. For the purpose of carrying out agreements concluded under this Act the Commodity Credit Corporation is authorized to finance the sale and exportation of agricultural commodities whether from private stocks or from stocks of the Commodity Credit Corporation.

"SEC. 103. In exercising the authorities conferred upon him by this title, the President shall—

"(a) take into account efforts of friendly countries to help themselves toward a greater degree of self-reliance, including efforts to meet their problems of food production and population growth;

"(b) take steps to assure a progressive transition from sales for foreign currencies to sales for dollars (or to the extent that transition to sales for dollars under the terms applicable to such sales is not possible, transition to sales for foreign currencies on credit terms no less favorable to the United States than those for development loans made under section 201 of the Foreign Assistance Act of 1961, as amended, and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement) at a rate whereby the transition can be completed by December 31, 1971: *Provided*, That provision may be included in any agreement for payment in foreign currencies to the extent that the President determines that such currencies are needed for the purpose of subsections (a), (b), (c), (e), and (h) of section 104;

"(c) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this title will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

75 Stat. 426;  
*Ante*, p. 796.  
22 USC 2161.



Reports to  
Congress.

"Friendly coun-  
try," exclu-  
sions.

Publication in  
Federal Regis-  
ter.

"(d) make sales agreements only with those countries which he determines to be friendly to the United States: *Provided*, That the President shall periodically review the status of those countries which are eligible under this subsection and report the results of such review to the Congress. As used in this Act, 'friendly country' shall not include (1) any country or area dominated or controlled by a foreign government or organization controlling a world Communist movement, or (2) for the purpose only of sales of agricultural commodities for foreign currencies under title I of this Act, any country or area dominated by a Communist government, or (3) for the purpose only of sales of agricultural commodities under title I of this Act, any nation which sells or furnishes or permits ships or aircraft under its registry to transport to or from Cuba or North Vietnam (excluding United States installations in Cuba) any equipment, materials, or commodities so long as they are governed by a Communist regime: *Provided*, That with respect to furnishing, selling, or selling and transporting to Cuba medical supplies, non-strategic raw materials for agriculture, and non-strategic agricultural or food commodities, sales agreements may be entered into if the President finds with respect to each such country, and so informs the Senate and the House of Representatives of the reasons therefor, that the making of each such agreement would be in the national interest of the United States and all such findings and reasons therefor shall be published in the Federal Register, or (4) for the purposes only of sales under title I of this Act the United Arab Republic, unless the President determines that such sale is in the national interest of the United States. No sales to the United Arab Republic shall be based upon the requirements of that nation for more than one fiscal year. The President shall keep the President of the Senate and the Speaker of the House of Representatives fully and currently informed with respect to sales made to the United Arab Republic under title I of this Act. Notwithstanding any other Act, the President may enter into agreements for the sale of agricultural commodities for dollars on credit terms under title I of this Act with countries which fall within the definition of 'friendly country' for the purpose of such sales and no sales under this Act shall be made with any country if the President 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;

"(e) 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 with respect to sales from stocks owned by the Commodity Credit Corporation and that small business has adequate and fair opportunity to participate in sales made under the authority of this Act;

"(f) give special consideration to the development and expansion of foreign markets for United States agricultural commodities, with appropriate emphasis on more adequate storage, handling, and food distribution facilities as well as long-term development of new and expanding markets by encouraging economic growth;

"(g) obtain commitments from purchasing countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of agricultural commodities purchased under this title, without specific approval of the President;

"(h) obtain rates of exchange applicable to the sale of commodities under such agreements which are not less favorable than the highest of exchange rates legally obtainable in the respective countries and which are not less favorable than the highest of exchange rates obtainable by any other nation;

"(i) promote progress toward assurance of an adequate food supply by encouraging countries with which agreements are made to give higher emphasis to the production of food crops than to the production of such nonfood crops as are in world surplus;

"(j) exercise the authority contained in title I of this Act to assist friendly countries to be independent of domination or control by any world Communist movement. Nothing in this Act shall be construed as authorizing sales agreements under title I with any government or organization controlling a world Communist movement or with any country with which the United States does not have diplomatic relations;

"(k) whenever practicable require upon delivery that not less than 5 per centum of the purchase price of any agricultural commodities sold under title I of this Act be payable in dollars or in the types or kinds of currencies which can be converted into dollars;

"(l) obtain commitments from friendly purchasing countries that will insure, insofar as practicable, that food commodities sold for foreign currencies under title I of this Act shall be marked or identified at point of distribution or sale as being provided on a concessional basis to the recipient government through the generosity of the people of the United States of America, and obtain commitments from purchasing countries to publicize widely to their people, by public media and other means, that the commodities are being provided on a concessional basis through the friendship of the American people as food for peace;

"(m) require foreign currencies to be convertible to dollars to the extent consistent with the effectuation of the purposes of this Act, but in any event to the extent necessary to (1) 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, and (2) in the case of excess currency countries, assure convertibility by sale to American tourists, or otherwise, of such additional amount (up to twenty-five per centum of the foreign currencies received pursuant to each agreement entered into after the effective date of the Food for Peace Act of 1966) as may be necessary to cover all normal expenditures of American tourists in the importing country;

"(n) take maximum precautions to assure that sales for dollars on credit terms under this Act shall not displace any sales of United States agricultural commodities which would otherwise be made for cash dollars.

"Sec. 104. Notwithstanding any other provision of law, the President may use or enter into agreements with foreign countries or international organizations to use the foreign currencies, including principal and interest from loan repayments, which accrue in connection with sales for foreign currencies under this title for one or more of the following purposes:

"(a) For payment of United States obligations (including obligations entered into pursuant to other legislation);

Uses of for-  
eign curren-  
cies.

"(b) For carrying out programs of United States Government agencies to—

"(1) help develop new markets for United States agricultural commodities on a mutually benefitting basis. From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made each year under this title shall be set aside in the amounts and kinds of foreign currencies specified by the Secretary of Agriculture and made available in advance for use as provided by this paragraph over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this paragraph: *Provided*, That the Secretary of Agriculture may release such amounts of the foreign currencies so set aside as he determines cannot be effectively used for agricultural market development purposes under this section, except that no release shall be made until the expiration of thirty days following the date on which notice of such proposed release 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. Provision shall be made in sale and loan agreements for the convertibility of such amount of the proceeds thereof (not less than 2 per centum) as the Secretary of Agriculture determines to be needed to carry out the purpose of this paragraph in those countries which are or offer reasonable potential of becoming dollar markets for United States agricultural commodities. Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this paragraph and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this paragraph. Notwithstanding any other provision of law, if sufficient foreign currencies for carrying out the purpose of this paragraph in such countries are not otherwise available, the Secretary of Agriculture is authorized and directed to enter into agreements with such countries for the sale of 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 paragraph. In carrying out agricultural market development activities, nonprofit agricultural trade organizations shall be utilized to the maximum extent practicable. The purpose of this paragraph shall include such representation of agricultural industries as may be required during the course of discussions on trade programs relating either to individual commodities or groups of commodities;

"(2) finance international educational and cultural exchange activities under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.);

"(3) collect, collate, translate, abstract, and disseminate scientific and technological information and 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

Notice of release of foreign currencies.

Transmittal to congressional committees.

Special Treasury account.

75 Stat. 527.

against diseases common to all of mankind or unique to individual regions of the globe, and promote and support programs of medical and scientific research, cultural and educational development, family planning, health, nutrition, and sanitation;

"(4) acquire by purchase, lease, rental, or otherwise, sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and construct, repair, alter, and furnish such buildings and facilities;

"(5) finance under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, (A) 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, (B) the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books, periodicals, and related materials determined to have such significance; and (C) 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;

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

"(d) For assistance to meet emergency or extraordinary relief requirements other than requirements for 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;

"(e) For use to the maximum extent under the procedures established by such agency as the President shall designate for loans to United States business firms (including cooperatives) and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries, including loans for private home construction, and for loans to domestic or foreign firms (including cooperatives) 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 intended to be exported to the United States in competition with products produced in the United States and due consideration shall be given to the continued expansion of markets for United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans;

"(f) To promote multilateral trade and agricultural and other economic development, under procedures, established by the President, by loans or by use in any other manner which the President may determine to be in the national interest of the United States, particularly to assist programs of recipient countries designed to promote, increase, or improve food production, processing, distribution, or marketing in food-deficit countries friendly to the United States, for which purpose the President may utilize to the extent practicable the services of nonprofit voluntary agencies registered with and approved by the Advisory

Limitation.



Committee on Voluntary Foreign Aid: *Provided*, That no such funds may be utilized to promote religious activities;

"(g) For the purchase of goods or services for other friendly countries;

"(h) For financing, at the request of such country, programs emphasizing maternal welfare, child health and nutrition, and activities, where participation is voluntary, related to the problems of population growth, under procedures established by the President through any agency of the United States, or through any local agency which he determines is qualified to administer such activities;

"(i) for paying, to the maximum extent practicable, the costs outside the United States of carrying out the program authorized in section 406 of this Act; and

"(j) For sale for dollars to United States citizens and non-profit organizations for travel or other purposes of currencies determined to be in excess of the needs of departments and agencies of the United States for such currencies. The United States dollars received from the sale of such foreign currencies shall be deposited to the account of Commodity Credit Corporation:

*Provided*, That—

"(1) Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to currencies used for the purposes specified in subsections (a) and (b),

"(2) Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (f) and (g), to not less than 10 per centum of the foreign currencies which accrue pursuant to agreements entered into on or before December 31, 1964, and to not less than 20 per centum in the aggregate of the foreign currencies which accrue pursuant to agreements entered into thereafter: *Provided, however*, That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title,

"(3) 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,

"(4) 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 after consultation with the advisory committee established under section 407 designate a different rate:

*Provided, further*, That paragraphs (2), (3), and (4) of the foregoing proviso shall not apply in the case of any nation where the foreign currencies or credits owned by the United States and available for use by it in such nation are determined by the Secretary of the Treasury to be in excess of the normal requirements of the departments and agencies of the United States for expenditures in such

nations for the two fiscal years following the fiscal year in which such determination is made. The amount of any such excess shall be devoted to the extent practicable and without regard to paragraph (1) of the foregoing proviso, to the acquisition of sites, buildings, and grounds under paragraph (4) of subsection (b) of this section and to assist such nation in undertaking self-help measures to increase its production of agricultural commodities and its facilities for storage and distribution of such commodities. Assistance under the foregoing provision shall be limited to self-help measures additional to those which would be undertaken without such assistance. Upon the determination by the Secretary of the Treasury that such an excess exists with respect to any nation, the President shall advise the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture of such determination; and shall thereafter report to each such committee as often as may be necessary to keep such Committee advised as to the extent of such excess, the purposes for which it is used or proposed to be used, and the effects of such use.

"SEC. 105. Foreign currencies received pursuant to this Act shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104, and any department or agency of the Government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used. The President shall utilize foreign currencies received pursuant to this Act in such manner as will, to the maximum extent possible, reduce any deficit in the balance of payments of the United States.

"SEC. 106. (a) Payment by any friendly country for commodities purchased for dollars on credit shall be upon terms as favorable to the United States as the economy of such country will permit. Payment for such commodities shall be in dollars with interest at such rates as the Secretary may determine but not less than the minimum rate required by section 201 of the Foreign Assistance Act of 1961 for loans made under that section. Payment may be made in reasonable annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement, except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery, and interest shall be computed from the date of such last delivery. Delivery of such commodities shall be made in annual installments for not more than ten years following the date of the sales agreement and subject to the availability of the commodities at the time delivery is to be made.

"(b) Agreements hereunder for the sale of agricultural commodities for dollars on credit terms shall include provisions to assure that the proceeds from the sale of the commodities in the recipient country are used for such economic development purposes as are agreed upon in the sales agreement or any amendment thereto.

"SEC. 107. (a) It is also the policy of the Congress to stimulate and maximize the sale of United States agricultural commodities for dollars through the private trade and to further the use of private enterprise to the maximum, thereby strengthening the development and expansion of foreign commercial markets for United States agricultural commodities. In furtherance of this policy, the Secretary of Agriculture is authorized, notwithstanding any other provision of law, to enter into agreements with foreign and United States private trade for financing the sale of agricultural commodities for export over

Reports to congressional committees.

Special account.

Dollar credit sales.

75 Stat. 426; Ante, p. 796. 22 USC 2161.

Private trade and enterprise.

Post, p. 1536.

66 Stat. 662. 31 USC 724.

Transmittal to congressional committees.

such periods of time and on such credit terms as the Secretary determines will accomplish the objectives of this section. Any agreement entered into under this section shall provide for the development and execution of projects which will result in the establishment of facilities designed to improve the storage or marketing of agricultural commodities, or which will otherwise stimulate and expand private economic enterprise in any friendly country. Any agreement entered into under this section shall also provide for the furnishing of such security as the Secretary determines necessary to provide reasonable and adequate assurance of payment of the purchase price in dollars with interest at a rate which will as nearly as practicable be equivalent to the average cost of funds to the United States Treasury, as determined by the Secretary of the Treasury, on outstanding marketable obligations of the United States having maturities comparable to maturities of credits extended under this section. In no event shall the rate of interest be less than the minimum rate, or the delivery period, deferral of first payment, or term of credit be longer than the maximum term, authorized in section 106. In carrying out this Act, the authority provided in this section for making dollar sales shall be used to the maximum extent practicable.

"(b) In carrying out the provisions of this section, the Secretary shall take reasonable precautions to safeguard usual marketings of the United States and to avoid displacing any sales of United States agricultural commodities which the Secretary finds and determines would otherwise be made for cash dollars.

"(c) The Secretary shall obtain commitments from purchasers that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of agricultural commodities purchased under this section.

"(d) In carrying out this Act, the provisions of sections 102, 103(a), 103(d), 103(e), 103(f), 103(j), 103(k), 110, 401, 402, 403, 404, 405, 407, 408, and 409 shall be applicable to sales under this section.

"Sec. 108. The Commodity Credit Corporation may finance ocean freight charges incurred pursuant to agreements for sales for foreign currencies (other than those providing for conversion to dollars as described in section 103(b) of this Act) entered into hereunder 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.

"Sec. 109. (a) Before entering into agreements with developing countries for the sale of United States agricultural commodities on whatever terms, the President shall consider the extent to which the recipient country is undertaking wherever practicable self-help measures to increase per capita production and improve the means for storage and distribution of agricultural commodities, including:

"(1) devoting land resources to the production of needed food rather than to the production of nonfood crops—especially nonfood crops in world surplus;

"(2) development of the agricultural chemical, farm machinery and equipment, transportation and other necessary industries through private enterprise;

"(3) training and instructing farmers in agricultural methods and techniques;

"(4) constructing adequate storage facilities;

"(5) improving marketing and distribution systems;

"(6) creating a favorable environment for private enterprise and investment, both domestic and foreign, and utilizing available technical know-how;

"(7) establishing and maintaining Government policies to insure adequate incentives to producers; and

"(8) establishing and expanding institutions for adaptive agricultural research; and

"(9) allocating for these purposes sufficient national budgetary and foreign exchange resources (including those supplied by bilateral, multilateral and consortium aid programs) and local currency resources (resulting from loans or grants to recipient governments of the proceeds of local currency sales).

"(b) Notwithstanding any other provisions of this Act, in agreements with nations not engaged in armed conflict against Communist forces or against nations with which the United States has no diplomatic relations, not less than 20 per centum of the foreign currencies set aside for purposes other than those in sections 104(a), (b), (e), and (j) shall be allocated for the self-help measures set forth in this section.

"(c) Each agreement entered into under this title shall describe the program which the recipient country is undertaking to improve its production, storage, and distribution of agricultural commodities; and shall provide for termination of such agreement whenever the President finds that such program is not being adequately developed.

"Sec. 110. Agreements shall not be entered into under this title during any calendar year which will call for an appropriation to reimburse the Commodity Credit Corporation in an amount in excess of \$1,900,000,000, plus any amount by which agreements entered into under this title 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."

(C) By amending title II to read as follows:

## "TITLE II

"Sec. 201. The President is authorized to determine requirements and furnish agricultural commodities, on behalf of the people of the United States of America, to meet famine or other urgent or extraordinary relief requirements; to combat malnutrition, especially in children; to promote economic and community development in friendly developing areas; and for needy persons and nonprofit school lunch and preschool feeding programs outside the United States. The Commodity Credit Corporation shall make available to the President such as agricultural commodities determined to be available under section 401 as he may request.

"Sec. 202. The President may furnish commodities for the purposes set forth in section 201 through such friendly governments and such agencies, private or public, including intergovernmental organizations such as the world food program and other multilateral organizations in such manner and upon such terms and conditions as he deems appropriate. The President shall, to the extent practicable, utilize nonprofit voluntary agencies registered with, and approved by, the Advisory Committee on Voluntary Foreign Aid. Insofar as practicable, all commodities furnished hereunder shall be clearly identified by appropriate marking on each package or container in the language of the locality where they are distributed as being furnished by the people of the United States of America. The assistance to needy persons shall insofar as practicable be directed toward community

Ocean transportation costs.

Self-help measures.

68 Stat. 457,  
7 USC 1721-  
1724.

Emergency relief.



and other self-help activities designed to alleviate the causes of the need for such assistance. Except in the case of emergency, the President shall take reasonable precaution to assure that commodities furnished hereunder will not displace or interfere with sales which might otherwise be made.

"Sec. 203. The Commodity Credit Corporation may, in addition to the cost of acquisition, pay with respect to commodities made available under this title costs for packaging, enrichment, preservation, and fortification; processing, transportation, handling, and other incidental costs up to the time of their delivery free on board vessels in United States ports; ocean freight charges from United States ports to designated ports of entry abroad, or, in the case of landlocked countries, transportation from United States ports to designated points of entry abroad; and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant thereto.

"Sec. 204. Programs of assistance shall not be undertaken under this title during any calendar year which call for an appropriation of more than \$600,000,000 to reimburse the Commodity Credit Corporation for all costs incurred in connection with such programs (including the Corporation's investment in commodities made available) plus any amount by which programs of assistance undertaken under this title in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than were authorized for such purpose during such preceding year. 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 of this Act 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 or 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 are used to carry out 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.

"Sec. 205. It is the sense of the Congress that the President should encourage other advanced nations to make increased contributions for the purpose of combating world hunger and malnutrition, particularly through the expansion of international food and agricultural assistance programs. It is further the sense of the Congress that as a means of achieving this objective, the United States should work for the expansion of the United Nations World food program beyond its present established goals."

(D) By changing the designation "TITLE III—GENERAL PROVISIONS" to "TITLE III" and by striking out sections 304, 305, 306, 307, and 308.

(E) By amending title IV to read as follows:

#### "TITLE IV

"Sec. 401. After consulting with other agencies of the Government affected and within policies laid down by the President for implementing this Act, and after taking into account productive capacity,

domestic requirements, farm and consumer price levels, commercial exports, and adequate carryover, the Secretary of Agriculture shall determine the agricultural commodities and quantities thereof available for disposition under this Act, and the commodities and quantities thereof which may be included in the negotiations with each country. No commodity shall be available for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary of Agriculture at the time of exportation of such commodity.

"Sec. 402. The term 'agricultural commodity' as used in this Act shall include any agricultural commodity produced in the United States or product thereof produced in the United States: *Provided*, however, That the term 'agricultural commodity' shall not include alcoholic beverages, and for the purposes of title II of this Act, tobacco or products thereof. Subject to the availability of appropriations therefor, any domestically produced fishery product may be made available under this Act.

"Sec. 403. There are hereby authorized to be appropriated such sums as may be necessary to carry out this Act including such amounts as may be required to make payments to the Commodity Credit Corporation, to the extent the Commodity Credit Corporation is not reimbursed under sections 104(j) and 105, for its actual costs incurred or to be incurred. 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.

"Sec. 404. The programs of assistance undertaken pursuant to this Act shall be directed toward the attainment of the humanitarian objectives and national interest of the United States.

"Sec. 405. The authority and funds provided by this Act shall be utilized in a manner that will assist friendly countries that are determined to help themselves toward a greater degree of self-reliance in providing enough food to meet the needs of their people and in resolving their problems relative to population growth.

"Sec. 406. (a) In order to further assist friendly developing countries to become self-sufficient in food production, the Secretary of Agriculture is authorized, notwithstanding any other provision of law—

"(1) To establish and administer through existing agencies of the Department of Agriculture a program of farmer-to-farmer assistance between the United States and such countries to help farmers in such countries in the practical aspects of increasing food production and distribution and improving the effectiveness of their farming operations;

"(2) To enter into contracts or other cooperative agreements with, or make grants to, land-grant colleges and universities and other institutions of higher learning in the United States to recruit persons who by reason of training, education, or practical experience are knowledgeable in the practical arts and sciences of agriculture and home economics, and to train such persons in the practical techniques of transmitting to farmers in such countries improved practices in agriculture, and to participate in carrying out the program in such countries including, where desirable, additional courses for training or retraining in such countries;

"(3) To consult and cooperate with private non-profit farm organizations in the exchange of farm youth and farm leaders with develop-

"Agricultural commodity."

Appropriation.

Ante, pp. 1531, 1532.

Aims of assistance programs.

Food production assistance.

Farmer-to-farmer program.

Education.

Ante, p. 1526.

Repeals.

71 Stat. 345;  
73 Stat. 607.  
7 USC 1693-1697.  
73 Stat. 610.  
7 USC 1731-1736.



ing countries and in the training of farmers of such developing countries within the United States or abroad;

Research.

"(4) To conduct research in tropical and subtropical agriculture for the improvement and development of tropical and subtropical food products for dissemination and cultivation in friendly countries;

"(5) To coordinate the program authorized in this section with the activities of the Peace Corps, the Agency for International Development, and other agencies of the United States and to assign, upon agreement with such agencies, such persons to work with and under the administration of such agencies: *Provided*, That nothing in this section shall be construed to infringe upon the powers or functions of the Secretary of State;

"(6) To establish by such rules and regulations as he deems necessary the conditions for eligibility and retention in and dismissal from the program established in this section, together with the terms, length and nature of service, compensation, employee status, oaths of office, and security clearances, and such persons shall be entitled to the benefits and subject to the responsibilities applicable to persons serving in the Peace Corps pursuant to the provisions of section 612, volume 75 of the Statutes at Large, as amended; and

22 USC 2501  
note.

"(7) To the maximum extent practicable, to pay the costs of such program through the use of foreign currencies accruing from the sale of agricultural commodities under this Act, as provided in section 104(i).

Ante, p. 1531.  
Appropriation.

"(b) There are hereby authorized to be appropriated not to exceed \$33,000,000 during any fiscal year for the purpose of carrying out the provisions of this section.

Advisory committee,  
establishment.

"Sec. 407. There is hereby established an advisory committee composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Bureau of the Budget, the Administrator of the Agency for International Development, the chairman, the vice chairman and the two ranking minority members of the House Committee on Agriculture and the House Committee on Foreign Affairs, and the chairman, the next ranking majority member and the two ranking minority members of the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations. The advisory committee shall survey the general policies relating to the administration of the Act, including the manner of implementing the self-help provisions, the uses to be made of foreign currencies which accrue in connection with sales for foreign currencies under title I, the amount of currencies to be reserved in sales agreements for loans to private industry under section 104(e), rates of exchange, interest rates, and the terms under which dollar credit sales are made, and shall advise the President with respect thereto.

Ante, p. 1526.

"Sec. 408. The President shall make a report to Congress not later than April 1 each year with respect to the activities carried out under this Act during the preceding calendar year. Such report shall describe the progress of each country with which agreements are in effect under title I in carrying out its agreements under such title.

Report to  
Congress.

"Sec. 409. No agreements to finance sales under title I and no programs of assistance under title II shall be entered into after December 31, 1968.

Time limitation.

"SEC. 410. The provisions of section 620(e) of the Foreign Assistance Act of 1961, as amended (referring to nationalization, expropriation, and related governmental Acts affecting property owned by United States citizens), shall be applicable to assistance provided under title I of this Act."

77 Stat. 386;  
78 Stat. 1013.  
22 USC 2370.  
Ante, p. 1526.

SEC. 3. (a) Section 9 of the Act of September 6, 1958 (7 U.S.C. 1431b), is amended, effective January 1, 1967, by deleting the symbol "(1)", by changing the semicolon to a period and by striking out all of the language in the section after the semicolon,

72 Stat. 1792.

(b) Section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a-1) is amended, effective January 1, 1967, by striking out "foreign distribution."

79 Stat. 1212.

(c) Section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), is amended, effective January 1, 1967, by striking out the following: "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 and in nonprofit school lunch programs outside the United States"; "and (4) above"; "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"; and "The assistance to needy persons provided in (4) above shall, insofar as practicable be directed toward community and other self-help designed to alleviate the causes of the need for such assistance."

68 Stat. 458.

(d) Section 8 of Public Law 85-931 (72 Stat. 1792) is amended (1) by inserting a period in lieu of the colon after the word "Act" and striking out the proviso; (2) by inserting after the word "manufactured" the word "entirely"; and (3) by inserting before the comma following the words "surplus supply" the words "in the same manner as any other agricultural commodity or product is made available".

7 USC 1701  
note.

(e) Section 407 of the Agricultural Act of 1949, as amended, is amended by striking the period at the end of the third sentence thereof and adding the following: "Provided, That whenever the Secretary of Agriculture determines that the carryover at the end of any marketing year of a price supported agricultural commodity for which a voluntary adjustment program is in effect will be less than 25 per centum (35 per centum in the case of wheat) of the estimated export and domestic consumption of such commodity during such marketing year, the Commodity Credit Corporation shall not sell any of its stocks of such commodity during such year for unrestricted use at less than 115 per centum (120 per centum in the case of wheat whenever its carryover will be less than 25 per centum of such estimated export and domestic consumption) of the current price support loan plus reasonable carrying charges."

63 Stat. 1055.  
7 USC 1427.

SEC. 4. Commercial sales of agricultural commodities out of private stocks on credit terms of not to exceed three years may be financed by

## Background

The Executive Order differs from its predecessor primarily in implementing those aspects of the new law which emphasize the foreign policy objectives of the program. The key new provisions include:

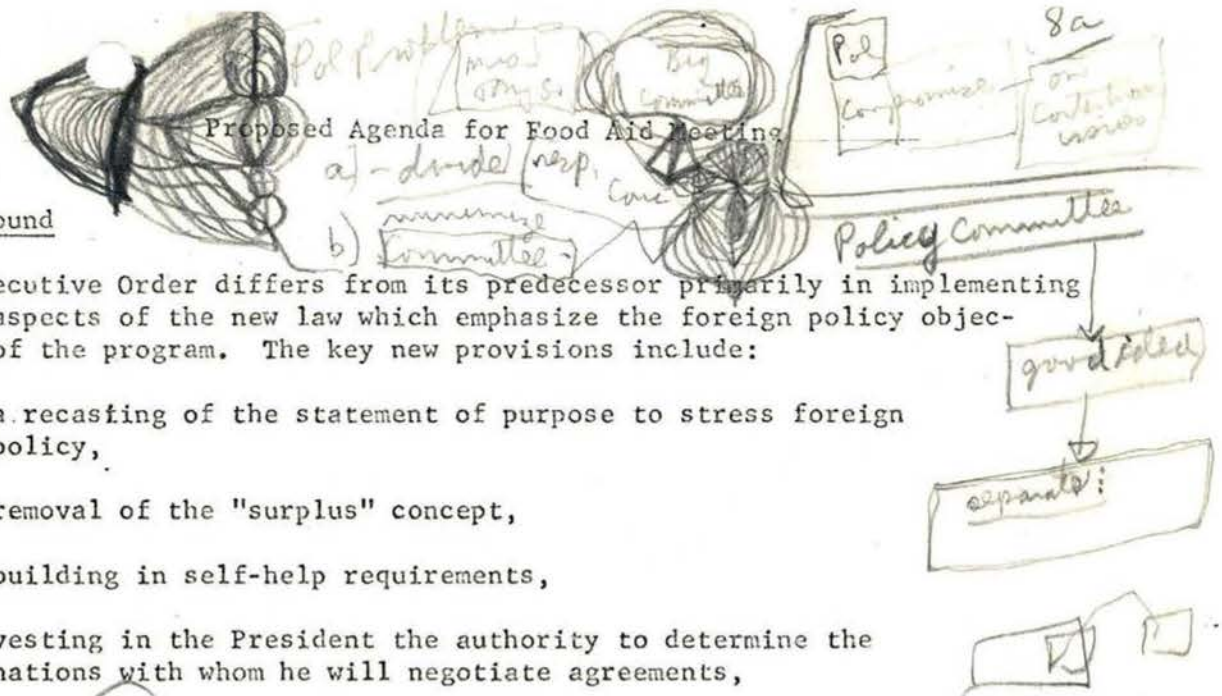
- a recasting of the statement of purpose to stress foreign policy,
- removal of the "surplus" concept,
- building in self-help requirements,
- vesting in the President the authority to determine the nations with whom he will negotiate agreements,
- providing, under certain circumstances, transition to development loan terms for food aid agreements,
- adding to the statutory Advisory Committee eight members of the Foreign Affairs/Relations Committees and the Secretary of State.

In addition the Order carries out the President's War on Hunger Message, which said:

"To strengthen these programs our food aid and economic assistance must be closely linked. Together they must relate to efforts in developing countries to improve their own agriculture. The Departments of State and Agriculture and the Agency for International Development will work together, even more closely than they have in the past in the planning and implementing of coordinated programs."

## Possible Points for Discussion

1. Responsibility for transition to dollar credit sales [Sec. 103(b) of the Act], which the Order would vest in the Secretary of State acting with the concurrence of the Secretary of Agriculture [Sec. 102(d) of the Order].
2. Responsibility for preventing resale of transshipment of commodities [Sec. 103(g) of the Act], which would be delegated in the same way.
3. Responsibility for obtaining a 5% down payment where practicable [Sec. 103(k) of the Act], which would be delegated to the Secretary of State [Sec. 102(b) of the Order].
4. Responsibility for obtaining the highest legal exchange rate [Sec. 103(h) of the Act], which would be vested in the Secretary of State.
5. The Committee structure covered in Part II of the Order.



Part One  
Part Two



248

8-b

THE WHITE HOUSE

WASHINGTON

Thursday, January 19, 1967

WWR/FMB

SUBJECT: Meeting with Schultze, Freeman, Katzenbach, Gaud, et al. on  
Food Aid Executive Order (3:30 today)

Essential Background

I think you both know most of the history. The new food aid Act which took effect on January 1 is pretty much what the President requested. The problem now is to issue an Executive Order which allocates the authorities -- new and old -- contained therein. There must be an Executive Order or there will be no program.

The new Act, in itself, is a clear step in the direction of more State/AID control of food aid. The most important shift -- and one the Administration requested -- is placement of authority in the President (read Secretary of State), rather than the Secretary of Agriculture, to determine which countries will receive food aid. But this is one of many indications throughout the Act that, with the death of the "surplus" rationale, food aid is expected to be more and more integrated with other aid and less and less a function of domestic farm policy. The question at issue today will be how much the Executive Order should reflect and encourage that shift -- despite the opposition from Freeman's constituency on the Hill, particularly Senator Ellender.

The Draft Order

The new Order has been under negotiation for months. (Copy of the final BOB draft at Tab A.) The Budget Bureau has made a number of concessions to both State and Agriculture and has emerged with a draft to which the Agriculture staff -- including John Schnittker -- was largely ready to agree. However, Freeman's reaction was strong opposition. (See his memo to Schultze at Tab B.) The principal differences between the current draft and the old Executive Order implementing the old Act are as follows:

- Agriculture retains every authority which previously had been delegated to it.
- However, the bulk of the new and clarified authorities contained in the new Act are delegated to State, though often with the proviso that State can only act with the concurrence of Agriculture.

- The most important innovation is establishment of a War on Hunger Policy Committee which would be the ultimate food aid authority short of the President. It would be chaired by the Secretary of State and include the Secretary of Agriculture, the AID Administrator, and the Budget Director. It would be specifically named as the court of appeals for staff disagreements.
- The Order also formally reestablishes the staff-level committee -- chaired by Agriculture -- which has handled the day-to-day operation of the program for years. The membership is the same as the Policy Committee plus Defense, Commerce, and Treasury.
- The Order also authorizes the establishment of a middle-level (Assistant Secretary) Executive Committee if the Policy Committee so desires. Chairmanship is unspecified. This is a hedge against the probability that it won't be possible to mobilize State's seventh floor on many issues.

In summary then, Agriculture keeps what it has and gains some (a total of 11) new and clarified delegations. But the bulk of the new authorities and chairmanship of the highest body in the War on Hunger goes to State.

#### Merits

I have expressed my views on this question often enough so that I needn't burden you with another recital. Briefly, I think that the economic, political, and administrative arguments for moving toward greater State/AID control of food aid are overwhelming. I concede that really serious trouble with the agriculture people on the Hill could cause us more problems on this year's AID bill than are worth it. I really believe, however, that this Executive Order is the minimum we can do to put some substance into the promise that food aid will be more and more coordinated with other aid. Failure to go even this far would be bad policy and bad faith -- and it would be so branded by such people as Senator McGovern.

#### Freeman's Objections

I don't know what specific arguments Freeman will use this afternoon. He may not get into specifics at all. His general line will probably be that we have an efficient, smooth-working mechanism now; that nothing in the Order will improve it; but that the repeated mention of State/AID in the Order could cause serious trouble with the agriculture committees. He will ask why we invite unnecessary trouble.

If he does get into specifics, he will probably object to the following provisions:

- the new Committee structure, except for the Agriculture-chaired staff committee.
- the delegation to State (with the concurrence of Agriculture) of responsibility for supervising a transition from local currency sales to dollar credit sales. (He will want it Agriculture with the concurrence of State.)
- delegation to State alone of responsibility for obtaining the highest possible exchange rate on local currency sales. (He will want a veto.)
- delegation to State alone of the authority to require a 5% down payment whenever possible. (He will want either a veto or full Agriculture control.)
- delegation to State of supervision of country-use currencies for agricultural development. (He will want a veto.)

#### Recommended Reply to Freeman

This will be a difficult argument -- particularly in a fairly large meeting. The real answer to Freeman is that (1) we do not have a smooth-working mechanism, we have a notoriously slow and unreliable vehicle which is hyper-sensitive to Ellender and largely insensitive to foreign policy problems; (2) Freeman himself has badly diluted our leverage abroad and caused a great deal of unnecessary confusion by acting as though he alone controls food aid and dispenses it entirely according to a country's agricultural performance as he evaluates it; and (3) the President is clearly on the line -- in last year's Food Message, Foreign Aid Message, various signing statements, etc. -- that food aid/primarily an instrument of foreign policy and will be so administered. The problem today will be that only the last of these points can probably be made.

Therefore, Charlie Schultze's tack -- which I recommend we support -- will probably be that the Order is an attempt to set up a new and visible structure to operate the War on Hunger. The Policy Committee established in the Order will provide us with something we do not now have and badly need -- a top-level body clearly and formally charged with prosecuting the War on Hunger. It is



very difficult to make the case here or abroad that we are serious about this enterprise if we have no such body. Since the War on Hunger is a foreign operation very much intertwined with our foreign relations, it should be the primary responsibility of the Secretary of State, although the Secretary of Agriculture must play a leading role. Charlie will probably then point out that the other delegations in the Order reflect the integration of food aid with other aid, that they do not downgrade Agriculture's role, and that they represent minimum movement in the directions the President has repeatedly promised.

I doubt that this will satisfy Freeman. He will probably insist on stating his objections to the President. I would hope that, on the basis of the President's reaction to ~~Freeman's~~ memo last week, we will agree to that rather than concede major points to Freeman in order to reach a settlement. (In this connection, you should know that Schultze has kept the Vice President fully informed of all this, and that the V. P. is strongly on the BOB side. His only question so far has been whether we ought to go even further toward State/AID and away from Agriculture.) I have no illusions that the President will want to bait Ellender & Co. any more than he feels he has to, but I do believe that the stakes in this issue are high enough to be worth putting<sup>3</sup> before him.

A handwritten signature in dark ink, appearing to be 'Ed Hamilton', with a stylized, cursive script.

Ed Hamilton

8c



## EXECUTIVE ORDER

PROVIDING FOR ADMINISTRATION OF THE AGRICULTURAL TRADE DEVELOPMENT  
AND ASSISTANCE ACT OF 1954, AS AMENDED, AND ESTABLISHING THE  
WAR ON HUNGER POLICY COMMITTEE

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 as follows:

## PART I - ASSIGNMENT OF RESPONSIBILITIES TO AGENCIES

Sec. 101. Department of Agriculture - (a) 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 delegated to the Secretary of Agriculture.

(b) The functions conferred upon the President by sections 103(c) and 103(i) of the Act shall be exercised by the Secretary of Agriculture with the concurrence of the Secretary of State.

(c) The Secretary of Agriculture shall perform such functions as may be necessary in the carrying out of agreements referred to in section 101 of the Act.

(d) The Department of Agriculture shall transmit to the Senate and House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof the reports required by the provisions of paragraph (5) of the Act of August 13, 1957, 71 Stat. 345 (7 U.S.C. 1704a).

Sec. 102. Department of State - (a) The function of negotiating agreements with friendly countries, conferred upon the President by section 101 of the Act, is delegated to the Secretary of State.

(b) The functions conferred upon the President by sections 103(h), 103(j), 103(k), 103(1), and 103(m) of the Act, and by title II of the Act are delegated to the Secretary of State.

(c) The function of determining countries which are friendly to the United States, conferred upon the President by section 103(d) of the Act, is delegated to the Secretary of State.

(d) The functions conferred upon the President by sections 103(a), 103(b), 103(g), and 109(a) of the Act are delegated to the Secretary of State, who shall exercise those functions subject to the concurrence of the Secretary of Agriculture.

(e) The Secretary of State shall have primary responsibility for preparation of the annual report required by section 408 of the Act.

(f) The Secretary of State shall have primary responsibility for the utilization of excess currencies under the last proviso to section 104 of the Act and for assuring compliance with the requirements of section 106(b) of the Act.

(g) The provisions of Part III of Executive Order No. 10893 of November 8, 1960, are extended and made applicable to United States agencies and personnel concerned with the administration in foreign countries of the functions provided for in the Act.

(h) 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 such functions.

Sec. 103. Department of the Treasury - (a) The administration on behalf of the United States of the credit provisions of agreements entered into pursuant to title I of the Act (including the receiving of payments under such agreements) shall be performed by the Secretary of the Treasury, or by such other agency or agencies as may be designed by the Secretary of the Treasury.

(b) The functions conferred upon the President by the final sentence of section 105 of the Act are delegated to the Secretary of the Treasury, who shall act in consultation with the Director of the Bureau of the Budget.

Sec. 104. Foreign Currencies - (a)(1) Foreign currencies which accrue under title I of the Act may be used for the purposes set forth in section 104 of the Act in amounts consonant with applicable provisions of law and of sales agreements and loan agreements. Except as may be inconsistent with such law or agreements, priority shall be accorded to the use of such currencies for purposes for which appropriated funds or other funds are available to reimburse the Commodity Credit Corporation. To such extent as he may deem necessary, the Director of the Bureau of the Budget shall fix the amounts of such currencies which may be used for the purposes set forth in section 104 of the Act. The Director shall notify the Secretary of the Treasury with respect to any amounts so fixed.

(2) The function of waiving the applicability of section 1415 of the Supplemental Appropriation Act, 1953 (31 U.S.C. 724), conferred upon the President by paragraph (2) of the first proviso to section 104 of the Act, is delegated to the Secretary of State in respect of section 104(f) of the Act and to the Director of the Bureau of the Budget in all other respects.

(3) The functions conferred upon the President by paragraph (4) of the first proviso to section 104 of the Act are delegated to the Secretary of State.

(4) The function of determining what manner of use other than loans is in the national interest of the United States, conferred upon the President by section 104(f) of the Act, is delegated to the Secretary of State, who shall act in consultation with the Director of the Bureau of the Budget.



(5) The functions of establishing procedures and of determining the qualification of local agencies to administer the activities set forth in section 104(h) of the Act, conferred upon the President by that section of the Act, is delegated to the Secretary of State.

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

(c) 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 section 104(a) of the Act by the respective agencies of the Government having authority to pay United States obligations abroad.

(2) Those under sections 104(b)(1) and 104(i) of the Act by the Department of Agriculture.

(3) Those under section 104(b)(2) of the Act by the Department of State.

(4) Those under section 104(b)(3) of the Act as follows: (i) Those with respect to collecting, collating, translating, abstracting, and disseminating scientific and technological information by the National Science Foundation, and by such other agency or agencies as the Director of the Bureau of the Budget may designate. (ii) Those with respect to programs of cultural and educational development, family planning, health, nutrition, and sanitation by the Department of State or the Smithsonian Institution, as those agencies shall agree, and by such other agency or agencies as the Director of the Bureau of the Budget may designate. (iii) All others by such agency or agencies as the Director of the Bureau of the Budget may designate.

(5) Those under section 104(b)(4) of the Act by the Department of State and by such other agency or agencies as may be designated by the Secretary of State.

(6) Those under section 104(b)(5) of the Act by the Librarian of Congress.

(7) 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 Budget shall determine.

(8) Those under section 104(d), 104(e), 104(f), 104(g), and 104(h) of the Act by the Department of State.

(9) Those under section 104(j) of the Act by the Department of the Treasury in cooperation with the Department of State.

(d) The function of making reports to Congress conferred upon the President by the last sentence of section 104 of the Act, is delegated to the Secretary of the Treasury.

(e) In negotiating international agreements in pursuance of the Act, the Secretary of State shall avoid restrictions which would limit the application of normal budgetary and appropriation controls to the use of those foreign currencies accruing under title I of the Act which are to be available for operations of United States government agencies.

Sec. 105. Reservation of Functions to the President - There are reserved to the President the functions of making findings or determinations regarding the national interest of the United States, conferred upon him by section 103(d)(3) and (4) of the Act, and the functions conferred upon him

by sections 109(c), 403, and 408 of the Act.

## Part II - WAR ON HUNGER POLICY COMMITTEE

Sec. 201. War on Hunger Policy Committee - (a) There is established the War on Hunger Policy Committee, hereinafter referred to as the Committee.

(b) The Committee shall be composed of: the Secretary of State, who shall be Chairman; the Secretary of Agriculture; the Director of the Bureau of the Budget; and the Administrator of the Agency for International Development.

(c) Whenever matters to be discussed by the Committee may be of interest to Federal departments and agencies not represented on the Committee, the Chairman may invite the heads of such departments and agencies to attend the meetings of the Committee.

(d) The officers referred to in subsection (b) of this section may establish (1) an Executive Committee, composed of members designated by them, who hold the rank of assistant secretary or its equivalent, for the purpose of advising on such matters as the officers may jointly direct, including unresolved issues arising in connection with the conduct of the War on Hunger, and (2) such other interagency committees as they deem appropriate.

outside

Sec. 202. Functions of the Committee - (a) the Committee shall from time to time review the activities and coordinate the policies carried out in the conduct of the War on Hunger, referred to in the President's Message to Congress of February 10, 1966, including those carried out pursuant to the Act, those in the field of capital and technical assistance and research related to food production and distribution, and voluntary population control programs in developing countries, and the agricultural self-help activities of those countries, in order to assist the United States in the maintenance of a

comprehensive and balanced program of promoting food availability. The Committee shall advise the President on changes, if any, it recommends in the policies and administration of the War on Hunger.

(b) At least once each calendar year the Committee shall report to the President its evaluation of the progress, capabilities, and immediate goals of the War on Hunger.

Sec. 203. Interagency Staff Committee on Food for Freedom - (a) There is established an Interagency Staff Committee on Food for Freedom, which shall consist of representatives of the Department of the State, the Department of Agriculture, Department of the Treasury, Department of Commerce, Department of Defense, Bureau of the Budget, and Agency for International Development. The representative of the Department of Agriculture shall be chairman of the Interagency Staff Committee, and he may invite other interested departments and agencies to designate representatives to participate in meetings of the Interagency Staff Committee.

(b) The Interagency Staff Committee shall develop and review proposed programs under the Act and coordinate the functions delegated or otherwise assigned by this order. Unresolved issues arising within this Staff Committee shall be referred to the Executive Committee or such other Committees as may be established pursuant to section 201(d) of this order.

Sec. 204. Committee Authority - The agencies represented on the Committees established by or pursuant to Part II of this order shall, as may be necessary for the purpose of effectuating the provisions of this order, furnish assistance to the Committees in accordance with section 214 of the Act of May 3, 1945, (31 U.S.C. 691), or as may be otherwise authorized by law.

\* PART III - GENERAL PROVISIONS

Sec. 301. Definitions - As used in this order, the term "Act" and the term "Agricultural Trade Development and Assistance Act" mean the Agricultural Trade Development and Assistance Act of 1954 as amended from time to time, and include, except as may be inappropriate, provisions thereof amending other laws.

Sec. 302. References - Except as may for any reason be inappropriate:

(a) References in this order or in any other Executive order to (1) the Act, (2) any other act which relates to the subject of Parts I and II of this order, or (3) any provisions thereof, shall be deemed to mean the Act, such other Acts, or provisions thereof, respectively, as amended from time to time.

(b) References in any prior Executive order not superseded by this order to any provisions of any Executive order so superseded shall hereafter be deemed to be references to the corresponding provisions, if any, of this order.

(c) References in this order or in any other Executive order to this order or to any provision of this order shall be deemed to include references thereto, respectively, as amended from time to time.

Sec. 303. Superseding and Saving Provisions - (a) To the extent not heretofore revoked, the following are hereby revoked:

- (1) Executive Order No. 10900 of January 5, 1961.
- (2) Executive Order No. 10915 of January 24, 1961.
- (3) Executive Order No. 10972 of November 3, 1961.
- (4) Executive Order No. 11036 of July 11, 1962.
- (5) Section 403 of Executive Order No. 11051 of September 27, 1962.
- (6) Executive Order No. 11252 of October 20, 1965.



(b) Except to the extent that they may be inconsistent with this order, all determinations, authorizations, regulations, rulings, certificates, orders, directives, contracts, agreements and other actions made, issued or entered into with respect to any functions affected by this order and not revoked, superseded, or otherwise made inapplicable before the date of this order, shall continue in full force and effect until amended, modified or terminated by appropriate authority.

Sec. 304. Effective Date

This Executive Order shall be effective as of January 1, 1967.

THE WHITE HOUSE

8-2

B.



804C14

DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON

January 10, 1967

1. ~~Hamilton~~  
2. ~~H. W. Higgins~~  
3. ~~C. Roberts~~ - file  
8-16

Confidential

MEMORANDUM

To: Charles L. Schultze  
Director, Bureau of the Budget

From: Orville L. Freeman  
Secretary of Agriculture

*Orville L. Freeman*

Prolonged discussions have been held with the Bureau of the Budget in connection with the proposed Executive Order on the new Public Law 430. This is to express my strong disagreement with the conclusions apparently reached by the Bureau of the Budget in this matter.

The proposed Executive Order would significantly alter the administrative arrangements and assignment of primary responsibility in carrying forward the administration of this program from Agriculture to State. This is clearly contrary to Congressional intent repeatedly and strongly expressed. It is contrary to the testimony made by all three Departments who appeared before the respective committees. It is my best judgment that if this order is issued it will cause serious problems with Congress. Further, I see no reason for so changing it and no improvements in administration of the program as a result of these changes.

I would urge therefore that this matter be thoroughly reviewed at the top level in all three Departments prior to taking it to the President for final decision.

cc: Dean Rusk, Secretary of State  
Bill Gaud, Director, AID  
Walter Rostow, The White House

DECLASSIFIED

E.O. 12356, Sec. 3.3

*Agriculture Letter 10-28-82*

By *Oct 11* NARA, Date *11-2-89*

89

	:: Agri. Responsible ::			State Responsible ::			State Responsible ::			State Responsible ::		
	:: State <u>Concurs</u> ::			:: Agri. <u>Concurs</u> ::			:: Agri. <u>Consulted</u> ::			:: No. Ag. <u>Concurrence</u> ::		
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Provisions of PL-480	::	:	:	::	:	:	::	:	:	::	:	:
Section 103(b) (Transition to dollar sales)	::	:	:	::	:	:	::	:	:	::	:	:
Section 103(g) (Review requests for transshipment)	::	:	:	::	:	:	::	:	:	::	:	:
Section 103(k) (Requirement for 5% down payment in dollars.	::	:	:	::	:	:	::	:	:	::	:	:
Section 103(h) (Determine exchange rate)	::	:	:	::	:	:	::	:	:	::	:	:
Para.(4) of 1st proviso of Section 104 (Interest rates for local currency loans)	::	:	:	::	:	:	::	:	:	::	:	:
Section 104(f) (Decision to make grants	::	:	:	::	:	:	::	:	:	::	:	:



# Presidential Documents

## Title 3—THE PRESIDENT

### Executive Order 10900

#### 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 as follows:

##### SECTION 1. *Department of Agriculture.*

(a) Except as otherwise provided in this order, the functions conferred upon the President by Title I and IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691-1694; 1731-1736) are hereby delegated to the Secretary of Agriculture.

(b) The administration on behalf of the United States of the credit provisions of agreements entered into pursuant to Title IV of the Act (including the receiving of payments under agreements) shall be performed by such Federal agency or agencies as shall hereafter be designated therefor by the President.

(c) The Department of Agriculture shall transmit to the Senate and House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof the reports required by the provisions of paragraph (5) of the act of August 13, 1957, 71 Stat. 345 (7 U.S.C. 1704a).

SEC. 2. *Department of State—administration of Title II.* The functions conferred upon the President by Title II of the Act (7 U.S.C. 1701-1709) are hereby delegated to the Secretary of State.

SEC. 3. *Department of State—other functions.* (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 such functions.

(c) The provisions of Part II of Executive Order No. 10893 of November 8, 1960, are hereby extended and made applicable to the functions provided for in the Act and to United States agencies and personnel concerned with the administration abroad of such functions.

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) hereof and except as otherwise required by law (74 Stat. 233; 238; section 104(h) of the Act), and, if applicable, within the amounts purchasable with the several appropriations, the Director of the Bureau of the Budget shall from time to time fix 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. To the extent necessary, the Director of the Bureau of the Budget shall allocate among the Government agencies concerned the amounts of foreign currencies so fixed.

(3) The function conferred upon the President by the penultimate 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 be deemed to limit section 3 of this order, and the provisions of subsection (b) of this section shall not be deemed to limit subsection (a) thereof.

(d) The purposes described in the lettered paragraphs of section 104 of the Act (7 U.S.C. 1704) shall be carried out, with foreign currencies made available in consonance with law and the provisions 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 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), 104(o), 104(p), and 104(q) of the Act by the Department of State.

(9) Those under sections 104(i) and 104(m) 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) Those with respect to programs of cultural and educational development, health, nutrition, and sanitation by the Department of State. (iii) 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 consulta-



tion" 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.

(14) Those under section 104(r) of the Act by the Department of State and by the United States Information Agency, as they shall agree.

(e) In negotiation international agreements in pursuance of the Act, the Secretary of State shall endeavor to avoid restrictions which would limit the application of normal budgetary and appropriation controls to the use of those foreign currencies accruing under Title I of the Act which are to be available for operations of United States Government agencies.

**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 (including that section as affected by section 406 of the Act), with respect to making reports to Congress.

**SEC. 6. Definition; references.** (a) As used in this order, the term "Act" and the term "Agricultural Trade Development and Assistance Act of 1954" mean the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454) as amended from time to time, and include, except as may be inappropriate, provisions thereof amending other laws.

(b) References in any prior order not superseded by this order to any provisions of any Executive order superseded by this order shall hereafter be deemed to be references to the corresponding provisions, if any, of this order.

(c) References in this order or in any other Executive order to this order or any provision of this order shall be deemed to include references thereto, respectively, as amended from time to time.

**SEC. 7. Superseding and saving provisions.** (a) To the extent not heretofore superseded, the following-described orders and parts of orders are hereby superseded:

(1) Executive Order No. 10560 of September 9, 1954.

(2) Executive Order No. 10685 of October 27, 1956.

(3) Executive Order No. 10708 of May 6, 1957.

(4) Executive Order No. 10746 of December 12, 1957.

(5) Sections 1 and 2 of Executive Order No. 10799 of January 15, 1959.

(6) Executive Order No. 10827 of June 25, 1959.

(7) Executive Order No. 10884 of August 17, 1960.

(8) Without prejudice to section 3(c) of this order, the text enclosed in parentheses in section 304(a)(2) of Executive Order No. 10893 of November 8, 1960.

(b) Except to the extent that they may be inconsistent with this order, all determinations, authorizations, regulations, rulings, certificates, orders, directives, contracts, agreements, and other actions made, issued, or entered into with respect to any function affected by this order and not revoked, superseded, or otherwise made inapplicable before the date of this order, shall continue in full force and effect until amended, modified, or terminated by appropriate authority.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,  
January 5, 1961.

[F.R. Doc. 61-183; Filed, Jan. 6, 1961;  
1:21 p.m.]



14082

DEPARTMENT OF STATE  
WASHINGTON

September 19, 1966

MEMORANDUM FOR MR. WALT W. ROSTOW  
THE WHITE HOUSE

Subject: FOOD FOR FREEDOM

Enclosed for your information are copies of identical letters which the Secretary sent to Senator Holland and Congressman Cooley today in support of "Food for Freedom" as the title of the new food aid program.

Copies of these letters have also been sent to Secretary Freeman.

*BWR*  
Benjamin H. Read  
Executive Secretary

Enclosures:

As stated.

3361  
Mr. Rostow 9  
To note  
H. Wilson has  
seen. Freeman  
has copies  
BKS

RECEIVED  
ROSTOW'S OFFICE

1966 SEP 19 AM 9 22

THE SECRETARY OF STATE  
WASHINGTON

9a

September 19, 1966.

Dear Orville:

I enclose copies of the letters I have sent to Senator Holland and Congressman Cooley on the FOOD FOR FREEDOM title.

I hope they will be helpful.

Sincerely,

*Dean*

Dean Rusk

Enclosures:

As stated.

The Honorable  
Orville L. Freeman,  
Department of Agriculture.

THE SECRETARY OF STATE  
WASHINGTON

9-b

September 19, 1966

Dear Senator Holland:

I greatly appreciate the concern of the House-Senate Conference Committee that we give the new food aid program a name that translates well into other languages and captures the spirit of the war on hunger. The name FOOD FOR FREEDOM, in our judgment, fully meets this test.

I have checked to find out how the new name translates into Hindi (India), Urdu (Pakistan), Portuguese (Brazil), and Arabic (North Africa and the Middle East). Voice of America language experts report that FOOD FOR FREEDOM translates into almost exactly the English meaning in all four languages. A literal translation works well in each case. It has not been necessary to add explanatory words or resort to free translation.

Our Voice of America broadcasters have been using these translations since the day President Johnson sent his FOOD FOR FREEDOM message to Congress on February 10 of this year. Hardly a week has passed that the new name has not been mentioned, either in a VOA news report or in one of the many commentary or discussion programs on the world food-population problem.

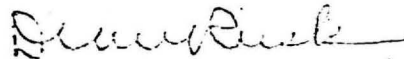
The Honorable  
Spessard L. Holland,  
United States Senate.



Over a period spanning seven months, the VOA has not had a single critical report on the new name. Nor have we in the Department of State received any unfavorable reaction to the name from our embassies, AID missions; or USIS posts overseas. Nor am I aware of any adverse comment in the foreign press or radio.

I felt it would be useful to go into some detail on this matter and enclose some additional information on the specific translations. We feel very strongly that the new food aid program would benefit from a new name. Experience to date reaffirms our judgment that FOOD FOR FREEDOM is a good choice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dean Rusk".

Dean Rusk

Enclosure:

FOOD FOR FREEDOM Translations.

## FOOD FOR FREEDOM

In Hindi, the phrase is Swadhinta hit Khadyann. It means "food for freedom" and connotes freedom from the bondage of hunger -- the use of food to help each man reach his full potential. As a phrase, I'm told it appeals to both the eye and the ear.

In Urdu, Khurak bra-i-azadi means "food for freedom." The connotation is freedom from hunger -- using food to enjoy the condition of freedom. As with swadhinta in Hindi, the word azadi in Urdu has, in the context of the name FOOD FOR FREEDOM, virtually all of the same appealing shades of meaning that freedom has in English.

In Portuguese, again the translation is literal: Alimentos para liberdade - "food for freedom." Our people see no trouble with this. It is true that the word liberty has been used in all of the Roman languages as a rallying cry, but the word is also appropriate for the less volatile meanings of freedom. The critical point is the context in which it is used. Linked with food, in the context of a gift or concessional sale from the people of the United States, I am advised it would take a farfetched effort to stretch the meaning of alimentos para liberdade into something not intended.

Finally, the Arabic, again the construction of the phrase is identical to English -- El-ghidda' - li'ajil - el'hurriyah. The key word is hurriyah. It has the rich range of meaning that our word freedom carries, with connotations appropriate and favorable for our food aid program. Implied is the use of food to enrich the experience of freedom. The Arab world would use hurriyah to describe the Four Freedoms of President Franklin Roosevelt.

THE SECRETARY OF STATE  
WASHINGTON

September 19, 1966

Dear Mr. Chairman:

I greatly appreciate the concern of the House-Senate Conference Committee that we give the new food aid program a name that translates well into other languages and captures the spirit of the war on hunger. The name FOOD FOR FREEDOM, in our judgment, fully meets this test.

I have checked to find out how the new name translates into Hindi (India), Urdu (Pakistan), Portuguese (Brazil), and Arabic (North Africa and the Middle East). Voice of America language experts report that FOOD FOR FREEDOM translates into almost exactly the English meaning in all four languages. A literal translation works well in each case. It has not been necessary to add explanatory words or resort to free translation.

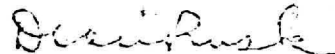
Our Voice of America broadcasters have been using these translations since the day President Johnson sent his FOOD FOR FREEDOM message to Congress on February 10 of this year. Hardly a week has passed that the new name has not been mentioned, either in a VOA news report or in one of the many commentary or discussion programs on the world food-population problem.

The Honorable  
Harold D. Cooley,  
Chairman, House Committee  
on Agriculture.

Over a period spanning seven months, the VOA has not had a single critical report on the new name. Nor have we in the Department of State received any unfavorable reaction to the name from our embassies, AID missions, or USIS posts overseas. Nor am I aware of any adverse comment in the foreign press or radio.

I felt it would be useful to go into some detail on this matter and enclose some additional information on the specific translations. We feel very strongly that the new food aid program would benefit from a new name. Experience to date reaffirms our judgment that FOOD FOR FREEDOM is a good choice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dean Rusk".

Dean Rusk

Enclosure:

FOOD FOR FREEDOM Translations.

## FOOD FOR FREEDOM

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Finally, the Arabic, again the construction of the phrase is identical to English -- El-ghidda' - li'ajil - el'hurriyah. The key word is hurriyah. It has the rich range of meaning that our word freedom carries, with connotations appropriate and favorable for our food aid program. Implied is the use of food to enrich the experience of freedom. The Arab world would use hurriyah to describe the Four Freedoms of President Franklin Roosevelt.



THE WHITE HOUSE  
WASHINGTON

*World food problem*  
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*10*

CONFIDENTIAL

August 1, 1966

MEMORANDUM TO: The Secretary of State  
The Secretary of Agriculture

At the conclusion of the July 19 National Security Council meeting on world food problems, the President asked the Secretary of State to develop interdepartmental recommendations on the next steps in the war on hunger, including studies necessary to prepare us to deal with the problems ahead. He suggested that this work be done by the Departments of State and Agriculture, AID, and the Bureau of the Budget working together.

It is the President's understanding that new PL 480 agreements for Pakistan and India are now moving toward decision. He has asked that a joint State/AID/Agriculture recommendation be sent to him promptly on the PL 480 India and Pakistan programs and that additional recommendations covering other PL 480 countries follow shortly.

These recommendations should take into account all aspects of our relations with the countries involved.

Because it appears that the U. S. supply situation will not permit us to meet fully the requests for PL 480 commodities, it is important that allotments worldwide be taken into account in presenting recommendations on individual country programs.

*W W Rostow*  
W. W. Rostow

Information copy to:  
Administrator, AID  
Director, Bureau of the Budget

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By *DEH*, NARA, Date *11-2-89*

CONFIDENTIAL

THE WHITE HOUSE  
WASHINGTON

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Mr. Rostow

Here is a draft  
on PL 480 - hung  
on the NSC meeting  
to soften the  
direct order

Brom

10-6

DRAFT  
7/30/66

~~CONFIDENTIAL~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 93-318  
By ig, NARA, Date 5-12-95

MEMORANDUM FOR

THE SECRETARY OF STATE  
THE SECRETARY OF AGRICULTURE

At the conclusion of the July 19 National Security Council meeting on world food problems, the President asked the Secretary of State to develop interdepartmental recommendations on the next steps in the war on hunger including studies necessary to prepare us to ~~confront~~ <sup>deal with</sup> the problems ahead. He suggested that this work be done by the Departments of State and Agriculture, AID, and the Bureau of the Budget working together.

It is the President's understanding that ~~the next decision involving food concerns~~ <sup>for</sup> new PL 480 agreements, of which the Pakistan and India ~~allotments~~ <sup>moving towards</sup> are now ~~reading for~~ decision. He has asked that a joint State/AID/Agriculture recommendation be sent to him promptly on the PL 480 India and Pakistan programs and that additional recommendations covering other PL 480 countries follow shortly.

These recommendations should take into account all aspects of our relations with the countries involved. <sup>Because</sup> it appears that the U.S. supply situation will not permit us to meet fully the requests for PL 480 commodities, it is important that allotments world-wide be

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- 2 -

*taken into account in presenting recommendations on*  
~~proposed~~ along with individual country programs.

W. W. Rostow

Information copy to:

Administrator, AID

Director, Bureau of the Budget

~~CONFIDENTIAL~~

**CONFIDENTIAL Attachment**

July 16, 1966

**FOR:** Mr. Walt W. Rostow  
The White House

**FROM:** Benjamin H. Read  
Executive Secretary

The attached paper on the World Food Problem has been prepared for use at the NSC Meeting on July 19, 1966.

**Attachment:**

Paper.

**CONFIDENTIAL Attachment**