

NEWS from

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THE FOOD PARADOX

In arranging for my remarks at this breakfast with you, Russ McGregor suggested that some comments would be appropriate on Title XIV of the Food and Agriculture Act of 1977 and Title XII, the Famine Prevention and Freedom from Hunger Provision of the International Disaster Assistance Act of 1975, which have direct implications on Land Grant Universities. He further indicated that in your role as public policy architects you would welcome any comment that I might make on my experience as a legislator and on important issues which are currently on the public policy agenda.

First, I want to comment on Title XII and Title XIV in the context of the world food situation and then to offer some brief comments on some issues that will be receiving national attention in the new year - energy, the general economy and the Panama Canal.

The Food Paradox

We are faced with a great paradox - food surpluses and disastrously low farm prices in the food exporting countries such as the United States, Canada, Australia and Argentina, while concurrently in numerous developing countries hunger exists and five hundred million or more people suffer from malnutrition. This puzzling paradox needs not only the attention of International and national heads of state but also the best technical and scientific focus, which, of course, makes the Land Grant Universities a partner in the search for resolution of this age old problem. Next to the search for peace there is no greater mission. In fact, they are not unrelated. Just as Lincoln felt that our national "house could not stand half slave and half free," neither can we have a secure world peace with half - or more - of the world suffering from hunger or malnutrition.

Title XII And XIV

Title XII and Title XIV are forward steps - though small they may seem, in relationship to the size of the problem - in the continuation of the long term fight against world hunger.

Title XII and XIV Strengthens Land Grant Universities

I am glad to have played a role before and during the conference on Title XIV of the Food and Agriculture Act of 1977 - a title which will strengthen the institutions that you represent and thereby help address more adequately the world food situation. Title XIV, as you know, is an Act within an Act. It covers a broad spectrum of federal activities in agricultural research, extension and teaching. In addition to establishing mechanisms to assure improved coordination and planning of research activities, this Title strengthens existing grant programs and creates new ones for special research projects, for improving research facilities, and for constructing or expanding schools of veterinary medicine.

Also included are provisions to improve library services and to strengthen solar energy research and research related to small farmers.

Title XIV goes a long way toward restoring research and teaching as priority activities of the Department of Agriculture. Past investments in these areas have reaped rich returns, and a renewed commitment today assures greater returns tomorrow, to the benefit of producers and consumers alike.

Title XII - the Famine Prevention and Freedom from Hunger Provision of the International Disaster Assistance Act of 1975, provides for a greater input from Land Grant Universities in addressing the problems of world hunger and malnutrition. That piece of bipartisan legislation will make the technology and scientific information available through the Land Grant college system more effective in combatting the food problems in developing countries. The technology and scientific information, which have helped make American agriculture so abundant, can, if properly adapted, be used to alleviate the serious food gap that is forecast as populations increase rapidly in many poor countries.

Quick Implementation Needed

I was pleased to participate in the International Symposium on Famine Prevention held here in Washington on December 19, 1977. President Ford presented commendations to Senator Humphrey and Congressman Findley, both of whom played leading roles in that important legislation.

I intend to press - and you should do the same - to see that that legislation becomes meaningful in terms of worthwhile projects and end results. The same applies to Title XIV of the new farm bill. Implementation of legislation into positive, constructive programs often does not occur unless those who are interested in it follow through with ideas, recommendations, and, yes, even some pressure at the right places.

As educators you work each day of your lives to expand the horizons of young people. Consequently, you know first hand of the human tragedy when the mental capacities of children are stunted by the lack of proper nourishment in the first few years of their lives.

I liked the bold objective enunciated by Henry Kissinger at the World Food Conference in 1974 - "that within a decade no child will go to bed hungry; that no family will fear for its next day's bread, and that no human being's future and capacities will be stunted by malnutrition." I hope that President Carter and other heads of state will help such a dream come true.

Food Assistance Linkage to Self-Help

I believe that we must share the abundance of our farms. It would be selfish to do otherwise. We have been especially blessed in the United States with the largest area of good farm land in the world. The area from the Mississippi River West to the Rocky Mountains and from Texas North into Canada is the largest, contiguous area of fertile land in the world.

When this blessing of good land and climate is combined with technical know-how and hard work it is a combination that produces agricultural products for domestic consumption and world markets most efficiently.

This efficiency has assisted the United States in its role as a world leader by (1) putting us in a position to supply a relatively large share of world commodity markets, including the Soviet Union, (2) strengthening the U. S. balance of trade position, and (3) serving as an instrument of foreign policy.

We have shared our abundance. Public Law 480 or the Food-for-Peace legislation was signed by President Eisenhower back in 1954 with his strong endorsement. During the last 24 years, with bipartisan support, over \$30 billion worth of farm commodities have been exported under its provisions. The great value of this program, in terms of lives saved and new markets developed, is impossible to comprehend. It is one of the great practical humanitarian steps of this or any other generation.

I am pleased that ever since the World Food Conference in 1974, there has been more attention to the linkage of food assistance to self-help measures in the developing countries. This need prompted the Freedom from Famine Act (Title XII) and the further strengthening of the Land Grant University system by the inclusion of Title XIV in the new farm bill.

Areas Needing Attention

The reservoir of scientific and technical information at your institutions your technical specialists and scientists are needed in the developing countries that, if forecasts prove accurate, will be experiencing tremendous food deficits by 1985. Certainly, our technology and our methods will have to be adapted to fit the local situations.

There is no shortage of problems for resolution. Just to mention a few there are:

Food Waste

In many developing countries it is estimated that between 25 and 40 percent of the food produced is wasted between the farm and the consumer by spoilage, or insect damage, or is eaten by rodents and birds.

Food Distribution

How to better market, store, handle and distribute food abundance to countries that must import a portion of their food requirements lies at the center of the paradox of abundance existing beside unfilled food needs. This problem has defied solution, but it's difficulty should not prevent an effort at its resolution.

Food Production

Efficiency in food production has, of course, been a notable achievement of the Land Grant College system in our country. It has not been an easy accomplishment here, but it's difficulty in poor nations is made even harder by ignorance, by poverty and by the lack of an economic infrastructure.

So, the challenge is great. Your opportunities to do something about the problem has been enhanced by Title XII and Title XIV. Now as I have indicated, the Administration needs to implement the projects and programs to make this legislation effective against hunger and malnutrition. We in the Congress need to further strengthen your institutions. We welcome your ideas and suggestions as to how this can be done. Also, I want to urge you to continue - and even to increase - your efforts in the area of public policy.

The Farm Policy Agenda

Don Paarlberg, a Land Grant University product, wrote an excellent paper while Director of Agricultural Economics at the U. S. Department of Agriculture for the National Policy Conference. His paper was called the Farm Policy Agenda. In his piece, he pointed out that "whether in the Faculty Senate at a university or in the halls of Congress, the most important role of leadership is to be able to control the agenda, to lift up certain issues for resolution, and to keep other issues from coming up. Those who control the agenda may not be the most visible policy people, but they are the most potent."

In his treatment of agricultural policy matters, Dr. Paarlberg raised the question of how should we who are the agricultural establishment deal with the new policy agenda, which is considerably more than the mere improvement of agricultural efficiency.

I want to paraphrase the four different strategies that he saw as possibilities:

Hallucination

We could deceive ourselves into thinking that we will return to the status quo ante. That consumerism will fade away, the ecology movement will fail and welfare concerns will disappear. Don likened this to the attitude of the loyal subjects in the fable, who professed to be unaware that the emperor was without clothes.

Confrontation

The new agenda could be attacked head on. The time honored rhetoric could be repeated and the old ground defended. We could oppose the ecologist, the advocates of the food stamp program and consumer interests. This alternative, he says, while true to the past, would evoke strong cheers from a diminishing number of throats.

Capitulation

Another way, obviously, is to accept the new agenda and to surrender the traditional views. This is described by Dr. Paarlberg as philosophy of "If you can't lick them, join them." If the majority favor low food prices, then support a cheap food policy. Few among us could buy this strategy.

Cooperation

The key here is a cooperative attitude: The willingness to hear all sides of a question, and the desire to engage in give and take exercises in reaching final resolution of problems. I believe this cooperative intent is at work in the Senate Agriculture Committee.

Provisions that I sponsored for a more adequate Food Stamp Program for needy and malnourished people helped, I hope, in obtaining better income support for farmers. Many of whom, no doubt, had little interest in and perhaps did not agree with my food stamp position.

Land Grant Universities have modified their teaching, research and extension program to reflect the changing times. This too is an illustration of the cooperation that is so necessary and vital to progress.

Now, I want to turn to a few comments on several issues that we will be taking up in the second session of the 95th Congress and which will otherwise receive national attention in this new year.

Panama Canal

The Panama Canal issue is important to all Americans, but it is especially important to those engaged in any aspect of agricultural activity. This is because the Canal route is so vital to both domestic and international shipments of agriculture products, and plays a key role in our ability to compete with foreign producers.

In 1976, for example, one out of every 5 tons of U.S. farm products in trade moved through the Panama Canal. Much of this was corn, soybeans, and sorghum, headed for Asian markets. If for some reason we were unable to utilize this economical shipping route - or if Canal tolls are substantially raised - it would effect our ability to compete for those markets with Canadian and Australian exporters. At the same time, shipments from the West Coast to Europe, and to the East Coast rely heavily upon use of the Canal.

If these shipments had to be re-routed around Cape Horn, for any reason, it would almost double transportation costs.

American farmers and rural communities have a great interest in the continued stable, dependable operation of the Canal. That is one reason why I feel so strongly that we should not just give up this vital waterway resource without going over all Treaty provisions with a fine-toothed comb.

I have studied the proposed Panama Canal Treaties, and found them full of loopholes and vague provisions that can only cause problems in the future. For that reason, I have introduced a number of amendments to the Treaties, which I intend to insist upon when the Panama Canal debate starts in the Senate. My amendments not only clarify and strengthen America's defense rights over the Canal, but substantially reduce the Treaty's "pay-away plan" for Panama which would result in higher and higher toll rates in the years ahead.

Unless some very substantial changes are made in the proposed Treaties, I do not expect them to be approved by the Senate, nor would I vote for approval.

Energy

The Administration states the success of its first year on the passage of its energy plan. A great deal of time during 1977 was involved in the deliberations on a new National Energy Policy. However, Congress is still struggling with the energy package. It is indeed unfortunate that no satisfactory energy plan has been agreed upon.

The President wants to federally regulate utilities, roll back the prices of intrastate natural gas, and in the name of energy conservation, impose \$125 billion in new taxes upon the American people. There was a time when I referred to the Energy Tax Bill as the largest single tax increase in American history. But, the newly enacted Social Security Tax Bill - more than \$227 billion in new taxes during the next 10 years - makes the Energy Tax Bill only the second largest tax increase in our country's history.

In my opinion, the Energy Bill will not solve our energy problem. It will generate a tremendous amount of revenues for the Federal Government. If the United States is to break-up the OPEC cartel and insure energy supplies at an affordable price, we must provide the necessary financial incentives to develop new and traditional domestic energy resources. Until we address the conservation and supply side of the energy equation, we will continue to be dependent on imported petroleum.

Inflation and Economy

A national energy program is just one of the many policies which will determine the future of the American economy. It has been widely reported that the Administration in the next 10 days will propose a tax cut in the neighborhood of \$25 billion. In the context of the recently enacted tax increases, proposed tax increases and our current rate of inflation, it is evident that the Carter tax cut may be too little and in the wrong places.

Inflation at a current rate of 6-6 1/2 percent is still the number one "tax" problem for all Americans. The Congressional Budget Office calculates that even if the United States has only a 4 1/2 percent inflation rate in 1979, taxes generated by inflation would rise from \$24 billion in 1978 to \$150 billion in 1982.

Americans are tired of just making ends meet. Until we can control the rate of inflation, Americans will continue to feel the ever-growing "tax" crunch caused by this pernicious factor in our economy.

Summary

Throughout my remarks you have, no doubt, noted a basic concept whether in relation to the production of food or in relation to other important issues such as energy. That concept is the essential need to utilize the facilities of the Federal Government to make the free market work for the benefit of the producer. The benefits of an incentive system for producers translates to more efficiency and lower cost commodities and products for consumers.

I believe the incentive system is essential also for increasing food production in developing countries - we must not let our food aid serve as a disincentive. In this respect, you may wish to review a publication by the Foreign Agricultural Service, U.S.D.A., which discusses a whole array of disincentives which have worked against increased food production in poor countries. A primary concern of mine is that the free market is sometimes not permitted to function to obtain the efficiency that could be realized.

The technology and better methods that Land Grant Universities can furnish developing nations will not be accepted unless the farmers of those countries have the incentive to accept change.

Finally, we in the Congress and you at your important posts in our Land Grant system have a challenging opportunity this year to not only keep abreast of these issues on the national and international agenda, but to help shape their outcome.