

96th KANSAS AGRICULTURAL CONVENTION
Annual Meeting Kansas State Board of Agriculture
Topeka, Kansas
January 12, 1967

"WORLD MARKET PROMOTION AND FOOD FOR PEACE"
Congressman Bob Dole - 1st District, Kansas

IT CERTAINLY IS A PLEASURE TO HAVE A PART ON YOUR PROGRAM. I REGRET NOT
BEING ABLE TO HEAR MY COLLEAGUE FROM HAWAII, A MEMBER OF THE COMMITTEE ON AGRI-
CULTURE, CONGRESSMAN MATSUNAGA, LAST EVENING.

WE ALL SHARE A COMMON CONCERN AND A COMMON DEDICATION. WE ALL ARE CON-
CERNED WITH THE TREMENDOUS POPULATION GROWTH TAKING PLACE THROUGHOUT THE WORLD,
AND THE WORLD'S CAPACITY TO PROVIDE ENOUGH FOOD TO MEET THE NEEDS OF THE NEW
HUNGRY MILLIONS. WE SHARE A COMMON DEDICATION TO DO SOMETHING ABOUT THAT
PRESSING PROBLEM WITHIN THE FRAMEWORK OF GOVERNMENTAL POLICY, PUBLIC RELATIONS
AND ACADEMIC DISCUSSION.

ONE NEED ONLY LOOK AT THE ARITHMETIC OF WORLD POPULATION GROWTH TO GRASP
THE ENORMITY OF THE PROBLEM. IN 15 YEARS, BY 1980, PRESENT POPULATION TRENDS
INDICATE AN INCREASE IN WORLD POPULATION OF ONE BILLION PEOPLE. BY THE BE-
GINNING OF THE 21st CENTURY, ONLY 34 YEARS FROM NOW, WORLD POPULATION IS EX-
PECTED TO DOUBLE. IN LATIN AMERICA, ASIA, AND AFRICA, THE GROWTH RATE IS
MUCH MORE RAPID AND IN A NUMBER OF COUNTRIES IN THESE AREAS, THEIR POPULATIONS
WILL DOUBLE WITHIN 20 YEARS.

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IN 1850, THERE WERE 750 MILLION PEOPLE IN THE WORLD; IN 1900 THERE WERE 1.5 BILLION; IN 1960 THERE WERE 3 BILLION. IN 2000, IF PRESENT TRENDS CONTINUE, THERE WILL BE 7.5 BILLION.

-INDIA-

THE SCOPE OF THE PROBLEM WAS MORE NARROWLY, BUT MORE DRAMATICALLY DEFINED FOR ME DURING OUR RECENT TRIP TO INDIA. CONTINUATION OF PRESENT POPULATION TRENDS IN INDIA WILL MEAN A POPULATION INCREASE FROM 432.7 MILLION IN 1960 TO ABOUT 1.3 BILLION BY THE YEAR 2000. (IN OTHER WORDS, NEARLY TRIPLE). IF INDIA'S BIRTH RATE IS CUT IN HALF, HER POPULATION BY THE YEAR 2000 IS EXPECTED TO MORE THAN DOUBLE TO 908 MILLION.

TODAY THERE ARE 500 MILLION PEOPLE IN THAT NATION...OR APPROXIMATELY ONE OUT OF EVERY SIX HUMAN BEINGS THAT RESIDE UPON OUR PLANET.

THERE ARE MORE PEOPLE IN INDIA THAN IN SOUTH AMERICA AND AFRICA COMBINED, OR MORE PEOPLE LIVE IN INDIA THAN IN CANADA, THE U.S.A., CENTRAL AND SOUTH AMERICA COMBINED. WE VISITED THE STATE OF BIHAR, WHERE THE CURRENT DROUGHT EXISTS. THIS ONE STATE HAS A POPULATION OF 40 TO 50 MILLION PEOPLE...OR NEARLY AS MANY PEOPLE AS A COUNTRY LIKE FRANCE OR ITALY.

EVERY YEAR THERE IS A NET GAIN OF 11-12 MILLION MORE INDIANS---OR A

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CITY THE SIZE OF NEW YORK ADDED EACH YEAR. SINCE INDIA GAINED HER INDEPENDENCE FROM GREAT BRITAIN ABOUT 20 YEARS AGO, THERE HAS BEEN A POPULATION INCREASE OF 125 MILLION PEOPLE. WITH A LAND MASS OF ABOUT 40% THAT OF THE UNITED STATES, INDIA HAS A POPULATION 2 1/2 TIMES OURS.

HEARINGS ON WORLD POPULATION

HEARINGS BEFORE OUR COMMITTEE LAST YEAR REVEALED THE COLD, BRUTAL AND REALISTIC FACT THAT THE UNITED STATES, AND OTHER DEVELOPED COUNTRIES, WILL NOT BE ABLE TO FEED AND CLOTHE THE UNBORN MILLIONS DESTINED TO POPULATE THE EARTH IN THE NEXT FEW DECADES. THEREFORE, THE CLEAR MANDATE EXISTS THAT WE MUST DO EVERYTHING WITHIN OUR POWER TO HELP THESE MILLIONS HELP THEMSELVES MEET THEIR OWN BASIC NEEDS IF WORLD PEACE AND STABILITY IS TO BE MAINTAINED.

HOW IS THIS TO BE DONE? HOW DO WE HELP NATIONS LIKE INDIA TO HELP THEMSELVES? HOW IS THE TOUGH, PRACTICAL QUESTION. UNFORTUNATELY, THERE IS NO EASY, SIMPLE ANSWER. IN MY OPINION, HOWEVER, THERE IS A GENERAL APPROACH WHICH CAN BE TAKEN TO THE PROBLEM. THIS APPROACH INCLUDES ACCELERATED AGRICULTURAL TECHNICAL ASSISTANCE, INCREASED EMPHASIS ON VOLUNTARY FAMILY PLANNING PROGRAMS, AND CONTINUED SUPPORT FOR MARKET DEVELOPMENT ACTIVITIES IN UNDER-DEVELOPED COUNTRIES.

P. L. 480 EXTENSION

EACH OF THESE CONCEPTS IS INCORPORATED IN THE P. L. 89-808, THE 74

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BILLION "FOOD FOR PEACE ACT OF 1966" WHICH EXTENDED PUBLIC LAW 480 FOR TWO MORE YEARS. IN ADDITION, THAT NEW LAW CODIFIES VERY IMPORTANT CONGRESSIONAL POLICY MANDATES IN REGARD TO FURTHER FOOD AID:

FIRST, IT PLACES HEAVY EMPHASIS ON SELF-HELP, PARTICULARLY AGRICULTURAL SELF-HELP.

SECOND, IT CHANGES THE BASIC THEORY OF THE PROGRAM FROM ONE OF SURPLUS DISPOSAL TO ONE OF PROGRAMMED AVAILABILITY.

THIRD, IT RETAINS THE FRIENDLY NATION CONCEPT WHICH PROHIBITS U. S. FOOD AID TO THE GOVERNMENTS OF COMMUNIST COUNTRIES AND OTHER NATIONS HELPING OR TRADING WITH NORTH VIETNAM OR CUBA.

FOURTH, IT EMPHASIZES MARKET DEVELOPMENT FOR U. S. FARM COMMODITIES OVERSEAS.

FIFTH, IT ACCELERATES THE SHIFT AWAY FROM SOFT CURRENCY SALES TOWARD DOLLAR SALES; AND

SIXTH, IT PROTECTS AMERICAN CITIZENS IN FOREIGN NATIONS FROM EXPROPRIATION; AND FINALLY, IMPLEMENTATION OF VOLUNTARY FAMILY PLANNING PROGRAMS.

LET'S TAKE A QUICK LOOK THEN AT THREE OF THESE POINTS, AGRICULTURAL TECHNOLOGY, POPULATION CONTROL AND MARKET DEVELOPMENT.

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BREAD AND BUTTER CORPS - POINT ON TECHNOLOGY

I HAVE A SPECIAL INTEREST IN THE POINT ON TECHNOLOGY. LAST FALL, AFTER RETURNING FROM THE FOOD AND AGRICULTURAL ORGANIZATION'S 20th ANNIVERSARY CONFERENCE IN ROME, ITALY, WHERE I SERVED AS AN ADVISER REPRESENTING THE U. S. HOUSE OF REPRESENTATIVES, I BEGAN TO EXPLORE THE FEASIBILITY OF EXPANDING U. S. TECHNICAL ASSISTANCE IN PRODUCTION AND DISTRIBUTION. I CONFERRED WITH MANY PERSONS, IN AND OUT OF GOVERNMENT, ON THIS PROBLEM. WHEN THE HOUSE COMMITTEE ON AGRICULTURE BEGAN HEARINGS WITH 10 EXPERT PUBLIC WITNESSES, THEIR COMMENTS STRESSED THE NEED FOR INCREASED TECHNICAL ASSISTANCE. DURING THE SAME PERIOD, I CONTACTED EACH STATE EXTENSION DIRECTOR AND PRESIDENT OF EVERY LAND-GRANT COLLEGE BY LETTER, TO SOLICIT COMMENTS AND SUGGESTIONS ON HOW TO BEST MEET THE GROWING WORLD FOOD PROBLEM THROUGH INCREASING TECHNICAL ASSISTANCE. AS A RESULT OF THESE CONTACTS AND SUGGESTIONS FROM MY COLLEAGUES, ON BOTH SIDES OF THE AISLE ON THE AGRICULTURE COMMITTEE, INCLUDING THE SUPPORT OF MY FRIEND FROM HAWAII, CONGRESSMAN MATSUNAGA, I INTRODUCED A PROPOSAL ON MARCH 17, 1966, TO ESTABLISH A "BREAD AND BUTTER CORPS". MY PROPOSAL WAS CONSIDERED AT LENGTH BY THE COMMITTEE. IT WAS REVISED, AMENDED AND FINALLY INCLUDED AS SECTIONS 406 AND 104 (1) OF THE NEW STATUTE, PASSED LATE IN THE SESSION LAST

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YEAR. CONGRESS AUTHORIZED \$33 MILLION FOR THE PROGRAM, BUT ADJOURNED BEFORE APPROPRIATING ANY MONEY LAST YEAR. THERE ARE NO FUNDS RECOMMENDED IN THE BUDGET THIS YEAR, BUT I AM HOPEFUL THE APPROPRIATIONS COMMITTEE WILL CONSIDER THE MERITS OF THE PROGRAM THIS SESSION.

THERE IS SOME OPPOSITION TO THIS NEW PROGRAM WITHIN THE ADMINISTRATION, SPECIFICALLY AMONG PEACE CORPS AND A.I.D. ADMINISTRATIVE PERSONNEL. APPARENTLY THEY SEE THE "FARMER TO FARMER" PROGRAM AS A THREAT TO SOME OF THEIR PROGRAMS. IN ADDITION, SECRETARY OF AGRICULTURE, ORVILLE FREEMAN, HAS SOME RESERVATIONS ABOUT THE PROGRAM, BUT DESPITE THESE PROBLEMS, I AM STILL HOPEFUL THE APPROPRIATIONS COMMITTEE WILL PROVIDE ENOUGH MONEY TO AT LEAST GET THE PROGRAM OFF THE GROUND THIS YEAR.

THE CONCEPT OF TECHNICAL ASSISTANCE HAS BEEN AROUND FOR A LONG TIME WITHIN THE FRAMEWORK OF OUR AGRICULTURAL AND FOREIGN ASSISTANCE POLICIES. THE TECHNICAL ASSISTANCE PROGRAM DURING PRESIDENT TRUMAN'S ADMINISTRATION, THE INTERNATIONAL VOLUNTARY SERVICE PROGRAM OF THE EISENHOWER ADMINISTRATION, AND THE PEACE CORPS OF PRESIDENT KENNEDY'S ADMINISTRATION HAVE ALL INCORPORATED THIS CONCEPT TO SOME EXTENT. IN ADDITION, VARIOUS FOREIGN ASSISTANCE ACTIVITIES ADMINISTERED BY A.I.D. HAVE BEEN DIRECTED TOWARD THE EXPANSION OF AMERICAN "KNOW HOW" AND "SHOW HOW" THROUGHOUT THE WORLD.

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THERE ARE, HOWEVER, TWO BASIC INNOVATIONS WHICH HAVE BEEN IMPLEMENTED IN THE "FARMER TO FARMER" PROGRAM. THE FIRST IS BETTER COORDINATION. THE SECOND IS THE STRUCTURING OF THIS PROGRAM THROUGH LAND-GRANT COLLEGES AND OTHER UNIVERSITIES.

THE COORDINATION EFFORT PROPOSED BY SECTION 406 IS DIRECTED FIRST AT THE U. S. DEPARTMENT OF AGRICULTURE ITSELF. THE TECHNICAL ASSISTANCE PROGRAM WOULD BE LOCATED IN AND UNDER THE DIRECTION OF THE DEPARTMENT OF AGRICULTURE. THE DEPARTMENT NOW HAS RESPONSIBILITY FOR THE COORDINATION OF THE ACTIVITIES OF THE FEDERAL EXTENSION SERVICE WHICH INCLUDES THE 4-H CLUB PROGRAM, THE FEDERAL-STATE COOPERATIVE RESEARCH SERVICE, AND THE FOREIGN AGRICULTURAL SERVICE, TOGETHER WITH OTHER USEFUL AND APPROPRIATE AGENCIES.

SECOND, THE LEGISLATION CALLS FOR THE COORDINATION OF THIS TYPE OF TECHNICAL ASSISTANCE WITHIN THE FRAMEWORK OF THE U. S. GOVERNMENT. THE SECRETARY OF AGRICULTURE IS DIRECTED TO CONSULT AND COOPERATE WITH THE DIRECTOR OF THE PEACE CORPS, THE ADMINISTRATOR OF A.I.D., AND THE SECRETARY OF STATE. IN ESTABLISHING THIS LINE OF COORDINATION, ANY PERSONNEL WHO ARE TRAINED AND PREPARED FOR OVERSEAS SERVICE COULD BE MADE AVAILABLE TO AGENCIES OTHER THAN THE USDA (OR VICE VERSA) IF THE PRESIDENT THOUGHT THEIR SERVICES

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WOULD BE MORE VALUABLE WITH SOME OTHER AGENCY. ALSO, THE LEGISLATION IS DIRECTED TOWARD PRESERVING THE TRADITIONAL RESPONSIBILITY AND AUTHORITY FOR THE CONDUCT OF THE FOREIGN AFFAIRS OF THIS COUNTRY TO CONTINUE TO BE LODGED IN THE HANDS OF THE SECRETARY OF STATE. A COORDINATED PROGRAM OF THIS NATURE HAS ALREADY BEGUN IN SOUTH VIETNAM.

THE SECOND PART OF THIS PROPOSAL, WHICH IS NEW, IS THE STRUCTURING OF THE MAJOR RESPONSIBILITY THROUGH LAND-GRANT COLLEGES AND OTHER INSTITUTIONS OF HIGHER LEARNING. ON A CONTRACT OR GRANT BASIS, THESE COLLEGES WOULD HAVE THREE RESPONSIBILITIES. THE FIRST WOULD BE TO TRAIN OR RETRAIN PEOPLE WHO ARE EITHER SKILLED IN AGRICULTURAL SCIENCE AND HAVE A FORMAL EDUCATION IN AGRICULTURE OR HOME ECONOMICS OR TO PREPARE PRACTICAL FARMERS, FARM WIVES, OR OTHERS WHO HAVE A WORKABLE KNOWLEDGE OF FARMING AND HOME ECONOMICS FOR SERVICE OVERSEAS. FOUR DOZEN YOUNG COUNTY AGENTS ARE NOW TRAINING FOR SOUTH VIETNAM AT THE UNIVERSITY OF FLORIDA.

A SECOND FUNCTION WOULD BE TO SET "AGRICULTURAL SHORT COURSES" HERE IN THE UNITED STATES AND OVERSEAS. THESE SPECIALIZED AGRICULTURAL INSTITUTES WOULD BE DIRECTED TOWARD THE TRAINING OF PERSONS WHO SERVE AS VOLUNTEERS IN THIS PROGRAM AND FOREIGN NATIONALS. TO THE MAXIMUM EXTENT POSSIBLE, FOREIGN

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CURRENCIES GENERATED BY THE SALE OF FARM COMMODITIES WOULD BE EARMARKED FOR THE PAYMENT OF EXPENSES INCIDENTAL TO THE CONDUCT OF THESE ACTIVITIES.

THE THIRD FUNCTION WOULD BE TO CONDUCT SELECTIVE RESEARCH ACTIVITIES IN CONJUNCTION WITH THE AGRICULTURAL INSTITUTES, EMPHASIZING TROPICAL AND SUBTROPICAL AGRICULTURE. DURING OUR COMMITTEE'S HEARINGS, ONE OF THE POINTS MADE BY SEVERAL OF THE EXPERT WITNESSES THE COMMITTEE HEARD WAS THAT THERE IS A REAL LACK OF FIRST-CLASS LOCALIZED RESEARCH FACILITIES IN TROPICAL AND SUBTROPICAL AREAS. MANY TIMES THE TECHNOLOGY OF THE NORTH TEMPERATE ZONE OF THE GLOBE IS NOT READILY AND FEASIBLY TRANSFERRED TO A TROPICAL AREA. AGAIN, USING LOCAL CURRENCIES AS MUCH AS POSSIBLE, IT SEEMS FEASIBLE TO CONCENTRATE ON LOCALIZED CONDITIONS AND THEN DEMONSTRATE TO THE AGRICULTURAL INDUSTRY IN THE RECIPIENT COUNTRY THE VALUE OF THIS NEW TECHNOLOGY.

I MADE IT A POINT IN INDIA TO ASK FARMERS AND AGRICULTURE OFFICIALS ABOUT THE NEED FOR TECHNICAL ASSISTANCE. WITHOUT EXCEPTION, EVERYONE THERE FELT THAT, IN THE LONG RUN, INDIA WILL BECOME SELF-SUFFICIENT BY IMPROVING THEIR AGRICULTURAL TECHNOLOGY. THEY SPECIFICALLY PRAISED THE EFFORTS OF BOTH THE FORD FOUNDATION AND ROCKEFELLER FOUNDATION IN THIS AREA.

FAMILY PLANNING

THE SECOND POINT, DEALING WITH FAMILY PLANNING, IS A MOST DIFFICULT,

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AS WELL AS MOST DELICATE, SUBJECT. RELIGION AND CULTURAL BARRIERS, COSTS, DIFFICULTY OF COMMUNICATION AND ACCEPTABILITY BY THE GENERAL POPULATION ARE ALL REAL AND PRACTICAL PROBLEMS. LET'S REMEMBER THAT EVERYBODY WHO IS GOING TO BE 33 YEARS OLD WHEN THE WORLD'S POPULATION DOUBLES IN THE YEAR 2000 IS ALREADY BORN. THERE IS NO SUCH THING AS RETROACTIVE POPULATION CONTROL, SO THE PROBLEMS OF TOMORROW ARE ALREADY HERE. IT'S THE PROBLEMS OF THE DAY AFTER TOMORROW THAT FAMILY PLANNING ACTIVITIES ARE AIMED AT.

AGAIN, GOING BACK TO INDIA AND A VISIT WITH PRIME MINISTER INDIRA GHANDI, I WAS ENCOURAGED THAT SHE INDICATED INDIA'S NUMBER ONE PROBLEM -- AS IMPORTANT, FOR EXAMPLE, AS FOOD PRODUCTION -- IS THE PROBLEM OF FAMILY PLANNING.

DR. IRENE TAUBER OF PRINCETON UNIVERSITY HAS POINTED OUT THAT THE MEASURING DEVICE TO DETERMINE WHETHER A COUNTRY IS DEVELOPED OR UNDERDEVELOPED IS ITS BIRTHRATE.

NO DEVELOPED NATION HAS A BIRTHRATE OVER 3 PERCENT PER YEAR. IF A NATION HAS A BIRTHRATE OF 3 PERCENT OR MORE, ITS POPULATION WILL DOUBLE WITHIN A GENERATION AND MULTIPLY BY 18-FOLD WITHIN A SINGLE CENTURY.

THE DIRECTION IN THE NEW BILL TO ENCOURAGE VOLUNTARY FAMILY PLANNING IS CLEAR. LET US HOPE THE ADMINISTRATION WILL NOW GIVE THIS POLICY ITS PRIORITY ATTENTION.

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MARKET DEVELOPMENT

IN THE AREA OF MARKET DEVELOPMENT, WE SHOULD KEEP IN MIND JUST HOW IMPORTANT THIS ASPECT REALLY IS.

THE UNITED STATES, DESPITE THE GENEROUS AND HUMANITARIAN IMPULSE OF ITS PEOPLE, JUST WON'T HAVE THE ECONOMIC ABILITY TO PROVIDE FREE WORLD WELFARE TO EVERYONE. WE HAVE TO HAVE A SOLID ECONOMY BOTH DOMESTICALLY AND IN OUR OVERSEAS MARKETS, AND AGRICULTURAL COMMODITIES ARE OF GREATER AND GREATER IMPORTANCE IN OUR BALANCE OF TRADE AND BALANCE OF PAYMENTS PICTURE.

WITH NATIONS LIKE JAPAN BECOMING A ONE BILLION CASH DOLLAR FARM MARKET, WE CAN TRULY SAY THAT MARKET DEVELOPMENT HAS PAID OFF HANDSOMELY. ENCOURAGING ECONOMIC REPORTS FROM SOUTH KOREA AND TAIWAN HAVE FORTIFIED OUR POLICY TOWARD EMPHASIZING MARKET DEVELOPMENT. THREE OF OUR CROPS -- WHEAT, FEED GRAINS, AND SOYBEANS -- ARE OR WILL SOON BECOME BILLION DOLLAR EXPORT CROPS.

IT'S SOUND EXPORT MARKETS WHICH ARE NECESSARY FOR US TO HAVE IF WE EXPECT TO BE ABLE TO MAKE GIFTS TO OTHER COUNTRIES THROUGHOUT THE WORLD. LET'S REMEMBER THAT EVERY BUSHEL OF GRAIN OR EVERY BALE OF COTTON THAT'S GIVEN AWAY OR SOLD ON A CONCESSIONAL SALE, COSTS THE TAXPAYERS OF THIS COUNTRY THEIR HARD-EARNED MONEY. IT'S DOLLARS, NOT SOME ABSTRACT SURPLUS,

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THAT IS BEING DONATED. THAT IS WHY A SOUND ECONOMY IN AMERICA IS ESSENTIAL TO THOSE THROUGHOUT THE WORLD WHO DEPEND UPON AMERICA'S GENEROSITY. I KNOW THAT THE COST OF FURTHER FOOD AID TO INDIA IS A MATTER OF DEEP CONCERN TO THE PRESIDENT AND CONGRESSIONAL LEADERS.

THE TOTAL COST OF ALL AMERICAN AID TO INDIA DURING FISCAL 1967, FOR
EXAMPLE, WAS \$945 MILLION, OR NEARLY \$1 BILLION. AS EVERYONE HERE KNOWS, THERE ARE GREAT PRESSURES TO REDUCE DOMESTIC SPENDING; THEREFORE, IT IS LIKELY ~~THAT THE~~ EXECUTIVE BRANCH IN THE CONGRESS WILL TAKE A HARD LOOK AT REQUESTS FROM ANY COUNTRIES BECAUSE, AS INDICATED EARLIER, THERE ARE LIMITS ON WHAT OUR COUNTRY CAN DO.

X P. L. 480 AND MARKET PROMOTION

IN NOVEMBER I TRAVELED TO EUROPE, WITH THREE OTHER MEMBERS OF THE HOUSE COMMITTEE ON GOVERNMENT OPERATIONS, TO INVESTIGATE THE USE OF PUBLIC FUNDS IN PROMOTING AGRICULTURE EXPORTS. FRANKLY, I MUST CONFESS MY DISAPPOINTMENT WITH MUCH OF THE TRIP. TOO MUCH OF OUR TIME WAS SPENT ATTENDING OFFICIAL, BUT UNNECESSARY, FUNCTIONS AND VERY LITTLE TIME WAS LEFT, IN MANY INSTANCES, TO REALLY DIG INTO MARKET PROMOTION ABROAD.

I DID HAVE AN OPPORTUNITY TO VISIT WITH OFFICIALS OF THE FOLLOWING
GROUPS:

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- (1) GREAT PLAINS WHEAT OFFICIALS IN COPENHAGEN, DENMARK ON NOVEMBER 18;
- (2) RICE COUNCIL OFFICIALS IN BERN, SWITZERLAND, ON NOVEMBER 21, AND A VISIT TO RICE COUNCIL IN ZURICH, SWITZERLAND, ON NOVEMBER 22;
- (3) OFFICIALS OF I.A.P.I. (INSTITUTE OF AMERICAN POULTRY INDUSTRIES) IN ROME, ITALY, ON NOVEMBER 28;
- (4) OFFICIALS OF THE NATIONAL RENDERERS ASSOCIATION IN ROME, ITALY, ON NOVEMBER 29th; AND
- (5) OFFICIALS OF THE U. S. FEED GRAINS COUNCIL IN ROME, ITALY, ON NOVEMBER 29th.

I BELIEVE MEMBERS OF CONGRESS SHOULD ACCEPT THE RESPONSIBILITY OF REVIEWING MANY OF OUR PROGRAMS SCATTERED AROUND THE WORLD AND FIRMLY BELIEVE, AFTER THIS JUNKET, THAT THE ITINERARY AND THE OBJECTIVES SOUGHT SHOULD BE WELL PLANNED IN ADVANCE BY ALL MEMBERS INVOLVED -- NOT JUST BY ONE MEMBER AND MEMBERS OF THE COMMITTEE STAFF.

GENERALLY, TODAY'S HUGE AGRICULTURAL EXPORTS (1) PROVIDE BILLIONS OF DOLLARS OF ADDITIONAL INCOME FOR U. S. FARM AND CITY PEOPLE, (2) PROVIDE STABLE FOOD PRICES FOR CONSUMERS BY ENABLING FARMERS TO MAINTAIN EFFICIENT HIGH VOLUME PRODUCTION, AND (3) PROVIDE SUBSTANTIAL HELP TO THE U. S. BALANCE OF PAYMENTS WITH DOLLARS BROUGHT BACK FROM AGRICULTURAL EXPORT SALES.

THIS MARKET DEVELOPMENT PROGRAM IS A GOVERNMENT-INDUSTRY PARTNERSHIP. IT IS JOINTLY FINANCED, WITH GOVERNMENT FUNDS COMING FROM PUBLIC LAW 480, LOCAL CURRENCIES AND INDUSTRY'S FUNDS COMING FROM ITS OWN MEMBERSHIP.

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THE QUESTION ARISES: ISN'T PRIVATE TRADE MAKING SO MUCH MONEY OUT OF
TODAY'S EXPANDED EXPORTS THAT IT ALONE SHOULD FINANCE THE WORK? SHOULDN'T
GOVERNMENT FUNDS BE WITHDRAWN?

THE U. S. DEPARTMENT OF AGRICULTURE FEELS THAT IN THE PUBLIC INTEREST
THE ANSWER TO THIS QUESTION MUST BE, AT THE PRESENT TIME, "NO", AND I SHARE
THIS VIEW NOT FOR THE SAKE OF THE PRIVATE TRADE, BUT FOR THE SAKE OF THE
U. S. FARM ECONOMY GENERALLY. PRIVATE EXPORTERS MUST BE ENCOURAGED TO DO
MORE AND I BELIEVE THE TIME MUST COME WHEN THE GOVERNMENT WILL PLAY A VERY
MINOR ROLE IN MARKET PROMOTION.

IT HAS BEEN SAID THAT THE TYPICAL EXPORTER IS NOT FARM-MINDED AND,
THEREFORE, THERE IS LITTLE REASON TO EXPECT PRIVATE EXPORTERS TO FILL THE
GAP WITH THEIR OWN FUNDS IF PUBLIC FUNDS ARE WITHDRAWN. THE TYPICAL EXPORTER,
WHETHER HE DEALS IN COTTON, WHEAT, FEED GRAINS, RICE, SOYBEANS, TOBACCO,
PEAS, BEANS, ETC., IS OFTEN AN INTERNATIONAL TRADER. TO HIM, A SALE IS A
SALE WHETHER IT BE U. S. FARM PRODUCTS OR THOSE OF SOME OTHER COUNTRY.

OUR GOVERNMENT TOOK AN INTEREST IN MARKET PROMOTION IN THE MID 1950's
AND NOW PLAYS A UNIQUE ROLE IN AGRICULTURE EXPORT PROMOTION AS A FINANCIAL
PARTNER WITH PRIVATE INDUSTRY AND THE AMERICAN FARMERS' AGENT. THE GOVERN-

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MENT'S ROLE IN HELPING THE AMERICAN FARMER WITH FOREIGN MARKETING IS VERY LITTLE DIFFERENT THAN PROGRAMS SUCH AS AGRICULTURE RESEARCH, SOIL CONSERVATION, RURAL ELECTRIFICATION AND AIDS TO DOMESTIC MARKETING.

IT IS IMPORTANT TO REALIZE HOW MUCH IS AT STAKE WHEN WE DISCUSS AGRICULTURAL EXPORTS. SINCE THE BEGINNING OF THE MARKET DEVELOPMENT PROGRAM IN 1955-56, TOTAL U. S. AGRICULTURAL EXPORTS HAVE DOUBLED -- RISING FROM \$3.5 BILLION ANNUALLY TO AN EXPECTED \$7.1 BILLION IN THIS 1966-67 FISCAL YEAR.

DURING THIS PERIOD, AGRICULTURAL EXPORTS SOLD COMMERCIALY FOR DOLLARS HAVE INCREASED TWO AND ONE-HALF TIMES, RISING FROM \$2.1 BILLION IN 1955-56 TO AN EXPECTED \$5.4 BILLION THIS FISCAL YEAR.

AS A RESULT OF EXPANDED EXPORTS, AGRICULTURE HAS BECOME THE LARGEST CONTRIBUTOR TO THE NATION'S FAVORABLE TRADE BALANCE. IN 1965-66, AMERICAN AGRICULTURE SUPPLIED ONE-FOURTH OF THE NATION'S TOTAL EXPORTS BUT ACCOUNTED FOR HALF OF THE NATION'S \$4.4 BILLION FAVORABLE TRADE BALANCE. DURING THE RECENT JULY-NOVEMBER, 1966 PERIOD, AGRICULTURAL TRADE ACCOUNTED FOR 92 PERCENT OF THE NATION'S \$1.3 BILLION FAVORABLE TRADE BALANCE.

FOREIGN MARKET DEVELOPMENT TOUCHES MOST EVERY MAJOR AGRICULTURAL COMMODITY PRODUCED IN AMERICA. SOME OF YOU ARE MORE THAN WHEAT FARMERS --

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YOU ARE FEEDERS; YOU'RE ENGAGED IN GROWING FEED GRAINS AND OTHER CROPS. YOU ARE ALL INTERESTED IN THE WELFARE OF U. S. AGRICULTURE. AND SO IN A FINAL FEW WORDS, LET ME POINT TO THE IMPORTANCE OF ALL AGRICULTURAL EXPORTS.

U. S. AGRICULTURAL EXPORTS REQUIRE THE PRODUCTION OF ABOUT ONE OUT OF EVERY FOUR HARVESTED ACRES. THEY UTILIZE THE EQUIVALENT OF FIFTEEN OCEANGOING VESSELS LEAVING THE SHORES OF THE UNITED STATES EACH DAY OF THE YEAR. AGRICULTURAL EXPORTS ACCOUNT FOR ABOUT ONE-FIFTH OF TOTAL EXPORTS AND, THEREFORE, ARE EXTREMELY IMPORTANT IN TERMS OF THE BALANCE OF PAYMENTS.

AGRICULTURAL EXPORTS ACCOUNT FOR OVER A MILLION JOBS IN THE UNITED STATES.

BUT, EVEN MORE IMPORTANT, LET ME ASK: WHAT EFFECT WOULD IT HAVE ON FARM PRICES IF THE \$6.7 BILLION IN AGRICULTURAL PRODUCTS WE NOW EXPORT WERE ALL OF A SUDDEN REQUIRED TO BE CONSUMED HERE AT HOME ON TOP OF WHAT WE'RE ALREADY CONSUMING?

YOU KNOW THE ANSWER TO THAT!!!

SUMMARY

PERHAPS ONE WAY TO SUMMARIZE AND TO POINT OUT THE IMPORTANCE OF EXPORTS WOULD BE TO TAKE A QUICK LOOK AT THE MEANING OF WHEAT AND WHEAT PRODUCTS EXPORTS:

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- ...869 MILLION BUSHELS, WORTH ABOUT \$1,430 MILLION, WERE EXPORTED
IN TOTAL DURING FY 1966;
- ... 65 PERCENT OF THESE WERE UNDER GOVERNMENT PROGRAMS;
- ...35 PERCENT MOVED COMMERCIALY;
- ...63 PERCENT ON THE AVERAGE IN RECENT YEARS (5 YEARS -- 1961-62,
1965-66) OF ALL U. S. WHEAT PRODUCED HAS BEEN EXPORTED. THIS
IS THE EQUIVALENT OF ABOUT 30,155,000 ACRES.
- ...IN FY 1960, THE FIRST MAJOR IMPACT YEAR OF WHEAT MARKET
DEVELOPMENT, COMMERCIAL WHEAT EXPORTS WERE 134.5 MILLION
BUSHELS, WORTH ABOUT \$226 MILLION.
- ...COMMERCIAL WHEAT EXPORTS DURING FY 1966 WERE 299.8 MILLION
BUSHELS, WORTH ABOUT \$489 MILLION, AN INCREASE OF 116 PERCENT
SINCE PRE-PROGRAM TIMES.
- ...THE SAME FIGURES FOR TOTAL U. S. WHEAT EXPORTS, INCLUDING
FOOD FOR FREEDOM EXPORTS, ARE: \$855 MILLION IN FY 1960,
COMPARED TO \$1,430 MILLION TODAY, AN INCREASE OF 67 PERCENT.
- ...COMMERCIAL WHEAT EXPORTS HAVE INCREASED CONSIDERABLY FASTER
THAN EXPORTS UNDER PROGRAMS.

MANKIND'S COMMON PROBLEM IS GREAT AND IS GROWING. THE NEED FOR WORLD
FOOD AID WILL ALWAYS BE WITH US AND, AS IN THE PAST, MOST COUNTRIES IN THE
WORLD WILL LOOK TO US FOR LEADERSHIP AND FOR ASSISTANCE IN TIME OF NEED.
MARKET PROMOTION AND DEVELOPMENT AND THE FOOD FOR PEACE PROGRAM GO HAND
IN HAND, AND THE LONGER I AM IN CONGRESS THE MORE I RECOGNIZE THE NECESSITY
OF SOUND PROGRAMS IN BOTH OF THESE AREAS. I HAVE ASKED MYSELF MANY QUESTIONS

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IN PONDERING NOT JUST THE NEEDS OF INDIA, BUT THE FUTURE OF ALL OUR FOOD AID PROGRAMS. THE QUESTIONS ARE OBVIOUS, BUT THE ANSWERS ARE ELUSIVE. PERHAPS YOU CAN TELL ME:

- (1) WILL SURPLUSES RESULT BECAUSE OF INCREASES IN WHEAT AND FEED GRAIN ACREAGE?
- (2) WILL FARMERS CONTINUE TO PRODUCE AT WORLD MARKET "BARGAIN PRICES" FOR P. L. 480 EXPORT PROGRAMS?
- (3) WILL THE AMERICAN TAXPAYERS SUPPORT P. L. 480 EXPORT PROGRAMS AT PRESENT LEVELS WHEN PRESSURES ARE BUILDING EVERYWHERE TO CUT BACK DOMESTIC SPENDING?
- (4) WHAT IS INDIA, AND OTHER UNDERDEVELOPED COUNTRIES, ULTIMATELY GOING TO BE ABLE TO DO ABOUT POPULATION GROWTH?
- (5) WHAT WILL INDIA, AND OTHER UNDERDEVELOPED COUNTRIES ULTIMATELY DO TO IMPROVE THEIR OWN AGRICULTURAL TECHNOLOGY?
- (6) WHAT WILL INDIA, FOR EXAMPLE, DO WITH THE ESTIMATED 80 MILLION USELESS ANIMALS, WHICH HAVE BEEN SACRED OVER THE YEARS BECAUSE OF RELIGIOUS BELIEFS?

THESE ARE ONLY A FEW OF THE QUESTIONS WE ALL MUST PONDER, AND IF ANY OF YOU HAVE COMMENTS OR SUGGESTIONS -- OR ANSWERS -- DO CONTACT ME.

DRAFT 1-6-67

USE OF PUBLIC FUNDS IN PROMOTING AGRICULTURAL EXPORTS

Market development funds from Public Law 480, more than any other motivating force, have set in motion an unprecedented effort by agricultural and trade groups of the United States to sell American farm products in foreign markets.

This is a highly successful sales campaign. U.S. agricultural exports continue to rise, steadily and dramatically. New records are being set year after year.

Today's huge agricultural exports (1) provide billions of dollars of additional income for U.S. farm and city people, (2) provide stable food prices for consumers by enabling farmers to maintain efficient high volume production, and (3) provide substantial help to the U.S. balance of payments with dollars brought back from agricultural export sales.

This market development program is a Government-industry partnership. It is jointly financed, with Government funds coming from Public Law 480 local currencies and industry's funds coming from its own membership.

The question arises: Isn't private trade making so much money out of today's expanded exports that it alone should finance the work?
Shouldn't Government funds be withdrawn?

Answering in the public interest, the U.S. Department of Agriculture feels the reply must be "no." More would be lost than gained from such withdrawal.

The Department's reasons for this conclusion are detailed as follows.

Typical exporter not U.S. farm-minded. There is little reason to expect that if public funds are withdrawn, private exporters will fill the gap with their own funds and maintain today's export promotion momentum. Let's identify the typical exporter of U.S. bulk farm commodities that make up the big part of exports -- cotton, wheat, feed grains, rice, soybeans, tobacco, soybean oil, peas, beans, etc. Often he is an international trader. He deals not only in U.S. farm products but also those of other countries. He gives no special preference to U.S. farm products. To him, a sale is a sale. During the many years of this Nation's export history, he has not shown inclination to link up with U.S. farmer organizations in export promotion or to invest substantial amounts of his own money in such work. And there is no indication that he is about to change.

Government push needed. Only because of Government interest -- and new availability of public funds through Public Law 480 -- was the market development program set in motion in ^{the mid-1950's.} Government guidance, coordination, and push has been important in keeping the program moving ahead, will continue to be needed, and in some areas should even be expanded.

The Government plays a unique role in agricultural export promotion, acting not only as financial partner with private industry but also as the American farmer's agent. For many years it has been recognized -- by the voters, the Congress, and the Executive Branch -- that it is in the public interest for the government to provide certain services to agriculture. Among them are well accepted programs such as research, soil conservation, rural electrification, and aids to domestic marketing. The Government's role in helping farmers with their foreign marketing is in this tradition.

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Tough competition from other governments. The fact that U.S. public funds are helping to build export markets abroad is not unusual. Rather, typical of it is the trend in world marketing efforts today. A number of leading countries that compete strongly with us in world agricultural markets are operating joint government-industry export promotion programs. Among them are Canada, Australia, New Zealand, South Africa, Denmark, Netherlands, and Israel. As a result of their government contributions, the competition from these countries is considerably tougher to meet than it would be if we faced their private exporters alone. Conversely, we are able to present tougher competition to them because our own export promotion programs are a joint government-industry effort.

Much is at stake. Since the beginning of the market development program in 1955-56, total U.S. agricultural exports have doubled -- rising from \$3.5 billion annually to an expected \$7.1 billion in this 1966-67 fiscal year.

During this period, agricultural exports sold commercially for dollars have increased two and one-half times, rising from \$2.1 billion in 1955-56 to an expected \$5.4 billion this fiscal year.

As a result of expanded exports, agriculture has become the largest contributor to the Nation's favorable trade balance. In 1965-66, American agriculture supplied one-fourth of the Nation's total exports but accounted for half of the Nation's \$4.4 billion favorable trade balance. During the recent July-November 1966 period, agricultural trade accounted for 92 percent of the Nation's \$1.3 billion favorable trade balance.]

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As a result of expanded exports, costly food surpluses have been eliminated, farm acres are being brought back into production, and farm programs have been made more effective.

As a result of expanded exports, American farmers today are selling crops from one acre out of every four to foreign buyers. These large exports mean that they are using more of their productive capacity, making better use of modern technology, concentrating on mass production at lower unit cost, and passing the benefits on in the form of stable food and fiber costs for the American consumer.

Conclusion. The Department of Agriculture feels that financial assistance to agricultural market development by the government ~~is~~ not only is proper but is necessary if high level agricultural exports are to be maintained and new marketing opportunities exploited. The question of use of public funds for such purpose is not a question of "whether" but "how" such funds are used.

(1) Where the market development job is mainly introduction of a highly specialized product to a new market, such as packaged food sold overseas by the U.S. food industry, ^a/government-industry project may be desirable in early stages but the food industry as soon as possible should take over costs of promotion.

(2) Where the market development job involves building sales of U.S. bulk commodities such as grains, where exporting is done mainly by international companies, the government needs to continue as active representative of the American farmer.

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(3) Where the market development job involves presenting a "package" of diverse U.S. agricultural products before foreign consumers -- a variety of farm products at an international trade fair, for example -- only government is in position to establish the over-all showcase setting in which private industry can promote its wares.

(4) Where the market development job involves a multiple approach -- negotiations to remove trade barriers, cooperation with foreign governments on food and feed research and education projects, efforts to lower domestic freight rates to make export prices competitive, and so on-- government needs to be a partner of industry in every sense or the job will not get done.

More and more, this multiple approach is the pattern of market development.

Such
~~Today's~~ joint efforts by government and industry are practical, are paying dividends, and should be continued.