

News from Senator

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## DOLE SUPPORTS INTERNATIONAL FOOD ASSISTANCE REFORMS

WASHINGTON, D.C. -- Senator Bob Dole (R.-Kansas) today introduced amendments designed to reform the International Food Assistance Program. Senator Dole made the following statement:

"I would like to reaffirm my strong support for the Food for Peace reforms which the Agriculture Committee is offering as an amendment to the International Development Assistance Act of 1979. This package of amendments to Public Law 480 grew out of a bill, S. 962, which Senators McGovern, Melcher, and I jointly introduced in April of this year. Our bill, the "Self-Reliant Development and International Food Assistance Reform Act of 1979", was designed to improve the effectiveness of U.S. food aid in developing countries. Most of the provisions of this bill have been included in the Agriculture Committee amendment we are considering today," said Dole.

## FOOD AID IS NEEDED

"Although world-wide food production has increased in recent years, many of the countries which receive U.S. food aid are unable to produce enough food to meet the needs of their rapidly growing populations, and have very limited foreign currency reserves with which to purchase food commercially. The debt burden of many of these countries is consuming a growing proportion of their already meager export earnings, reducing their ability to buy food, oil, and other vital imports. The food supply situation is expected to worsen. According to the International Food Policy Research Institute, yearly food deficits of developing countries will rise sharply from 36 million metric tons in 1978 to as much as 120-145 million tons by 1990," Dole said.

"Efforts to increase local food production are not likely to significantly bridge this gap unless bold, new initiatives are taken. And as long as widespread poverty and slow rates of economic growth are allowed to persist, these countries will find it increasingly difficult to produce or buy enough of their food requirements. Food aid, in the form of concessional sales or grants, can help meet a legitimate short-term need in such countries. But it is not enough," Dole added.

## ENDING HUNGER

"Food aid should not become a substitute for more long-range strategies to deal with world hunger. In certain countries, food aid has allegedly helped recipient governments appease urban unrest with cheap food, neglect rural areas, and discourage local food production. Some critics even claim that while in certain emergencies and on a short-term basis, food aid can relieve suffering, the overriding impact of U.S. food aid is to exacerbate the conditions that create hunger. I do not share this opinion, but feel it merits a response. In recent years, the Food for Peace program has been oriented increasingly towards promoting development and alleviating hunger abroad, and many of the abuses critics are fond of recalling are less prevalent today than they may have been earlier. A consensus is emerging that world hunger can only be overcome through more equitable and self-reliant economic growth in developing countries. U.S. food aid should only be provided in ways that are compatible with these long-range objectives. The Food for Peace reforms we are considering today, I believe, are a step in that direction. They reflect a positive, long-term view of the contribution food aid can make to developing countries, and relate it more explicitly to the current emphases of our foreign assistance legislation," Dole said.

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DEVELOPMENT CREATES MARKETS

"In 1978, the Food for Peace program provided over a billion dollars' worth of U.S. agricultural commodities to 79 countries, most of it sold on low-interest terms to governments of 27 developing countries. The largest recipients were Egypt, Indonesia, India, Bangladesh, South Korea and Pakistan. Most of these countries also purchase large quantities of U.S. commodities on commercial markets," said Dole.

"Some of my colleagues have expressed concern that the amendments we are considering, by emphasizing the developmental purposes of the Food for Peace program, would somehow be detrimental to the original market development purposes of Public Law 480. I believe such fears are unfounded. During the past 25 years, PL-480 has been tremendously successful in developing new markets for U.S. agricultural commodities. Thanks in part to PL-480, the annual value of total U.S. agricultural exports (commercial and food aid) has risen from \$3.1 billion in 1955 to \$27.3 billion in 1978, and is expected to reach over \$32 billion this year. Meanwhile, due to the success of our commercial sales, the proportion of total agricultural exports shipped as PL-480 food aid has declined from 33% in 1955 to only 4% in 1978," Dole added.

"While it is true that some of the countries that received PL-480 food aid in the early 1950's (Europe, Japan, Korea, Taiwan) have since become some of our best cash-paying customers, the market development strategies that worked then may not be as applicable to the poverty-stricken countries of Africa, Asia and Latin America which now receive most of our food aid. People there are hungry and need food, but they are too poor to buy it. All too few have access to land to grow it. Endemic poverty, sustained by inadequate government policies, may be the major obstacle to future market development in many of these countries. If government policies, economic aid, and food aid can be coordinated and used more single-mindedly to improve the purchasing power of the world's poor, everyone will benefit: The poor will have access to a higher standard of living, local farmers as well as U.S. producers will have larger markets for their products, and as the need for subsidized concessional food sales diminishes, U.S. taxpayers will be able to save some money needed to cover urgent domestic needs," said Dole.

CONCLUSION

"The amendment we have before us makes only modest changes in the Food for Peace legislation, changes which are entirely consistent with the recent emphasis Congress has given to the developmental and humanitarian purposes of Public Law 480. I support these reforms, because I believe they indicate the direction in which the program should move in its next quarter-century of existence. I hope these concerns may lead us to undertake a more thorough revision of PL-480 when it comes up for renewal in 1981. Meanwhile, I urge all my colleagues to support the amendment proposed this year by the Agriculture Committee," Dole added.