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Congress of the United States
House of Representatives
Washington, D.C. 20515

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MISSOURI FARMERS ASSOCIATION
AND
MIDCONTINENT FARMERS ASSOCIATION
ANNUAL CONVENTION
COLUMBIA, MISSOURI
AUGUST 8, 1966
REMARKS OF HONORABLE BOB DOLE

AGRICULTURE EXPORTS - VITAL FOR BOTH FOOD AND FREEDOM

It is indeed a great pleasure to be here today on the program with my distinguished colleague from the Committee on Agriculture, Paul Jones, and our Vice President.

It has been a genuine pleasure to serve with Paul the past six years. We may differ from time to time -- not often -- and as you know, he is a most effective and constructive member of our Committee.

Today I would like to discuss a very important bill that is pending in the Senate after passing the House, with both Paul's vote and mine. I am, of course, referring to H. R. 14929, the "Food For Freedom" Bill.

Before going into some of the details on this legislation, permit me to spend just a few minutes going over a few basic facts concerning the importance of, and the details concerning, our various agricultural export programs.

IMPORTANCE OF AGRICULTURAL EXPORTS

Every American, farmer and non-farmer, should recognize the vital contribution that agricultural exports make to our balance of payments. Farm exports represent about one-fourth of all our merchandise exports. They have been rising quite rapidly the past decade. If agricultural exports had not risen but had held stable, the deficit in our balance of payments last year would have been twice as big as it was and the threat to our economic stability that much greater.

To the agricultural sector itself, exports are becoming of increasing importance. About 85 percent of our farm production is consumed domestically and the rest goes abroad. But with a high national income and most people in the U. S. eating just about what they want to eat, the domestic market for farm products expands slowly, about in line with the increase in population. The demand for food is rising much more rapidly in the rest of the world. Thus agricultural exports have become the fastest growing point in the outlets available to our producers. Exports of agricultural products by the United States in Fiscal Year 1965-66 are estimated to be the highest in history. The estimate of about \$6½ billion, or even more, for this Fiscal Year exceeds export records set in each of the two previous years by at least \$1½ billion.

How far have we traveled? Few farmers realize today that from 1929 through 1944, a period of 16 years, our exports of wheat, for example, averaged only 65 million bushels annually. In 8 of those years, our exports were less than 50 million bushels, and the all-time low was in 1935 when only 7 million bushels were exported.

You perhaps also know that the United States was able to produce 1 billion bushels of wheat or more only once prior to 1944, and that since 1944, we have failed to produce 1 billion bushels in only four years; and in each of these years, production was in excess of 900 million bushels. During World War II and the years immediately after, conditions in the wheat market were not normal, and I believe some comparisons starting in 1952, to the present, will be of interest.

To begin with, the domestic disappearance of wheat, including that used for food, seed, in industry and the amount used for feed both on the farm and in commercial feeds, in 1952 was 660.7 million bushels. Gradually down through the years, this total decreased until it reached 580.8 million bushels in 1963. Then

with lower price supports, the amount of wheat fed to livestock jumped to an estimated 100 million bushels in 1965 and total domestic disappearance came to 687 million bushels.

Even at that domestic disappearance of wheat was only 26.3 million bushels more in 1965 than in 1952 -- and 1965 was by far the best year for domestic use in the 13 years. The big increase experienced in the marketing of wheat has been in exports.

While exports have increased markedly since 1952, dollar sales have remained relatively stable. In 1952, for example, 318 million bushels of wheat were exported. The amount sold for dollars in that year was valued at approximately 288 million dollars. In 1956 exports were about 550 million bushels but dollar sales were valued at only 174 million dollars. In 1960 exports rose to 661 million bushels, but the value of dollar sales remained relatively

tively stable at 204 million dollars. In 1962, exports of wheat rose to 642 million bushels, but the value of dollar sales was down to 153 million dollars. In 1963 dollar sales went up because of the huge sales to Russia, but other than that year, 1963, dollar sales have not been higher than they were in 1952.

It would seem obvious, therefore, that our wheat surplus pile has been cut down not so much by a reduction in production as an increase in use of wheat -- and the big increase in use has been in exports and the big increase in exports has been the aid programs, particularly P. L. 480. The export momentum has been building up since "480" was enacted in 1954, and "480" sales have helped to develop dollar sales as countries -- Japan is the outstanding example -- got on their feet with U. S. aid and then were able to enter the regular market for grain.

Yes, the program has been effective, but costly. No other nation has been as generous with its food supplies and, while we will continue this generosity, members on our Committee, Paul Jones and myself included, are insisting that some countries do more to help themselves and that other free world countries provide more food aid.

With this bit of background, let me again say that exports prospects have improved materially since last fall, due primarily to a step-up in exports of feed grains, wheat, oilseeds, and oilseed products and all of these commodities are important to Missouri and Midwest farmers.

As previously stated, the value of farm products exported by the United States in 1965-66 came to 6½ billion dollars -- more than double the value sent abroad in 1953-54 -- the year before P. L. 480 shipments started.

Wheat and wheat flour shipments accounted for most of the exports under government programs. In the year ending June 30, 1965, wheat and flour made up 60 percent of the government program exports. Of the 1.2 billion dollars worth of wheat and wheat flour exported, 1 billion dollars worth was in some form of aid to the developing countries. Five years ago, the ratio of government-financed exports of wheat and flour was about the same, but the quantity of exports was then almost one-third less.

There is no question that exports of wheat, feed grains, and soybeans will expand in the coming years. Food aid to friendly developing nations will grow. And economic growth abroad is rapidly increasing commercial demand.

WHICH NATIONS RECEIVE U. S. FARM PRODUCTS

Fifteen countries received almost three-fourths of total U. S. exports of farm products in Fiscal Year 1964-65. Japan, as indicated earlier, has become our best customer and in Fiscal Year 1965 purchased 750 million dollars worth of agricultural products from the United States. Japan is now the largest cash buyer of farm products from the United States. In Fiscal Year 1966, agricultural exports to Japan came to nearly 1 billion dollars, almost one-half billion above the next ranking country-- India. India received over 500 million dollars worth of farm products in Fiscal Year 1965, but most of this was exported under government-financed programs. Right now we are sending a million tons of grain to India each month and nearly all of that for practical purposes is a gift. Japan's purchases also exceed by more than a half billion both the Netherlands and Canada -- the second and third ranking countries in terms of cash purchases.

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MAJOR EXPORT CROPS

Of the 10 major U. S. agricultural products exported in 1965, four commodities --- wheat, soybeans, corn and barley --- are of special interest to producers here in Missouri. Two of these products -- wheat and soybeans -- are right up at the top of the list. Over half of all sales of wheat and soybeans were sold to foreign markets in 1965. Corn and barley are farther down the list, but a sizable share was also sold through export channels. Compared with recent years, a larger proportion of our soybean and corn crops are moving abroad.

LOOKING AHEAD

Further substantial increases are in prospect for agricultural exports in the next several years. Many of the same forces contributing to expansion in recent past years will continue -- growing populations and expanding demand will boost exports to developed countries and P. L. 480 recipients. If the trends of recent years continue, by 1970, U. S. exports of wheat and flour may average more than 1 billion bushels yearly --- 15

(6) It retains the friendly nation concept which prohibits U. S. food aid to the governments of communist countries and other nations acting against our interests in South Viet Nam;

(7) It emphasizes market development for U. S. farm commodities overseas;

(8) It accelerates a shift away from soft currency sales and toward dollar sales;

(9) It protects American citizens in foreign nations from expropriation

(10) Last, but not least, it establishes within the USDA the authority for a farmer-to-farmer program.

Last fall, after returning from the Food and Agricultural Organization's 20th Anniversary Conference in Rome, Italy, where it was my privilege to serve as a Congressional adviser representing the House, I began to explore the feasibility of expanded U. S. technical assistance in the area of agricultural production and distribution. I talked with many people in and out of government on this problem and, when the Committee began its hearings with 10 outstanding public witnesses, their comments stressed the need for increased technical assistance. Meanwhile, I wrote to each state extension director and president of every land-grant college to solicit their comments and suggestions on how to best meet the growing world food problem. As a result of these contacts and the advice from my colleagues, on both sides of the aisle in the Committee on Agriculture, I introduced H. R. 13753, a bill to establish a "Bread and Butter Corps" on March 17, 1966. My proposal was considered at length by the Committee. It was revised, amended, and finally included as sections 406 and 105(i) of H. R. 14929.

One need only look at the arithmetic of world population growth to get part of the answer. In 15 years, by 1980, present population trends indicate an increase in world population of one billion people. By the beginning of the 21st century, only 34 years from now, world population is expected 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.

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.

Continuation of present trends in India will mean a population increase from 432.7 million in 1960 to 1,233.5 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.

The hearings also 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 who are destined to populate the earth in the next few decades. Therefore, the clear mandate exists that we must do everything within our power to assist these people to help themselves meet their own basic needs if world peace and stability is to be maintained.

Another reason the technical assistance "know how" and "show how", self-help effort should be expanded is that when one looks to what currently is being done in this area, it shapes up as being really quite modest. For example, the FAO of the United Nations

carries on a technical assistance program throughout the world. As you may know, there are some 112 nations that belong to FAO, but do you have any idea how many people, how many actual individuals are in the field working in these projects? The fact is there are about 250. In other words, about 2 people per country, or put another way -- the 250 people that FAO has in the field could easily get lost getting off the boat in Calcutta, India. When it comes to the AID technical assistance activities, testimony in our Committee indicated that there are in the aggregate about 1,000 such persons. Looking again at the massive scope of the problem and the size in populations of the nations which need this assistance, the present thousand people represent virtually a drop in the bucket in this effort. The Peace Corps, which carries a heavy emphasis on young people who are idealistically motivated, does not possess the agricultural expertise and knowledge that is of practical and substantive assistance in getting the results that are required if a world food and population crisis is to be averted.

Finally when expressed in just dollars and cents, the allocation of a small portion (1 percent under the bill) of our financial resources to self-help and local agricultural improvement programs will, in my opinion, prove to be a very good investment in the long run. It certainly will be less expensive to American taxpayers if India, for example, is able to meet most of her own food needs, rather than relying on the United States indefinitely for outright food gifts or quasi-gifts made under Title 1 local currency and long-term dollar credit sales agreements.

During the hearings, almost every witness indicated the need for increasing our technical assistance to developing countries; however, there was nothing in the Administration Bill being considered which would do this. As this proposal has been debated, some have asked, "What is new about it?"

In the first place, "new" has been defined as something "old" that everybody has forgotten about; and in farm legislation it often is quite difficult to find proposals that are absolutely unique and original.

The concept of technical assistance is certainly one which has been around for a long time within the framework of our agricultural and foreign assistance policies. The technical assistance program (Point IV) 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 AID have been directed toward the expansion of American "know how" and "show how" throughout the world.

What then is new about this program? Actually, I believe, there are two basic innovations which have been implemented in this legislation. The first is better coordination. The second is the structuring of this program through land-grant colleges and other universities.

COORDINATION

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 would have the responsibility of 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 contemplates the coordination of this type of technical assistance within the framework of the U. S. Government. The Secretary of Agriculture would be directed to consult and cooperate with the Director of the Peace Corps, the Administrator of AID, and the Secretary of State. In establishing this line of coordination, it is contemplated that 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 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.

Thus, the first point is coordination. Coordination, I have found, is weak in some areas at the present time. Coordination within the Department of Agriculture and within our Government will, I hope, more efficiently and effectively channel the export of our most valuable commodity -- American agricultural genius.

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.

This effort, as I contemplate it, would be conducted by the colleges themselves and would not require the Federal Government to establish expensive new facilities or hire faculties or instructors to perform these educational services.

The second function would be to establish agricultural institutes -- more like short courses in practical agriculture -- both 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 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 the 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 hemisphere 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.

SUMMARY

In summary, the concept embodied by my amendment to H. R. 14929 is something old, but also something new. It takes the concept of technical assistance, coordinates it within the USDA, and within the U. S. Government. It is structured through the land-grant and other colleges to provide training programs, the establishment of agricultural institutes and research and demonstration activities designed to meet man's most basic need--the need for food--a need which, if unsatisfied, could lead to the destruction of world peace.

I would certainly hope that Missouri farmers will take an active interest in this program. With your help, it can become a reality and an effective instrument to meeting some of the many challenges that lie ahead for our country. Thank you.