

REMARKS OF HONORABLE BOB DOLE

KANSAS HOME ECONOMICS ASSOCIATION
MANHATTAN, KANSAS
SATURDAY, MARCH 7, 1970

I APPRECIATE THE OPPORTUNITY TO PARTICIPATE IN THIS MEETING OF HOME ECONOMISTS FROM THROUGHOUT THIS GREAT STATE. KANSAS IS A NUTRITION CENTER OF THE WORLD -- IT PRODUCES THE GREATEST QUANTITY OF ONE OF THE MOST NUTRITIVE FOODS....KANSAS WHEAT IS PROVIDING NUTRITION THROUGHOUT THE WORLD. THE UNITED STATES HAS BEEN USING KANSAS WHEAT IN ITS FOOD FOR PEACE PROGRAM TO HELP FEED THE HUNGRY PEOPLE OF THE WORLD. FEEDING MANKIND REMAINS THE MOST CRITICAL PROBLEM IN THE WORLD SINCE IT IS THE BASIS OF HUMAN EXISTENCE.

TODAY I WOULD LIKE TO DISCUSS NUTRITION IN RELATION TO WORLD NEEDS AND HOW KANSAS WHEAT CAN HELP.

FIRST, LET ME REVIEW SOME STARTLING IRREGULARITIES IN THE PRESENT WORLD SITUATION.

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(1) THE EXTENT OF HUMAN HUNGER IN THE WORLD IS INCREASING. THE ABSOLUTE NUMBER, AND THE PROPORTION OF HUMAN BEINGS IN THE WORLD WHO ARE SUFFERING FROM BODY-STUNTING AND MIND-BLUNTING MALNUTRITION IS INCREASING. BASED ON STUDIES OF THE PRESIDENT'S SCIENCE ADVISORY COMMITTEE PUBLISHED IN ITS REPORT ON THE WORLD FOOD PROBLEM, THE NUMBER OF PERSONS ON EARTH WHO ARE SUFFERING TODAY FROM MALNUTRITION CAN BE CALCULATED AT ONE AND ONE-HALF BILLION, AND THE NUMBER WHO ARE SUFFERING FROM OUTRIGHT HUNGER -- FROM UNDER-NUTRITION AS WELL AS MALNUTRITION -- AT 500 MILLION.

YET THE SCALE OF "FOOD FOR PEACE" SHIPMENTS HAS BEEN REDUCED SHARPLY BY THE UNITED STATES IN RECENT YEAR!

AND COMPETING PROGRAMS THAT PAY MORE THAN THREE BILLION DOLLARS A YEAR TO AMERICAN FARMERS FOR NOT GROWING CROPS HAVE COME TO DOUBLE THE SCALE OF OUR "FOOD FOR PEACE" SHIPMENTS!

THE POTENTIAL FOOD THAT AMERICAN FARMERS ARE PAID FOR NOT GROWING EACH YEAR AMOUNTS TO ALMOST AS MUCH AS INDIA'S TOTAL ANNUAL CROPS OF ALL GRAINS!

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HUGE "SURPLUSES" ARE FORESEEN

2. HERE IS ANOTHER IRREGULARITY: OFFICIAL U. S. DEPARTMENT OF AGRICULTURE STUDIES FORESEE HUGE WORLD FOOD "SURPLUSES" AS FAR AHEAD AS IT IS FEASIBLE TO PROJECT. SURPLUSES ARE ALREADY BECOMING HIGHLY VISIBLE. BY 1980, ACCORDING TO U S D A PROJECTIONS, IF THE ACREAGE NOW KEPT IDLE UNDER GOVERNMENT PROGRAMS WERE RETURNED TO PRODUCTION OF GRAIN, THE ANNUAL ADDITIONS TO "SURPLUS" COULD ALMOST EQUAL THE TOTAL ACCUMULATED SURPLUS THAT EXISTED IN THE PEAK YEAR OF 1961. MOST OF THE "SURPLUS FOOD POWER" IN THE WORLD IS LOCATED IN THE UNITED STATES.

YET, THE TRADITIONAL U. S. WORLD ECONOMIC POLICY WAS REVERSED IN 1966, AND WE ARE NOW PRESSURING THE LESS-DEVELOPED COUNTRIES TO REDIRECT THEIR ECONOMIC DEVELOPMENT EFFORTS TOWARD THE GOAL OF NATIONAL SELF-SUFFICIENCY IN FOOD PRODUCTION -- AND BEYOND THAT TO STRIVE FOR EXPORTABLE SURPLUSES!

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RURAL MIGRANTS FLOOD CITIES

3. HERE IS A THIRD IRREGULARITY: AMERICA'S MOST DANGEROUS DOMESTIC PROBLEM IS EXEMPLIFIED BY RIOTOUS UPHEAVALS OF POOR PEOPLE IN AMERICAN CITY SLUMS. THESE ARE PEOPLE WHO WERE DISPLACED OUT OF FARMING DURING THE PAST GENERATION, AND THEIR DESCENDANTS. MORE THAN TWENTY MILLION RURAL PEOPLE HAVE MIGRATED INTO CITY SLUMS IN THE PAST TWO DECADES, ALL TOO OFTEN WITHOUT FINDING EMPLOYMENT OR REAL OPPORTUNITIES FOR ADAPTING TO URBAN LIFE WHEN THEY GOT THERE. THEY REMAIN STILL UNASSIMILATED BY THE URBAN ECONOMY, AND FOR MANY, THE PROBLEMS OF SECURING FOOD, PROVIDING SHELTER, MAINTAINING HOME LIFE, AND ACHIEVING SELF- AND SOCIAL-DISCIPLINE ARE INSURMOUNTABLE. IT IS NO EXAGGERATION TO SAY THAT THIS MIGRATION OF DISPLACED RURAL MIGRANTS INTO THE CITIES HAS CREATED OUR WORST DOMESTIC CRISIS SINCE THE CIVIL WAR.

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YET IN THE FOREIGN NATIONS, THE NEW AMERICAN DOCTRINE IS PROMOTING NATIONAL SELF-SUFFICIENCY IN FOOD PRODUCTION; IT RESULTS IN SHIFTING U. S. FINANCIAL AND TECHNICAL AID, PRIVATE INVESTMENTS, AND NATIONAL DEVELOPMENT EFFORTS OF THE POOR COUNTRIES, AWAY FROM THE CREATION OF JOBS IN THE NON-FARM SECTORS OF THEIR ECONOMIES, WHILE SPEEDING THE DISPLACEMENT OF LABOR OUT OF FARMING!

AT THE END OF WORLD WAR II, ABOUT TWENTY PERCENT OF THE U. S. POPULATION WAS EMPLOYED IN AGRICULTURE. THAT HAS BEEN REDUCED IN A QUARTER OF A CENTURY TO A LITTLE OVER FIVE PERCENT. THE DISPLACEMENT OF LABOR OUT OF FARMING IS ONE RESULT OF OUR DRAMATIC ADVANCE IN AGRICULTURE PRODUCTIVITY, ACHIEVED BY SUBSTITUTING CAPITAL IN THE FORM OF MACHINES, TECHNOLOGY, AND SCIENCE FOR HUMAN LABOR. OUR OWN URBAN ECONOMY -- THE STRONGEST ON EARTH -- HAS NOT BEEN ABLE TO ABSORB THE DISPLACED FARM WORKERS. BUT IN THE POOR COUNTRIES, THE SITUATION IS FAR MORE SERIOUS ON ALL COUNTS. IN INDIA, FOR EXAMPLE, THE FARM

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POPULATION REPRESENTS ABOUT SEVENTY PERCENT OF THE TOTAL. THE URBAN ECONOMY IS ALREADY OVERBURDENED WITH NEARLY UNBELIEVABLE RATES OF UNEMPLOYMENT. IN INDIA AND PAKISTAN, ESTIMATES BY FARM OPERATORS INDICATE IT WOULD BE POSSIBLE TO DISPLACE HUMAN LABOR BY THE INTRODUCTION OF TRACTORS AT A RATE OF FROM FIFTEEN TO ONE HUNDRED MEN, PLUS EQUAL NUMBERS OF TEAMS OF OXEN, FOR EACH TRACTOR!

IF THE SWIFT DISPLACEMENT OF HUMAN LABOR OUT OF AMERICAN AGRICULTURE HAS CREATED OUR MOST GRAVE DOMESTIC CRISIS IN A CENTURY, IT IS SIMPLY APPALLING TO CONTEMPLATE THE FANTASTIC DISTRESS AND DISRUPTION THAT WILL RESULT IN THE POOR COUNTRIES OF THE WORLD IF THEY FOLLOW AMERICA'S ADVICE AND HURRY THEIR FARM LABORERS OFF THE LAND BEFORE URBAN JOBS ARE CREATED TO EMPLOY THEM.

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TRADE PACT FAVORS RICH COUNTRIES

4. HERE IS A FOURTH IRREGULARITY: IN ALMOST A DECADE OF NEGOTIATIONS, FIRST IN THE DILLON ROUND DURING THE EISENHOWER ADMINISTRATION, AND LATER IN THE KENNEDY ROUND IN THE 1960'S, THE TARIFF REDUCTIONS WHICH WERE ACHIEVED WERE APPLIED MAINLY TO PRODUCTS WHICH PREDOMINATE IN THE TRADE BETWEEN THE PROSPEROUS AND INDUSTRIAL COUNTRIES.

YET, THE HIGHEST TARIFF BARRIERS ARE THOSE WHICH ARE RAISED AGAINST THE KINDS OF GOODS THAT THE LESS-DEVELOPED COUNTRIES CAN PRODUCE MOST ADVANTAGEOUSLY -- MANUFACTURED GOODS REQUIRING LARGE AMOUNTS OF UNSKILLED LABOR.

THESE ARE THE VERY KINDS OF GOODS THAT THE WORLD'S HUNGRY COULD MAKE AND SELL COMPETITIVELY, TO EARN THE FOOD THEY NEED. THESE ARE THE VERY KIND OF IMPORTS THAT WOULD DO MOST TO REDUCE THE AMERICAN COST OF LIVING AND TO SUPPRESS INFLATION.

AND LAST BUT NOT LEAST, THESE ARE THE KINDS OF IMPORTS THAT WOULD GENERATE THE LARGEST PROPORTIONATE RETURN IN DEMAND FOR EXPORTS

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OF FOOD FROM AMERICAN FARMS -- DEMAND FOR THE VERY COMMODITIES THAT AMERICANS CAN PRODUCE IN THE GREATEST AND MOST ECONOMICAL ABUNDANCE, AND AT THE GREATEST COMPARATIVE ADVANTAGE, AND OF WHICH WE NOW HAVE AN ENORMOUS AND EMBARRASSING SURPLUS-PRODUCING CAPABILITY!

POLICY SHIFT IS NEEDED

I HAVE NOTED THAT THESE IRREGULARITIES FLOW MAINLY FROM CHANGES IN U. S. FARM AND FOOD AND INTERNATIONAL ECONOMIC POLICY INITIATED IN 1966. UNFORTUNATELY, THE NEW ADMINISTRATION HAS NOT AS YET SHIFTED GEARS AND TURNED ABOUT TOWARD A MORE CONSTRUCTIVE AND REASONABLE DIRECTION. I CONSIDER THAT IT IS IMPERATIVE FOR SUCH A TURN TO BE MADE. UNLESS IT IS DONE, WE IN AMERICAN STAND TO LOSE A BRILLIANT OPPORTUNITY TO MARKET FROM COMMODITIES, AND A GREAT DEAL MORE BESIDES.

THE PRESENT AMERICAN DOCTRINE -- THAT THE POOR COUNTRIES OF THE WORLD MUST GIVE THEIR HIGHEST PRIORITY TO ACHIEVING NATIONAL SELF-SUFFICIENCY WERE PROPOUNDED IN STAGES TO ECONOMIC GROWTH BY W. W. ROSTOW,

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WHO WAS A SPECIAL COUNSEL TO PRESIDENT JOHNSON. IN BRIEF, ROSTOW CONTENDS THAT THE POOR COUNTRIES SHOULD SEEK, FIRST AND FOREMOST, TO EXPAND AND MODERNIZE THEIR AGRICULTURE. HE CONTENDS THEIR OBJECTIVES IN DOING SO SHOULD BE: FIRST, TO GAIN AN EXPORTABLE SURPLUS TO EARN FOREIGN EXCHANGE, OR TO SUBSTITUTE FOR IMPORTS, IN ORDER TO BUY INDUSTRIAL CAPITAL EQUIPMENT NEEDED AS THE BASIS FOR A MODERN ECONOMY. SECOND, TO SECURE TAX REVENUE FROM THE MODERNIZED FARMS TO PAY FOR ROADS, SCHOOLS, AND OTHER PUBLIC WORKS REQUIRED AS A FOUNDATION FOR A MODERN ECONOMY. AND THIRD, TO SECURE LOANABLE OR INVESTMENT FUNDS FROM MODERNIZED FARMERS' PROFITS TO BE USED FOR INITIATING INDUSTRIAL DEVELOPMENT.

THE ROSTOW THEORY IS EXACTLY WRONG. THE FOREMOST POLITICAL CAUSE FOR AMERICAN FARMERS SHOULD BE TO STRIKE DOWN THE BARRIERS WHICH PREVENT THEIR HUNGRY POTENTIAL CUSTOMERS FROM SELLING THEIR GOODS IN OUR MARKETS SO THEY CAN BUY THEIR DAILY BREAD.

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CONCESSIONAL SALES OF FARM COMMODITIES CAN FIT INTO THE PICTURE. FOR EXAMPLE: THE FEDERAL GOVERNMENT SPENT THREE BILLION DOLLARS IN 1966 TO PAY FARMERS NOT TO PRODUCE CROPS OF VARIOUS KINDS.

SECRETARY FREEMAN TESTIFIED ON BEHALF OF THE "FOOD FOR FREEDOM" BILL BEFORE THE SENATE AGRICULTURE COMMITTEE THAT IT WOULD COST ABOUT TWO BILLION DOLLARS MORE THAN THAT TO BUY THE COMMODITIES IF PRODUCED, AND TO SHIP THEM ABROAD AS "FOOD FOR PEACE."

NEED FOCUS ON DEMAND -- NOT SUPPLY

OF COURSE, THIS WILL TAKE A GREAT DEAL OF DOING.

IT SEEMS TO ME THAT THE VERY FIRST STEP TOWARD GETTING THE JOB DONE NEEDS TO BE TO TURN 180 DEGREES AROUND FROM THE PRESENT VIEW OF THE WORLD HUNGER PROBLEM AS SIMPLY CONCERNING FOOD, AND TO RECOGNIZE THAT WHAT IT REALLY CONCERNS IS PEOPLE. ATTENTION HAS BEEN LOCKED IN ON THE WRONG END OF THE ECONOMIC EQUATION -- ON SUPPLY, WHEN THE REAL PROBLEM IS DEMAND. IF THE HALF OF THE WORLD'S PEOPLE WHO ARE HUNGRY HAD MORE MONEY TO SPEND, THE WORLD'S MODERN SCIENTIFIC AGRICULTURE WOULD HAVE NO DIFFICULTY NOR HESITATION IN PROVIDING THE SUPPLY THAT WOULD BE NEEDED.

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IN THE LONG RUN, THE ENLARGEMENT OF DEMAND WILL DEPEND UPON IMPROVEMENT IN THE TERMS OF TRADE OF THE UNITED STATES AND OTHER COUNTRIES FOR IMPORTS.

LETTING THIS AGRICULTURE GIANT SLEEP IS NOT THE ANSWER TO OUR RURAL PROBLEMS.

WE SHOULD BE BOLD WITH THE USE OF THE GIANT -- NOT PASSIVE.

THE "FOOD FOR PEACE" PROGRAM CAN SERVE DUAL PURPOSES. THE PROGRAM SHOULD BE AGGRESSIVELY APPLIED TO DEVELOPING PRODUCTION WITHIN THE NATIONS OF THE HALF-HUNGRY WORLD. PRODUCTION SHOULD BE OF COMMODITIES NEEDED IN THIS COUNTRY. THERE SHOULD BE AGREEMENT THAT THESE DESIRED PRODUCTS WOULD HAVE FREE ACCESS TO COMMERCIAL CHANNELS IN THE UNITED STATES WITHOUT FEAR OR TRADE BARRIERS AS LONG AS THE PRODUCTS MEET SAFETY AND HEALTH STANDARDS.

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CONCESSIONAL TERMS ARE AVAILABLE

PROVISION FOR SUCH CONCESSIONAL TERMS ARE AVAILABLE IF WE WOULD USE THEM THROUGH THE "FOOD FOR PEACE" (PL 480) PROGRAM. WITH THE CURRENT DECLINE IN OUR GRAIN EXPORTS, THERE IS A GENERAL FEELING THE PL 480 PROGRAM IS ANOTHER VERY EXPENSIVE SUBSIDY OF THE AMERICAN FARMER. THE PL 480 PROGRAM IS NOT AN EXPENSE. THE PL 480 PROGRAM HAS A POTENTIAL TO PRODUCE A NET RETURN IN FOREIGN REVENUE. AN ANALYSIS OF THE BENEFITS AGAINST THE COSTS OF PL 480 COULD PROVE THAT THIS PROGRAM PRESENTLY IS LITTLE NET COST TO THE TREASURY.

FUNDS CUT IN BUDGET

AND YET, THE BUDGET FOR 1971 INDICATES A CUT IN APPROPRIATIONS FOR THIS PROGRAM. THIS PROGRAM COULD BE EXPANDED IF A PROPER ANALYSIS OF THE FUNDS IT GENERATES WERE BALANCED AGAINST THE COST. I PLAN TO ASK FOR SUCH AN ANALYSIS.

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THE EVALUATION AND APPLICATION OF THIS PROGRAM COULD FURNISH AN INCENTIVE THAT WOULD REDIRECT THE ATTENTION OF OTHER NATIONS FROM PRODUCING COMPETITIVE FOODS TO PRODUCING GOODS AMERICA AND OTHER NATIONS COULD READILY BUY. IF WE CAN PROVIDE THESE NATIONS WITH AN INCOME, THEIR HUNGER WILL PROVIDE A DEMAND.

THE "FOOD FOR PEACE" PROGRAM SHOULD BE USED TO HELP THE HUNGRY BILLIONS OF THE WORLD TURN INCREASINGLY TOWARD THE EXCHANGE OF LABOR-INTENSIVE MANUFACTURED GOODS FOR SOME OF THEIR FOOD REQUIREMENTS, AS WELL AS FOR THE OTHER CAPITAL- AND SKILLS-INTENSIVE PRODUCTS WHICH AMERICA CAN PRODUCE AT SUCH GREAT ADVANTAGE. THE BOLD USE OF "FOOD FOR PEACE" WILL PROVIDE A PATTERN FOR A BETTER WORLD.

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THIS PATTERN OF WORLD ECONOMICS THAT OFFERS THE PROMISE OF CONTINUOUSLY-RISING AMERICAN WAGE SCALES AND LEVELS OF LIVING. THIS IS THE PATTERN OF WORLD ECONOMICS THAT CAN ABSORB THE IDEALISM, THE CREATIVE ENERGY, OF THE INCOMPARABLY HIGHLY-EDUCATED AMERICAN GENERATION THAT WILL TAKE CUSTODY OF OUR COUNTRY.

IT IS HARD TO SEE HOW ANY PATTERNLESS BOLD CAN YIELD ANY-THING SHORT OF HUMAN CALAMITY ON SUCH A SCALE AS NO MAN HAS IMAGINED.