

MEMORANDUM TO THE PRESS

Attached is a full text of Senator Hubert H. Humphrey's address keynoting the European-American symposium on Agricultural Trade at Amsterdam, November 11-15.

The symposium will be an informal conference primarily for business, professional, consumer and agricultural leaders, under the sponsorship of the U. S. Department of Agriculture.

Senator Humphrey's keynote address concerns the Twentieth Century food and agricultural revolution taking place in Europe and North America.

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THE PLACE OF LIBERAL TRADE

IN THE POLICIES OF THE WEST

An address by the Honorable Hubert H. Humphrey, United States Senator, before the European-American Symposium on Agricultural Trade, in Amsterdam, The Netherlands, November 11, 1963.

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I am deeply grateful for this opportunity to meet with you and to take part in this European-American symposium on agricultural trade. This meeting which is devoted to the strengthening and expansion of trade relations is of great significance. I know I will benefit from the exchange of viewpoints. I hope we will all come away with a greater recognition of the political and economic forces of our time.

Let us not suffer from the intrusion of obsolete ideas that are mere prejudiced echoes of a vanished age.

The announcement of this symposium stated that the keynote from the American viewpoint will be sounded by U.S. Senator Hubert H. Humphrey, and from the European standpoint by Mr. V. G. M. Marijnen, Prime Minister of the Netherlands.

As I have reflected upon the keynote of this meeting I have come to the conclusion that fundamentally it could be expressed in a few words--the rising tide of interdependence.

Much of man's progress has been measured in terms of trade. It was trade, primarily, which sent Marco Polo,

Columbus, Magellan, Drake, and other explorers on voyages which broadened the horizons of the world. Trade over the ages has provided contacts enriching our knowledge and culture. Today, trade is a vital component in the prosperity of Western Europe and the United States--a source of strength to all nations of the Atlantic Community. If trade means progress--and it does--anything that hampers trade is detrimental to progress.

I want to discuss with you the desirability--the absolute necessity--of liberalizing trade to the maximum extent possible. Specifically, I want to show you how liberal trade ties in with the overall policies of the Western World.

What are the policies of the Western World?

There are many, of course, but they fall into a few broad categories.

We want to be free, within the framework of democratic governments--and are willing to fight, if necessary, to preserve our freedoms.

We desire peace.

We seek the high standards of living--of health and comfort--which this age of science and technology is making possible.

We are prepared to help the less developed countries of the world move forward with us.

The United States and Western Europe are cooperating in approaches to these common policies. We are working through such international agencies as the United Nations, the North Atlantic Treaty Organization, the International Monetary fund, the Food and Agriculture Organization, and the Organizations for Economic Cooperation and Development. In trade matters, our principal contacts are through the General Agreement on Tariffs and Trade. But in all these fields, we have many other

contacts--diplomatic, business, financial, cultural. This symposium is in itself an example of a special effort to focus attention on trade and the need for liberalizing it further in the interests of the Atlantic Community.

It was just a few weeks ago that I flew to the Federal Republic of Germany to attend the unveiling of a memorial to a great American general and statesman, General George C. Marshall. I reflected on the success of one of the boldest and most productive ventures in all history--the Marshall Plan for European Economic Recovery. The fact that we are meeting here today is a tribute to the vision of General Marshall.

Most of you will recall that the threat of Communist subversion and domination hung heavily over Europe. Many Eastern nations had lost their independent status and were Soviet satellites. The central and western countries were suffering from war exhaustion, poverty, and economic collapse. It was at that stage that the United States recognized a fundamental fact of the postwar period--the economic and military strength of the free world depends on the community of interest, the cooperative action of the United States and Western Europe. The economic and the military powers of the West were restored. Now we see the result of this cooperative venture in the re-establishment of Western Europe as one of the vital and significant power centers of the world.

No man could have foreseen all the consequences of that action. However, it was at that very moment, whether we recognized it or not, that we proclaimed our own Declaration of Interdependence.

My mind then turned to the greatness of the late Robert Schuman, a man who combined vision with realism. He was a friend of free men everywhere. He was one of a mere handful

of great Europeans who wrought a miracle of the new Western Europe. It was about thirteen years ago that he startled the world by launching a most novel and ambitious venture in international cooperation known as the Schuman Plan. Out of this was created the European Coal and Steel Community which has since blossomed into the European Economic Community, and eventually may provide the foundation for a United States of Europe. He was a practical visionary.

No meeting such as this should proceed without paying credit to that warm, gallant and modest friend of all free men, Jean Monnet. To an admiring world this almost legendary figure has become known as Mr. Europe. Mr. Monnet will go down in history because he saw with crystal clarity the nature of the great tidal economic and social forces that work in the world. He set his course to pursuing the most relevant purposes of all--bending men's effort toward a nobler future. To transient disappointments he immunized himself in the great hope, which I am sure will be fulfilled, that the immunization also will become part of all of the body politic of Western Europe. At times of crisis and disappointment, he is apt to say, "The important point is for us not to be deflected, not to lose momentum; we must go forward. We may alter our tactics but never our main objectives." Jean Monnet is an optimist. He is an optimist because he is a practical man with a passionate desire to get things done, and they are being done. To him also we should pay tribute at this meeting.

There are a few essential ingredients in the men I have mentioned--Marshall, Schuman, and Monnet. There are others to whom I should like to pay tribute--but time does not permit. Each of them recognized that defense is indivisible--economic life is interdependent, and that the major political decisions

of our time must of necessity be taken in concert if the full strength of the free world is to be fully mobilized.

The world in which we live is growing increasingly interdependent. The United States must depend on many other countries for several of the critical materials and even some of the amenities of life. The statistics show that Western Europe imports considerably more than we do. The United States is one of the factors--but only one--in the determination of world prices and terms of trade. Shifts in production and buying of other nations can have serious effect on the well-being of our farmers and even on our balance of payments. In this nuclear age, certainly our survival--yes our fate--is linked with that of the nations represented here today. Therefore, as one of the foundation stones of free world viability, in addition to military and political factors, there must be a community of economic interest, too.

The nations of Western Europe have recognized this basic fact in their strong efforts to remove existing trade barriers. On this side of the Atlantic Ocean nations long divided by bitter feuds are joining together seeking to find strength in unity. In these efforts, the American people have looked on with hope and admiration. We regard a United Europe as a partner--not a rival. We regard a United Europe as a partner to join with us and others in reducing trade barriers; as a partner to develop coordinated economic policies, and as a partner capable of playing an even greater role in our common defense. We look forward to a full and working Atlantic partnership.

We await the day eagerly when we will stop talking of sixes and sevens, but of one. This one Western European Community will not be built overnight, but with the best of will and a generosity of spirit, it will be constructed. And, it will be constructive to a still better future.

From the standpoint of the American farmer, Western Europe can be regarded as a great and growing market for the high quality food, fiber and other agricultural commodities. He sees in this part of the globe the fastest growing advanced economic area in the Free World. Employment is high, industrial production up, diets improving, and the entire standard of living on the upgrade. He sees that consumer demand for food and other goods will continue to rise.

This improvement in overall living conditions in Western Europe has deep economic import to our farm families who are geared to production and the export market as never before in history.

Out of our \$5 billion agricultural export market, commercial exports amounted to approximately \$3.5 billion, with Western Europe accounting for about half. I must be quick to add that not only every American, but actually every one who loves freedom, has a vital interest in these exports for dollars. They are one of the major earners of foreign exchange. As you know, our balance of trade has been what the economists call favorable, but our balance of payments has not been. Defense commitments and economic assistance have resulted in our international expenditures exceeding our receipts.

We are in a long struggle which does not offer us much opportunity to reduce these expenditures unless we lighten our share of the obligation. We feel it is much better if we expand our export earnings and carry our load as before. Obviously, agricultural exports are one means--an important one--to do so.

I wish to make this additional fundamental point. Unlike some of the in and out, sporadic import sources to which Western Europe has been witness in recent years, the United States is a continuing high quality and rich source of food and fiber. You

can draw on this to feed and clothe your population better than ever.

As its industry expands, Western Europe must be able to withstand the pressures of inflationary forces which would drive upward the price line on the industrial exports which are basic to its prosperity.

The American farmer needs these expanded markets, and Europe needs our farm products. Obviously, there exist enormous potentialities in this exchange on both sides of the Atlantic.

As an elected public official, I realize some of the political problems. I recognize that there is a delicate problem of timing such forward steps. However, these are steps which will benefit all of us, and when taken, will increase our political stature. We have it within our power to say to our respective constituents, you have benefited--mankind has benefited.

Unquestionably, our economic strength is vital to our free way of life. Defense is becoming to a greater and greater extent an effort involving whole populations--not only fighting men, but also the men and women who produce in the factories and on the farms. National strength is to be calculated by gross national product as well as missiles, planes, ships, and guns. Countries with great capacities to produce are respected and feared by would-be aggressors. The productive capacity of the Western World, backed up by enormous scientific and technological capability, is as great a deterrent to aggression as our weapons.

Trade--commerce between nations--can help us work for the peace that we all desire. Trade walls can be barriers to more than the flow of goods; trade walls can also shut out many valuable contacts between nations. Trade contacts, like cultural exchanges, can promote understanding and the easing of

tensions. This is true of trade not only with friendly nations, but also with less friendly countries.

Western Europe, by and large, has maintained more trade contacts with the Communist countries than has the United States. But the United States policy is changing, as I think you know. The United States has expressed its willingness to sell wheat and other farm products to the Soviet Union and other Eastern European countries to meet emergency needs. For a long time I have advocated broader trade with the Communist countries as a major step in the direction of improved international relations.

But in broadening our trade with the Soviet Union, we should have a unified policy which will govern the actions of both Europe and the United States. I support the resolution approved by the NATO parliamentarians conference last week in Paris calling for the establishment of a NATO code to govern East-West trade. This proposal could do much to harmonize the trade policies of the Atlantic Community nations on such questions as credit terms, patents and copyrights, and arbitration of disputes. Increased East-West trade can be an avenue to greater international harmony. But disunity and cutthroat competition on trade matters between Europe and the United States can only weaken and disrupt the Western Alliance, can only aid the cause of the Soviet bloc.

We also must bear in mind, in seeking this broader trade, that the Communist camps, both Sino and Soviet, have not abandoned their determination to impose communism on the entire world. They are pushing toward that objective with every means they feel they can safely employ. Secretary of State Dean Rusk said just the other day in Frankfurt, that the limited agreements we have reached with the Soviet Union do not constitute a detente.

We do not want to help the Communists bury us. Many items--such as certain types of scientific instruments, machine tools, and strategic heavy equipment--should stay off the trade list. But many other products--food and other consumer goods--could well be traded. I can't believe that helping the Soviet Union meet a temporary shortage of grain is going to help that country conquer the world. Looking at the matter another way, I can't believe that withholding the grain would have toppled Communist regimes.

How the Communist countries feel about permanently enlarged trade, I don't know. The Soviet Union doesn't seem to believe in trade for trade's sake. Certainly, some economic problems are involved. Trade presupposes an exchange of goods. The Communist countries have been paying for grain imports with gold, and that's a commodity that the United States could use to good advantage. The Communist countries also have been supplying the West with some oil, lumber, caviar, and furs. But the Communist camp does not appear to have many products that would support a broadly based two-way trade policy.

As the world's largest food producer, the United States has taken the lead in distributing food to needy nations. In the past few years, the United States has made available to the less developed countries almost \$13 billion worth of food. About half of this total was sold to dollar-short countries for foreign currencies, of which about half were loaned and granted back to the less developed countries. Other commodities were bartered, or sold on long-term credit arrangements, or donated out-right.

But food is doing more than relieving hunger, important as that is. Food also is promoting economic development. The local currencies loaned or granted back to the recipient countries

are being diverted by less developed countries to economic growth projects, such as roads, dams, irrigation canals, reclamation, food storage facilities, and the like. Food also is promoting economic growth by preventing food price inflation, which would mean the diversion of scarce funds into wages instead of into needed equipment, supplies, and materials, many of which must be imported.

But food has been only part of the total aid going abroad. All countries of the Western World have made contributions of money, equipment, technical assistance, and other services. United States aid programs have been world-wide. The Western European countries have tended to concentrate their aid in countries which were former colonies. All have contributed substantially to international organizations, including the United Nations, the Food and Agricultural Organization, the Colombo Plan, and others.

The bread we have cast upon the waters is being returned to us in other ways. The contributions we have made are stimulating economic growth. For example, per capita gross national product increased five per cent between 1959 and 1962 in Nigeria; seven per cent in Egypt; and eight per cent in India and Brazil.

The less developed countries are eager to become commercial traders. And the industrialized countries of the Western World are eager for them to realize their wish. Trade, not aid, is their objective, and ours.

What I have tried to say up to now is this--the Atlantic Community is better off because it has developed a substantial trade volume. The less developed countries are better off because they are on their way to economic development and commercial trade. But should we rest on our past achievements? Shouldn't we explore additional ways of expanding the flow of goods in the world?

I am indebted to Arnold Toynbee, the distinguished British historian who will address us, for one of the most illuminating critiques of our efforts to help our less fortunate friends. Mr. Toynbee said: "Our age will be well remembered, not for its horrifying crimes nor its astonishing inventions, but because it is the first generation since the dawn of history in which mankind dared to believe it practical to make the benefits of civilization available to the whole human race."

Mr. Toynbee is right. We have it within our means to banish hunger, to conquer disease, to educate the illiterate, and to lift the standard of living for all mankind. We can accomplish these worthy objectives, however, only if we promote economic development through capital investment, foreign aid, and international trade.

The philosophy of liberal trade is firmly established in the United States and backed up by 30 years of history.

The Reciprocal Trade Agreement Act of 1934 is a monument to two great Americans--Franklin D. Roosevelt and Cordell Hull. Time has not dimmed its luster. It brought a new concept to the American people and to world trade.

Today the United States has new and more liberal trade legislation--the Trade Expansion Act of 1962. This legislation is even broader in its vision and in its potential for human good than the act it replaces.

Through this legislation--which we are seeking to implement--a new road has been opened toward the goal of increased free world prosperity and strength, through expanded international trade. In preparing to move along this road, we are preparing for the biggest and most comprehensive trade negotiations in the world's history.

The bargaining authority of the President of the United States is very substantial--and firmly rooted in American foreign policy. For the Trade Expansion Act rests primarily on two basic elements of United States policy--one--that trade liberalization is an essential step towards the closer integration of the free world economy. Two--that liberalization of trade restrictions on all sides will bring a better allocation of world resources, and will stimulate economic efficiency, innovation and enterprise. These are the two legs on which United States ^{trade} foreign policy stands--a commitment to an economic philosophy of freedom and to a political philosophy of interdependence. In addition, this legislation is based upon the belief that, through export expansion, the United States can achieve equilibrium in its balance of payments without resorting to restrictive policies affecting the movement of goods, services and capital and without weakening its commitment for defense and economic aid to less developed countries.

Moreover, we have every reason to believe that our trading partners share these views. This is what we discovered through many meetings during the early months of this year. Yet this does not mean that the process of trade liberalization will be a quick and easy one. On the contrary, we all recognize that the road ahead is long and extremely difficult. It requires careful preparation at home and internationally. What we have to contend with is a very wide gamut of trade matters going far beyond tariffs alone. We recognize the difficult political problems which agricultural policy raises for each of the participating countries. We have our own political problems as well. But, as proof of the seriousness of our own intention to tackle these problems on a world-wide scale, we have declared our willingness to discuss our own agricultural system at the bargaining table.

I feel that fundamentally there exists in the Atlantic Community a will to truly liberalize trade on a mutually beneficial basis. I am confident that this symposium will write an important and honorable chapter in the history of the free world's progress toward even more fruitful and deeper interdependence.

It may seem like a long way from Amsterdam to Minnesota--out in the central heartland of the United States. Yet the people of my state are vitally concerned about the things you will be saying and doing here. The people of Western Europe also will be concerned. We have a tremendous opportunity in this informal forum to create the kind of climate which will carry over to the actual negotiations which begin next May under auspices of the General Agreement on Tariffs and Trade.

During the dark days of World War II, when Franklin D. Roosevelt enunciated his four freedoms, he called for Freedom from Want and defined it as "economic understanding which will secure to every nation a healthy peacetime life for its inhabitants--everywhere in the world."

The 22 years that have passed since those words rang around the world have seen us draw gradually nearer that goal, despite the many detours and distractions of a troubled age. Freedom from want is becoming an attainable goal.

Nearly four centuries ago, Shakespeare gave a name to one of mankind's oldest dreams. He called it "the brave new world."

If we of the West can have the vision to match our technical skills, we have it in our power to lead all of mankind across the threshold of that world.



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