

REMARKS BY SENATOR HUBERT H. HUMPHREY

CORN REFINERS ASSOCIATION

WASHINGTON, D. C.

JUNE 9, 1971

I am pleased to have the chance to visit this morning with those of you in the Wet Corn Milling Industry. Yours is an important industry, both as a growing market for farmers and as a source of industrial strength for the Nation.

One of the reasons I came here today was to enlist your help in a campaign -- not a political campaign, but one to bring about better conditions in rural America.

Although only 27 per cent of our Nation's population live in Rural America today, 50 per cent of our Nation's poor are found there.

And when we speak of "discrimination" regarding our rural areas, we are not talking about it in racial terms.

People living in our rural areas are discriminated against in many different ways:

-- They are less likely than their city cousins to get "quality" education.

-- They are less likely to get adequate health or dental care.

-- They are less likely to have an opportunity for a job -- or for a choice of jobs.

-- They are less likely to benefit from Government job training programs or unemployment compensation.

-- They are less likely to have access to any kind of public transportation.

-- They are less likely to be able to buy a house or even get financing when one is available. And,

-- They are less likely to live in a community having central water and sewer facilities.

As Chairman of the newly established Subcommittee on Rural Development, I intend to do what I can to correct these disparities.

Parity of opportunity -- for income, for jobs, for living, for education, for health care and for other public services in Rural America is the goal of our Subcommittee.

And, we hope to promote the revitalization and development of our rural areas and smaller communities as an integral part of a "balanced national growth policy."

We must not only stem further rural-to-urban migration, but reverse it.

I would be pleased to receive any suggestions you might have with respect to expanding the opportunities for rural people in new agribusiness enterprises. It would be a great service to the Nation.

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I know all of you are interested in developing new markets for your products and expanding your participation in present markets.

Events have presented us with a grand opportunity to reflect the mature judgment of the American people in world affairs. I refer to the President's announcement of a policy to encourage trade in non-strategic items between the People's Republic of China and the United States.

A list of non-strategic goods is being drafted. In this non-strategic list will be included those items for which exports will be permitted directly to Mainland China without a validated export license.

I recommend that all farm commodities, except those in short supply, and the products made from them be included in the non-strategic list. This would mean that practically all farm commodities could move under General License, which requires no application nor administrative approval.

This also would be an appropriate time to announce a change in policy with respect to the Soviet bloc countries. Currently, certain agricultural commodities can be shipped to the Soviet bloc under General License. But exports of feed and food grains must

be accompanied by a validated license, which requires administrative approval prior to shipment.

Exports of any agricultural commodity to the Soviet bloc countries, except those in short supply, and the products made from them should be handled under General License.

The present requirements of validated specific export licenses for feed and food grains results in undue cost and other disadvantages to American exporters and to our farmers. Another deterrent is the requirement that 50 per cent of exports of wheat, flour and feed grains to the Soviet Union be shipped in U. S. vessels.

Let's be competitive with the rest of the world on our sales to the Soviet bloc and the People's Republic of China. We are doing a good business in those commodities which are not hindered by these unnecessary regulations. But we need to be competitive at all times. Let's rid ourselves of these self-imposed shackles.

You also have a tremendous stake in the policies that are developed in the European Economic Community and Japan. They will have an important bearing on what happens to farm exports to these areas.

It is essential that our Government do all that it can to successfully negotiate for policies which expand rather than inhibit trade. This means hard bargaining.

The ongoing enlargement of the vast trading bloc known as the Common Market is creating many serious problems for American farmers and exporters.

The high internal price system of the EEC -- buttressed by the variable levy and the export subsidy system -- is stimulating uneconomic production. The net effect of this arrangement as far as our grain producers are concerned has been the loss of millions of tons of potential export markets.

Between 1961 and 1969, net imports of the EEC dropped from 13.3 million tons of grain to 2.5 million tons. In 1970, it was up to 10 million tons because of bad weather in Europe. Don't overlook the longer run cumulative effects of this uneconomic system.

On the other hand, the exports of oilseeds and oilseed meals, which are bound by GATT duty free, have risen from \$200 million in the early sixties to a current \$700 million level.

We have seen the EEC go far beyond the customs union concept and free trade areas of the GATT. It has widened the preferential trade arrangements by all kinds of special associations with Greece, Turkey, former French African possessions, Tunisia, Morocco, Spain, Israel and others.

What ever happened to the concept of Most Favored Nation?

I intend to keep this Administration strictly accountable for any failures to defend U. S. interests in its negotiations with the Common Market. We have rights under GATT which must be respected.

I also intend to keep this issue right up front at the White House rather than letting it be relegated for decision by some nameless bureaucrat in the State Department.

Although Japan has grown to be a billion dollar plus market for our farmers, with great potential for future growth, it needs to do much more to remove its restrictions on imports. There are many commodities subject to these restrictions for which there is no rational justification. Liberalization by Japan could help trade and political relationships between our two nations.

We are very conscious of exports these days to the world markets. And we need to be, because America can overproduce for its own domestic needs.

The value of farm exports will approximate \$7.5 billion this fiscal year -- a new record by a wide margin. Sales for dollars will be a record \$6.5 billion.

The volume of these exports will be about 6 per cent above the volume of the previous record export year. In the 1970 crop year, almost one cropland acre out of every four was produced for the export market. The proportions were much higher for soybeans, wheat and rice.

I feel that an export goal of \$10 billion over the next several years can be attained. We can reach this goal only because there has been created in the United States an efficient and productive agriculture unmatched anywhere in the world.

One of the truly great programs with which I am proud to be identified is the Food for Peace Program -- Public Law 480. Food has become a most significant form of foreign economic assistance.

Food and fiber from American farms has saved the lives of millions of people. And you should be happy to know that there are millions of boys and girls throughout the world -- outside of the United States -- who regularly are receiving school lunches as a result of this program.

The Food for Peace program, which has been considered by some to be the province of idealists, might better be considered as the subject matter for hardheaded realists. I do not intend to let it be undermined by the bureaucrats in the Office of Management and Budget.

All of you have a very real interest in the welfare of rural America and those who till its soil. This is your source of supply and, in many cases, your point of production.

We need to improve the lot of our rural Americans. We need to do this as a matter of simple justice. And we need to do this because all of us are primarily dependent upon the production of this great basic source of food and fiber.

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I AM PLEASED TO HAVE THE CHANCE TO VISIT THIS
MORNING WITH THOSE OF YOU IN THE WET CORN MILLING INDUSTRY.
YOURS IS AN IMPORTANT INDUSTRY, BOTH AS A GROWING MARKET
FOR FARMERS AND AS A SOURCE OF INDUSTRIAL STRENGTH FOR
THE NATION.

↳ ONE OF THE REASONS I CAME HERE TODAY WAS TO ENLIST
YOUR HELP IN A CAMPAIGN -- NOT A POLITICAL CAMPAIGN, BUT
ONE TO BRING ABOUT BETTER CONDITIONS IN RURAL AMERICA.

↳ ALTHOUGH ONLY 27 PER CENT OF OUR NATION'S POPULATION
LIVE IN RURAL AMERICA TODAY, 50 PER CENT OF OUR NATION'S
POOR ARE FOUND THERE.

↳ AND WHEN WE SPEAK OF "DISCRIMINATION" REGARDING OUR
RURAL AREAS, WE ARE NOT TALKING ABOUT IT IN RACIAL TERMS.

PEOPLE LIVING IN OUR RURAL AREAS ARE DISCRIMINATED

AGAINST IN MANY DIFFERENT WAYS:

-- THEY ARE LESS LIKELY THAN THEIR CITY COUSINS TO
GET "QUALITY" EDUCATION.

-- THEY ARE LESS LIKELY TO GET ADEQUATE HEALTH OR
DENTAL CARE.

-- THEY ARE LESS LIKELY TO HAVE AN OPPORTUNITY FOR
A JOB -- OR A CHOICE OF JOBS.

-- THEY ARE LESS LIKELY TO BENEFIT FROM GOVERNMENT
JOB TRAINING PROGRAMS OR UNEMPLOYMENT COMPENSATION.

-- THEY ARE LESS LIKELY TO HAVE ACCESS TO ANY KIND
OF PUBLIC TRANSPORTATION.

-- THEY ARE LESS LIKELY TO BE ABLE TO BUY A HOUSE

OR EVEN GET FINANCING WHEN ONE IS AVAILABLE. AND,

-- THEY ARE LESS LIKELY TO LIVE IN A COMMUNITY HAVING

CENTRAL WATER AND SEWER FACILITIES.

L AS CHAIRMAN OF THE NEWLY-ESTABLISHED SUBCOMMITTEE ON
RURAL DEVELOPMENT, I INTEND TO DO WHAT I CAN TO CORRECT
THESE DISPARITIES.

L PARITY OF OPPORTUNITY FOR INCOME, FOR JOBS, FOR
LIVING, FOR EDUCATION, FOR HEALTH CARE AND FOR OTHER PUBLIC
SERVICES IN RURAL AMERICA IS ^{my} THE GOAL OF OUR SUBCOMMITTEE.

L AND, WE HOPE TO PROMOTE THE REVITALIZATION AND
DEVELOPMENT OF OUR RURAL AREAS AND SMALLER COMMUNITIES AS
AN INTEGRAL PART OF A "BALANCED NATIONAL GROWTH POLICY."

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↳ WE MUST NOT ONLY STEM FURTHER RURAL-TO-URBAN MIGRATION,
BUT REVERSE IT.

↳ I WOULD BE PLEASED TO RECEIVE ANY SUGGESTIONS YOU
MIGHT HAVE WITH RESPECT TO EXPANDING THE OPPORTUNITIES FOR
RURAL PEOPLE IN NEW AGRIBUSINESS ENTERPRISES, ↳ IT WOULD
BE A GREAT SERVICE TO THE NATION.

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↳ I KNOW ALL OF YOU ARE INTERESTED IN DEVELOPING NEW
MARKETS FOR YOUR PRODUCTS AND EXPANDING YOUR PARTICIPATION
IN PRESENT MARKETS.

↳ EVENTS HAVE PRESENTED US WITH A GRAND OPPORTUNITY
TO REFLECT THE MATURE JUDGMENT OF THE AMERICAN PEOPLE
IN WORLD AFFAIRS.

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L I REFER TO THE PRESIDENT'S ANNOUNCEMENT OF A POLICY TO ENCOURAGE TRADE IN NON-STRATEGIC ITEMS BETWEEN THE PEOPLE'S REPUBLIC OF CHINA AND THE UNITED STATES,

L A LIST OF NON-STRATEGIC GOODS IS BEING DRAFTED. L IN THIS NON-STRATEGIC LIST WILL BE INCLUDED THOSE ITEMS FOR WHICH EXPORTS WILL BE PERMITTED DIRECTLY TO MAINLAND CHINA WITHOUT A VALIDATED EXPORT LICENSE,

L I RECOMMEND THAT ALL FARM COMMODITIES, EXCEPT THOSE *those in short supply* IN SHORT SUPPLY, AND THE PRODUCTS MADE FROM ~~THEM~~ BE INCLUDED IN THE NON-STRATEGIC LIST. L THIS WOULD MEAN THAT PRACTICALLY ALL FARM COMMODITIES COULD MOVE UNDER GENERAL LICENSE, WHICH REQUIRES NO APPLICATION NOR ADMINISTRATIVE APPROVAL.

L THIS ALSO WOULD BE AN APPROPRIATE TIME TO ANNOUNCE A CHANGE IN POLICY WITH RESPECT TO THE SOVIET BLOC COUNTRIES.

↳ CURRENTLY, CERTAIN AGRICULTURAL COMMODITIES CAN BE SHIPPED TO THE SOVIET BLOC UNDER GENERAL LICENSE. ↳ BUT EXPORTS OF FEED AND FOOD GRAINS MUST BE ACCOMPANIED BY A VALIDATED LICENSE, WHICH REQUIRES ADMINISTRATIVE APPROVAL PRIOR TO SHIPMENT.

↳ EXPORTS OF ALL AGRICULTURAL COMMODITIES TO THE SOVIET BLOC COUNTRIES, EXCEPT THOSE IN SHORT SUPPLY, AND THE PRODUCTS MADE FROM THEM SHOULD BE HANDLED UNDER GENERAL LICENSE.

↳ THE PRESENT REQUIREMENTS OF VALIDATED SPECIFIC EXPORT LICENSES FOR FEED AND FOOD GRAINS RESULTS IN UNDUE COST AND OTHER DISADVANTAGES TO AMERICAN EXPORTERS AND TO OUR FARMERS. ↳ ANOTHER DETERRENT IS THE REQUIREMENT THAT 50 PER CENT OF EXPORTS OF WHEAT, FLOUR AND FEED GRAINS TO THE SOVIET UNION BE SHIPPED IN U. S. VESSELS.

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↳ LET'S BE COMPETITIVE WITH THE REST OF THE WORLD ON
OUR SALES TO THE SOVIET BLOC AND THE PEOPLE'S REPUBLIC
OF CHINA. ↳ WE ARE DOING A GOOD BUSINESS IN THOSE
COMMODITIES WHICH ARE NOT HINDERED BY THESE UNNECESSARY
REGULATIONS. ↳ BUT WE NEED TO BE COMPETITIVE AT ALL TIMES. **So,**

↳ LET'S RID OURSELVES OF THESE SELF-IMPOSED SHACKLES.

↳ YOU ALSO HAVE A TREMENDOUS STAKE IN THE POLICIES
THAT ARE DEVELOPED IN THE EUROPEAN ECONOMIC COMMUNITY
AND JAPAN. ↳ THEY WILL HAVE AN IMPORTANT BEARING ON WHAT
HAPPENS TO FARM EXPORTS TO THESE AREAS.

IT IS ESSENTIAL THAT OUR GOVERNMENT DO ALL THAT IT
CAN TO SUCCESSFULLY NEGOTIATE FOR POLICIES WHICH EXPAND
RATHER THAN INHIBIT TRADE. ↳ THIS MEANS HARD BARGAINING.

THE ONGOING ENLARGEMENT OF THE VAST TRADING BLOC
KNOWN AS THE COMMON MARKET IS CREATING MANY SERIOUS
PROBLEMS FOR AMERICAN FARMERS AND EXPORTERS.

THE HIGH INTERNAL PRICE SYSTEM OF THE EEC -- BUTTRESSED
BY THE VARIABLE LEVY AND THE EXPORT SUBSIDY SYSTEM -- IS
STIMULATING UNECONOMIC PRODUCTION. THE NET EFFECT OF
THIS ARRANGEMENT, AS FAR AS OUR GRAIN PRODUCERS ARE
CONCERNED, HAS BEEN THE LOSS OF MILLIONS OF TONS OF
POTENTIAL EXPORT MARKETS.

BETWEEN 1961 AND 1969, NET ^{grain} IMPORTS OF THE EEC DROPPED
FROM 13.3 MILLION TONS OF GRAIN TO 2.5 MILLION TONS. IN
1970, IT WAS UP TO 10 MILLION TONS BECAUSE OF BAD
WEATHER IN EUROPE. DON'T OVERLOOK THE LONGER RUN
CUMULATIVE EFFECTS OF THIS UNECONOMIC SYSTEM.

L ON THE OTHER HAND, THE EXPORTS OF OILSEEDS AND
OILSEED MEALS, WHICH ARE BOUND BY GATT DUTY FREE, HAVE
RISEN FROM \$200 MILLION IN THE EARLY SIXTIES TO A CURRENT
\$700 MILLION LEVEL.

L WE HAVE SEEN THE EEC GO FAR BEYOND THE CUSTOMS
UNION CONCEPT AND FREE TRADE AREAS OF THE GATT. IT
HAS WIDENED THE PREFERENTIAL TRADE ARRANGEMENTS BY
ALL KINDS OF SPECIAL ASSOCIATIONS WITH GREECE, TURKEY,
FORMER FRENCH AFRICAN POSSESSIONS, TUNISIA, MOROCCO,
SPAIN, ISRAEL AND OTHERS.

L WHAT EVER HAPPENED TO THE CONCEPT OF MOST FAVORED
NATION?

↳ I INTEND TO KEEP THIS ADMINISTRATION STRICTLY
ACCOUNTABLE FOR ANY FAILURES TO DEFEND U. S. INTERESTS
IN ITS NEGOTIATIONS WITH THE COMMON MARKET. WE HAVE
RIGHTS UNDER GATT WHICH MUST BE RESPECTED.

↳ I ALSO INTEND TO KEEP THIS ISSUE RIGHT UP FRONT
AT THE WHITE HOUSE RATHER THAN LETTING IT BE RELEGATED
FOR DECISION BY SOME NAMELESS BUREAUCRAT IN THE STATE
DEPARTMENT.

↳ ALTHOUGH JAPAN HAS GROWN TO BE A BILLION DOLLAR
PLUS MARKET FOR OUR FARMERS, WITH GREAT POTENTIAL FOR
FUTURE GROWTH, IT NEEDS TO DO MUCH MORE TO REMOVE ITS
RESTRICTIONS ON IMPORTS.

L THERE ARE MANY COMMODITIES SUBJECT TO THESE RESTRICTIONS

FOR WHICH THERE IS NO RATIONAL JUSTIFICATION. L LIBERALIZATION

BY JAPAN COULD HELP TRADE AND POLITICAL RELATIONSHIPS BETWEEN

OUR TWO NATIONS.

L WE ARE VERY CONSCIOUS OF EXPORTS THESE DAYS TO THE

WORLD MARKETS. L AND WE NEED TO BE, BECAUSE AMERICA

CAN OVERPRODUCE FOR ITS OWN DOMESTIC NEEDS.

L THE VALUE OF FARM EXPORTS WILL APPROXIMATE \$7.5 BILLION

THIS FISCAL YEAR -- A NEW RECORD BY A WIDE MARGIN. L SALES

FOR DOLLARS WILL BE A RECORD \$6.5 BILLION.

L THE VOLUME OF THESE EXPORTS WILL BE ABOUT 6 PER CENT

ABOVE THE VOLUME OF THE PREVIOUS RECORD EXPORT YEAR.

L IN THE 1970 CROP YEAR, ALMOST ONE CROPLAND ACRE OUT
OF EVERY FOUR WAS PRODUCED FOR THE EXPORT MARKET. L THE
PROPORTIONS WERE MUCH HIGHER FOR SOYBEANS, WHEAT AND
RICE.

L I FEEL THAT AN EXPORT GOAL OF \$10 BILLION OVER THE
NEXT SEVERAL YEARS CAN BE ATTAINED. L WE CAN REACH THIS
GOAL ONLY BECAUSE THERE HAS BEEN CREATED IN THE UNITED
STATES AN EFFICIENT AND PRODUCTIVE AGRICULTURE UNMATCHED
ANYWHERE IN THE WORLD.

L ONE OF THE TRULY GREAT PROGRAMS WITH WHICH I AM
PROUD TO BE IDENTIFIED IS THE FOOD FOR PEACE PROGRAM --
PUBLIC LAW 480. L FOOD HAS BECOME A MOST SIGNIFICANT
FORM OF FOREIGN ECONOMIC ASSISTANCE.

↳ FOOD AND FIBER FROM AMERICAN FARMS HAS SAVED
THE LIVES OF MILLIONS OF PEOPLE. ↳ AND YOU SHOULD BE
HAPPY TO KNOW THAT THERE ARE MILLIONS OF BOYS AND
GIRLS THROUGHOUT THE WORLD -- OUTSIDE OF THE UNITED
STATES -- WHO REGULARLY ARE RECEIVING SCHOOL LUNCHES AS
A RESULT OF THIS PROGRAM.

↳ THE FOOD FOR PEACE PROGRAM, WHICH HAS BEEN CONSIDERED
BY SOME TO BE THE PROVINCE OF IDEALISTS, MIGHT BETTER
BE CONSIDERED AS THE SUBJECT MATTER FOR HARDHEADED
REALISTS. ↳ I DO NOT INTEND TO LET IT BE UNDERMINED BY
THE BUREAUCRATS IN THE OFFICE OF MANAGEMENT AND BUDGET.

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↳ ALL OF YOU HAVE A VERY REAL INTEREST IN THE WELFARE
OF RURAL AMERICA AND THOSE WHO TILL ITS SOIL, ↳ THIS IS
YOUR SOURCE OF SUPPLY AND, IN MANY CASES, YOUR POINT
OF PRODUCTION.

↳ WE NEED TO IMPROVE THE LOT OF OUR RURAL AMERICANS,

↳ WE NEED TO DO THIS AS A MATTER OF SIMPLE JUSTICE. ↳ AND

WE NEED TO DO THIS BECAUSE ALL OF US ARE PRIMARILY
DEPENDENT UPON THE PRODUCTION OF THIS GREAT BASIC SOURCE
OF FOOD AND FIBER.

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