

REMARKS OF SENATOR HUBERT H. HUMPHREY

INTERNATIONAL FEDERATION OF AGRICULTURAL PRODUCERS

Washington, D.C.

October 29, 1975

Today we stand on the threshold of a new era of food insecurity. And we have not yet fashioned a policy to deal with this reality.

Until recent years, the world has had ample food which over the decade 1963 - 1972 averaged around an 80 day supply. Now that figure is down to the three to four week range.

And in earlier years the United States regularly kept as much as 60 to 80 million acres out of production in order to support prices for agricultural commodities.

This has all changed. Today -- largely as a result of bad weather, rising demand for food, conscious Soviet policy decisions to improve diets, and population increases -- food stocks are expected to remain tight for the foreseeable future.

And the United States -- whether in sharing its food or the technology to produce it -- is as dominant in food as the OPEC nations are in the production of petroleum.

Yet our present leadership hardly seems aware of the awesome influence and power of the United States when it comes to food and agriculture.

What has recently passed for an agricultural policy has been dominated by:

-- first, the notion of exporting as much as possible;

and second, the rhetoric of freeing farmers from governmental controls.

U.S. farm exports have increased sharply in response to rising world demand. Last year our farm exports produced a net income of \$12 billion to meet our petroleum import needs. But, the Government -- in spite of its free market rhetoric -- has repeatedly intervened in our agricultural export markets.

It is taken for granted in the highest levels of the U.S. Government that agricultural exports can and should be the main vehicle for paying for our petroleum imports.

And yet, there is no program to assure farmers some modest floor protection in case of short-term food surpluses. And the government has not hesitated to put a hold on exports when it appeared that supplies might be in short supply.

We seem to grope from crisis to crisis with little sense of where we are headed.

I am convinced that the nation which devised programs such as the Marshall Plan and Food for Peace can respond with courage and imagination.

At the outset, we must realize that a new food and agricultural policy is needed which balances and relates domestic and international concerns. As one step in accomplishing this objective, I have recommended that a Food Coordinator be established at the White House.

While establishing a food and agricultural policy should be a concern of everyone, I am not suggesting that the interests of our farmers be ignored.

Our Department of Agriculture has already yielded too much to other government departments in setting agricultural policy.

And, concurrently, the role of farm interests should be increased in dealing with issues such as interest rates, energy programs, transportation and taxation.

I have already introduced legislation to give representation to agriculture on the Federal Reserve Board.

I would hope that the Administration would begin to develop a more comprehensive food and agricultural policy which would relate our domestic needs, humanitarian assistance programs and commercial export sales.

One requirement in a new policy is increased floor prices so that farmers can take the risks and make the investments needed to assure a high level of production. With the veto of the 1975 Emergency Farm bill, farmers felt that they needed extensive export markets in order to avoid depressed prices.

Our farmers still face a situation whereby they could well be ruined by bumper harvests, if crops are good in other countries. The Department of Agriculture earlier this year was anticipating sharply reduced farm prices in its fight on inflation.

However, farmers were again sorely disappointed, when export controls were imposed after being told once more to produce as much as possible. The Administration had assured farmers that it would not interfere with exports.

But, as in the fall of 1974, the Administration felt compelled to change the rules in the middle of the game.

It still has no clearly established procedures to deal with a short-supply situation.

And these short-supply rules or procedures need to be spelled out well in advance. Too many times in recent years the government has intervened and changed the rules in the middle of the game.

We also need to face up to a number of critical issues in our export policy. Will we be prepared to require cooperation of buyers in terms of sharing information on their requirements?

Will regular customers such as Japan be given priority consideration?

Are we prepared to improve our information system so that we have better data on weather and crop forecasts?

Another major issue is how will we react to a buyer who tries to buy up more than needed with the idea of manipulating the world food markets?

This Administration has been most reluctant to face up to these issues in light of its doctrinal devotion to the principle of the free market.

But in a world where every major country conducts its transactions through a state-controlled trading operation, it is somewhat ludicrous to look to the past and describe today's situation as a free market. Other nations have concluded that food is central to their security and have taken steps to protect their citizens.

A comprehensive food and agricultural policy also must relate to our food aid and development assistance program.

During the 1970's Canadian and United States grain exports have doubled, reaching almost 100 million tons in the current year. It is doubtful that this record can be repeated in the near future.

We should utilize our food aid and development assistance to increase food production and encourage improved agricultural policies in the food deficit nations.

In particular, research programs should be directed toward encouraging the small farmer. And rural development investments should be directed toward increasing employment and improving opportunities away from the urban areas.

We also should encourage and support food deficit nations in launching programs to limit their population growth. The rate of population increase will be a critical factor in determining world food availabilities during the remaining decades of this century.

We also need to establish a world food reserve system which will assure adequate supplies of food for consumers and assure reasonable prices for producers. Such a system can be made to work in spite of the reluctance of this Administration to see its merits.

The government needs to be in a position to purchase when there is surplus production, and release -- under carefully controlled conditions -- during periods of scarcity. Such a system can restore some stability to our international commodity markets.

But, we will need to make it clear that we do not intend to again become the holder of the world's food stocks.

I would certainly not want to lead you to believe that this will be an easy undertaking. However, the stakes are high, and we must make the effort.

What we do in this area will carry heavy implications for our own and the world's economy. This also offers our best hope for establishing some new rules in terms of dealing with other scarce commodities.

Much of the authority required to develop and implement such a policy already exists. I already have introduced legislation to further these policies. And I will be looking at the need for any new initiatives.

But the important thing is to get on with the challenge at hand. New thinking is needed.

In the immortal words of Abraham Lincoln:

"The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so must we think anew. We must disenthrall ourselves."

Today we face a challenge regarding food security whether we like it or not. We also need to recognize the interdependent world in which we live. Addressed in a spirit of cooperation, this issue can be met, and other benefits also derived.

It would be worth recalling Secretary Kissinger's closing challenge to the World Food Conference almost a year ago:

"Let the nations gathered here resolve to confront the challenge, not each other.

"Let us agree that the scale and severity of the task require a collaborative effort unprecedented in history.

"And let us make global cooperation in food a model for our response to other challenges of an interdependent world -- energy, inflation, population, protection of the environment."

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WASHINGTON, D.C.

OCTOBER 29, 1975

Changes

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TODAY WE STAND ON THE THRESHOLD OF A NEW ERA OF FOOD
INSECURITY, AND WE HAVE NOT YET FASHIONED A POLICY TO DEAL
WITH THIS REALITY,

L UNTIL RECENT YEARS, THE WORLD HAS HAD AMPLE FOOD WHICH
OVER THE DECADE 1963 - 1972 AVERAGED AROUND AN 80 DAY SUPPLY,
NOW THAT FIGURE IS DOWN TO THE THREE TO FOUR WEEK RANGE,

L AND IN EARLIER YEARS THE UNITED STATES REGULARLY KEPT
AS MUCH AS 60 TO 80 MILLION ACRES OUT OF PRODUCTION IN ORDER
TO SUPPORT PRICES FOR AGRICULTURAL COMMODITIES,

L THIS HAS ALL CHANGED, TODAY -- LARGELY AS A RESULT OF
BAD WEATHER, RISING DEMAND FOR FOOD, CONSCIOUS SOVIET POLICY
DECISIONS TO IMPROVE DIETS, AND POPULATION INCREASES -- FOOD
STOCKS ARE EXPECTED TO REMAIN TIGHT FOR THE FORESEEABLE FUTURE,

↳ AND THE UNITED STATES -- WHETHER IN SHARING ITS FOOD
OR THE TECHNOLOGY TO PRODUCE IT -- IS AS DOMINANT IN FOOD
AS THE OPEC NATIONS ARE IN THE PRODUCTION OF PETROLEUM.

↳ YET OUR PRESENT LEADERSHIP HARDLY SEEMS AWARE OF THE
AWESOME INFLUENCE AND POWER OF THE UNITED STATES WHEN IT
COMES TO FOOD AND AGRICULTURE.

↳ WHAT HAS RECENTLY PASSED FOR AN AGRICULTURAL POLICY
HAS BEEN DOMINATED BY:

-- FIRST, THE NOTION OF EXPORTING AS MUCH AS POSSIBLE;

AND SECOND, THE RHETORIC OF FREEING FARMERS FROM GOVERNMENTAL

CONTROLS.

↳ U.S. FARM EXPORTS HAVE INCREASED SHARPLY IN RESPONSE TO
RIISING WORLD DEMAND. ↳ LAST YEAR OUR FARM EXPORTS PRODUCED A

NET INCOME OF \$12 BILLION TO MEET OUR PETROLEUM IMPORT NEEDS.

[BUT, THE GOVERNMENT -- IN SPITE OF ITS FREE MARKET RHETORIC --
HAS REPEATEDLY INTERVENED IN OUR AGRICULTURAL EXPORT MARKETS,

[IT IS TAKEN FOR GRANTED IN THE HIGHEST LEVELS OF THE
U.S. GOVERNMENT THAT AGRICULTURAL EXPORTS CAN AND SHOULD
BE THE MAIN VEHICLE FOR PAYING FOR OUR PETROLEUM IMPORTS,

AND YET, THERE IS NO PROGRAM TO ASSURE FARMERS SOME
MODEST FLOOR PROTECTION IN CASE OF SHORT-TERM FOOD SURPLUSES,

AND THE GOVERNMENT HAS NOT HESITATED TO PUT A HOLD ON EXPORTS

WHEN IT APPEARED THAT SUPPLIES MIGHT BE IN SHORT SUPPLY,

we lack a Policy,

[WE SEEM TO GROPE FROM CRISIS TO CRISIS WITH LITTLE SENSE
OF WHERE WE ARE HEADED.

[I AM CONVINCED THAT THE NATION WHICH DEvised PROGRAMS
SUCH AS THE MARSHALL PLAN AND FOOD FOR PEACE CAN RESPOND WITH
COURAGE AND IMAGINATION.

AT THE OUTSET, WE MUST REALIZE THAT A NEW FOOD AND AGRICULTURAL POLICY IS NEEDED WHICH BALANCES AND RELATES DOMESTIC AND INTERNATIONAL CONCERNS. AS ONE STEP IN ACCOMPLISHING THIS OBJECTIVE, I HAVE RECOMMENDED THAT A FOOD COORDINATOR BE ESTABLISHED AT THE WHITE HOUSE.

L WHILE ESTABLISHING A FOOD AND AGRICULTURAL POLICY SHOULD BE A CONCERN OF EVERYONE, I AM NOT SUGGESTING THAT THE INTERESTS OF OUR FARMERS BE IGNORED.

L OUR DEPARTMENT OF AGRICULTURE HAS ALREADY YIELDED TOO MUCH TO OTHER GOVERNMENT DEPARTMENTS IN SETTING AGRICULTURAL POLICY.

L AND, CONCURRENTLY, THE ROLE OF FARM INTERESTS SHOULD BE INCREASED IN DEALING WITH ISSUES SUCH AS INTEREST RATES,
ENERGY PROGRAMS, TRANSPORTATION AND TAXATION.

L I HAVE ALREADY INTRODUCED LEGISLATION TO GIVE REPRESENTATION TO AGRICULTURE ON THE FEDERAL RESERVE BOARD.

L I WOULD HOPE THAT THE ADMINISTRATION WOULD BEGIN TO DEVELOP A MORE COMPREHENSIVE FOOD AND AGRICULTURAL POLICY WHICH WOULD RELATE OUR DOMESTIC NEEDS, HUMANITARIAN ASSISTANCE PROGRAMS AND COMMERCIAL EXPORT SALES.

L ONE REQUIREMENT IN A NEW POLICY IS INCREASED FLOOR PRICES SO THAT FARMERS CAN TAKE THE RISKS AND MAKE THE INVESTMENTS NEEDED TO ASSURE A HIGH LEVEL OF PRODUCTION ~~WITH THE VETO OF THE 1975 EMERGENCY FARM BILL, FARMERS FELT THAT THEY NEEDED EXTENSIVE EXPORT MARKETS IN ORDER TO AVOID DEPRESSED PRICES.~~

L OUR FARMERS STILL FACE A SITUATION WHEREBY THEY COULD WELL BE RUINED BY BUMPER HARVESTS, IF CROPS ARE GOOD IN OTHER COUNTRIES L THE DEPARTMENT OF AGRICULTURE EARLIER THIS YEAR WAS ANTICIPATING SHARPLY REDUCED FARM PRICES IN ITS FIGHT ON INFLATION.

HOWEVER, FARMERS WERE AGAIN SORELY DISAPPOINTED WHEN EXPORT CONTROLS WERE IMPOSED AFTER BEING TOLD ONCE MORE TO PRODUCE AS MUCH AS POSSIBLE. THE ADMINISTRATION HAD ASSURED FARMERS THAT IT WOULD NOT INTERFERE WITH EXPORTS.

↳ BUT, AS IN THE FALL OF 1974, THE ADMINISTRATION FELT COMPELLED TO CHANGE THE RULES IN THE MIDDLE OF THE GAME.

↳ IT STILL HAS NO CLEARLY ESTABLISHED PROCEDURES TO DEAL WITH A SHORT-SUPPLY SITUATION.

↳ AND THESE SHORT-SUPPLY RULES OR PROCEDURES NEED TO BE SPELLED OUT WELL IN ADVANCE. ↳ TOO MANY TIMES IN RECENT YEARS THE GOVERNMENT HAS INTERVENED AND CHANGED THE RULES IN THE MIDDLE OF THE GAME.

↳ WE ALSO NEED TO FACE UP TO A NUMBER OF CRITICAL ISSUES IN OUR EXPORT POLICY. ↳ WILL WE BE PREPARED TO REQUIRE COOPERATION OF BUYERS IN TERMS OF SHARING INFORMATION ON THEIR REQUIREMENTS?

WILL REGULAR CUSTOMERS SUCH AS JAPAN BE GIVEN PRIORITY
CONSIDERATION?

L ARE WE PREPARED TO IMPROVE OUR INFORMATION SYSTEM, ^{world system} SO THAT
WE HAVE BETTER DATA ON WEATHER AND CROP FORECASTS?

ANOTHER MAJOR ISSUE IS HOW WILL WE REACT TO A BUYER WHO
TRIES TO BUY UP MORE THAN NEEDED WITH THE IDEA OF MANIPULATING
THE WORLD FOOD MARKETS?

L *There has been a reluctance*
~~THIS ADMINISTRATION HAS BEEN MOST RELUCTANT TO FACE UP~~
TO THESE ISSUES, ~~IN LIGHT OF ITS DOCTRINAL DEVOTION TO THE~~
~~PRINCIPLE OF THE FREE MARKET.~~

L BUT IN A WORLD WHERE EVERY MAJOR COUNTRY CONDUCTS ITS
TRANSACTIONS THROUGH A STATE-CONTROLLED TRADING OPERATION,
IT IS SOMEWHAT LUDICROUS TO LOOK TO THE PAST AND DESCRIBE
TODAY'S SITUATION AS A FREE MARKET. OTHER NATIONS HAVE
CONCLUDED THAT FOOD IS CENTRAL TO THEIR SECURITY AND HAVE
TAKEN STEPS TO PROTECT THEIR CITIZENS.

A COMPREHENSIVE FOOD AND AGRICULTURAL POLICY ALSO MUST
RELATE TO OUR FOOD AID AND DEVELOPMENT ASSISTANCE PROGRAM,

L DURING THE 1970'S CANADIAN AND UNITED STATES GRAIN
EXPORTS HAVE DOUBLED, REACHING ALMOST 100 MILLION TONS IN
THE CURRENT YEAR. ~~IT IS DOUBTFUL THAT THIS RECORD CAN BE~~
~~REPEATED IN THE NEAR FUTURE.~~

L WE SHOULD UTILIZE OUR FOOD AID AND DEVELOPMENT ASSISTANCE
TO INCREASE FOOD PRODUCTION AND ENCOURAGE IMPROVED AGRICULTURAL
POLICIES IN THE FOOD DEFICIT NATIONS. (For Assistance)
would food corp Resol.

L IN PARTICULAR, RESEARCH PROGRAMS SHOULD BE DIRECTED TOWARD
ENCOURAGING THE SMALL FARMER, AND RURAL DEVELOPMENT INVESTMENTS
SHOULD BE DIRECTED TOWARD INCREASING EMPLOYMENT AND IMPROVING
OPPORTUNITIES AWAY FROM THE URBAN AREAS.

WE ALSO SHOULD ENCOURAGE AND SUPPORT FOOD DEFICIT NATIONS
IN LAUNCHING PROGRAMS TO LIMIT THEIR POPULATION GROWTH. *↳* THE
RATE OF POPULATION INCREASE WILL BE A CRITICAL FACTOR IN
DETERMINING WORLD FOOD AVAILABILITIES DURING THE REMAINING
DECADES OF THIS CENTURY,

↔
↳ WE ALSO NEED TO ESTABLISH A WORLD FOOD RESERVE SYSTEM
WHICH WILL ASSURE ADEQUATE SUPPLIES OF FOOD FOR CONSUMERS
AND ASSURE REASONABLE PRICES FOR PRODUCERS. SUCH A SYSTEM
CAN BE MADE TO WORK, ~~IN SPITE OF THE RELUCTANCE OF THIS~~
~~ADMINISTRATION TO SEE ITS MERITS.~~ *Here at home -*

↳ THE GOVERNMENT NEEDS TO BE IN A POSITION TO PURCHASE WHEN
THERE IS SURPLUS PRODUCTION, AND RELEASE -- UNDER CAREFULLY
CONTROLLED CONDITIONS -- DURING PERIODS OF SCARCITY, SUCH A
SYSTEM CAN RESTORE SOME STABILITY TO OUR INTERNATIONAL COMMODITY
MARKETS.

BUT, WE WILL NEED TO MAKE IT CLEAR THAT WE DO NOT INTEND
TO AGAIN BECOME THE HOLDER OF THE WORLD'S FOOD STOCKS.

I WOULD CERTAINLY NOT WANT TO LEAD YOU TO BELIEVE THAT
THIS WILL BE AN EASY UNDERTAKING. HOWEVER, THE STAKES ARE
HIGH, AND WE MUST MAKE THE EFFORT.

WHAT WE DO IN THIS AREA WILL CARRY HEAVY IMPLICATIONS
FOR OUR OWN AND THE WORLD'S ECONOMY. THIS ALSO OFFERS OUR BEST
HOPE FOR ESTABLISHING SOME NEW RULES IN TERMS OF DEALING WITH
OTHER SCARCE COMMODITIES.

MUCH OF THE AUTHORITY REQUIRED TO DEVELOP AND IMPLEMENT
SUCH A POLICY ALREADY EXISTS. I ALREADY HAVE INTRODUCED
LEGISLATION TO FURTHER THESE POLICIES. AND I WILL BE LOOKING
AT THE NEED FOR ANY NEW INITIATIVES.

(New Internationalism)

BUT THE IMPORTANT THING IS TO GET ON WITH THE CHALLENGE
AT HAND. NEW THINKING IS NEEDED.

IN THE IMMORTAL WORKS OF ABRAHAM LINCOLN:

"THE DOGMAS OF THE QUIET PAST ARE INADEQUATE TO THE
STORMY PRESENT. THE OCCASION IS PILED HIGH WITH
DIFFICULTY, AND WE MUST RISE WITH THE OCCASION. AS
OUR CASE IS NEW, SO MUST WE THINK ANEW. WE MUST
DISENTHRALL OURSELVES."

TODAY WE FACE A CHALLENGE REGARDING FOOD SECURITY
WHETHER WE LIKE IT OR NOT. WE ALSO NEED TO RECOGNIZE THE
INTERDEPENDENT WORLD IN WHICH WE LIVE. ADDRESSED IN A SPIRIT
OF COOPERATION, THIS ISSUE CAN BE MET, AND OTHER BENEFITS
ALSO DERIVED.

IT WOULD BE WORTH RECALLING SECRETARY KISSINGER'S
CLOSING CHALLENGE TO THE WORLD FOOD CONFERENCE ALMOST A YEAR
AGO:

"LET THE NATIONS GATHERED HERE RESOLVE TO CONFRONT THE
CHALLENGE, NOT EACH OTHER.

"LET US AGREE THAT THE SCALE AND SEVERITY OF THE TASK
REQUIRE A COLLABORATIVE EFFORT UNPRECEDENTED IN HISTORY.

"AND LET US MAKE GLOBAL COOPERATION IN FOOD A MODEL FOR
OUR RESPONSE TO OTHER CHALLENGES OF AN INTERDEPENDENT WORLD --
ENERGY, INFLATION, POPULATION, PROTECTION OF THE ENVIRONMENT."

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