REMARKS OF SENATOR HUBERT H. HUMPHREY

CONFERENCE ON INTERNATIONAL DEVELOPMENT

VIRGINIA POLYTECHNIC INSTITUTE

Blacksburg, Virginia

September 27, 1976

I have come to Virginia Polytechnic Institute this evening because I share your commitment to the cause of human development in our own country and abroad.

From my childhood in South Dakota and throughout my public career I have been deeply involved in the development process -- a process which has as its goal the realization of an individual's full potential in an environment of expanded economic and social opportunities.

I recognize that even in America the development process is still on-going. Poverty is still a way of life for nearly 30 million of our people. Our inner cities have become the home of the desperately poor and disadvantaged. And many of our rural areas are still without basic services and opportunities available to the great majority of our people.

Our own development has not progressed as far as I would like. But I refuse to let this circumstance obscure the basic imperative of global interdependence -- an interdependence which requires us to recognize that our economic well being depends on others as well as ourselves.

I want to review briefly where we have been and where we must go if we are to make any meaningful progress toward the eradication of poverty, hunger, disease and illiteracy which afflict so many billions on this planet.

In the early years of our experience, we attacked the problem with a messianic zeal. We believed that the goal of development was to replicate our own American economic model. The first stage was to build a foundation for industrial development -- to build the roads, dams and major industrial projects which were to create an economic base for greater and more rapid industrialization of all sectors of the economy we were aiding. In our own characteristic and comfident manner, we set about this grand design, hoping that the American dream could come to the crowded cities and rural backwaters of the developing world.

By the early 1970's, many of us began to realize that our programs were not working. We realized the full dimensions of the problem we faced.

By 1970, it was clear that the course that the American government was taking was making very little direct and lasting impact on the lives of the world's poorest majority. The trickle-down approach was not working.

The poor had been bypassed by the GNP surges of the 1960's caused by large infusions of capital, cheap energy and relatively low inflation levels.

But there was another dimension to this problem. We failed to understand that poverty was not an abstraction. It was, instead, a human condition caused by the lack of political and economic power by people who had no part in the financial, economic and political decisions that affected their lives.

By the beginning of this decade we began to understand the problem of poverty as a basic part of the dislocation of the world's economic system. Energy shortages, international trade and monetary problems, inflation, the unchecked growth of population, the unregulated approach to exploitation of the riches of the seas, and the malnutrition and starvation of millions in a world of relative plenty were all interconnected and interrelated components of the poverty we were trying to eradicate.

This realization brought a truly immense challenge into better focus.

The legislation in 1973 that is popularly called the "New Directions" was a result of our analysis of the problem of the phenomenon of poverty as it existed in the beginning of this decade.

I believe that the guidelines which we wrote into the Foreign Assistance Act that year marked a significant turning point in America's battle against world poverty. They represented the refinement of our early experience with a new and heightened sensitivity to the problems of ordinary people.

Since we first began working on that legislation, a series of economic and natural disasters has further sharpened our awareness of the great problems which we face in the development field.

Bangladesh and the Sahel brought home to us the lesson that despite the unparalleled material prosperity which exists in the developed world, unless our food resources are properly managed and allocated, vast numbers of people still remain pitifully vulnerable to the ancient scourge of famine.

And we also experienced a critical change in the world economic system. A dramatic increase in the price of crude oil aggravated and escalated a recession which had already begun several months before in the industrialized world.

This recession spread with devastating rapidity until it created depression level conditions in much of the developing world. Many of the earlier gains were rapidly wiped out as nations exhausted foreign exchange reserves to buy high priced food and fuel. It was this severe recession which brought home to us the essential interdependence between the developed and developing world.

Along with the terrible specter of the problems of pervasive hunger and economic recession came a growing awareness of the dimensions of the population crisis. We began to understand that any gains made in the battle against poverty were often being outpaced by the rapid population growth in the poor nations of the world.

By 1975, in the International Development and Food Assistance Act, we now had two legislative mandates to shift our bilateral aid away from the large scale capital transfers and toward those whose lives had remained untouched by the rapid growth of the past decade.

These two measures began to focus our efforts on the critical problem areas which affect the lives of the majority of the people in less developed countries:

-- Food products and nutrition.

-- Rural poverty and unemployment.

-- Population and health.

-- Education and development of human resources.

But added to these new development policies adopted at the end of the war in Vietnam, was a basic and fundamental desire on the part of the Congress to depoliticize and demilitarize our aid efforts. We finally found an opportunity to use limited American resources where they were needed most.

I consider the deemphasizing of political and military considerations in our economic programs as one of the major accomplishments of these legislative efforts.

By creating new policy sections built around the New Directions theme, by conforming pervious policy to the new priorities, and by creating new authorities and incentives, the 1975 bill gave added coherence and meaning to the earlier legislation.

In my view, one of the most important features of that legislation is that which brings us here this evening: Title XII, directed at famine prevention and freedom from hunger.

While Congressman Paul Findley and I sponsored this provision, its real creators are the people who are represented in this room. It is a provision which is built on your experience and whose future rests on your creativity and abilities.

What it will mean is largely dependent on you.

We in the Congress can help -- but ulimately it will be you who will give our battle against world hunger meaning and significance.

Title XII is intended to create a partnership between the land grant universities and other institutions with agricultural and fisheries experience and the U.S. government. In creating this new partnership, we mean to capitalize on your proven capabilities. We mean to capitalize on your experience, in order to solve the growing problems of how to increase world food production in order to keep pace with the continuing world population explosion.

We in the Congress intend to monitor closely the development of this new partnership. Its development will not be easy.

I am already concerned that it has taken the Executive branch so long to create the Board for International Food Resource Development. I understand that most of the memebers of the Board are now designated. A few of them are here with us tonight -- Mr. Gerald W. Thanes of New Mexico State University and Anson Bertrand of Texas Tech. I congratulate you and your colleagues as you take up this important responsibility.

Our concept of the Board's responsibilities is quite clear. The '75 Act makes them explicit: It is not an advisory board; it is a participatory board.

It shares with AID the responsibility and authority for implementing Title XII. The new mechanisms created in law must begin realistically to tackle a world food crisis which is not simply a cyclical phenomenon.

The relationship between supply and demand has been worsening consistently over the past two decades. It is a fact that the huge surpluses and acreage which had been held out of production in the United States have obscured the fact for at least a decade that the world's food production has been barely keeping pace with its population growth.

The reasons for the world's food predicament can be found on both sides of the supply-demand equation. On the supply side, for the first time in history, the world appears to be facing serious difficulty in increasing all four of the basic agricultural resources: land, water, energy and fertilizer. In addition, the crucial and unpredictable role of the weather has been accentuated by the droughts in the Sahel, the erratic South Asian monsoons, the poor 1972 harvests in the Soviet Union, the unusual drought, flood, frost cycle in the U.S. in 1974 and the most recent drought in Europe.

On the demand side, population growth and rising affluence are rapidly increasing demand and are beginning to threaten the ecological systems of air, water and forest which underpin the process of food production.

A third major factor on the demand side is income distribution.

Staggering unemployment rates which exist in the developing world deprive populations of adequate incomes. Moreover, jobs that are available in the countryside do not produce enough income to provide more than a subsistence diet for the rural poor.

These grim facts frame the challenge for those who believe that Title XII and the new legilsation provide a path for future progress.

In view of the United States leadership in world food production and trade, we must establish a clear program to assist 460 million people who now border on starvation.

Whether a Democrat or a Republican is elected President on November 2, I believe that the following components must form an integral whole of American food policy in the next Administration.

First, we must increase food aid. It must be committed early in the year and it must be linked to support of rural development in the recipient countries. It is imperative that our food assistance continue to be separated from the short-term political considerations which have a tendency to force the allocation of food on the basis of military and political security considerations rather than on the basis of the extent of poverty and hunger.

Second, the United States must make a firm commitment to create a world food reserve system. Such a system should be based on the creation of nationally held reserve stocks managed so as to avoid depressing farm prices, and in accordance with internationally agreed upon guidelines.

The third component of this new thrust in American food policy would be a development assistance program with continued major emphasis on rural development and on aiding small farmers and the small farm infrastructure. But I believe that our emphasis on this sector must be funded in amounts greater than in previous years.

The fourth part of this plan should be the final implementation of the International Fund for Agricultural Development, which is a direct outgrowth of the World Food Conference. This fund will make available a new $1 billion for agricultural production. It represents the first OECD-OPEC effort at combining resources in aid of the world's poor.

The fifth component must be an effort by a new Administration and the Congress to work together to implement many of the programs in international resource reallocation outlined at the Seventh Special Session of the U.N. General Assembly.

I belive that we should not limit ourselves to the approach outlined in September 1975 at the U.N. But it provides a good foundation on which to build a more equitable economic order.

And I must add that any new approach to these complex problems requires a unified American position which is not being sabotoged by one branch of our bureaucracy. I have been appalled and saddened by the fighting between the Departments of State and Treasury on international economic matters. This is a result of weak Presidential leadership. It must stop if we are to protect our own interests.

You who are gathered here today will play an important role in the implementation of this fight against world hunger. The Title XII effort is so necessary for its success. The broad outlines which I have sketched call for many of the new models which you will be discussing at this conference.

In the field of education and training for development, this group has much to offer. If our programs are to be meaningful to the poor, they must involve the poor. This means among other things new labor-intensive approaches and a new emphasis on non-formal education.

New types of institutions are called for, ones which are designed to increase the productivity of the world's poor. Existing institutions must be strengthened and linked to regional and national levels so that knowledge and services are available to all.

There must be a far greater degree of interchange between institutions in the developing world and those in our own country which have knowledge and skills to offer.

As the sponsors of Title XII have made clear, the new institutions must be <u>there</u>, not <u>here</u>, if they are to have maximum benefit.

But you must devise ways to transplant and make relevant what you have learned.

Measured against the enormous magnitude and pressing nature of human needs around the world, what the United States can do in its bilateral assistance program is rather small. But we should not underestimate the effect of our example on the multitude of efforts now underway. If we design and shape a program of excellence, if our efforts find their proper targets, we will not only help, but we will lead the way.

Because you come from outside the bureaucracy, you have a particular opportunity to assess the effectiveness of our bilateral efforts. At the same time, given the mandate of the Board, you have a particular responsibility to engage in the continuous and vigorous examination of your own efforts.

Let me say now that effective monitoring of our foreign assistance program is critically needed. We, who are the strongest believers in economic development, must also be its sternest critics.

I have tried to oversee the workings of the bilateral and multilateral aid programs through the newly created Subcommittee on Foreign Assistance.

But I must be frank with you. We have not been totally successful in our efforts. The Congress has refused to face up to its enormous responsibility. To oversee a multibillion dollar program, we need the staff and the resources to travel and study. When these resources are provided us, we will do a better job. Now we are really only able to react to the crises and highlight the glaring deficiencies.

I want to remind this audience that continued public support for our development assistance activities depends upon the public's confidence in the government's programs.

There must be demonstrable evidence that these development assistance efforts are working, if they are to receive the continued support of the Congress. The days of large, unstructured and unsupervised foreign aid programs are over.

And, unless you and I are able to convince the American people that our development efforts are indeed reaching those most in need, and have well defined objectives, the programs which many of you help design and participate in will cease to exist.

I want the great American colleges, universities and private agricultural institutions, to create a critical linkage joining the American public, the academic community, our government and the developing nations.

Your institutions, which have contributed much to our own prosperity, now have an expanded opportunity to carry that work to the rest of the world.

Let us not forget that economic development is a vital component of American foreign policy. Yes, it is the morally proper course for our nation to take in the international system. Yes, it is in the democratic tradition to foster greater economic and social justice in the world. But it also must reflect our commitment to the betterment of the global economy -- an economy on which we are truly dependent.

Because economic development efforts are so critical to us, the time has come when they must receive the type of high level attention and public understanding which they merit.

The next Administration -- Democratic or Republican -- must upgrade and coordinate our development assistance programs.

It must seek innovative and imaginative responses to the world's troubled economic system.

It must seek to persuade the American people that the relatively small sacrifices needed on their part will bring great benefits to our nation.

And, finally, a new Administration must understand that the peace and prosperity it seeks can be achieved sooner with genuine economic development than with the endless escalation of armaments.

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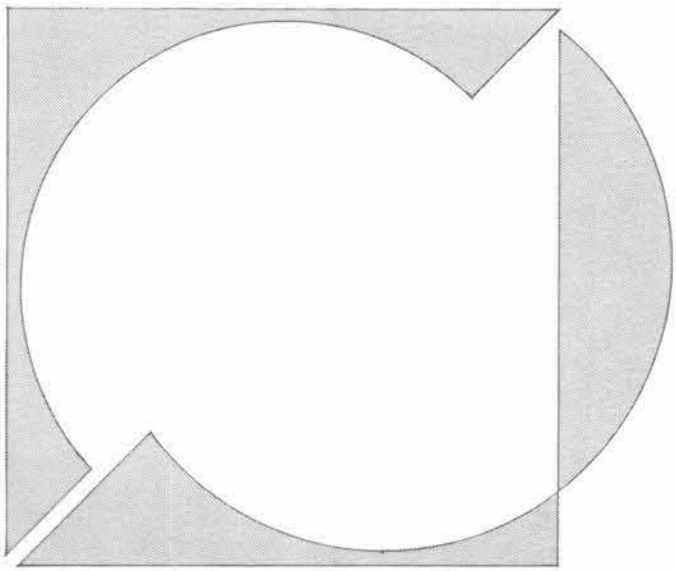
Summary Proceedings

Conference on International Development



co-sponsored by:

Virginia Polytechnic Institute and State University

and

National Association of State Universities and Land-Grant Colleges

VPI&SU

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SUMMARY PROCEEDINGS
OF THE
CONFERENCE ON INTERNATIONAL DEVELOPMENT:
A WORKING CONFERENCE ON UNIVERSITY ACTION

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Edited by

Robert G. Dyck

and

Robert B. Albritton

Published and Distributed by:
University International Programs
105 Patton Hall
Virginia Polytechnic Institute and State University
Blacksburg, Virginia 24061

November 1976

Logo Design by Regan

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4. PUBLIC AND PRIVATE SECTOR ASSISTANCE TO DEVELOPING COUNTRIES

Senator Hubert H. Humphrey*

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*Senator Humphrey's remarks were delivered by Dr. C. Peter Magrath, President, University of Minnesota

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