The original documents are located in Box 13, folder "International Food Aid" of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

Budget shows = $1.165

PRESS RELEASE ON FOOD AID — OK AF I
2-3-74

The President has decided that the U.S. will provide nearly $1.5 billion [$1.47 billion] in PL-480 commodities this year (1975). This represents approximately a 75% increase over food aid in FY 1974. It includes a total of/5.4 million tons of grain. The President based his decision to provide this amount on several factors:

-- The necessity of American help to meet the desperate food needs of a number of developing countries. Seventy percent of our food aid will go to the poorest countries, and will help relieve ~~desperate~~ severe famine conditions in many areas.

-- The importance of helping nations with whom we have close political and economic relations.

-- The availability of adequate amounts of food to provide this assistance without adversely affecting U.S. domestic supplies or U.S. prices.

Q: What quantities can be shipped for $1.47 billion?

A: A total of approximately 5.4 million tons of grain will be shipped.

Q: How does this year's program compare with last year?

A: Last year's PL-480 program was $850 million for 3.1 million tons of grain. This year's program represents a 75% increase over last year in both dollar and commodity terms.

Q: How big is the increase over what was initially planned for FY 75?

A: The Congressional Presentation submitted last spring envisaged a program of 4.3 million tons of grain costing $891 million. The price assumptions underlying these plans were undone by adverse weather conditions, so that, although the commodity costs have been increased by 65%, the volume of actual commodities shipped is only 26% more than initially planned.

Q: What is planned for next year?

A: The FY 76 budget shows a figure of $1.17 billion in commodity costs which is less than this year's level. However, grain prices are estimated to decline sufficiently to permit approximately the same high level of commodity shipments as in 1975.

FYI: We are still consulting with the Congress on the interpretation of Congressional limits on PL-480 (the Humphrey Amendment). As soon as these are completed we will have a precise country-by-country allocation.

Q: How does this affect the President's promise to hold down the budget?

A: The President's position on holding down the budget is clear. He is strongly opposed to excessive government spending. But America has important international responsibilities -- and many nations have critical food needs. We have the capacity to respond positively. He is convinced -- as are most Americans -- that from a humanitarian point of view and from the point of view of our national interest, that an increase in food aid is the right thing to do.

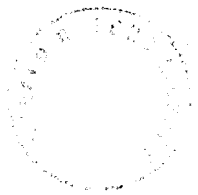
PRESS
DEPARTMENT OF STATE

November 5, 1974

No. 477

As Prepared For Delivery

ADDRESS BY
THE HONORABLE HENRY A. KISSINGER
SECRETARY OF STATE
BEFORE THE WORLD FOOD CONFERENCE
ROME, ITALY
NOVEMBER 5, 1974



Secretary Kissinger:

We meet to address man's most fundamental need. The threat of famine, the fact of hunger have haunted men and nations throughout history. Our presence here is recognition that this eternal problem has now taken on unprecendented scale and urgency and that it can only be dealt with by concerted worldwide action.

Our challenge goes far deeper than one area of human endeavor or one international conference. We are faced not just with the problem of food but with the accelerating momentum of our interdependence. The world is midway between the end of the Second World War and the beginning of the twenty-first century. We are stranded between old conceptions of political conduct and a wholly new environment, between the inadequacy of the nation-state and the emerging imperative of global community. In the past thirty years the world came to assume that a stable economic system and spreading prosperity would continue indefinitely. New nations launched themselves confidently on the path of economic and social development; technical innovation and industrial expansion promised steady improvement in the standard of living of all nations; surpluses of fuel, food and raw materials were considered a burden rather than a blessing. While poverty and misery still afflicted many parts of the globe, over the long run there was universal hope; the period was fairly characterized as a "revolution of rising expectations." That time has ended. Now there are fundamental questions about our capacity to meet even our most basic needs. In 1972, partly due to bad weather around the globe, world grain production declined for the first time in two decades. We were made ominously conscious of the thin edge between hope and hunger, and of the world's dependence on the surplus production of a few nations. In 1973 first a political embargo and then abruptly raised prices for oil curbed production in the world's factories and farms, and sharply accelerated a global inflation that was already at the margin of government's ability to control. In 1974, the international monetary and trading system continues under mounting stress, not yet able to absorb the accumulated weight of repeated shocks. Its institutions still struggling to respond. The same interdependence that brought common advance now threatens us with common decline.

We must act now and we must act together to regain control over our shared destiny. Catastrophe when it cannot be foreseen can be blamed on a failure of vision or on forces beyond our control. But the current trend is obvious and the remedy is within our power. If we do not

act bodly, disaster will result from a failure of will; moral cupability will be inherent in our foreknowledge.

The political challenge is straightforward: will the nations of the world cooperate to confront a crisis which is both self-evident and global in nature? Or will each nation or region or bloc see its special advantages as a weapon instead of as a contribution? Will we pool our strengths and progress together, or test our strengths and sink together?

President Ford has instructed me to declare on behalf of the United States: We regard our good fortune and strength in the field of food as a global trust. We recognize the responsibilities we bear by virtue of our extraordinary productivity, our advanced technology, and our tradion of assistance. That is why we proposed this conference. That is why a Secretary of State is giving this address. The United States will make a major effort to match its capacity to the magnitude of the challenge. We are convinced that the collective response will have an important influence on the nature of the world that our children inherit.

As we move toward the next century the nations assembled here must begin to fashion a global conception. For we are irreversibly linked to each other -- by interdependent economies and human aspirations, by instant communications and nuclear peril. The contemporary agenda of energy, food and inflation exceeds the capacity of any single government, or even of a few governments together, to resolve.

All nations -- east and west, north and south -- are linked to a single economic system. Preoccupation with narrow advantage is fore-doomed. It is bound to lead to sterile confrontations, undermining the international cooperation upon which achievement of national objectives depends. The poorest and weakest nations will suffer most. Discontent and instabilities will be magnified in all countries. New dangers will be posed to recent progress in reducing international tensions. But this need not be our future. There is great opportunity as well as grave danger in the present crisis. Recognition of our condition can disenthrall us from outdated conceptions, from institutional inertia, from sterile rivalries. If we comprehend our reality and act upon it, we can usher in a period of unprecendented advance with consequences far transcending the issues before this Conference. We will have built an international system worthy of the capacities and aspiration of mankind.

The Food Challenge

We must begin here with the challenge of food. No social system, ideology or principle of justice can tolerate a world in which the spiritual and physical potential of hundreds of millions is stunted from elemental hunger or inadequate nutrition. National pride or regional suspicions lose any moral and practical justification if they prevent us from overcoming this scourge.

A generation ago many farmers were self-sufficient; today fuel, fertilizer, capital and technology are essential for their economic survival. A generation ago many nations were self-sufficient; today a good many exporters provide the margin between life and death for many millions.

Thus food has become a central element of the international economy. A world of energy shortages, rampant inflation, and a weakening trade and monetary system will be a world of food shortages as well. And food shortages in turn sabotage growth and accelerate inflation.

The food problem has two levels -- first, coping with food emergency. and second, assuring long-term supplies and an adequate standard of

nutrition for our growing populations.

During the 1950's and 60's global food production grew with great consistency. Per capita output expanded even in the food-deficit nations; the world's total output increased by more than half. But at the precise moment when growing populations and rising expectations made a continuation of this trend essential, a dramatic change occurred: during the past three years, world cereal production has fallen; reserves have dropped to the point where significant crop failure can spell a major disaster.

The longer-term picture is, if anything, starker still. Even today hundreds of millions of people do not eat enough for decent and productive lives. Since increases in production are not evenly distributed, the absolute number of malnourished people are, in fact, probably greater today than ever before except in times of famine. In many parts of the world thirty to fifty percent of the children die before the age of five, millions of them from malnutrition. Many survive only with permanent damage to their intellectual and physical capacities.

World population is projected to double by the end of the century. It is clear that we must meet the food need that this entails. But it is equally clear that population cannot continue indefinitely to double every generation. At some point we will inevitably exceed the earth's capacity to sustain human life. The near as well as the long-term challenges of food have three components:

-- There is the problem of production in the face of population trends, maintaining even current inadequate levels of nutrition and food security will require that we produce twice as much food by the end of this century. Adequate nutrition would require 150 per cent more food, or a total annual output of three billions tons of grain.

-- There is the problem of distribution. Secretary General Marei estimates that at the present rate of growth of 2½ per cent a year the gap between what the developing countries produce themselves and what they need will rise from 25 million to 85 million tons a year by 1985. For the foreseeable future, food will have to be transferred on a substantial scale from where it is in surplus to where it is in shortage.

-- There is the problem of reserves. Protection against the vagaries of weather and disaster urgently requires a food reserve. Our estimate is that as much as 60 million tons over current carryover levels may be required.

In short, we are convinced that the world faces a challenge new in its severity, its pervasiveness, and its global dimension. Our minimum objective of the next quarter century must be to more than double world food production and to improve its quality. To meet this objective the United States proposes to this Conference a comprehensive program of urgent, cooperative world-wide action of five fronts:

-- Increasing the production of food exporters;

-- Accelerating the production in developing countries;

-- Improving means of food distribution and financing;

-- Enhancing food quality;

-- Ensuring security against food emergencies.

Let me deal with each of these in turn.

Increased Production By Food Exporters

A handful of countries, through good fortune and technology, can produce more than they need and thus are able to export. Reliance on this production is certain to grow through the next decade and perhaps beyond. Unless we are to doom the world to chronic famine, the major exporting nations must rapidly expand their potential and seek to ensure the dependable long-term growth of their supplies.

They must begin by adjusting their agricultural policies to a new economic reality. For years these policies were based on the premise that production to full capacity created undesirable surpluses and depressed markets, depriving farmers of incentives to invest and produce. It is now abundantly clear that this is not the problem we face; there is no surplus so long as there is an unmet need. In that sense, no real surplus has ever existed. The problem has always been a collective failure to transfer apparent surpluses to areas of shortages. In current and foreseeable conditions this can surely be accomplished without dampening incentives for production in either area.

The United States has taken sweeping steps to expand its output to the maximum. It already has 167 million acres under grain production alone, an increase of twenty-three million acres from two years ago. In a address to the Congress last month, President Ford asked for a greater effort still; he called upon every American farmer to produce to full capacity. He directed the elimination of all restrictive practices which raise food prices; he assured farmers that he will use present authority and seek additional authority to allocate the fuel and fertilizer they require; and he urged the removal of remaining acreage limitations.

These efforts should be matched by all exporting countries. Maximum production will require a substantial increase in investment. The best land, the most accessible water, and the most obvious improvements are already in use. Last year the United States raised its investment in agriculture by $2.5 billion. The United States Government is launching a systematic survey of additional investment requirements and of ways to ensure that they are met.

A comparable effort by other nations is essential. The United States believes that cooperative action among exporting countries is required to stimulate rational planning and the necessary increases in output. We are prepared to join with other major exporters in a common committment to raise production, to make the necessary investment, and to begin rebuilding reserves for food security. Immediately following the conclusion of this Conference, the United States proposes to convene a group of major exporters -- an export planning group -- to shape a concrete and coordinated program to achieve these goals.

Accelerated Production of Developing Countries

The food exporting nations alone will simply not be able to meet the world's basic needs. Ironically but fortunately, it is the nations with the most rapidly growing food deficits which also possess the greatest

capacity for increased production. They have the largest amounts of unused land and water. While they now have 35 percent more land in grain production than the developed nations, they produce 20 percent less on this land. In short, the largest growth in world food production can -- and must -- take place in the chronic deficit countries.

Yet the gap between supply and demand in these countries is growing, not narrowing. At the current growth rate, the grain supply deficit is estimated to more than triple and reach some 85 million tons by 1985. To cut this gap in half would require accelerating their growth rate from the historically high average of 2½ percent per annum to 3½ percent -- an increase in the rate of growth of 40 percent.

Two key areas need major emphasis to achieve even this minimum goal: new reaserch and new investment.

International and national research programs must be concentrated on the special needs of the chronic food deficit nations and they must be intensified. New technologies must be developed to increase yields and reduce costs, making use of the special features of their labor-intensive, capital-short economies.

On the international plane, we must strengthen and expand the research network linking the less developed countries with research institutions in the industrialized countries and with the exisitng eight international agricultural research centers. We propose that resources for these centers be more than doubled by 1980. For its part the United States will in the same period triple its own contribution for the international centers, for agricultural research efforts in the less developed countries, and for research by American universities on the agricultural problems of developing nations. The existing Consultative Group on International Agricultural Research can play an important coordinating role in this effort.

The United States is gratified by the progress of two initiatives which we proposed at the Sixth Special Session of the UN General Assembly last April: The International Fertilizer Development Center and the study on the impact of climate change of food supply. The Fertilizer Center opened its doors last month in the United States with funds provided by Canada and the United States: we invite wider participation and pledge its resources to the needs of the developing nations. And the important study on climate and food supply has been taken on by the United Nations World Meteorological Organization.

National as well as international research efforts must be brought to bear. The United States offers to share with developing nations the results of its advanced research. We already have underway a considerable range of promising projects: to increase the protein content of common cereals; to fortify staple foods with inexpensive nutrients; to improve plant fixation of atmospheric nitrogen to reduce the need for costly fertilizers; to develop new low cost, small-scale tools and machines for the world's millions of small farmers.

We also plan a number of new projects. Next year, our space, agriculture and weather agencies will test advanced satellite techniques for surveying and forecasting important food crops. We will begin in North America and then broaden the project to other parts of the world. To supplement the WMO study on climate, we have begun our own analysis of the relationship between climatic patterns and crop yields over a statistically significant period. This is a promising and potentially vital contribution to rational

planning of global production.

The United States will also make available the results of these projects for other nations.

Finally, President Ford is requesting the National Academy of Sciences, in cooperation with the Department of Agriculture and other governmental agencies, to design a far-reaching food and nutrition research program to mobilize America's talent. It is the President's aim to dedicate America's resources and America's scientific talent to finding new solutions, commensurate both with the magnitude of the human need and the wealth of our scientific capacities.

While we can hope for technological breakthroughs, we cannot count on them. There is no substitute for additional investment in chronic food-deficit countries. New irrigation systems, storage and distribution systems, production facilities for fertilizer, pesticide and seed and agricultural credit institutions are all urgently needed. Much of this can be stimulated and financed locally. But substantial outside resources will be needed for some time to come.

The United States believes that investment should be concentrated in strategic areas, applying existing, and in some cases very simple, technologies to critical variables in the process of food production. Among these are fertilizer, better storage facilities and pesticides.

Modern fertilizer is probably the most critical single input for increasing crop yields; it is also the most dependent on new investment. In our view fertilizer production is an ideal area for collaboration between wealthier and poorer nations, especially combining the technology of the developed countries, the capital and raw materials of the oil producers and the growing needs of the least developed countries. Existing production capacity is inadequate worldwide; new fertilizer industries should be created especially in the developing countries to meet local and regional needs for the long term. This could be done most efficiently on the basis of regional cooperation.

The United States will strongly support such regional efforts. In our investment and assistance programs we will give priority to the building of fertilizer industries and will share our advanced technology.

Another major priority must be to reduce losses from inadequate storage, transport, and pest control. Tragically, as much as 15 percent of a country's food production is often lost after harvesting because of pests that attack grains in substandard storage facilities. Better methods of safe storage must be taught and spread as widely as possible. Existing pesticides must be made more generally available. Many of these techniques are simple and inexpensive; investment in these areas could have a rapid and substantial impact on the world's food supply.

To plan a coherent investment strategy, the United States proposes the immediate formation of a coordinating group for food production and investment. We recommend that the World Bank join with the Food and Agricultural Organization and the UN Development Program to convene such a group this year. It should bring together representatives from both traditional donors and new financial powers, from multilateral agencies and from developing countries, with the following mandate:

-- To encourage bilateral and international assistance programs to provide the required external resources.

-- To help governments stimulate greater internal resources for agriculture.

-- To promote the most effective uses of new investment by the chronic deficit countries.

The United States has long been a major contributor to agricultural development. We intend to expand this contribution. We have reordered our development assistance priorities to place the central emphasis on food and nutrition programs. We have requested an increase of almost $350 million for them in our current budget. This new emphasis will continue for as long as the need exists.

For all these international measures to be effective, governments must reexamine their overall agricultural policies and practices. Outside countries can assist with technology and the transfer of resources; the setting of priorities properly remains the province of national authorities. In far too many countries, farmers have no incentive to make the investment required for increased production because prices are set at unremunerative levels, because credit in unavailable, or because transportation and distribution facilities are inadequate. Just as the exporting countries must adjust their own policies to new realities, so must developing countries give a higher priority for food production in their development budgets and in their tax, credit and investment policies.

Improving Food Distribution and Financing

While we must urgently produce more food, the problem of its distribution will remain crucial. Even with maximum foreseeable agricultural growth in the developing countries, their food import requirement is likely to amount to some 40 million tons a year in the mid-1980's, or nearly twice the current level.

How is the cost of these imports to be met?

The earnings of the developing countries themselves, of course, remain the principal source. The industrialized nations can make a significant contribution simply by improving access to their markets. With the imminent passage of the trade bill, the United States reaffirms its commitment to institute a system of generalized tariff preferences for the developing nations and to pay special attention to their needs in the coming multilateral trade negotiations.

Nevertheless, an expanded flow of food aid will clearly be necessary. During this fiscal year, the United States will increase its food aid contribution, despite the adverse weather conditions which have affected our crops. The American people have a deep and enduring commitment to help feed the starving and the hungry. We will do every thing humanly possible to assure that our future contribution will be responsive to the growing needs.

The responsibility for financing food imports cannot, however, rest with the food exporters alone. Over the next few years in particular, the financing needs of the food-deficit developing countries will simply be too large for either their own limited resources or the traditional food aid donors.

The oil exporters have a special responsibility in this regard. Many of them have income far in excess of that needed to balance their international payments or to finance their economic development. The continuing massive transfer of wealth and the resulting impetus to worldwide inflation have shattered the ability of the developing countries to purchase food, fertilizer and other goods. And the economic crisis has severely reduced the imports of the industrialized countries from the developing nations.

The United States recommends that the traditional donors and the new financial powers participating in the coordinating group for food production and investment make a major effort to provide the food and funds required. They could form a subcommittee on food financing which, as a first task, would negotiate a minimum global quantity of food for whose transfer to food-deficit developing countries over the next three years they are prepared to find the necessary finances.

I have outlined various measures to expand production, to improve the earning capacity of developing countries, to generate new sources of external assistance. But it is not clear that even these measures will be sufficient to meet the longer-term challenge, particularly if our current estimates of the gap by 1985 and beyond prove to be too conservative.

Therefore, ways must be found to move more of the surplus oil revenue into long-term lending or grants to the poorer countries. The United States proposes that the development committee, created at the recent session of the Governors of the International Bank and Monetary Fund,

be charged with the urgent study of whether existing sources of financing are sufficient to meet the expected import requirements of developing countries. If these sources are not sufficient, new means must be found to supplement them. This must become one of the priority objectives of the countries and institutions that have the major influence in the international monetary system.

Enhancing Food Quality

Supplies alone do not guarantee man's nutritional requirements. Even in developed countries, with ample supplies, serious health problems are caused by the wrong kinds and amounts of food. In developing countries, the problem is magnified. Not only inadequate distribution but also the rising cost of food domms the poorest and most vulnerable groups -- children and mothers -- to inferior quality as well as insufficient quantity of food. Even with massive gains in food production, the world could still be haunted by the spectre of inadequate nutrition.

First, we must understand the problem better. We know a good deal about the state of global production. But our knowledge of the state of global nutrition is abysmal. Therefore the United States proposes that a global nutrition surveillance system be established by the World Health Organiztion, the Food and Agricultural Organization and the United Nations International Children's Emergency Fund. Particular attention should be devoted to the special needs of mothers and young children and to responding quickly to local emergencies affecting these particularly vulnerable groups. Nutrition surveying is a field with which the United States has considerable experience; we are ready to share our knowledge and techniques.

Second, we need new methods for combatting malnutrition. The United States invites the WHO, FAO and UNICEF to arrange for an internationally coordinated program in applied nutritional research. Such a program should set priorities, identify the best centers for research, and generate the necessary funding. The United States is willing to contribute $5 million to initiate such a program.

Third, we need to act on problems which are already clear. The United States proposes an immediate campaign against two of the most prevalent and blighting effects of malnutrition: Vitamin A blindness and iron deficiency anemia. The former is responsible for well over half of the millions of cases of blindness in less developed countries; the current food shortages will predictably increase this number. Iron deficiency anemia is responsible for low productivity in many parts of the world.

Just as the world has come close to eradicating smallpox, yellow fever and polio, it can conquer these diseases. There are available new and relatively inexpensive techniques which could have a substantial impact. The United States is ready to cooperate with developing countries and international donors to carry out the necessary programs. We are prepared to contribute $10 million to an international effort.

Finally, we need to reflect our concern for food quality in existing programs. This Conference should devote special attention to food aid programs explicitly designed to fight malnutrition among the most vulnerable groups. The United States will increase funding for such programs by at least $50 million this year.

Ensuring Against Food Emergencies

The events of the past few years have brought home the grave vulnerability of mankind to food emergencies caused by crop failures, floods, wars and other disasters. The world has come to depend on a few exporting countries, and particularly the United States, to maintain the necessary reserves. But reserves no longer exist, despite the fact that the United States has removed virtually all of its restrictions on production and our farmers have made an all-out effort to maximize output. A worldwide reserve of as much as 60 million tons of food above present carryover levels may be needed to assure adequate food security.

It is neither prudent nor practical for one or even a few countries to be the world's sole holder of reserves. Nations with a history of radical fluctuations in import requirements have an obligation, both to their own people and to the world community, to participate in a system which shares that responsibility more widely. And exporting countries can no longer afford to be caught by surprise. They must have advance information to plan production and exports .

We commend FAO Director General Boerma for his initiative in the area of reserves. The United States shares his view that a cooperative multilateral system is essential for greated equity and efficiency. We therefore propose that this Conference organize a Reserves Coordinating Group to negotiate a detailed agreement on an international system of nationally-held grain reserves at the earliest possible time. It should include all the major exporters as well as those whose import needs are likely to be greatest. This group's work should be carried out in close cooperation with other international efforts to improve the world trading system.

An International Reserve System should include the following elements:

-- Exchange of information on levels of reserve and working stocks, on crop prospects and on intentions regarding imports or exports;

-- Agreement on the size of global reserves required to protect against famine and price fluctuations;

-- Sharing of the responsibility for holding reserves;

-- Guidelines on the management of national reserves, defining the conditions for adding to reserves and for releasing from them;

-- Preference for cooperating countries in the distribution of reserves;

-- Procedures for adjustment of targets and settlement of disputes and measures for dealing with non-compliance.

Agenda For The Future

The challenge before this conference is to translate needs into programs and programs into results. We have no time to lose.

I have set forth a five point platform for joint action:

-- To concert the efforts of the major surplus countries to help meet the global demand;

-- To expand the capacity of chronic food deficit developing nations for growth and greater self-sufficiency;

-- To transfer resources and food to meet the gaps which remain;

-- To improve the quality of food to ensure adequate nutrition;

-- To safeguard men and nations from sudden emergencies and the vagaries of weather.

I have outlined the contribution that the United States is prepared to make in national or multilateral programs to achieve each of these goals. And I have proposed three new international groups to strengthen national efforts, coordinate them and give them global focus;

-- The Exporters Planning Group;

-- The Food Production and Investment Coordinating Group;

-- The Reserves Coordinating Group.

A number of suggestions have been made for a central body to fuse our efforts and provide leadership. The United States is openminded about such an institution. We strongly believe, however, that whatever the mechanisms, a unified, concerted and comprehensive approach is an absolute requirement. The American delegation headed by our distinguished Secretary of Agriculture Earl Butz is prepared to begin urgent discussions to implement our proposals. We welcome the suggestions of other nations gathered here. We will work hard and we will work cooperatively.

Conclusion

Nothing more overwhelms the human spirit, or mocks our values and our dreams, than the desperate struggle for sustenance. No tragedy is more wounding than the look of despair in the eyes of a starving child.

Once famine was considered part of the normal cycle of man's existence, a local or at worst a national tragedy. Now our consciousness is global. Our achievements, our expectations, and our moral convictions have made this issue into a universal political concern.

The profound promise of our era is that for the first time we may have the technical capacity to free mankind from the scourge of hunger. Therefore, today we must proclaim a bold objective -- that within a decade no child will go to bed hungry, that no family will fear for its next day's bread, and that no human being's future and capacities will be stunted by malnutrition.

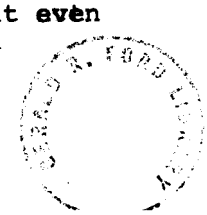
Our responsibility is clear.

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.

William Faulkner expressed the confidence that "man will not merely endure, he will prevail." We live today in a world so complex that even only to endure, man must prevail. Global community is no longer a



sentimental ideal but a practical necessity. National purposes, international realities and human needs all summon man to a new test of his capacity and his morality.

We cannot turn back or turn away.

"Human reason," Thomas Mann wrote, "needs only to will more strongly than fate and it is fate."

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DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

November 27, 1974

Mr. Ron Nessen
The White House
Washington, D. C.

Dear Ron:

When I was with the President on Tuesday, he expressed interest in a statement by Dr. Marei, the Egyptian who served as Secretary General of the World Food Conference in Rome, when he asked other nations to be "fair" about the U. S. refusal to pledge additional aid, saying that the U. S. "is the leading food aid contributor."

I attach herewith that quote from the November 18th Washington Post, dateline Rome. The President indicated he wanted this before his news conference on November 29.

I also attach a table showing illustrations of staple food items that are cheaper now than they were a year ago. I think when someone raises the question about the high price of sugar, eggs, and butter, it is also well to point out that other items are substantially cheaper than a year ago. The latter never seems to make news.

From my point of view, turkey is not bad eating and it is substantially cheaper than a year ago.

Sincerely yours,

Earl

EARL L. BUTZ
SECRETARY OF AGRICULTURE

Around the World

Nonpolitical Cabinet Formed in Turkey

ANKARA—Turkish President Fahri Koroturk approved formation of a largely non-political Cabinet under Premier-designate Sadi Irmak yesterday, ending a 61-day governmental crisis.

Irmak, 70, an independent senator, is to submit his program early this week and after a two-day lapse required by the constitution, face a vote of confidence in the National Assembly.

The crisis was triggered when Bulent Ecevit, the Social Democratic premier, lost support in the divided assembly despite his widely popular handling of the Cyprus crisis.

would have given mine workers about $29 more per week, but it had been attacked by the militant left wing of the National Union of Mineworkers.

Food Conference

ROME—Sayed A. Marei, the Egyptian secretary general of the U.N. World Food Conference, proclaimed the 11-day meeting a success. He cautioned other countries in a speech closing the conference to be "fair" about the U.S. refusal to pledge additional aid to feed the world's hungry, saying that the United States "is the leading food aid contributor."

RETAIL FOOD PRICES
(continued)

Decreases in last year.

	Retail Unit	October 1973 cents	October 1974 cents	Percentage Change Percent
Decreases				
Turkeys	lb.	90.5	71.2	-21.3
Frying chickens	lb.	58.3	56.2	- 3.6
Pork loin	lb.	120.7	119.8	- 0.8
Pork sausage	lb.	137.9	111.3	-18.1
Ham, whole	lb.	115.3	102.7	-10.9
Bacon	lb.	152.8	141.6	- 7.3
Lamb chops	lb.	227.1	223.2	- 1.3
Potatoes	10-lbs.	123.2	119.8	- 2.8
Cabbage	lb.	19.6	14.1	-28.1
Cucumbers	lb.	30.0	29.1	- 3.0
Eggs, Grade A Large	dozen	87.4	83.9	- 4.0
Frankfurters	lb.	131.4	111.4	-15.2
Shrimp	lb.	144.3	142.1	- 1.5
Butter	lb.	106.0	94.4	-10.1

RETAIL FOOD PRICES

Increases in last year

Increases	Retail Unit	October 1973 cents	October 1974 cents	Percentage Change Percent
Flour, white	5 lbs.	92.9	100.4	8.0
Rice, long grain	lb.	34.5	50.7	47.0
Bread, white	lb.	30.6	35.6	16.3
Cookies	lb.	60.4	82.2	36.1
Tuna fish	6-1/2 oz.can	50.6	58.5	15.6
Milk, fresh	1/2 gal.	70.3	77.5	10.2
Milk, evap.	14-1/2 oz.can	23.6	30.1	27.5
Ice cream	1/2 gal.	96.3	112.3	16.6
Cheese	1/2 lb.	63.5	71.4	12.4
Apples	lb.	28.6	31.3	9.4
Oranges	doz.	118.2	120.1	1.6
Lettuce	head	34.4	42.7	24.1
Tomatoes	lb.	39.3	44.2	12.5
Carrots	lb.	22.0	23.7	7.7
Fruit cocktail	#303 can	34.4	45.2	31.4
Froz. orange juice	6 oz. can	25.0	26.5	6.0
Peas	#303 can	27.5	35.2	28.0
Tomatoes	#303 can	25.1	32.0	27.5
Margarine	lb.	44.3	66.4	49.9
Sugar	5 lbs.	79.9	208.4	160.8
Coffee	lb.	108.7	131.5	21.0
Dry beans	lb.	35.2	63.7	81.0

THE SECRETARY OF STATE

Speech

Address by Henry A. Kissinger
before the World Food Conference
Rome, Italy

November 5, 1974

The Global Community and the Struggle Against Famine

We meet to address man's most fundamental need. The threat of famine, the fact of hunger, have haunted men and nations throughout history. Our presence here is recognition that this eternal problem has now taken on unprecedented scale and urgency and that it can only be dealt with by concerted worldwide action.

Our challenge goes far deeper than one area of human endeavor or one international conference. We are faced not just with the problem of food but with the accelerating momentum of our interdependence. The world is midway between the end of the Second World War and the beginning of the 21st century. We are stranded between old conceptions of political conduct and a wholly new environment, between the inadequacy of the nation-state and the emerging imperative of global community. In the past 30 years the world came to assume that a stable economic system and spreading prosperity would continue indefinitely. New nations launched themselves confidently on the path of economic and social development; technical innovation and industrial expansion promised steady improvement in the standard of living of all nations; surpluses of fuel, food, and raw materials were considered a burden rather than a blessing. While poverty and misery still afflicted many parts of the globe, over the long run there was universal hope; the period was fairly characterized as a "revolution of rising expectations." That time has ended. Now there are fundamental questions about our capacity to meet even our most basic needs. In 1972, partly due to bad weather around the globe, world grain production declined for the first time in two decades. We were made ominously conscious of the thin edge between hope and hunger, and of the world's dependence on the surplus production of a few nations. In 1973 first a political embargo, and then abruptly raised prices for oil, curbed production in the world's factories and farms and sharply accelerated a global inflation that was already at the margin of government's ability to control. In 1974 the international monetary and trading system continues under mounting stress, not yet able to absorb the accumulated weight of repeated shocks, its institutions still struggling to respond. The same interdependence that brought common advance now threatens us with common decline.

We must act now and we must act together to regain control over our shared destiny. Catastrophe when it cannot be foreseen can be blamed on a failure of vision or on forces beyond our control. But the current trend is obvious and the remedy is within our power. If we do not act boldly, disaster will result from a failure of will; moral culpability will be inherent in our foreknowledge.

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The political challenge is straightforward: Will the nations of the world cooperate to confront a crisis which is both self-evident and global in nature? Or will each nation or region or bloc see its special advantages as a weapon instead of as a contribution? Will we pool our strengths and progress together, or test our strengths and sink together?

President Ford has instructed me to declare on behalf of the United States: We regard our good fortune and strength in the field of food as a global trust. We recognize the responsibilities we bear by virtue of our extraordinary productivity, our advanced technology, and our tradition of assistance. That is why we proposed this conference. That is why a Secretary of State is giving this address. The United States will make a major effort to match its capacity to the magnitude of the challenge. We are convinced that the collective response will have an important influence on the nature of the world that our children inherit.

As we move toward the next century the nations assembled here must begin to fashion a global conception. For we are irreversibly linked to each other -- by interdependent economies and human aspirations, by instant communications and nuclear peril. The contemporary agenda of energy, food, and inflation exceeds the capacity of any single government, or even of a few governments together, to resolve.

All nations -- east and west, north and south -- are linked to a single economic system. Preoccupation with narrow advantage is foredoomed. It is bound to lead to sterile confrontations, undermining the international cooperation upon which achievement of national objectives depends. The poorest and weakest nations will suffer most. Discontent and instabilities will be magnified in all countries. New dangers will be posed to recent progress in reducing international tensions. But this need not be our future. There is great opportunity as well as grave danger in the present crisis. Recognition of our condition can disenthrall us from outdated conceptions, from institutional inertia, from sterile rivalries. If we comprehend our reality and act upon it, we can usher in a period of unprecedented advance with consequences far transcending the issues before this conference. We will have built an international system worthy of the capacities and aspirations of mankind.

The Food Challenge

We must begin here with the challenge of food. No social system, ideology, or principle of justice can tolerate a world in which the spiritual and physical potential of hundreds of millions is stunted from elemental hunger or inadequate nutrition. National pride or regional suspicions lose any moral and practical justification if they prevent us from overcoming this scourge.

A generation ago many farmers were self-sufficient; today fuel, fertilizer, capital, and technology are essential for their economic survival. A generation ago many nations were self-sufficient; today a good many exporters provide the margin between life and death for many millions.

Thus, food has become a central element of the international economy. A world of energy shortages, rampant inflation, and a weakening trade and monetary system will be a world of food shortages as well. And food shortages in turn sabotage growth and accelerate inflation.

The food problem has two levels: First, coping with food emergency, and second, assuring long-term supplies and an adequate standard of nutrition for our growing populations.

During the 1950's and 1960's global food production grew with great consistency. Per capita output expanded even in the food-deficit nations; the world's total output increased by more than half. But at the precise moment when growing populations and rising expectations made a continuation of this trend essential, a dramatic change occurred: During the past 3 years, world cereal production has fallen; reserves have dropped to the point where significant crop failure can spell a major disaster.

The longer term picture is, if anything, starker still. Even today hundreds of millions of people do not eat enough for decent and productive lives. Since increases in production are not evenly distributed, the absolute number of malnourished people are, in fact, probably greater today than ever before except in times of famine. In many parts of the world 30 to 50 percent of the children die before the age of five, millions of them from malnutrition. Many survive only with permanent damage to their intellectual and physical capacities.

World population is projected to double by the end of the century. It is clear that we must meet the food need that this entails. But it is equally clear that population cannot continue indefinitely to double every generation. At some point we will inevitably exceed the Earth's capacity to sustain human life. The near as well as the long-term challenges of food have three components:

-- There is the problem of production in the face of population trends. Maintaining even current inadequate levels of nutrition and food security will require that we produce twice as much food by the end of this century. Adequate nutrition would require 150 percent more food, or a total annual output of 3 billion tons of grain.

-- There is the problem of distribution. Secretary General Marei [Sayed A. Marei of Egypt, Secretary General of the World Food Conference] estimates that at the present rate of growth of 2½ percent a year the gap between what the developing countries produce themselves and what they need will rise from 25 million to 85 million tons a year by 1985. For the foreseeable future, food will have to be transferred on a substantial scale from where it is in surplus to where it is in shortage.

-- There is the problem of reserves. Protection against the vagaries of weather and disaster urgently requires a food reserve. Our estimate is that as much as 60 million tons over current carryover levels may be required.

In short, we are convinced that the world faces a challenge new in its severity, its pervasiveness, and its global dimension. Our minimum objective of the next quarter century must be to more than double world food production and to improve its quality. To meet this objective the United States proposes to this conference a comprehensive program of urgent, cooperative worldwide action on five fronts.

- Increasing the production of food exporters;
- Accelerating the production in developing countries;
- Improving means of food distribution and financing;
- Enhancing food quality; and
- Insuring security against food emergencies.

Let me deal with each of these in turn.

Increased Production by Food Exporters

A handful of countries, through good fortune and technology, can produce more than they need and thus are able to export. Reliance on this production is certain to grow through the next decade and perhaps beyond. Unless we are to doom the world to chronic famine, the major exporting nations must rapidly expand their potential and seek to insure the dependable long-term growth of their supplies.

They must begin by adjusting their agricultural policies to a new economic reality. For years these policies were based on the premise that production to full capacity created undesirable surpluses and depressed markets, depriving farmers of incentives to invest and produce. It is now abundantly clear that this is not the problem we face; there is no surplus so long as there is an unmet need. In that sense, no real surplus has ever existed. The problem has always been a collective failure to transfer apparent surpluses to areas of shortages. In current

and foreseeable conditions this can surely be accomplished without dampening incentives for production in either area.

The United States has taken sweeping steps to expand its output to the maximum. It already has 167 million acres under grain production alone, an increase of 23 million acres from 2 years ago. In an address to the Congress last month, President Ford asked for a greater effort still. He called upon every American farmer to produce to full capacity; he directed the elimination of all restrictive practices which raise food prices; he assured farmers that he will use present authority and seek additional authority to allocate the fuel and fertilizer they require; and he urged the removal of remaining acreage limitations.

These efforts should be matched by all exporting countries. Maximum production will require a substantial increase in investment. The best land, the most accessible water, and the most obvious improvements are already in use. Last year the United States raised its investment in agriculture by $2.5 billion. The U.S. Government is launching a systematic survey of additional investment requirements and of ways to insure that they are met.

A comparable effort by other nations is essential. The United States believes that cooperative action among exporting countries is required to stimulate rational planning and the necessary increases in output. We are prepared to join with other major exporters in a common commitment to raise production, to make the necessary investment, and to begin rebuilding reserves for food security. Immediately following the conclusion of this conference, the United States proposes to convene a group of major exporters -- an export planning group -- to shape a concrete and coordinated program to achieve these goals.

Accelerated Production of Developing Countries

The food exporting nations alone will simply not be able to meet the world's basic needs. Ironically, but fortunately, it is the nations with the most rapidly growing food deficits which also possess the greatest capacity for increased production. They have the largest amounts of unused land and water. While they now have 35 percent more land in grain production than the developed nations, they produce 20 percent less on this land. In short, the largest growth in world food production can -- and must -- take place in the chronic deficit countries.

Yet the gap between supply and demand in these countries is growing, not narrowing. At the current growth rate, the grain supply deficit is estimated to more than triple and reach some 85 million tons by 1985. To cut this gap in half would require accelerating their growth rate from the historically high average of 2½ percent per annum to 3½ percent -- an increase in the rate of growth of 40 percent.

Two key areas need major emphasis to achieve even this minimum goal: New research and new investment.

International and national research programs must be concentrated on the special needs of the chronic food deficit nations, and they must be intensified. New technologies must be developed to increase yields and reduce costs, making use of the special features of their labor-intensive, capital-short, economies.

On the international plane, we must strengthen and expand the research network linking the less-developed countries with research institutions in the industrialized countries and with the existing eight international agricultural research centers. We propose that resources for these centers be more than doubled by 1980. For its part the United States will in the same period triple its own contribution for the international centers, for agricultural research efforts in the less-developed countries, and for research by American universities on the agricultural problems of developing nations. The existing Consultative Group on International Agricultural Research can play an important coordinating role in this effort.

The United States is gratified by the progress of two initiatives which we proposed at the Sixth Special Session of the U.N. General Assembly last April: the International Fertilizer Development Center and the study on the impact of climate change of food supply. The Fertilizer Center opened its doors last month in the United States with funds provided by Canada and the United States; we invite wider participation and pledge its resources to the needs of the developing nations. And the important study on climate and food supply has been taken on by the United Nations World Meteorological Organization (WMO).

National as well as international research efforts must be brought to bear. The United States offers to share with developing nations the results of its advanced research. We already have underway a considerable range of promising projects: to increase the protein content of common cereals; to fortify staple foods with inexpensive nutrients; to improve plant fixation of atmospheric nitrogen to reduce the need for costly fertilizers; to develop new low-cost, small-scale tools and machines for the world's millions of small farmers.

We also plan a number of new projects. Next year our space, agriculture, and weather agencies will test advanced satellite techniques for surveying and forecasting important food crops. We will begin in North America and then broaden the project to other parts of the world. To supplement the WMO study on climate, we have begun our own analysis of the relationship between climatic patterns and crop yields over a statistically significant period. This is a promising and potentially vital contribution to rational planning of global production.

The United States will also make available the results of these projects for other nations.

Finally, President Ford is requesting the National Academy of Sciences, in cooperation with the Department of Agriculture and other governmental agencies, to design a far-reaching food and nutrition research program to mobilize America's talent. It is the President's aim to dedicate America's resources and America's scientific talent to finding new solutions, commensurate both with the magnitude of the human need and the wealth of our scientific capacities.

While we can hope for technological breakthroughs, we cannot count on them. There is no substitute for additional investment in chronic food-deficit countries. New irrigation systems; storage and distribution systems; production facilities for fertilizer, pesticide, and seed; and agricultural credit institutions are all urgently needed. Much of this can be stimulated and financed locally. But substantial outside resources will be needed for some time to come.

The United States believes that investment should be concentrated in strategic areas, applying existing, and in some cases very simple, technologies to critical variables in the process of food production. Among these are fertilizer, better storage facilities, and pesticides.

Modern fertilizer is probably the most critical single input for increasing crop yields; it is also the most dependent on new investment. In our view fertilizer production is an ideal area for collaboration between wealthier and poorer nations, especially combining the technology of the developed countries, the capital and raw materials of the oil producers, and the growing needs of the least-developed countries. Existing production capacity is inadequate worldwide; new fertilizer industries should be created, especially in the developing countries, to meet local and regional needs for the long term. This could be done most efficiently on the basis of regional cooperation.

The United States will strongly support such regional efforts. In our investment and assistance programs we will give priority to the building of fertilizer industries and will share our advanced technology.

Another major priority must be to reduce losses from inadequate storage, transport, and pest control. Tragically, as much as 15 percent of a country's food production is often lost after harvesting because of pests that attack grains in substandard storage facilities. Better methods of safe storage must be taught and spread as widely as possible. Existing pesticides must be made more generally available. Many of these techniques are simple and inexpensive; investment in these areas could have a rapid and substantial impact on the world's food supply.

To plan a coherent investment strategy, the United States proposes the immediate formation of a coordinating group for food production and investment. We recommend that the World Bank join with the Food and Agriculture Organization and the U.N. Development Program to convene such a group this year. It should bring together representatives from both traditional donors and new financial powers, from multilateral agencies, and from developing countries, with the following mandate:

-- To encourage bilateral and international assistance programs to provide the required external resources;

-- To help governments stimulate greater internal resources for agriculture; and

-- To promote the most effective uses of new investment by the chronic deficit countries.

The United States has long been a major contributor to agricultural development. We intend to expand this contribution. We have reordered our development assistance priorities to place the central emphasis on food and nutrition programs. We have requested an increase of almost $350 million for them in our current budget. This new emphasis will continue for as long as the need exists.

For all these international measures to be effective, governments must reexamine their overall agricultural policies and practices. Outside countries can assist with technology and the transfer of resources; the setting of priorities properly remains the province of national authorities. In far too many countries, farmers have no incentive to make the investment required for increased production, because prices are set at unremunerative levels, because credit is unavailable, or because transportation and distribution facilities are inadequate. Just as the exporting countries must adjust their own policies to new realities, so must developing countries give a higher priority for food production in their development budgets and in their tax, credit, and investment policies.

Improving Food Distribution and Financing

While we must urgently produce more food, the problem of its distribution will remain crucial. Even with maximum foreseeable agricultural growth in the developing countries, their food import requirement is likely to amount to some 40 million tons a year in the mid-1980's, or nearly twice the current level.

How is the cost of these imports to be met?

The earnings of the developing countries themselves, of course, remain the principal source. The industrialized nations can make a significant contribution simply by improving access to their markets. With the imminent passage of the trade bill, the United States reaffirms its commitment to institute a system of generalized tariff preferences for the developing nations and to pay special attention to their needs in the coming multilateral trade negotiations.

Nevertheless, an expanded flow of food aid will clearly be necessary. During this fiscal year, the United States will increase its food aid contribution, despite the adverse weather conditions which have affected our crops. The American people have a deep and enduring commitment to help feed the starving and the hungry. We will do everything humanly possible to assure that our future contribution will be responsive to the growing needs.

The responsibility for financing food imports cannot, however, rest with the food exporters alone. Over the next few years in particular, the financing needs of the food-deficit developing countries will simply be too large for either their own limited resources or the traditional food aid donors.

The oil exporters have a special responsibility in this regard. Many of them have income far in excess of that needed to balance their international payments or to finance their economic development. The continuing massive transfer of wealth and the resulting impetus to worldwide inflation have shattered the ability of the developing countries to purchase food, fertilizer, and other goods. And the economic crisis has severely reduced the imports of the industrialized countries from the developing nations.

The United States recommends that the traditional donors and the new financial powers participating in the coordinating group for food production and investment make a major effort to provide the food and funds required. They could form a subcommittee on food financing, which, as a first task, would negotiate a minimum global quantity of food for whose transfer to food-deficit developing countries over the next 3 years they are prepared to find the necessary finances.

I have outlined various measures to expand production, to improve the earning capacity of developing countries, to generate new sources of external assistance. But it is not clear that even these measures will be sufficient to meet the longer-term challenge, particularly if our current estimates of the gap by 1985 and beyond prove to be too conservative.

Therefore, ways must be found to move more of the surplus oil revenue into long-term lending or grants to the poorer countries. The United States proposes that the development committee, created at the recent session of the Governors of the International Bank and Monetary Fund, be charged with the urgent study of whether existing sources of financing are sufficient to meet the expected import requirements of developing countries. If these sources are not sufficient, new means must be found to supplement them. This must become one of the priority objectives of the countries and institutions that have the major influence in the international monetary system.

Enhancing Food Quality

Supplies alone do not guarantee man's nutritional requirements. Even in developed countries, with ample supplies, serious health problems are caused by the wrong kinds and amounts of food. In developing countries, the problem is magnified. Not only inadequate distribution but also the rising cost of food dooms the poorest and most vulnerable groups -- children and mothers -- to inferior quality as well as insufficient quantity of food. Even with massive gains in food production, the world could still be haunted by the specter of inadequate nutrition.

First, we must understand the problem better. We know a good deal about the state of global production, but our knowledge of the state of global nutrition is abysmal. Therefore, the United States proposes that a global nutrition surveillance system be established by the World Health Organization, the Food and Agriculture Organization, and the United Nations International Children's Emergency Fund. Particular attention should be devoted to the special needs of mothers and young children and to responding quickly to local emergencies affecting these particularly vulnerable groups. Nutrition surveying is a field with which the United States has considerable experience; we are ready to share our knowledge and techniques.

Second, we need new methods for combating malnutrition. The United States invites the WHO, FAO, and UNICEF to arrange for an internationally coordinated program in applied nutritional research. Such a program should set priorities, identify the best centers for research, and generate the necessary funding. The United States is willing to contribute $5 million to initiate such a program.

Third, we need to act on problems which are already clear. The United States proposes an immediate campaign against two of the most prevalent and blighting effects of malnutrition: vitamin A blindness and iron-deficiency anemia. The former is responsible for well over half of the millions of cases of blindness in less-developed countries; the current food shortages will predictably increase this number. Iron-deficiency anemia is responsible for low productivity in many parts of the world.

Just as the world has come close to eradicating smallpox, yellow fever, and polio, it can conquer these diseases. There are available new and relatively inexpensive techniques which could have a substantial impact. The United States is ready to cooperate with developing countries and international donors to carry out the necessary programs. We are prepared to contribute $10 million to an international effort.

Finally, we need to reflect our concern for food quality in existing programs. This conference should devote special attention to food aid programs explicitly designed to fight malnutrition among the most vulnerable groups. The United States will increase funding for such programs by at least $50 million this year.

Insuring Against Food Emergencies

The events of the past few years have brought home the grave vulnerability of mankind to food emergencies caused by crop failures, floods, wars, and other disasters. The world has come to depend on a few exporting countries, and particularly the United States, to maintain the necessary reserves. But reserves no longer exist, despite the fact that the United States has removed virtually all of its restrictions on production and our farmers have made an all-out effort to maximize output. A worldwide reserve of as much as 60 million tons of food above present carryover levels may be needed to assure adequate food security.

It is neither prudent nor practical for one or even a few countries to be the world's sole holder of reserves. Nations with a history of radical fluctuations in import requirements have an obligation, both to their own people and to the world community, to participate in a system which shares that responsibility more widely. And exporting countries can no longer afford to be caught by surprise. They must have advance information to plan production and exports.

We commend FAO Director General Boerma for his initiative in the area of reserves. The United States shares his view that a cooperative multilateral system is essential for greater equity and efficiency. We therefore propose that this conference organize a Reserves Coordinating Group to negotiate a detailed agreement on an international system of nationally held grain reserves at the earliest possible time. It should include all the major exporters as well as those whose import needs are likely to be greatest. This group's work should be carried out in close cooperation with other international efforts to improve the world trading system.

An International Reserve System should include the following elements:

- Exchange of information on levels of reserve and working stocks, on crop prospects, and on intentions regarding imports or exports;
- Agreement on the size of global reserves required to protect against famine and price fluctuations;
- Sharing of the responsibility for holding reserves;
- Guidelines on the management of national reserves, defining the conditions for adding to reserves and for releasing from them;
- Preference for cooperating countries in the distribution of reserves; and
- Procedures for adjustment of targets and settlement of disputes and measures for dealing with noncompliance.

Agenda for the Future

The challenge before this conference is to translate needs into programs and programs into results. We have no time to lose.

I have set forth a five point platform for joint action:

- To concert the efforts of the major surplus countries to help meet the global demand;
- To expand the capacity of chronic food deficit developing nations for growth and greater self-sufficiency;
- To transfer resources and food to meet the gaps which remain;
- To improve the quality of food to insure adequate nutrition; and
- To safeguard men and nations from sudden emergencies and the vagaries of weather.

I have outlined the contribution that the United States is prepared to make in national or multilateral programs to achieve each of these goals. And I have proposed three new international groups to strengthen national efforts, coordinate them, and give them global focus:

- The Exporters Planning Group;
- The Food Production and Investment Coordinating Group; and
- The Reserves Coordinating Group.

A number of suggestions have been made for a central body to fuse our efforts and provide leadership. The United States is openminded about such an institution. We strongly believe, however, that whatever the mechanisms, a unified, concerted, and comprehensive approach is an absolute requirement. The American delegation headed by our distinguished Secretary of Agriculture Earl Butz is prepared to begin urgent discussions to implement our proposals. We welcome the suggestions of other nations gathered here. We will work hard, and we will work cooperatively.

Conclusion

Nothing more overwhelms the human spirit, or mocks our values and our dreams, than the desperate struggle for sustenance. No tragedy is more wounding than the look of despair in the eyes of a starving child.

Once famine was considered part of the normal cycle of man's existence -- a local or at worst a national tragedy. Now our consciousness is global. Our achievements, our expectations, and our moral convictions have made this issue into a universal political concern.

The profound promise of our era is that for the first time we may have the technical capacity to free mankind from the scourge of hunger. Therefore, today we must proclaim a bold objective -- that within a decade no child will go to bed hungry, that no family will fear for its next day's bread, and that no human being's future and capacities will be stunted by malnutrition.

Our responsibility is clear.

- 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.

William Faulkner expressed the confidence that "...man will not merely endure, he will prevail." We live today in a world so complex that even only to endure, man must prevail. Global community is no longer a sentimental ideal but a practical necessity. National purposes, international realities, and human needs all summon man to a new test of his capacity and his morality.

We cannot turn back or turn away.

"Human reason," Thomas Mann wrote, "needs only to will more strongly than fate and she is fate."

DEPARTMENT OF STATE, U.S.A.
WASHINGTON, D.C. 20520

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World Food Problem

Q: What is the United States doing to help meet the world food crisis? What will be the U. S. position at the World Food Conference in Rome?

A: As I said at the United Nations, the United States recognizes the special obligation we bear because of our extraordinary agricultural productivity, advanced technology and our tradition of humanitarian assistance. This is why we proposed a World Food Conference and we are determined to make a contribution equal to the magnitude of the problem.

We are convinced that an international cooperative response to the problem of food is essential to the kind of world we seek. Secretary Kissinger will put forth comprehensive U. S. proposals when he speaks in Rome next week.

AGRICULTURAL RESERVES POLICY

Question: Under President Nixon, our grain stockpiles were depleted. His rationale at that time was that large stockpiles of food worked counter to the free market system and the taxpayer should not have to bear the burden of maintaining these stockpiles. Secretary Kissinger has announced that the U. S. supports a program of stockpiling. How has the logic changed?

Answer: The program of nationally held reserves is one of international scope bearing the burden equitably among all countries. The U. S. will carry its share of the load but will not return to the position of being the breadbasket of the world.

NOTE: We have estimated that a total world reserve in the neighborhood of 60 million tons will be necessary. This is in the same range of U. S. held agricultural stockpiles in the early 1970's.

EXPORT CONTRACTS

Question: Are the surplus countries willing to allow unrestricted food exports and isn't the U. S. already restricting them as evidenced by the denial of all the grain requested by the Soviet Union?

Answer: In times of shortages, the major livestock producing countries must share the burden of reduced grain supplies so as to decrease the burden on those countries that consume grains directly. Just as adjustments in the livestock sector are taking place in the U. S., the European Common Market Countries and Japan are willing to make similar adjustments. Thus it was only fair that the Soviet Union share some of the burden of adjustment by reducing its grain demand for livestock feeding.

FOOD AID

Question: In his speech before the UN General Assembly on September 18, 1974, the President said the U.S. "will not only maintain the amount it spends for food shipments to nations in need, but it will increase this amount." In his speech at the WFC, Secretary Kissinger said that the U.S. "in this fiscal year will increase its food aid contribution." Does Secretary Kissinger's statement involve an increase over the President's statement concerning the amount of food aid the U.S. will provide this fiscal year? If so, by how much?

Answer: At the time of his UN speech, the President was considering a number of options, including increases in both quantity and value of food aid. Secretary Kissinger's statement reflects a more recent review of the situation. It is our hope that more favorable grain prices will allow us to increase both the quantity and the value of food aid over last year. The exact amount of the increase will depend on the final outcome of the current harvest and the resulting prices.

Question: How will this increase in food aid affect U.S. food prices?

Answer: Even with increases the amount of grain provided under our food aid programs will be about one percent of total U.S. production. We do not anticipate a significant effect on prices.

FOOD AID

Question: How will this increase in the food aid affect the President's objective of balancing the budget?

Answer: Any increases in food aid expenditures will be offset by savings elsewhere in the budget.

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QUESTION ON FINANCIAL AGRICULTURAL
PRODUCTION IN IMPORTING COUNTRIES

Q: Secretary Kissinger has proposed that the burden of financing of agricultural production increases in importing countries be equitably shared and that the World Bank and the International Monetary Fund should study this problem. In the past, the U.S. has carried a large portion of the load in guaranteeing loans from these institutions. If the importing countries cannot pay their bills, will the U.S. have to make good these commitments? Second, shouldn't the oil-exporting countries carry a larger portion of the load?

A: International organizations such as the World Bank and the International Monetary Fund were created to handle problems of developing countries, thus these organizations are the proper forum to address this issue. The problem of guaranteeing loans through these organizations is another matter and is under study at this time. The oil-exporting countries have expressed a willingness to cooperate in the global effort to finance food development in importing countries.

QUESTION ON AGRICULTURAL RESERVES

Q: Secretary Kissinger has proposed a group to design an international system of nationally held reserves. When will the U.S. start building stockpiles and under what conditions?

A: The U.S. will start building agricultural reserves for the World Food Program after the international system has been established. We will retain discretion as to the form that reserves are held and the rate at which we build these stockpiles. A principle guideline will be that the reserves should not interfere with the orderly process of free markets.

QUESTIONS ON RESPONSIBILITIES OF SURPLUS COUNTRIES

Q: How does the U.S. plan to concert the efforts of the major surplus countries to meet the global need?

A: As the President instructed Secretary Kissinger to State, the U.S. views America's special strength in the field of food as a global trust. Today a few major food exporters provide the margin between survival and famine, the threat of which threatens world policitical and economic stability. Thus the major exporting nations must act now to bring about the maximum assurance of reliable supplies. The U.S. has already taken the lead in encouraging maximum food production. We are prepared to join in a common community to maximize output, to make the investment required, to ~~bring prices to levels consumers can afford,~~ and to begin to rebuild the resemes we all need for food security. The U.S. proposes to convene such a group following the conclusion of this conference.