

United States Senate

WASHINGTON, D.C. 20510

November 1, 1983

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

The United States administers a wide variety of programs to provide food assistance to developing countries and to use American agricultural abundance to build a more stable and peaceful world. Other nations with agricultural surpluses, and some with cash, help in similar ways. Yet hunger remains a way of life in many parts of the world while the productivity of American farmers continues to create large, price-depressing surpluses here at home. We in America can do more to assure that the abundance of our farms is used as effectively as possible in meeting world food needs.

The cornerstone of the U.S. food assistance effort is the Food for Peace Program, or Public Law 480. Under P.L. 480, our commodities are donated or provided on concessional terms to the poorest countries under special programs. Since its inception in 1954 under President Eisenhower, Food for Peace has enjoyed the unequivocal support of Presidents and Members of Congress of both parties. I hope we can renew this commitment as P.L. 480 approaches its fourth decade.

President Eisenhower said on February 9, 1959, with reference to the Food for Peace Program, "It is more than surplus disposal, more than an attempt to foster ties and sympathies for America. It is an effort that I consider in full keeping with the American tradition -- that of helping people in dire need who with us are devoted to upholding and advancing the cause of freedom. It is an undertaking that will powerfully strengthen our persistent and patient efforts to build an enduring, just peace."

The benefits of P.L. 480 and other food assistance programs to the American economy go far beyond the disposition of our domestic agricultural surpluses. Each 25 million metric tons of food aid shipped abroad in the form of bulk grain is estimated to generate over \$2 billion in input expenditures, to add \$8.4 billion to the GNP and \$2.9 billion in tax revenues, and to create 600,000 new jobs. When exported in processed form, agricultural products make an even

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greater contribution to the national economy. A recent report by the Department of Agriculture states that "the added export activity involved in P.L. 480 ... can result in savings greater than direct program costs in years of depressed prices."

The 30th anniversary of Public Law 480 will be July 10, 1984. In recognition of the great and continuing benefits of this program, I encourage you to appoint a Presidential Task Force on Agricultural Trade and Food Assistance Policy to develop recommendations on how to appropriately memorialize this important event. Such a commemoration would reflect the Administration's interest in and concern for the varied and vital needs served by the Food for Peace Program.

I would also urge that the Task Force be assigned the longer-term task of reviewing the effectiveness of P.L. 480 and other government-assisted foreign aid and export incentive programs in meeting world food requirements and maximizing U.S. agricultural exports. The number and diversity of such programs, administered by the Departments of State, Commerce and Agriculture, as well as by the Export-Import Bank, the Agency for International Development, and other federal agencies, has become enormous. To my knowledge, no effort has ever been made to rationalize their differing and, at times, contradictory objectives in order to establish a unified and coherent policy for U.S. agricultural trade and food assistance. I believe such an effort would result in a far more cost-effective approach to foreign assistance and would reduce overall budget outlays for domestic farm programs by increasing our agricultural exports.

On March 22, 1982, you announced a national agricultural export policy encompassing several specific guarantees against government interference with farm exports. These assurances provide a sound base for development of a comprehensive and positive agricultural trade and food assistance program. We must take active steps to meet the challenges facing American agriculture in the 1980's -- expanded U.S. farm production and export capabilities, aggressive foreign competition for commercial markets, and the diminished purchasing power of many third-world countries. Our goal should be to reallocate our finite financial resources -- and our abundant agricultural resources -- to achieve a better balance between the world's food needs

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and the productive genius of the American farmer.

As you have pointed out on several occasions, Mr. President, it is ironic that American farmers are suffering from low prices created by their own efficiency and superior productivity. Is it not just as ironic for the U.S. to spend billions to reduce agricultural production while people in other countries are suffering from an inadequate supply of food?

I hope you will take the opportunity to commemorate the Food for Peace Program on the occasion of its 30th anniversary, and to recommit the United States to meeting world food needs through a revitalized foreign assistance and agricultural trade policy.

Sincerely yours,



BOB DOLE
United States Senate