

EMERGENCY FOOD ASSISTANCE TO INDIA

GOVERNMENT

Storage

HEARINGS

BEFORE THE

COMMITTEE ON AGRICULTURE

HOUSE OF REPRESENTATIVES

NINETIETH CONGRESS

FIRST SESSION

ON

H.J. Res. 262 and H.J. Res. 267

FEBRUARY 28, MARCH 1 AND 2, 1967

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EMERGENCY FOOD ASSISTANCE TO INDIA

TUESDAY, FEBRUARY 28, 1967

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The committee met, pursuant to notice, at 10:30 a.m., in room 1301, Longworth House Office Building, Washington, D.C., Hon. W. R. Poage (chairman) presiding.

Present: Representatives Poage, Gathings, Abernethy, Jones of Missouri, Stubblefield, Purcell, O'Neal, Foley, Resnick, de la Garza, Jones of North Carolina, Nichols, Montgomery, Brasco, Stuckey, Rarick, Belcher, Teague, Mrs. May, Dole, Hansen, Wampler, Goodling, Miller, Burke, Mayne, Zwach, Kleppe, and Price.

Also present: Christine S. Gallagher, clerk; Hyde H. Murray, assistant counsel; Francis LeMay, staff consultant; and Fowler C. West, assistant staff consultant.

The CHAIRMAN. The committee will please come to order.

The Committee on Agriculture today commences public hearings on House Joint Resolution 267, which I have introduced, and House Joint Resolution 262, introduced by Mr. Dole, to support emergency food assistance to India.

These are identical resolutions which ask that Congress:

(1) Approve the participation of the United States—cooperating with other countries and with multilateral organizations—in meeting India's urgent food needs.

(2) Endorse the President's policy of equal participation on the part of the United States with all other nations.

(3) Recommend that in writing the longtime agreement, that the United States insist that India develop domestic programs or practices which will result in the maximum of domestic food production.

Under existing legislation, the President has broad authority to make these decisions alone. He is not required to come to the Congress, but the extent and importance of the decisions and actions involved in meeting India's urgent needs are such that the President has requested the concurrence of the Congress. I think it is entirely fitting and proper that he should do this. I think that it is desirable that the Executive and the Congress act together in matters of such moment. Moreover, this concurrence should show the world the great heart of America, when confronted with hunger and misery in other nations.

The President's food for India message to the Congress on February 2, 1967, embraces a complete exposition of the proposed actions these resolutions before us would endorse. Witnesses who appear before us will give us more details. I personally want to comment only briefly.

In December, Mr. Dole, of Kansas, and I, and Senators Miller, of Iowa, and McGee, of Wyoming, visited India at the request of the President, for a firsthand study of conditions in that great nation which is plagued by drought and beset by hunger and near famine.

I came away feeling that the future of mankind may now be ground out in India. I recalled that witnesses before our committee a year ago, when we were developing the legislation for a "world war on hunger," testified that if there is no solution in India to the race between population and food, then all the world will live like India does now.

I returned from India encouraged, because I had observed firsthand the spirit there, the energy and the determination of the democratic people of India who resolve the problems which confront them.

I came away convinced that the ultimate salvation of India and, indeed, of other developing areas of the world, is a greater infusion of free enterprise, with the incentives for self-sufficiency, that have created abundance in our own country to an extent never before known in all history. I was convinced that such infusion must be accompanied by intense attention to the explosion of population.

We may very well regard India as a testing place for the future of mankind. I think this is what we are dealing with here today.

In presenting the new food-for-peace, war-on-hunger legislation to the House on May 27 last year, our committee said: "Success in this undertaking will rest ultimately upon the measure of cooperation of other nations, particularly in the underdeveloped areas of the world, in self-help, in developing free enterprise and in population planning." The President, in his message of February 2, said none of the steps proposed to aid India "can be as important as Indian resolve and Indian performance."

I would like to emphasize here that we already have—in Taiwan, Israel, and South Korea—great showcases where American aid, accompanied by the spirit of self-help, infused by incentives of free enterprise, have accomplished self-sufficiency, improved living standards, greater sophistication in food requirements—and then, to reward our own efforts, new markets for U.S. commercial dollar sales for farm products.

Inevitably, when a free world country improves its agriculture, a greater commerce develops between that country and the United States.

In concluding, let me say that we cannot overemphasize incentives for agriculture, particularly for the individual farmer who works the land and produces the food, if we are to win a world war on hunger.

The new food-for-peace legislation enacted last year permits deliberate production of food in the United States to feed hungry people in other nations. Heretofore, we have shipped our surpluses to these nations. Now, we are producing for the specific purpose of feeding the hungry.

We look forward to the day when we can restore absolute freedom of production to the farm—take off all restrictions.

Now that we have brought 30 million acres back into production, or about one-half of what we took out to fight surpluses, we already have encountered a new dilemma. Prices of grains have fallen rapidly in the marketplaces, although our food surpluses are gone.

Prices received by U.S. farmers for what they produce now are actually 8 percent below what they were in 1947, while the wages of manufacturing labor during these last 20 years have increased by 123 percent, and the dividends paid by corporations are up 232 percent. Our agriculture now is caught in a cost-price squeeze. Farm prices have declined for 5 consecutive months, to a low of 75 percent of parity in January. Wheat now brings the farmer about \$2.14 a bushel—including Government payments—in 1947, the farmer received \$2.29 a bushel. Government price supplement and land retirement payments help, but not enough.

The question now is: How do we protect the farmer, in this new goal of abundance to provide assured plenty for our own people and to participate with other nations effectively in this world war on hunger?

This question must enter the consideration of the resolutions before us, and every other consideration that relates to our agriculture, for there is a larger question, and it is this: How long can the American farmer, or any other farmer, keep producing abundantly without a price in the marketplace to reward him for his management and labor and enable him to pay today's prices for the machinery, the chemicals, and other inputs needed to maintain and constantly improve his efficiency?

In weighing measures to share our abundance with hungry people in other nations, I think we must constantly keep in mind that if the incentives for our farmers, the rewards for their enterprise, were as meager as in some other nations, we might go hungry here in these United States.

I am sure this committee, the Congress, and the Nation approve these resolutions for food aid to India. I hope this Nation realizes that this aid is possible only through the enterprise of our farm people, and I pray that all our people will see to it, through proper policy and programs, that there is no interruption in our outpouring of food abundance because our farmers are poorly treated and are unable, through their meager profits, to sustain what is now the greatest, the most efficient plant for the production of food and fiber in all the world.

If we will do that—if we will see that our own farmers have the ability to apply the modern technology and to pay the bills for labor and machinery, if we will give them an income enabling them to do that, they will continue to produce the food that is needed, both in the United States, and indeed, in the developing nations of the world.

Without it, neither American farmers, nor any other farmers can use the modern techniques, entirely apart from anybody's desires. The plain economics of the situation would make it impossible for us to carry on this aid to India or to any other country.

MR. DOLE. I want to take this opportunity to share the views expressed by our chairman, for having had the opportunity to visit India with him last December on behalf of the President and the Secretary of Agriculture.

Let me say at the outset, certainly, there is no partisanship in hunger. This was a completely bipartisan and nonpartisan trip.

I, certainly, agree with Mr. Poage that the need for food aid to India is immediate.

One of the purposes of our trip there was to determine that.

Secondly, I was impressed with the progress being made by the Indian people and the Government in adopting self-help programs.

Apparently, additional questions may have been raised since our visit there. It seems everyone we visited with has now gone down the drain in the recent election. Frankly, I am awaiting to see what the results will be and awaiting the comments of Mr. Rostow, as to what impact the elections will or may have on our food aid program.

Let me add that I am inclined to believe there must be more than one humanitarian country in the world. The American people, certainly, the farmers and the other taxpayers, generally have been of great service to the hungry world everywhere, but there are limitations. We must face the problem realistically; that is, President Johnson, Secretary Freeman, and, I trust, members of this committee.

The American farmer has the same humanitarian motives we all have, but he cannot produce at a loss and continue to farm when producing at a loss. I am hopeful, perhaps, that with these hearings and with subsequent hearings of this committee, everyone will more fully understand the real plight of the American farmer.

Again, I commend the chairman for his very fine statement this morning, and welcome the Secretary this morning.

The CHAIRMAN. House Joint Resolutions 267 and 262, will be made a part of the record at this point.

(The text of H.J. Res. 267 by Mr. Poage and H.J. Res. 262 by Mr. Dole, identical bills, follows:)

JOINT RESOLUTION

To support emergency food assistance to India

Whereas the Congress has declared it to be the policy of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries; and

Whereas two years of drought have caused a grave food shortage in India which threatens the lives and health of millions of people; and

Whereas the urgency of the need of the Indian people and the time needed for congressional deliberation have required the United States already to commit three million six hundred thousand tons of grain valued at \$275,000,000 as a part of the eight to ten million tons of grain estimated to be required during the calendar year 1967 from outside India to prevent irreparable hardship to the people of India, including \$25,000,000 emergency food relief for distribution by CARE and other American voluntary agencies; and

Whereas the programs of economic and agricultural development which have been launched by the Government of India would be seriously impaired if the international community failed to act promptly and on an adequate scale to meet the urgent needs of the people of India: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress approves the participation of the United States in cooperation with other countries and with multi-lateral organizations, including the International Bank for Reconstruction and Development, the Organization for Economic Cooperation and Development, the Food and Agricultural Organization, and others, in urgent international efforts designed to—

(a) develop a comprehensive self-help approach to the war on hunger based on a fair sharing of the burden among the nations of the world;

(b) encourage and assist the Government of India in achieving food self-sufficiency; and

(c) help meet India's critical food and nutritional needs by making available agricultural commodities or other resources needed for food procurement or production.

The Congress endorses the President's policy of equal participation on the part of the United States with all other nations, under terms and conditions set forth in Public Law 480, as amended, in assisting the Government of India to meet these needs.

Further, the Congress recommends, on the basis of estimates now available, that the United States provide an additional amount of food grain not to exceed three million tons at an estimated cost of \$190,000,000 as the United States share toward meeting the India food deficit, provided it is appropriately matched, and specifically extends its support to the allocation of approximately \$190,000,000 of funds available to the Commodity Credit Corporation in calendar year 1967 which will be required to accomplish this purpose.

The Congress further recommends that the President provide an additional \$25,000,000 of emergency food relief for distribution by CARE and other American voluntary agencies.

The CHAIRMAN. We are now privileged to have with us the Secretary of Agriculture, Mr. Freeman. I am going to ask Mr. Freeman to make such remarks on this subject as he sees fit. We will, probably, have to defer questioning the Secretary, because we have several other witnesses present here this morning whom we want to hear. We probably will have to ask the Secretary to be here at a later time.

We are delighted to have the Secretary with us today. We will be glad to hear from you now, Mr. Freeman.

Secretary FREEMAN. Thank you very much, Mr. Chairman and members of the committee. I might point out that Mr. Rostow, the Undersecretary of State, is here from the Department of State, and also the Associate Administrator to the AID Agency Mr. Herbert Waters.

If the chairman thinks it advisable, perhaps the gentlemen might join me here at the witness table.

The CHAIRMAN. Certainly, we will be glad to have them join you. We had anticipated that each one would make a separate statement, but we will be glad to have them join you at the table, and anyone else that you care to invite up there.

Mr. FREEMAN. We have some others from the respective departments, and in the event that the committee desires information that we do not readily have available, then we might all join here in answering the committee's questions if it meets the desires of the committee.

Inasmuch as all three agencies and two departments are deeply involved in this program it would seem to me that we could best get to the heart of the matter and to the committee's questions if we shared in this testimony.

So, if I may, Mr. Chairman, I will just proceed.

The CHAIRMAN. Yes, we will be glad to have you proceed.

STATEMENT OF HON. ORVILLE L. FREEMAN, SECRETARY OF AGRICULTURE, ACCOMPANIED BY THOMAS R. HUGHES, EXECUTIVE ASSISTANT TO THE SECRETARY

Secretary FREEMAN. Almost a year ago we met on a similar occasion—to consider the need for emergency aid to India. The committee acted quickly and favorably on the President's special appeal—which we deeply appreciated.

Since that time, and in close consultation with the Congress, we have carried out this emergency food mission. It has been outstand-

ingly successful in saving lives and averting what might have been one of the great famines of all time. I take this occasion to report to you on what has taken place this last year, and to urge your support for the joint resolution submitted by Congressman Poage and Congressman Dole.

Let me briefly review the mathematics of India's food problem last year. In 1964-65 India produced a record 89 million tons of food grains—significantly above the stable 80-million-ton level of production that prevailed in the early 1960's. But in 1965-66 the monsoon rains were the poorest in nearly a century. Food grain production fell to only 72 million tons. Crop failure was widespread and starvation was imminent.

India, with our help and with help from a number of other countries, mobilized to import a record amount of food grains and to make effective distribution of it. Altogether, India imported over 10 million tons. More than 8 million tons of this came from the United States—about four-fifths wheat and about one-fifth grain sorghums. We estimate that the food grains we provided supplied the daily grain rations for 60 million Indian people, about one-eighth of the entire population. Through considerable belt-tightening and effective distribution of available food, India was able to avoid famine with a substantially smaller total supply of grain than was available in earlier years.

Last year many people wondered whether it was possible to move such a large volume of grain out of the United States to India without disrupting normal transportation and marketing. The amount of grain imports required by India was well beyond the level that had ever moved through her ports and that had ever been distributed to her needy people.

The effectiveness with which the grain was moved and distributed is a tribute to dedicated and coordinated effort that stretched from the wheat fields in the United States to the villages of India.

Here in the United States we were faced with a boxcar shortage, a frozen Great Lakes seaway, and crowded gulf coast port facilities. But through extraordinary measures we were able to maximize shipments from east coast ports.

The Department of Agriculture enlisted the cooperation of nine railroad companies to ship grain through the use of covered hopper unit trains. The covered hopper cars hold nearly twice as much grain as a boxcar, load and unload faster, and lose less grain in transit. Unit trains of 50 cars made complete round trips from Minneapolis to the east coast in 5 to 8 days, compared with 23 days for a train of boxcars.

A train of about 50 hopper cars hauled enough grain to provide a day's ration to 20 million Indian people.

Through the cooperation of American railroads and the Department of Agriculture a new railroading record was established. Railroad employees and officials were enthusiastic. As one official said:

We have never before in the history of the railroad moved a trainload of grain from Minneapolis to Galveston or to the east coast and had our cars emptied and returned in 5 to 8 days.

The President's program and the program authorized by the Congress was executed on a timely basis; and the needed food grains reached India as programmed.

India, too, was faced with the need for receiving and distributing grain in greater volume than ever before. At her request we sent over a high level team of experts to recommend a blueprint for action. Maximum Indian port capacity, prior to the survey by the team, had been 800,000 tons per month. As a result of the teams' recommendations and initiatives by the Government of India, as much as 1.2 million tons of grain, in addition to other bulk commodities, per month were unloaded.

In combination with a stepped-up and highly efficient program of transportation and distribution, U.S. grain reached the people of India who needed it most in a timely and effective manner. Not only were the poor of India's cities provided with needed grain, but grain reached the thousands of villages with insufficient food. Numerous work projects were carried out and financed with U.S. grain. Our food assistance was not used by India as a dole. It was used to finance useful efforts such as building roads and improving irrigation systems.

The cooperation between India and America in this huge humanitarian effort was outstanding. The U.S. Government agencies involved worked together in an efficient, coordinated effort under an inter-agency Indian task force headed by Mr. C. R. Eskildsen, then Associate Administrator of the Foreign Agricultural Service, making a record of which we can be proud. In every way we lived up to our American tradition of helping a neighbor in need, and earned the gratitude which India has officially expressed.

Today we are here to consider a second appeal on behalf of the people of India.

For the second year in a row, nature has been unkind to India's farmers. Last year the lack of rainfall was widespread; this year the lack is mainly in northern India. But, the accumulation of two successive years of drought is serious and India will again need about 10 million tons of grain imports to avert famine.

It is a cruel trick of fate that what assisting nations did last year needs redoing this year.

The Members of Congress are well acquainted with the hardships that India is facing. As you are well aware, your chairman, Mr. Poage, and Congressman Dole as well as Senator McGee, Senator Moss, and Senator Miller have all been in India recently and have viewed the situation firsthand. I take this occasion once again to thank them on behalf of President Johnson for responding to his request and giving of their own time and energy during the busy holiday season. In their report to the President, all agreed that the situation is real and serious, requiring both a higher degree of self-help in India itself and a substantial amount of help from the outside.

We live in hope, and the odds would certainly seem to be that nature will cooperate in the year ahead so that India will have a normal crop and will move ahead with its extensive agricultural improvement plans so that such massive assistance will not be necessary a third time. It is India's purpose and ours that massive food aid will not be necessary much longer. India's target for food self-sufficiency is 1972. We will continue to try to help them meet that target. Meanwhile, India faces

an immediate problem of compensating for this second year of poor harvests.

President Johnson, in his February 2 message on India food, responded to this new need by announcing an immediate allocation of 2 million tons of U.S. food grains under the title I program. These shipments, along with grains already in the pipeline, will help maintain a steady flow to India into early summer—and this will provide the time to formulate the consortium approach to India's food aid that the President has recommended.

The food aid challenge of India, both for the present and for the years ahead, is clearly too great a burden for any one nation or small group of nations to shoulder. The President said, "All advanced nations—including those which import food—must share the burden of feeding the hungry and building their capacity to feed themselves."

The President's proposal that we link our efforts with those of other countries through an India Food Aid Consortium is a highly practical way to bring about this sharing of the load.

The India Aid Consortium has been assisting India, mainly in the area of foreign exchange problems, since 1958. The World Bank serves as chairman. Member countries include Austria, Belgium, Canada, France, West Germany, Italy, Japan, the Netherlands, the United Kingdom, and the United States. Some other countries also are helping India and may be willing to join in the food aid effort.

The consortium, during the 1962-65 period, supplied India with about \$4½ billion in grants and loans. It is intimately acquainted with India's development problems. The proposed integrating of Indian food aid with broader programs of economic assistance, and with capital and technical assistance for agricultural development, can provide a much stronger helping hand that India must have if it is to cope successfully with its mountainous problems of too little food for a large and growing population.

As the President said, India needs to import about 10 million tons of food grains this year. We estimate that about 2.3 billion tons are now in the pipeline. Of this amount, the United States has contributed 1.6 million tons, Canada has contributed approximately 200,000 tons, Australia has granted 150,000 tons and sold 150,000 tons, and the Soviet Union has made a grant of 200,000 tons. We are adding 2 million tons to this amount through our new allocation. This leaves a deficit to be met of 5.7 million tons. We propose to supply 3 million tons of this, provided that it is appropriately matched by other countries.

Under the consortium approach to food aid, we hope the other countries will help to supply food and will also be generous in supplying fertilizer and other agricultural production assistance.

The big job, of course, must be done by India itself. The President, like the Members of Congress who recently visited India, places strong emphasis on the necessity of India—through self-help—doing the utmost to cope with its food and population crisis. And the President is encouraged that India is making serious efforts to do this. India has added new notes of practicality and urgency to its agricultural improvement efforts.

Starting in late 1965 the Government of India began to place increasing emphasis on agricultural development. The food crises of

the past few years made it unmistakably clear to India's leaders that agriculture, among all the development objectives, had to receive high priority.

Very significant changes have occurred in India's agricultural policies and the commitment of resources to agriculture. Public investment scheduled for agriculture during the fourth 5-year plan will be more than double that of the third plan. Agriculture is second only to national defense in the fourth plan. Accelerated investments in agriculture have already begun to take place. Budget expenditures for agriculture during 1966-67 are 43 percent above the 1965-66 total.

In addition to the fourth 5-year plan, the Indian Government has developed an annual subplan that will permit early evaluations of performance. This procedure introduces a new degree of flexibility in adjusting resource allocations within agriculture to insure that production targets are met.

Since 1964, the Indian Government has been providing food grain producers minimum price support at levels sufficient to encourage greater production.

At a meeting of state and central government leaders in November 1966, it was agreed that a national food budget system should be immediately developed to facilitate greater sharing between surplus and deficit states. The staff work for the food budget is nearing completion and the budget is expected to be announced this spring. This effort, together with an extensive system of food rationing, will help achieve a more equitable distribution of food during the period of food scarcity.

The Indian Government took a number of steps in 1966 to stimulate investment in fertilizer production capacity and to insure sufficient imports of fertilizer to meet established targets for total fertilizer availability.

India has taken the following steps to improve the investment climate for the manufacture of fertilizer in the private sector:

(a) All geographic constraints on fertilizer marketing within each state have been removed, and New Delhi plans to remove constraints on interstate movement as soon as supplies permit.

(b) All private manufacturers of fertilizer who commit themselves to invest in India prior to March 31, 1967, will be allowed freely to price and distribute their products with no government regulations.

(c) Simplified and streamlined procedures for approving and licensing foreign private investment in the manufacture of fertilizer have been put into effect and, together with new policies on foreign private investment (e.g., acceptance of management control by the foreign collaborator), have succeeded in speeding negotiations with investors already under way and in stimulating proposals from other foreign firms.

(d) In allocating foreign exchange, top priority has been given to fertilizer including fertilizer raw materials and spare parts for fertilizer plants. (Foreign exchange allocations for fertilizer in 1965-66 were \$163 million and in the current year they are \$268 million.)

Substantial progress has been made toward increasing the operating efficiency of fertilizer plants in the public sector. As a percent of

capacity, production has been raised from 63 percent in 1965 to an estimated 80 percent in 1966. The principal reasons for operation of plants at low levels of capacity were a lack of raw materials, a shortage of spare parts, and poorly designed plants. Indian efforts to date have improved the situation on all these fronts. Steps are also being taken to reduce the dependence upon sulfur—in short supply world around—in the manufacture of fertilizer in India, and to develop India's pyrite deposits which may make it possible to meet all the sulfur requirements by 1974.

To maximize food production from available inputs, India has adopted a strategy of concentrating a combination of agricultural inputs, including new, high-yielding seeds, on the most productive land with an assured supply of water. Already the evidence indicates that the concentration of available inputs on selected acreage has been carried out effectively, although drought has ruled out the possibility of reaching the target of 1 additional ton of food grain per acre. But the program is demonstrating that Indian farmers, given proper guidance and necessary inputs, can dramatically raise productivity levels.

For the fourth 5-year plan a target of 32.5 million acres has been set for this high-yielding varieties program, and an adequate supply of fertilizer, improved seed varieties, plant protection materials, and irrigation are to be assured for this acreage. During the 1966-67 crop year India plans to cover 6.4 million acres under this program—an effort without precedent.

A Cabinet-level committee on agricultural credit has been established. Also, a working-level committee of the Indian Government is currently studying ways to establish a national agricultural credit program. Steps have been taken this year to increase (about 10 percent over last year) the supply of credit to cultivators through credit cooperatives and, on a pilot basis, to use the Food Corporation of India to extend credit to cultivators as an advance on their crop. Cultivators can pay off their loans by either grain or cash. Finally, private banks have been urged to establish rural credit programs.

There has been some speedup in Indian performance in the soil and water management field. The basic outline for a new program has been developed (with USAID/U.S. Geological Survey assistance) and a central coordinating body has been set up and is partially staffed. In addition, India has developed, and is beginning to implement (with USAID/Soil Conservation Service assistance) a program for the better management and more intensive utilization of available water.

Actual progress made in India's agricultural development effort is obscured this year by the second successive year of serious drought. We are encouraged, however, by the fact that food grain production this year in states not affected by the drought is well above that of any previous year.

In addition to agricultural development efforts, family planning is being encouraged across the nation.

President Johnson said in his message on India food:

India is off to a good start. But it is only a start. As Indian officials have warned, hard work remains in reaching targets they have set and in improving cooperation among state governments. India's economic problems are enormous. But they can be solved.

As realists, we know that India has a long, long way to go in solving its problems. But India is moving and there is hope—if it gets enough help, of the right kind, soon enough, from enough countries.

Your proposed joint resolution to support emergency food assistance to India is, in my opinion, well phrased and extremely important.

It will lend the strength, understanding, and support of the Congress and the American people to the compassionate yet highly practical proposals made by President Johnson.

I sincerely hope that the Congress will once again—as you did last year—give this urgent matter your strong endorsement.

The CHAIRMAN. Mr. Secretary, we are very much obliged to you for this presentation.

The chairman is somewhat confused. I find myself in the position of the boy who was dragging a rope along the road and had someone stop him to ask what was the matter, who said, "Are you going to hang yourself?" The boy said, "No, sir, I am just befuddled and confused."

"What do you mean by that?" He said, "Just that—I am confused—I do not know whether I lost my mule or found this rope." [Laughter.]

I think that the chairman is in a somewhat similar state of confusion. I had understand that the Maid of Cotton was going to be with us at this hour this morning, but I now understand that she has other engagements, and therefore will not be with us. She will be with us tomorrow morning. And I invite you all back for that occasion. But I would not let this audience go unrewarded, because, in my unprejudiced viewpoint, we are equally fortunate in that we have in the audience this morning a former Maid of Cotton, Mrs. Fritz-Alan Korth, of Waco, who was the Maid of Cotton several years ago. She formerly was Miss Penne Percy. I wonder if you would stand up, Penne?

(Mrs. Fritz-Alan Korth arose.) [Applause.]

The CHAIRMAN. I think all of you will agree that nobody has been defrauded this morning.

Secretary FREEMAN. May I make a suggestion, please, sir? If Mr. Rostow and Mr. Waters were permitted to make brief statements, we could all three be here for the questioning and in that way could be available on, shall we say, a broader front?

The CHAIRMAN. I think that would save time, and we will proceed that way.

Secretary FREEMAN. Mr. Waters says he has no prepared statement, but I think Mr. Rostow has.

The CHAIRMAN. We will be glad to hear from Mr. Rostow next. We are delighted to have you here, and we appreciate your attendance here, Mr. Rostow, and we will now be delighted to hear from you.

STATEMENT OF HON. EUGENE V. ROSTOW, UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS, ACCOMPANIED BY HERBERT J. WATERS, ASSISTANT ADMINISTRATOR, WAR ON HUNGER, AGENCY FOR INTERNATIONAL DEVELOPMENT; WALTER FURST, INDIA DESK, AID; ALAN NOVAK, SPECIAL ASSISTANT TO UNDER SECRETARY ROSTOW; MARY OLMSTEAD, INDIA DESK, DEPARTMENT OF STATE; AND KAY FOLGER, SPECIAL ASSISTANT. CONGRESSIONAL RELATIONS, DEPARTMENT OF STATE

Secretary Rostow. Thank you, Mr. Chairman. Thank you very much. I am delighted to be here. This is my first appearance before a congressional committee on this new job of mine, and I am very pleased that it is before this committee, because I have been very interested in agricultural problems, as they relate to my responsibility in the Department of State.

First, I would like to express my appreciation and that of the Department for what you, Mr. Chairman, and Congressman Dole have said in opening the meeting today.

The cooperation between the legislative and the executive branch on this urgent and fundamental problem, it seems to me, has been a model on how to carry on the public business. Thanks to the leadership of the ranking members of this committee and of other Congressmen and Senators who went to India in December and participated in a long series of frank and helpful consultations on the subject, we have, I think, made substantial progress on this food program.

Secretary Freeman has already covered most of the key points about the agricultural side of the problem in India. I propose briefly to comment on the nature of the international response to India's food problems and, particularly, the impressions I gained as a result of my recent trip with Under Secretary Schnittker to various world capitals under the direction of the President in this connection.

I would like to begin by responding to Congressman Dole's question about the impact of recent political events within India.

The largest election in the world, as you know, began on February 15, and the results of it became known over this past weekend. More than 175 million people have been to the polls in an election which saw democracy at work on a mammoth scale. Some very powerful political figures have been toppled by newcomers in some constituencies, while familiar names have been returned to Parliament or to the State Assemblies from others. And this is hardly a surprising phenomenon in an active and healthy democracy.

The full implications of these election results on the makeup of the postelection government, and the policies it will pursue are not yet discernible, but the most striking characteristic of this election, in my judgment, was its demonstration of the depth and strength of India's commitment to the democratic process. This expression of the will of the Indian people in a democratic election stands in sharp contrast to recent developments in China which have been marked by violence bordering on anarchy and civil war. And this stability is all the more noteworthy when we consider that India has been through the strains of two very difficult years of food shortages and those problems have not yet been alleviated.

The election, I think, also demonstrates very dramatically the nature of Indian society which both underpins and is responsive to the democratic process. India's democratic institutions have been taking root for several decades and they have succeeded and are succeeding in managing the world's largest and most pluralistic democracy through the early years of independence, through four general elections, and through two major succession crises.

The Congress Party has now been returned to power at the center, albeit with a much smaller majority, and a new government must be formed. Once we know the makeup of that government, we will be able to gage its policies. But the way in which the elections were played out, the issues involved, and the results thereof, all suggest that the high priorities assigned to agricultural production and economic development will continue. Whatever the composition of the future government and its policies, one thing is certain—we will continue to have a stake in the success of India's democratic institutions.

I think it would be unwise to comment in detail on how this new government will be formed, who will be in it, and who will be out of it. One thing our reports do indicate, however, which is quite predictable, is that the new political groupings which are shaping up, as the result of the election, suggest there will be an intensification of the pragmatic policies in the fields of agriculture, trade and investment.

Many of the groups, which have been strengthened in the election, are strong supporters of these policies.

Turning now to the problems of Indian food, I should like first, to speak briefly about the trip Under Secretary Schnittker and I took in January at the request of President Johnson. We visited eight major capitals of the world. We exchanged views with governments of seven countries belonging to the India Consortium—Japan, Italy, France, Germany, Great Britain, the Netherlands, and Belgium as well as with the Government of India.

In each capital we conveyed President Johnson's grave concern that the developing world is losing ground in the race between food and population; that despite U.S. efforts to increase acreage, our country can no longer be counted on to supply an inexhaustible reserve of food grains for the hungry; and that the United States believes all nations of the world, rich and poor alike, must shoulder their share of the world's fight against hunger and malnutrition.

We also emphasized the President's view that the failure of other nations to join in this effort would increase the risk that the world would move down a road of intolerable suffering; that India was not alone in facing the specter of near famine, but that India could serve as a model for other developing countries facing like problems, if the Indian effort was adequately supported through international action.

All the countries we visited accepted the idea that food aid for India during this emergency should be viewed as an international responsibility. There was also broad agreement that the Indian Consortium under the World Bank could provide an effective systematic basis for organizing such an international effort. The Indian Consortium is already coordinating international efforts to help India fulfill its broad economic plans including its plans for increased food production. It was recognized that adding food aid to the Consortium's responsibilities would insure that food aid needs are coordinated with India's

other assistance requirements and with India's own economic development efforts, particularly those directed at increasing food production.

And, finally, there was substantial and general agreement that emergency food aid for India should not be allowed to diminish the flow of resources coming forward under other developmental programs, but should be in addition to existing targets for economic assistance. Everyone agreed that if the Indians have to use large quantities of their foreign exchange for food India's strong programs of economic and agricultural development and trade liberalization would have to be suspended, thus ending India's hopes for achieving food sufficiency within the next 5 years and rapid economic growth.

Consequently, those countries which are not food exporters are considering contributions in cash which could be used to buy food, or fertilizers, pesticides, or shipping to transport food or fertilizer on concessional terms, since such contributions in kind would release Indian foreign exchange to buy food.

Still another form of contribution would be to offer India relief from its mounting debt burden. Such relief, on generous terms, would not only free foreign exchange for food purposes, but would also help India to stave off a balance-of-payments crisis arising in large part as the result of food shortages and droughts of the last 2 years.

But whatever form the contributions might take, the important point is that such contributions must be additional to planned economic assistance targets if India's progress toward self-sustaining growth and food self-sufficiency is to continue.

This is the second successive year in which the world community has assisted in meeting India's food needs—in which the world community has had to come forward on a new basis to assist in meeting India's food needs. There was a worldwide response to India's food problems in 1966, in which some 36 countries contributed food grains, or food-related aid to meet the emergency created by last year's drought.

Nevertheless, in 1966, the United States still provided about 85 percent of the grain made available to India on a concessional basis. We believe that other advanced countries should carry more of the load than they have in the past. This is the idea underlying President Johnson's Consortium proposal for matching U.S. contributions in the second half of this calendar year. But we cannot expect these countries to take over the task of meeting half of India's food imports needs immediately. Full matching of our concessional deliveries may not be possible this year, although we have not given up hope of success in that effort.

Many of the advanced nations which agree with the concept of burden-sharing have budgetary problems, or are in the midst of the elections, or are unable to make additional aid available on short notice. Nonetheless, the President's proposal is a clear move in the direction of greater burden-sharing, and we are working toward that objective. Nonetheless, the responses we have had to it so far and the responses that we expect during the next 2 months are clearly steps in the direction of more equitable burden-sharing and we are working hard toward that goal.

Our efforts to secure and to attract a greater international response to India's diplomatic request for help, has not been limited to the Consortium countries that we visited. We have also held discussions about the Indian food problem through regular diplomatic channels

with the other Consortium members and with other interested governments. Indeed, our Government has approached a total of 19 other governments in support of the President's call for an international food effort for India.

The international response is growing. Several governments have already announced additional emergency food aid in recent months, and others will do so within the next few weeks. Last November Canada announced it would donate 150,000 tons of wheat, plus some flour and dried milk immediately, and an additional 661,000 tons of wheat, worth \$50 million, in the period from April 1967 to March 1968. Australia made a 150,000-ton grant of wheat in December and the Soviet Union made a 200,000 wheat gift that same month. The world food program donated 35,000 tons of wheat in December and, also, promised 82,500 tons of seed grain, and 8,500 tons of dried milk powder as part of a long-range development program. To mention a few other gifts, Norway and Sweden have announced fertilizer aid, and the French Government has decided to donate milk powder. These are a part of the current effort.

We understand that some other governments have decided to make donations, but have not yet formally announced their decision. Still others, for reasons which the members of this committee will surely appreciate, are still uncertain about the amount they can obtain from their legislatures. Two international meetings are expected within about a month's time to discuss the Indian food situation, and we should have a better idea of the extent of this international response after those meetings.

Congressman Dole in his opening remarks asked very pertinently whether we are the only humanitarian country in the world. I am glad to assure him and the other members of the committee that this is not the case. I should like to put into the record, Mr. Chairman, if I may, a little later, an up-to-date table on this subject, based on figures collected by the OECD as a part of the ongoing work in the field of aid.

The CHAIRMAN. That may be done without objection.
(The document follows:)

The flow of financial resources as a percentage of national income 1962-65

Country	Total official flow				Total private flow				Total official and private flow			
	1962	1963	1964	1965	1962	1963	1964	1965	1962	1963	1964	1965
Australia.....	(0.59)	(0.60)	(0.61)	0.64	-----	-----	0.11	0.12	¹ (0.59)	¹ (0.60)	(0.72)	0.76
Austria.....	.25	.04	.22	.49	0.31	0.06	.10	.19	.56	.10	.33	.68
Belgium.....	.77	.81	.67	.90	.47	.86	.76	.91	1.24	1.67	1.43	1.81
Canada.....	.19	.32	.39	.34	.19	.11	.09	.09	.38	.43	.48	.43
Denmark.....	.12	.15	.15	.17	.12	(.01)	.30	.03	.25	(.17)	.45	.22
France.....	1.76	1.39	1.25	1.08	.71	.68	.83	.80	2.53	2.07	2.08	1.88
Germany.....	.66	.59	.53	.50	.27	.23	.34	.33	.93	.82	.87	.83
Italy.....	.35	.31	.14	.22	.96	.65	.45	.43	1.32	.96	.62	.65
Japan.....	.19	.26	.19	.37	.44	.26	.31	.37	.63	.52	.50	.74
Netherlands.....	.83	.32	.35	.41	.48	.92	.58	1.12	1.30	1.24	.93	1.53
Norway.....	.17	.48	.35	.22	.10	.19	.20	.49	.27	.66	.55	.71
Portugal.....	1.69	1.98	2.29	.75	-----	-----	-----	.33	¹ 1.69	¹ 1.98	¹ 2.29	1.08
Sweden.....	.16	.18	.24	.25	.16	.24	.25	.20	.32	.42	.48	.45
Unit. Kingdom.....	.64	.60	.67	.61	.47	.40	.56	.56	1.11	1.00	1.22	1.17
United States.....	.80	.78	.67	.67	.18	.18	.25	.31	.97	.96	.92	.98
Total DAC countries..	.74	.70	.62	.61	.30	.27	.34	.38	1.04	.97	.96	.99

¹ Official flows only.

Secretary Rostow. That table will show the percentages of national income of the richer countries that they are devoting to aid.

Several countries devote more of their income to aid than we do, some as much, or nearly as much. These figures, of course, are on an absolute basis. They are not progressive. They simply show the amount of national income devoted to this purpose, without attempting to scale it for the richer and the poorer countries.

We believe, and of course, I think, all of the advanced nations of the world now accept the principle that the rich have the responsibility of helping the poor and, particularly, in this case that the rich have a responsibility in helping India to meet its food needs in this emergency. But we believe that these efforts should not be efforts simply of humanitarian charity—that they must be considered in the framework of economic plans that make sense. As the President stressed in his India food message, “None of these steps can be as important as Indian resolve and Indian performance.”

Secretary Freeman has just reviewed for you India’s self-help program in some detail. And I know that you, Mr. Chairman, and other members of this committee have studied and examined this question very seriously, both here and on the ground; therefore, I do not propose to discuss India’s agricultural program at great length.

However, I should like to make several points which I consider crucial.

In the first place, it does seem that there seems to be “light at the end of this tunnel.”

The members of this committee have had great experience in agriculture; you all know how difficult it is to achieve dramatic changes in agriculture in a very short time. Nevertheless, dramatic changes in policy and attitude have taken place in India during the past 2 years. And they have reached right down to the agricultural habits of the farmer himself. The Indian Government’s high priority for agriculture has been translated into appropriate budgetary allocations. The new emphasis on providing fertilizer and other badly needed inputs to the cultivator and on incentive prices for the farmer has been firmly established and seems to me to be irreversible. Unfortunately, the effects of the past 2 years of drought have masked these changes. But the results obtained from these new attitudes and policies in areas unaffected by the drought are encouraging, and the prospects for the future, assuming good weather, are definitely promising.

In the second place, I should like to take note in particular of the Indian Government’s activities in the drought stricken area in the State of Bihar and Uttar Pradesh. The Central Government’s grain deliveries to Bihar have been increased to 200,000 tons a month, and Uttar Pradesh to 90,000 tons.

Previous deliveries were 100,000 tons and 66,000 tons respectively. Part of the increase came from the States in India which have a local grain surplus, some part came from abroad. These moves permitted the increase of the ration covering 19 million people in the drought area from 4 ounces per day to 6 ounces, which is still well below subsistence level, and represents only half of a man’s normal daily requirements.

In order to increase the grain available to the drought area, the Indian Government reduced the weekly food grain ration by 12 per-

cent for 28 million people in other parts of India. The ration cut for additional millions is under consideration for the same purpose.

For India's landless laborers, crop failure means immediate unemployment and the suspension of income. For these people, left without money to buy food, the Bihar State government has established public work projects. In December 1966, some 500,000 people were engaged on relief projects in Bihar. State officials estimate that 1.5 million people will be working on relief projects by the end of this year.

Other emergency food relief measures in the drought area include CARE meals for mothers and children, some additional milk for schoolchildren not covered by the CARE program, and distribution of multivitamin tablets—all directed to the most vulnerable segments of the population. In addition to CARE, the Church World Services, Catholic Relief, Lutheran World Services, and UNICEF are also operating in the drought-stricken areas. There has been an intensification of these most important voluntary efforts; at the present time 3.6 million mothers and children in Bihar are receiving assistance from the voluntary agencies. Last year this effort covered only 600,000 people. These agencies have shifted supplies from other areas in order to step up their activities in the drought areas. Congressional approval of the \$25 million donational program mentioned in your resolution, will permit the expansion and continuation of these programs. And it will permit this expansion and continuation of these programs without a break in the pipeline.

The food outlook in Bihar for the rest of this year depends on a variety of as yet unknown factors. If New Delhi can maintain 200,000 tons monthly grain shipments to Bihar, and if the State's grain crop is adequate, widespread famine can be avoided, although hunger and deep hunger cannot. However, if the Central Government is unable to maintain the current flow of grains to the area, or if the spring crop is poor, and the failure of the normal winter rains indicates a poor crop, the situation will be touch and go until the areas major harvest in December. We are watching the situation closely because we recognize that it may be necessary to increase our donational program for the drought area; the \$25 million program may not be enough.

Third, one cannot speak of the Indian food problem without speaking of the population problem. And the action taken by the Indian Government makes it clear that India now fully appreciates the critical importance of family planning programs. In its new fourth 5-year plan, India proposed to devote four times as much money to family planning as was spent during the first three 5-year plans combined. The right organizational steps are being taken as well. A separate subcabinet level department has been established to be responsible for the administration of family planning programs. This department includes the high officials who ran India's most successful State family planning program in the Punjab. Thus far, the implementation of their program has been weak, but we expect improved results with more adequate funds and better direction which are now being provided.

Mr. Chairman, I believe the President's program, which follows in large measure the wise recommendation of your congressional team,

which visited India, and those of other Members of Congress and Senators who visited India during the winter, deserves the support of the Congress for a number of reasons. I would like to mention a number of those reasons.

First and foremost, there is the humanitarian reason. It is the right thing to do. People are hungry, very hungry, in Bihar and Uttar Pradesh, and we have food to spare. The tradition of helping a neighbor in distress is strong in America and this is a tradition we should live up to. As the President stated in his message, "We have never stood idly by while famine or pestilence raged among any part of the human family. America would cease to be America if we walked on the other side when confronted by such catastrophe."

Furthermore, we believe that India is on the right track in its agricultural development program and that if we help India over this crisis, we will see its food grain import requirements drop as its agricultural development programs take hold. On the other hand, if we do not provide India with the food grain that the President has recommended, the Indian Government would be forced to spend more hard currency on food to prevent widespread starvation. In order to do this the Indian Government would have to divert large amounts of hard currency, hundreds of millions of dollars from its economic development plan. This would undermine programs for which the U.S. Government, other Western governments, and the World Bank have encouraged and supported. It would be most unfortunate if this year's drought forced the Indian Government to postpone its economic development programs.

And finally, by this new initiative, President Johnson proposes to use U.S. food aid as a basis for stimulating a greater international effort in the war on hunger.

Similar efforts are also underway in other international forums. To form a basis for a long-range approach to the world food problem, the United States is proposing in the Kennedy round negotiations an international grains agreement containing a multilateral food aid program to be supported by grain exporters and importers alike.

And to facilitate the flow of fertilizer and other agricultural inputs so essential to increasing production in the developing world, the United States has urged the establishment of a food fund supported by the Organization for Economic Cooperation and Development (OECD) members and designed to encourage investors in the OECD countries to invest in agricultural and agricultural related industries in the developing world. In this way we can mobilize the private energy and the private initiative working for the development of agriculture and greatly multiply the impact of our public program.

Through these many efforts the President is seeking to develop the habits of collective responsibility and collective action and the reflex sense of a common humanity. He believes that such international partnerships are our best hope for future peace and progress. For these reasons, Mr. Chairman, I hope that your committee will give the President's program its full support.

The CHAIRMAN. Thank you very much, Mr. Rostow. We appreciate this excellent statement. We will now hear what Mr. Waters has to say to us, and then we will have questions by the committee members.

Mr. Waters is well known to this committee and to all of the members who have been here for sometime. He first was over on the Senate side as an aide to the present Vice President, and since then he has been down in the Executive Offices. Ye are glad to have you with us.

STATEMENT OF HERBERT J. WATERS, ASSISTANT ADMINISTRATOR, WAR ON HUNGER, AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. WATERS. Thank you, Mr. Chairman. I do not have a prepared statement for the committee at this time. I am here merely to back up and to be available to answer any detailed questions that the members of the committee may have.

The two excellent presentations by Secretary Freeman and Secretary Rostow have posed the problems and what we are proposing to do about it.

I think that I will yield the microphone and let you go ahead with your questioning.

The CHAIRMAN. We are glad to have you here, Mr. Waters. We are glad to have your presentation.

Mr. Gathings has a question which he wants to ask.

Mr. GATHINGS. Those were very fine statements. I would like to commend both of you gentlemen for presenting us with these thought-provoking remarks this morning. It's gratifying to learn that India is doing so much to aid itself in this food emergency.

As a politician I find that I can get a lot more votes by working hard myself when I get out on the campaign. My supporters see that I, myself, have decided to work in my own interests, and they do things for me then. That is what India is doing, from the statements that you have brought to us this morning.

Mr. Secretary, I was especially delighted at that part of your statement that had to do with the fertilizer industry in India. That, to me, was the most enlightening of all of your testimony.

I would like to call attention to the increase in the budgetary allocation for agriculture of 43 percent in 1 year's time in India that you brought out. And, also, that higher priority is being given agriculture in India.

There is one thing, though, Mr. Secretary, which I wonder if you would comment on a little further and that is with respect to this hopper type of car that holds double the amount of a boxcar in grain, which speeds across the country from Minneapolis to the east coast and returns in some 5 to 8 days. How did that happen? Did the Department of Agriculture cooperate with the railroads in developing this hopper car?

Secretary FREEMAN. This had not been done, Mr. Gathings, prior to the necessity of developing some new methods a year ago. It was clear to us that, given the volume of grain that was moving out of this country, the traditional methods of moving it would simply break down and we would not be able to move that volume of grain and get it to its destination on time unless something new was developed. So we sat down with the railroads in connection with this and in the course of these discussions, this new system, so to speak, was developed

for these large cars that went straight through, unloaded, and then deadheaded back immediately. As a result, without any great disturbance, although there were some very tight port situations, we were able to move out of the country last year an alltime export record of more than 800 million bushels of grain, and we did so without unduly taxing our transportation or port facilities.

Mr. GATHINGS. I thought the committee would be interested in this.

If I may take this occasion to just say this, I think that the people in the Department of Agriculture, including the Secretary now, who worked this out, have done a fine job of public service.

It is a great job of public service, Mr. Secretary. They have had this piggy-back type of transportation of goods and commodities heretofore but this work that you have done there with the hopper car movement of grain is amazing.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Gathings.

Mr. Belcher.

Mr. BELCHER. This resolution is drafted as the sense of the Congress, is it not?

Secretary FREEMAN. Yes, sir.

Mr. BELCHER. Is it an amendment to Public Law 480?

Secretary FREEMAN. No; it is not.

Mr. BELCHER. It does not give the executive department any legal authority that it does not have already?

Secretary FREEMAN. That is correct.

Mr. BELCHER. During the 17 years that I have been here I had really thought that the State Department was jealous of their authority and prerogatives and so forth. I am wondering now why the State Department would like to have the House of Representatives Committee on Agriculture mess in their affairs.

Secretary FREEMAN. I am not sure. Let me put it this way. This was a Presidential decision and not one particularly of the State Department, although the President consulted with them and with other executive parts of the Government. It is the President's wish. He thought the Congress would want to be consulted about commitments of this volume of food and the amount of money involved in this proposed arrangement and that congressional consultation should be had. This would be an opportunity for congressional expression and, in the process, for enlightening the people of the country. This is a large arrangement and it has many implications. The President wanted the Congress, as the saying goes, to be in on the takeoff as well as to be in on the landing.

Mr. BELCHER. I might ask this question of Mr. Rostow. Is this change in policy of the State Department in which it asks for our advice on this to be also true in other matters, too?

Mr. ROSTOW. It might be. We are not feeling particularly jealous or threatened by any change, Mr. Belcher. We believe that the issues posed here are of such moment and on such a scale as to make it important that we act together—that is, the executive branch and the legislative branch, so that we can get a firm national opinion on these subjects in order that our program in India and in other countries will have a basis of common understanding and agreement.

I am only 4 months in the State Department, so I cannot tell you whether this is a change, but it certainly is a policy I enthusiastically

support. And I think that the Secretary and the Under Secretary do as well.

Mr. BELCHER. I am sure that this committee would like to be consulted on a lot of other matters as well as this one.

Mr. ROSTOW. We are always available to you, Congressman Belcher. Feel free to call on us at any time.

Mr. BELCHER. Thank you.

The CHAIRMAN. Mr. Abernethy.

Mr. ABERNETHY. Is there authority in the act for the disposition of the surplus crops for some of it to be handled through the FAO operations?

Secretary FREEMAN. Yes, the world food program which is carried forward under the general auspices of the food and Agricultural Organization is one of the participants and a donor. It was last year and will be again this year in the tentative goal of 10 million tons which has been established as necessary for India.

Mr. ABERNETHY. You did not say that the FAO is a donor?

Secretary FREEMAN. I said the world food program, which is operated under the auspices of the FAO, and the United Nations is directly a donor, and also under their programs under FAO by way of technical assistance and such operating in India.

Mr. ABERNETHY. Does FAO by resolution attempt to encourage some countries to channel their foods toward countries such as in India?

Secretary FREEMAN. As you are well aware, FAO could not direct any constituent country to do anything.

Mr. ABERNETHY. I realize they could not. I used the wrong word. But to "suggest."

Secretary FREEMAN. Yes. The FAO very definitely does so.

Mr. ABERNETHY. Has it done so in regard to India?

Secretary FREEMAN. Yes, it has. It has been a party to these discussions, as it was a year ago, and has repeatedly urged its constituent members to cooperate in trying to meet this crisis.

Mr. ROSTOW. Could I add a word to that?

Mr. ABERNETHY. Yes.

Mr. ROSTOW. In the course of our trip, unfortunately, we were unable to meet Dr. Sen when we were in Rome, although we tried very hard to meet him. He was out of town. We have a most helpful and strong letter from him urging support for this general approach.

Mr. ABERNETHY. The letter went to whom?

Mr. ROSTOW. To me.

Mr. ABERNETHY. He is the head of FAO?

Mr. ROSTOW. Yes, he is.

Mr. ABERNETHY. Thank you.

What is the annual percentage population growth in India?

Secretary FREEMAN. It is $2\frac{1}{2}$ to 3 percent. No one is exactly sure what it is, but it is somewhere in that range.

Mr. ABERNETHY. Is it accelerating at a rather rapid pace?

Secretary FREEMAN. Again, it is rather hard to be sure. But the more people you get, particularly with a young population, why, the more quickly your population growth accelerates. On a percentage basis, the Indian population growth rate has been at about this level for some years.

Mr. ABERNETHY. Do they have any programs to control the growth?
Secretary FREEMAN. You are suggesting what?

Mr. ABERNETHY. To control the population growth?

Secretary FREEMAN. Yes, they do have programs. I think the statement made a moment ago would be pertinent to repeat: "The budget for these purposes in the coming year, as I recall, is four times the budget for this purpose in the last three years." I, personally, observed a strong effort being made in India in the population control direction.

Mr. ABERNETHY. Last year when we were considering Public Law 480 there were strong suggestions that the countries, particularly India, might give some consideration to the diversion of the use of their land from some purposes to the production of foods they so sorely need. Has there been any plan of the Indian Government to encourage its producers to divert land to the production of more food and more grain and more edible agricultural products?

Secretary FREEMAN. Yes. There have been detailed discussions in connection with this and consultations that are going forward in an effort to make some progress in that direction. As a matter of fact, this is a general policy. There are other countries, in addition to India, in which there is an effort to produce commercial commodities for which there may not be a good world market, and in some instances, countries are actually exporting food and fiber items at relatively low terms and buying food that is costing more. There is an overall effort to bring about a proper adjustment in this regard. I cannot at this time report to the committee any direct action taken. This is a very complex and involved matter, both politically and economically, but in the course of culminating the recent 2-million ton allocation, firm discussions were held about this and it is being given very careful attention at this very time.

Mr. ABERNETHY. Would you answer my question now. Has there been any progress made in India toward diverting its land in keeping with this suggestion?

Secretary FREEMAN. I do not think that anybody can give a very hard figure as to any land or amount of land that has been moved from one commodity to another since we last appeared before this committee. However, there have been very real efforts made in adjusting the price policy so that it would be more economic to produce food crops instead of producing some of the commercial crops, but it is too early to say whether that has had any direct effect.

Mr. ROSTOW. May I have a word on this?

Mr. ABERNETHY. Yes.

Mr. ROSTOW. Our latest figures on this show that the cotton acreage did decline in India.

Mr. ABERNETHY. They have been planting about 20 million acres. What are they now planting?

Mr. ROSTOW. I do not have the exact figures except to say that it is below last year's and it is now below the level of 10 years ago.

Mr. ABERNETHY. What is the source of that information?

Mr. ROSTOW. The allwise State Department, I guess. [Laughter.]

Mr. ABERNETHY. Where did the State Department get the figures?

Mr. ROSTOW. From the agricultural attachés.

Mr. ABERNETHY. Where did they get them?

Mr. ROSTOW. I suppose that they got them from their own observations.

Mr. ABERNETHY. Did they give you a figure—that is what I am interested in.

Mr. ROSTOW. 19½, they tell me.

Mr. ABERNETHY. 19½ what?

Mr. ROSTOW. 19½ million acres.

Mr. ABERNETHY. That was a decline from how many acres over the previous year?

Mr. ROSTOW. About a million.

Mr. ABERNETHY. About 1 million?

Mr. ROSTOW. Yes.

Mr. ABERNETHY. That is progress.

Mr. ROSTOW. Yes. I recently discussed this with the Indian Ambassador and the Government of India has undertaken a fresh review of the situation.

Mr. ABERNETHY. They do not export much cotton.

Mr. ROSTOW. A good deal of the cotton is grown on unirrigated land, which is not suitable for either wheat or rice.

The CHAIRMAN. Mr. Rostow, our information is as shown in this brief "India, Its Agriculture," which we understand is about up to date. It says that about 19.6 million acres were harvested, not planted, but harvested—about 19.6 million of cotton were harvested in 1963 and 1964. It would seem to me that if there was that much harvested in 1963 and 1964 that maybe we have not got quite as much reduction there as we thought we had.

Mr. ABERNETHY. Thank you, Mr. Chairman.

Mr. ROSTOW. I think perhaps the best thing to do, before we get confused in numbers, is to put in a clear statement in the record to supplement what has been said.

Mr. ABERNETHY. This is a matter of interest.

Mr. ROSTOW. Of course it is. We will very happy to produce one. (The information follows:)

COTTON ACREAGE

The table below indicates considerable fluctuation in cotton acreage. The last year for which we have final figures (1965/1966) represents a decrease of over 1 million acres from the 1964/65 acreage area. The same year's acreage is also lower than it was 10 years ago (by half a million acres). The 1966/67 preliminary estimates indicate an increase over 1965/1966 of half a million acres. These estimates, however, still indicate that acreage will be no higher than it was 10 years ago and slightly lower than the area under cotton as long ago as 1955/1956. Additionally, the 1966/67 estimates may not reflect fully recent Indian price policies; the final amount of cotton acreage may be somewhat less than the preliminary estimates due to these policies.

Area planted with cotton[In millions of acres]¹

1951-52	-----	16.3
1952-53	-----	15.8
1953-54	-----	17.3
1954-55	-----	18.5
1955-56	-----	20.0
1956-57	-----	19.8
1957-58	-----	19.8
1958-59	-----	19.8
1959-60	-----	18.0
1960-61	-----	18.8
1961-62	-----	19.8
1962-63	-----	19.3
1963-64	-----	20.2
1964-65	-----	20.4
1965-66	-----	19.3
1966-67	-----	² 19.8

¹ Source: GOI Directorate of Economics and Statistics, Ministry of Food, Agriculture, Community Development and Cooperation as reported by the Office of the Agricultural Attaché, New Delhi.

² Estimated.

Mr. ABERNETHY. Thank you.

The CHAIRMAN. Thank you, Mr. Abernethy.

Mr. Teague has a question, but before he asks the question, may the Chairman make a statement at this time.

I will have to leave at 12:15 and I am going to ask Mr. Gathings to take over for me.

I hope that our guests will understand why I am leaving. We are very much obliged to you. I will appreciate your taking over, Mr. Gathings.

I recognize Mr. Teague.

Mr. TEAGUE of California. I have a question for Mr. Waters.

Last year before this committee we had a witness—I do not recall who he was—who made a rather startling statement. He testified that about 25 percent of the grains in storage in India were either contaminated or destroyed by rats. Now, that is a horrible situation.

Do you have any information on that problem and if you do, is that figure anywhere near correct, and has any progress been made along that line?

Mr. WATERS. Our surveys indicate that any such estimate is considerably high; that is, the losses to rodents. The studies we have indicate that the heaviest losses in the field, from rodents and rats destroying the growing grain, rather than that which is in storage. We have had careful studies made on the handling, for example, of U.S. grains, and find a low percentage of loss, perhaps because they are taken care of in central storage. There is no doubt that there is a loss in India in their own storage of supplies but it is doubtful if it becomes anywhere near that type of percentage.

We are working on this, however, continually, in consultation with the Indian Government. We have just developed a new research project with AID research funds, aimed toward the elimination of not only the rat problem in India, but the problem of other rodents in other areas of the world that are destroying food supplies. We think we are making some progress in India on this situation.

We think some of the public estimates made are far overdrawn, but there is no question that there is a loss to the growing crops.

Mr. TEAGUE of California. Do they have religious problems in some parts of the Indian population as to the destruction of rats as they do with other forms of life?

Mr. WATERS. This is true, but not as serious as it has been in the handling of other animals and other problems in India.

Mr. TEAGUE of California. Thank you very much.

Mr. GATHINGS (presiding). Mr. Jones of Missouri.

Mr. JONES of Missouri. Thank you, Mr. Chairman.

Secretary Freeman, as I read over just the resolution that we are discussing here this morning I have trouble trying to understand just exactly what you are trying to convey here.

We say, for instance, on page 2, that the Congress approves the participation of the United States and then down in line 13 it states: "encourage and assist the Government of India in achieving food self-sufficiency."

Well, now, there is no requirement of any kind in this resolution as to what extent we are making any demands or compelling India to do anything, is there?

Secretary FREEMAN. Well, I would not want to use words as strong as, say, "demand," or "compel," but you will note that on page 3 that it is clearly stated:

Under terms and conditions set forth in Public Law 480, as amended, in assisting the government of India to meet these needs.

It is my understanding—but I would defer to Congressman Dole on this—that this language was intended in effect to write into this resolution the self-help and other requirements that the Congress wrote into Public Law 480 a year ago.

Is that correct?

Mr. DOLE. Yes, that is the purpose of the language.

Mr. JONES of Missouri. What I am trying to get at is the fact that we talk about these things all of the time, but it has been my experience with these countries that unless we put some real demands in and say that we will do this if you will do that, that there has always been a reluctance on the part of the State Department to get tough and to require these things to be done.

Now, on page 3 you say:

The Congress endorses the President's policy of equal participation on the part of the United States with all other nations.

Well, I cannot find any place in the history since I have been up here where we have had equal participation with other countries, particularly in giving aid to India. It has always been that we have been furnishing about 80 percent of it or more.

Is that not correct?

Secretary FREEMAN. That is correct.

Mr. JONES of Missouri. Let us find out. That is what I am trying to do. You said yes and I think that your statement says of the 10 million tons of foodstuffs which were furnished that the United States furnished about 8 million tons.

Secretary FREEMAN. That is correct. And that is what we had in mind. I would want the record to show at this point that, in the overall assistance to India—the consortium program that is involved in the total overall economic development program—the United States con-

tribution has been 42 percent in terms of the overall food component in the last year it was about 80 percent. This now is, shall we say, a new day in which this resolution and the President's message declared it to be the policy and the intent and the purpose, as Mr. Rostow has already outlined and I have made reference to, that other countries in addition to the United States should be major participations in this food program.

Mr. JONES of Missouri. I just think that we should set it out a little more positively than we are expressing it here, to get somewhere close to equal participation, taking all of the rest of them together, that they should equal as much as the United States. That is the thing that we have not done in the past. The same way in the United Nations. When I first came here, the United States was paying over 50 percent of all the cost of operating the United Nations.

We have passed laws in the Congress saying that it should be limited to 33 $\frac{1}{3}$ percent, but we get into all of these special programs, and then the last report I had is that we are contributing more than 40 percent of the aid to the operations of the United Nations.

We are a country paying 40 percent of the load and that is getting pretty heavy. And we are going to continue to do it until we put some real demands on what these other countries are going to be required to do. I think we have to do that.

Then down here, in the last—or in the next to the last paragraph—about the Congress recommends, and so forth, it states, "Further, the Congress recommends, on the basis of estimates now available, that the United States provide an additional amount of food grain not to exceed three million tons at an estimated cost of \$190 million as the U.S. share toward meeting the India food deficit, provided it is appropriately matched, and specifically extends its support to the allocation of approximately \$190 million of funds," et cetera. What does that mean?

Secretary FREEMAN. I think that means, as was made clear in the earlier paragraph, that there will be an equal amount made available by the other countries of the world.

Mr. JONES of Missouri. An equal amount?

Mr. DOLE. Will you yield?

Secretary FREEMAN. The language of this paragraph.

Mr. JONES of Missouri. I know what it says there.

Secretary FREEMAN. And that means that these 3 million tons, which I referred to in the second paragraph, should be matched by an equivalent amount from other countries.

Mr. JONES of Missouri. That is, additional—3 million tons?

Secretary FREEMAN. That is correct.

Mr. JONES of Missouri. And we are still going to provide this other part, up to what percentage?

Secretary FREEMAN. The other part that has been provided up to this point, is presented in connection with other countries; with what they have already put in this calendar year, the—well, let me see—the United States would have put in 2.9 million tons, and, in total, I expect, the other countries have put in short of 1 million tons.

It would be that the United States has put in, roughly, 80 percent or more so far this calendar year. But what is now taking place, consistent with the thrust of your remarks, is that there is now an

effort to try to get other countries to match the U.S. contribution of an estimated 3 million tons with, roughly, that amount from other nations to meet the needs for the current calendar year.

Mr. JONES of Missouri. I do not like to be repetitious here, but as Mr. Abernathy stated a minute ago, about using some of this acreage that has been used for cotton production—should be used for other products. What they do is that they are using land for the production of a very limited supply of cotton, much of which could be used in the production of food.

They are not going to use it unless we put some requirement in, along with the aid that we are going to continue to give them, that they start doing something to help themselves. We are going to have to get a little tougher than we have been in the past to get this done, because my experience in India has been this: that a lot of people at the top level are the ones that the State Department and most of our Government officials contact—I am not talking about the poor people and the starving people—but these people in the top jobs. They have the idea that if India only became an industrial nation—and I have had people in government and business people tell me this: “If you will just give us the money to build us a steel plant, we can make enough money so that we can buy all of your food and supply our food needs from you or some other country.”

We have got to do something to change that attitude on the part of the Indian Government and the people in high places in India, that they can buy this food. They are going to have to go through the evolutionary process that we went through here in the United States.

They are going to have to start trying to become self-sufficient in producing food for themselves before they get into this other area.

These resolutions read very fine, showing our great generosity and all of that, but it is time that we became practical about this thing.

Secretary FREEMAN. Let me just say to you, Congressman Jones, that we are getting practical about this thing—for instance, some of the actions taken by India, that I tried to spell out in my testimony.

Secondly, I think that this resolution which was submitted to this committee by the chairman and by Mr. Dole specifically had in mind, as was mentioned earlier, that the requirements of Public Law 480 on self-help are a part of the terms and conditions under which food is going to be made available to India. I think that is crystal clear. And we could not be more emphatic and could not be more pointed, we could not be much more definite in connection with it than we have been.

And the Indian Government and the Indians have responded very, very well in the last year.

You are absolutely correct. I have had the same experience as you have had with the people in and out of the Indian Government and in high places who have felt that agriculture was not really important, but I think that if you visited India today you would find that has changed almost 100 degrees. Today, in terms of their total overall economic development, agriculture is receiving top priority, and that is without question.

So I feel much encouraged by this. And I can assure you that it is our policy to carry out the will of Congress and clearly and succinctly to state the self-requirements of Public Law 480.

Mr. JONES of Missouri. The last resolution providing money for this—I am not going to go into that now.

Secretary FREEMAN. May I please say this?

Mr. JONES of Missouri. Before I close, I want to say this, that I think with all due respect to Mr. Rostow, where he said a few minutes ago about getting all of this information about agriculture, I want agriculture information that comes from the Department of Agriculture. We have competent attachés in these countries. I want to see that they work and are given ample opportunity to do the service that was intended that they perform.

We had some statements from the State Department some time ago, and they were wrong. We hope that the Department of Agriculture, the able Secretary, will insist that his men look after agriculture and let the State Department look after the social affairs over there.

Thank you.

Mr. GATHINGS. Mrs. May.

Mrs. MAY. Mr. Secretary, do you have any objection to the inclusion of a provision in this resolution which would specifically encourage more use of food products such as flour and bulgur and other items of like kind?

Secretary FREEMAN. I think that this would depend upon the exact language, Mrs. May. I do not think it would add to the resolution, because we are attempting to use processed American foods wherever we can do so.

I would hope that there would not be put in this resolution anything that would indicate to the contrary or would, in effect, hamper us in doing so, because, as I say, we do want to use processed foods wherever that is possible. But in some instances it is simply not practical, and in those cases we would have to use our best judgment.

Mrs. MAY. But you know, the members of the committee who drew up this resolution, the Chairman and Congressman Dole, and Senator Miller, did recommend this as a part of their report. Do I understand that if it were worded with that direction—wording something along the line specifically to encourage more use of processed products—you would be willing to consider its inclusion?

Secretary FREEMAN. No objection to that, because we certainly are trying to follow that policy wherever it is practicable.

Mrs. MAY. Thank you very much.

Mr. GATHINGS. Mr. Purcell.

Mr. PURCELL. I have no questions. Thank you.

Mr. GATHINGS. Mr. Dole.

Mr. DOLE. I will just take a minute. I want to reemphasize as Mr. Jones stated earlier—that this is the intent, I believe, of the Department of Agriculture and, certainly, those who went over there, that we do adopt a different policy, and that there has been a change in direction with reference to helping India to become self-sufficient.

In section 109(a) of the Food for Peace Act last year sets forth a total of nine different items to be used in negotiating with any country receiving aid under that title.

Secondly, I trust every one of the committee understands that this resolution, really, has no binding effect on anyone. Its purpose is, and I agree with the purpose, to ask the consent of the Congress about this very expansive and very sensitive and expensive program.

In the last calendar year aid from all sources to India approximated \$1 billion. That is a large outlay of funds, and perhaps the President thought Members of Congress might want to respond to that.

I might ask a question of Mr. Rostow. He mentioned it briefly, with reference to family planning.

I was impressed with what they are doing with family planning. We visited some places and saw some of these programs. Do you feel they are being realistic in this program, that they can keep ahead of the population growth that Mr. Abernathy mentioned earlier—have they the resources available and are there some positive results in this program?

Their projection is that by 1972 they will have reduced the growth rate to 1.5 percent, which I do not feel was very realistic. Are you convinced that it is moving in that direction?

Secretary Rostow. They are moving in that direction, I will say that. Whether they will reach any such goal, I am not, of course, certain. And I share some of your doubts. We talked about it very intensively when we were there, and we reviewed some of the plans and the statistics. There was no doubt that the effort has been multiplied, and multiplied again, in this vital field and they are considering even more drastic legislation, which has not yet been passed, of a kind which has been so successful in Japan.

When I came back, I talked to some of our own experts, both in government and outside of government, and I think that I can report to you that these men who keep a very close watch on the situation in India, who are in touch with the people, not only in the villages but out in the fields, are encouraged, definitely encouraged, not only by the magnitude of the effort being made, but by the real progress that is being achieved.

I think it is now recognized as fundamental to achieving their goals of self-sufficiency in agriculture and it will proceed with increasing vigor.

Mr. DOLE. I know that Mrs. Ghandi recognized this.

Secondly, there has been some question about the \$25 million provision in reference to Care. This is the same \$25 million program that has been pending for some time. Is that correct?

Secretary Rostow. Yes.

Mr. DOLE. It is not a different \$25 million program, is it?

Secretary Rostow. No, sir; you are quite correct.

Mr. DOLE. Do you anticipate early approval? It has to be approved by the Congress.

Secretary Rostow. The message made it clear that it was a part of the overall program which is being submitted for consideration by the Congress.

Mr. DOLE. And, thirdly, I did talk to cotton farmers producing cotton, and there is an effort to reduce production. I also was told that much of the land on which cotton is raised is not suitable for much else, and that they are a net importer of cotton.

I was concerned with the fact that there is a great need for technical assistance. There is a provision in the Food for Peace Act called the farmer-to-farmer program, which I hope can be implemented soon with the cooperation of AID and the Peace Corps.

A study on implementing it is now being made. India seems to be a good country in which to implement the farmer-to-farmer program.

We visited two or three farm-type meetings, and the first thing mentioned would be the Rockefeller and Ford Foundation programs which offered technical assistance.

Such a program would be much less expensive in the long run and would help people to help themselves.

Secretary ROSTOW. I think perhaps Secretary Freeman would wish to comment on the details of that.

Secretary FREEMAN. I am familiar with this. We have discussed it and have had a very thorough review and examination of alternative ways to proceed under this program that is currently underway. And also, while that takes place, there has been a very definite increase in the technical assistance program in India.

There has been almost a doubling of the Peace Corps members in India, with a very strong emphasis on agriculture. So not only is there a steady improvement, but some action has been taken along these lines as well.

Mr. DOLE. I yield.

Mr. GATHINGS. The bells have rung. They are calling the roll on the floor of the House. There are several people who want to get into this colloquy.

Mr. O'Neal, you are next.

Mr. O'NEAL. Thank you, Mr. Chairman.

I would like to get back to Mr. Jones' line of questioning, because he asked two questions that I specifically had in mind asking, myself.

Secretary Freeman, I would certainly get the impression from the use of the word "equal" in line three, on page 3, and the word "match" on line 13, that we do not intend to send anything to India until and unless the consortium countries first send, at least, an equal amount.

Did I understand that is what your answer was to Mr. Jones' question a minute ago? I have directed that question to the Secretary of Agriculture.

Secretary FREEMAN. Well, it is clear here that it is the President's purpose, and this resolution sets down quite clearly that it is the intent of the Congress as well, that we should be matched by other countries on a proportionate level in meeting the needs and in making available the additional 3 million tons.

Mr. O'NEAL. That we should be?

Secretary FREEMAN. Correct.

Mr. O'NEAL. Now, is this a condition precedent of our action?

Secretary FREEMAN. This language, I suppose, implicitly acknowledges that there could well be contingencies which could not be foreseen. It has been drafted in this fashion and, again, I would refer to Congressman Dole—it has been drafted in such a fashion as to state emphatically and as strongly as we can that the United States will insist upon other countries sharing this burden on a proportionate basis. But, I agree that it does leave just a little crack here in the event there are contingencies that we do not foresee.

Mr. O'NEAL. In other words, it is not a condition precedent—we do not require that these other countries do what we hope they will do before we send ours?

Secretary FREEMAN. Yes, we have required that they do so. We have gone to the consortium, which can be commented upon in more

detail by Secretary Rostow, with that very definitely in mind. But I think the Congressmen who drafted this resolution recognized, also, that between now and a year from now many things could happen.

Mr. O'NEAL. Would you agree or disagree that an ordinary reader would get the impression that we would not send anything unless it was matched with an equal amount that we are sending; that is, the language of this resolution?

Secretary FREEMAN. That is the purpose and the intent of this resolution, that it should be made clear to other countries, and that is why this trip was made. And that is why the discussions are going to take place under the consortium that additional amounts by the United States should be matched by other countries, and will be matched by other countries.

Mr. DOLE. Will you yield?

Mr. O'NEAL. Yes, sir.

Mr. DOLE. I might point out that it was very difficult to word this section. One contingency we were concerned about was that, even despite every effort to get other countries to match, if there should be a failure from other countries then the choice is starvation on the one hand, or, at least, hunger; and supplying more food.

I feel there should be enough of an option so that additional food could be supplied. It was the intent of the drafters that it read just as it does, with this one exception, that if other countries cannot do it, are we going to turn your back on the people of India? We say, "No."

Mr. O'NEAL. I think the gentleman has answered the question.

Mr. GATHINGS. The chairman is not here. I do not know what he would want to do, but there are several people who want to ask one or two or three questions each. I wonder just when this could be done.

There is a meeting at 2 o'clock, I believe. Is that right?

Mr. RESNICK. I just have a very brief question.

Mr. GATHINGS. It would be fine if we could go ahead.

Mr. WAMPLER. Would it be possible for us to submit our questions in writing, because I have some very serious reservations about this resolution and I would like to have some answers. I could not support it as it is now.

Mr. GATHINGS. You can ask the questions by writing them out or in open session.

Mr. Miller has been wanting to get recognition, too. I know that both of these gentlemen want to ask questions.

Mr. RESNICK. I have a very brief one, Mr. Chairman.

Mr. GATHINGS. Go ahead.

Mr. RESNICK. First, I would like to commend you on a very fine statement. I think you have answered most of the questions I had in mind. I will support the resolution to the fullest.

The question I have is this: in your statement you point up the necessity of self-sufficiency, getting India to grow enough food by itself.

Has any thought been given to the idea of having American know-how actually going in there and operating in India, rather than just advising? Just as we have Americans with American know-how going in and operating steel mills, fertilizer plants and the like. I think we should develop a way to have the American farmer, too, go out

there and show them how to actually operate the land, on a larger scale with modern, efficient equipment, just as we do it here.

Secretary FREEMAN. Some. First of all, in connection with American know-how in such things as fertilizer manufacturing, great efforts have been made to involve American capital and know-how. In connection with Americans going in and operating farms, actually producing food as such, some thought has been given to this, but no practical method of actually doing this has been evolved.

There is almost no unused land in India. But, as I say, the study of a possible combination here that could harness some productive know-how in combination with the practices by the landowners and the Government is under study, but no practical means of doing this has yet surfaced.

Secretary Rostow. I might add, Congressman Resnick, that private groups, church groups, university groups from many countries, are functioning in India, both as teachers and in running model farms which are connected with training programs.

There are a variety of such enterprises in different parts of India. Of course, they have considerable impact on the practices in the areas in which they function.

Mr. RESNICK. What concerns me very often is that we have all of these beautiful plans and everything else, but we still wind up with the man with a bullock and a wooden plow. It just seems to me that if some way could be devised whereby Americans could go in there, and not only operate model farms, but operate some reasonably sized acreage to produce this food efficiently on a large scale, in order to show how it can be done, that that would be a great step forward.

I think that this would be a very fruitful approach and the direction to look.

Mr. GATHINGS. Mr. Wampler and several of the other gentlemen have questions which they will write out and they will be submitted to you gentlemen for your answers. Without objection they will be made a part of the record at this point.

(The material referred to follows:)

QUESTIONS SUBMITTED TO THE DEPARTMENT OF AGRICULTURE BY CONGRESSMAN
ROBERT DOLE AND ANSWERS THERETO

Q. How will you enforce the "self-help" criteria in the states of Kerala and West Bengal where Communist coalitions took over as a result of the election?

A. The self-help provisions contained in the current PL 480 agreement with the Government of India apply to the country as a whole and are to be implemented by the Central Government wherever applicable.

The aim of self-help is to increase domestic food production in order to eliminate or alleviate food shortages. It is unlikely that any state or local governments regardless of political convictions, as in the case of Kerala or West Bengal, could refuse to cooperate in view of the acuteness of the Indian food problem.

Q. Do you anticipate any special difficulties in these States?

A. On the basis of the above assumption we would say that we do not anticipate any special difficulties in these States.

Q. Do you anticipate any difficulty in enforcing the "Findley amendment" in PL 480 in regard to trade with North Viet Nam and Cuba? Does the Administration make a distinction between commerce by governments and commerce by individuals or non-governmental institutions with Cuba and North Viet Nam in the enforcement of the "Findley amendment" in PL 480?

A. It is anticipated that no difficulty will be encountered in enforcing the "Findley Amendment."

No case has yet arisen under the new PL 480 legislation that involves the question raised by the Findley Amendment with regard to the distinction be-

tween commerce by government and commerce by individuals or non-governmental institutions with Cuba and North Viet Nam.

Q. Would you object to a legislative direction to finance a "cattle and other livestock count" in India to be paid for in rupees in order to obtain an accurate estimate of the number of such animals and their economic significance?

A. An animal census was conducted by the Government of India in 1966, however, the results have not yet been made available.

QUESTION SUBMITTED TO SECRETARY FREEMAN BY CONGRESSMAN DE LA GARZA

Mr. Secretary, in your statement you stated that some of the grain was late in moving due to the over crowded condition of some of the Gulf ports. I have information from the Port of Brownsville that they felt more of the grain could have been shipped from that Port and that they have ample facilities to take care of same. Would you mind stating for the record if this is so and why more grain has not been shipped from the Port of Brownsville?

DEPARTMENT OF AGRICULTURE
Washington, D.C., March 3, 1967.

HON. ELIGIO DE LA GARZA,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: This is in reply to your request of February 28, 1967, for information concerning the use of the port terminal facilities at Brownsville, Texas.

Export sales of grain to India and other nations are made by the private export trade. The exporters purchase most of the grain to be exported from private trade sources. Although sizeable quantities have been purchased from the Commodity Credit Corporation in the past, the quantities coming from CCC stocks are rapidly diminishing. Effective March 1 CCC stocks of wheat are no longer available for export sale except very limited quantities at the West Coast.

Private exporters usually utilize port facilities owned or leased, rather than public owned elevators such as the Port Brownsville Public Elevator. This, of course, is their prerogative and has resulted in occasional crowding at some ports in the Gulf.

Brownsville, Texas, being 140 miles south of Corpus Christi, does not have the benefit of rail export rates that permit it to compete with other Gulf ports for export grain from northern origins. As a result, the main source of grain for the Brownsville elevator is the Coastal Bend area. Sizeable quantities of grain sorghum produced in this area are normally trucked to Brownsville.

If you have not already heard, you will be interested to learn that of the 2,000,000 metric ton grain movements recently announced for India, approximately 475,000 metric tons of hard red winter wheat and 800,000 metric tons of grain sorghums are to be programmed for export from Gulf ports.

Sincerely yours,

ORVILLE L. FREEMAN.

Mr. GATHINGS. Mr. Goodling is next.

Mr. GOODLING. On page 6 of your statement you enumerated some of the countries that are assisting in feeding India, and you say there will be a 5.7 million ton deficit.

Just recently—in fact, the 21st of February of this year—there was an editorial in the Chicago Tribune, entitled "Food for Peace—or Food for Rats?"

With your permission, I would like to insert this into the record.

Mr. GATHINGS. Without objection, it will be made a part of the record at this point.

(The editorial above-referred to, follows:)

[From the Chicago Tribune, Feb. 21, 1967]

FOOD FOR PEACE—OR FOOD FOR RATS?

President Johnson recently proposed a 10-nation consortium under chairmanship of the World bank to help supply India's continuing critical need for food. He estimated the cost of filling that country's 10 million ton food deficit at 725

million dollars. Our own once vast food surpluses have been depleted to the point where we must ask other developed countries to increase their food aid, but even so we plan to send 6.6 million tons of grain to India this year under the food for peace program.

Of more than passing interest, then, are some remarks which P. C. Sen, chief minister of West Bengal state, made the other day at a Calcutta conference on rodent control. He appealed to his countrymen, millions of whom are hungry if not near starvation, to destroy hundreds of millions of rats that are ravaging India's inadequate grain supplies. Estimates place India's rat population as high as 5 billion, or 10 times the human population, and grain losses at up to 10 to 12 per cent of the annual crop, or more than 8 million tons.

"Rats should not be allowed to fatten while men go hungry," Sen said. While to western minds this should be so obvious that it need not be stated, the problem is considerably more complex in India, where an exaggerated respect for animal life is so widespread that the idea of killing even rats is offensive to large numbers of people. Perhaps that is why Sen suggested the rats could be reduced by catching them and injecting them with hormones to space out their litters or by feeding them vitamin-deficient food to impair their fertility.

He did suggest, however, the rats also could be gassed in their holes. Genda Singh, minister of agriculture in Uttar Pradesh state, suggested the rats could be destroyed and the food supply increased at the same time when he appealed to his countrymen to eat rats, which he said are rich in protein.

India's problems of food shortages and rats certainly are not new. We in this country continue to hear disturbing reports that the Indian government is unable or unwilling to move some of the bumper crops in its southern states to the northern drouth stricken areas, that it has been preoccupied with the recent election campaign while food problems were neglected, that government red tape has kept the agricultural economy on dead center, and so on.

What is new is that the United States no longer is in a position to supply India with virtually unlimited supplies of food, and there is serious question whether other countries can or will make up the deficit. Up to now our efforts to encourage Indian leaders to increase their own food production seem to have brought few more tangible results than displays of pique and criticism in New Delhi over what the Indians regard as "pressure" to get them to change some of their policies. Our government denies using pressure, but it would like India to grant concessions to foreign investors in the fertilizer industry, lift some strangling controls on the economy, liberalize imports, and take other steps to increase its food supply.

The fact is that world food supplies are failing to keep pace with the alarming increase in world population. Under these circumstances, and with rats eating the equivalent of four-fifths of India's food deficit, the Indian leaders ought to wake up to the fact that the developed countries cannot long continue to pour food down ratholes.

Mr. GOODLING. I would like to read one paragraph hurriedly:

Of more than passing interest, then, are some remarks which P. C. Sen, Chief Minister of West Bengal State, made the other day at a Calcutta conference on rodent control. He appealed to his countrymen, millions of whom are hungry, if not near starvation, to destroy hundreds of millions of rats that are ravaging India's inadequate grain supplies. Estimates place Indian's rat population as high as five billion, or 10 times the human population, and grain losses at up to 10 to 12 percent of the annual crop, or more than eight million tons.

Mr. Secretary, it appears to me that one of our most important programs for India would be a program of rodent control. On my own farm, if there is one rat, I am going to try to get rid of that rat, because I know how prolific they are and how destructive they can be. And I do not like them—I do not even like to see one.

What, if anything, are we doing along this line? Is that important, or is it not?

Secretary FREEMAN. It is important. There is a rodent control program that is being carried forward very vigorously by the Indian Government, to which we contribute through technical assistance and chemical inputs.

I would, certainly, second what you have said. I think that program can, and should be, improved. I would want the record to show, however, that I think very little, indeed, of our grain food to India is subject to destruction by rodents. The newest go-down storage places are used.

The movement of this grain to human consumption is rather rapid, and the amount of loss from that point of view is relatively limited. But I do not mean for a moment to say that we should tolerate the loss.

Mr. GOODLING. As you have just said, I do not believe it is important whose food is being destroyed; so long as we know that it is being destroyed. The thing we need to do is destroy more rats.

Secretary FREEMAN. I quite agree. I made that point only to emphasize that it can be more strictly protected. A program to go out to some 60 million individual farms, in units which are very small, would be more difficult to accomplish.

Mr. GOODLING. You do say that we have a program of rodent control in India?

Secretary FREEMAN. We do have a program of rodent control in India; most emphatically, yes.

Mr. GOODLING. Is it effective?

Secretary FREEMAN. It is not as effective as it should be, like some other programs in India, but it is becoming increasingly more effective. And the volume of inputs, of both materials and people, is being increased.

Mr. GOODLING. Thank you.

Mr. GATHINGS. We will adjourn until 10:30 in the morning.

(Whereupon, at 12:30 p.m., the committee adjourned, to reconvene at 10:30 a.m., Wednesday, March 1, 1967.)

The first of these was the death of his mother, which occurred in the year 1729. This event was attended with great affliction to the young man, and he was for some time in a state of great distress. He was, however, comforted by the friends of his family, and he recovered from his affliction. He then went to school to Mr. Porter, a schoolmaster in the parish of St. Andrew, where he remained for three years. He was a diligent scholar, and he acquired a good knowledge of the Latin and Greek languages. He was also fond of reading, and he read with great attention the works of the ancient and modern writers. He was particularly fond of the works of the poets, and he was able to recite with great ease many of the passages of the Greek and Latin poets. He was also fond of the works of the historians, and he was able to give a good account of the events of ancient and modern history. He was, in short, a very accomplished scholar, and he was well qualified for the study of the law. He was, however, not inclined to study the law, and he was content to follow the path of a scholar. He was, in fact, a very happy man, and he was able to enjoy the fruits of his studies. He was, in short, a very accomplished scholar, and he was well qualified for the study of the law. He was, however, not inclined to study the law, and he was content to follow the path of a scholar. He was, in fact, a very happy man, and he was able to enjoy the fruits of his studies.

EMERGENCY FOOD ASSISTANCE TO INDIA

WEDNESDAY, MARCH 1, 1967

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The committee met, pursuant to recess, at 10:30 a.m., in room 1301, Longworth House Office Building, Washington, D.C., Hon. W. R. Poage (chairman) presiding.

Present: Representatives Poage (presiding), Gathings, Abernethy, Abbitt, Jones of Missouri, Purcell, O'Neal, de la Garza, Vigorito, Jones of North Carolina, Dow, Montgomery, Brasco, Stuckey, Rarick, Belcher, Teague, Dole, Hansen, Wampler, Goodling, Miller, Burke, Mathias, Mayne, Zwach, Kleppe and Price.

Also present: Christine S. Gallagher, clerk; Hyde H. Murray, assistant counsel; and Fowler C. West, assistant staff consultant.

The CHAIRMAN. The committee will please come to order.

The first witness today will be Congressman Ottinger of New York. I am sorry that we could not reach you yesterday, Mr. Ottinger. We are very much obliged to you for having remained with us. We are delighted to hear from you now.

STATEMENT OF HON. RICHARD L. OTTINGER, REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. OTTINGER. Thank you very much, Mr. Chairman.

I am pleased to have this opportunity to appear before the Committee on Agriculture in support of a desperately needed program of food assistance to India during the balance of 1967. I want to commend the chairman and the gentleman from Kansas, Mr. Dole, for a thoughtful and keen analysis of the situation based upon their special trip to India last December at the request of the President.

I will not take the committee's valuable time in a lengthy analysis of the food crisis in India, for it has firsthand reports from its members and detailed information both from the administration and the government of India. I would simply like to make these essential points:

1. India has not recovered from the drought of 1965 which held food grain production to 72 million tons, a drop of 16 million from the previous year. Not only was much of India's food reserve used up in 1966, but a dry spell in the northern and central States sharply curtailed current production to the point where the original estimate of 90 million tons has been reduced to about 79 million. Those figures tell a bleak story, especially when we consider that India's population is increasing at the rate of 12 million a year.

2. India has taken positive steps to increase agricultural production, and while these measures represents only a start, they stand as solid evidence that the Government of India is very much aware of the food crises and is prepared to meet it. I would like to present for the record a letter I received from the Department of Agriculture in response to my request for a report it had made on self-help measures undertaken by India. It is significant that the findings of our USDA are in substantial agreement with those of the World Bank, which made a similar study.

3. It is obvious that neither India's self-help measures to increase agricultural productivity nor her efforts to reduce population growth will have a total effect in the next decade.

4. India has sought and received assistance from nations other than the United States, and has not relied merely on grants of food grains from these countries, but has purchased wheat and other grains from the United States and Australia.

These factors were given full recognition by President Johnson in his message to Congress on February 2.

I am sure that most of the Congress as well as most Americans join me in endorsing the President's proposals for a joint approach by a consortium of have countries in helping India meet her food problems. Certainly, if the have nations are to assure that the population explosion in the have not nations doesn't result in massive starvation, the cooperation of all have nations will be needed. The United States cannot and should not bear the burden alone.

I support the President's proposals for sharing the food-deficit burdens, but with the understanding that the President does not intend to lock in the U.S. position to such an extent that starvation of Indian children becomes the principal bargaining tool to obtain contributions from other have countries. I am sure it could not be the President's intention to create this unfortunate situation either by setting maximum levels of U.S. food contributions unrealistically low or by applying a rigid requirement that the United States will not contribute more food than is matched by other consortium nations. I suspect, however, that the language of the resolution (H.J. Res. 262) read literally, might create such rigidities.

I call your attention to that portion of the resolution which states that the Congress endorses the President's policy of "equal" participation on the part of the United States with all other nations in helping India to meet its food needs, and also to the ceiling of 3 million tons of food grain the United States is authorized to provide, over and above the 3.6 million tons already committed.

Assuming the other nations in the India-aid consortium organized by the World Bank match our 3-million-ton commitment—an assumption which may not be justified—the total outside aid to India in 1967 would amount only to 9.6 million tons of food grain, which is below even the most conservative estimate of the amount India must import this year. Last August, the Indian Government drew up an import program calling for 10 million tons of food grain for the period from November 1966 to December 1967, but this was based on expectations for a normal crop year in which production would exceed 80 million tons. It is obvious now that India's food grain production will not reach 80 million. In view of this, I fear that the limitations on the

U.S. commitment in House Joint Resolution 262 may be grossly unrealistic.

As you know, last year India required some 11 million tons of imported food grains, and the United States had to contribute 8 million tons of that importation.

Of equal importance is the highly restrictive language one finds in the resolution with respect to "equal" sharing of India's food burden. By insisting on "equal" participation in meeting India's food needs, do we intend that the United States be relieved of its obligations should the consortium nations be unable or unwilling to contribute 3 million tons of grain—assuming just a 6-million-ton shortage? I'm afraid such a construction may be placed on the language in the resolution, both here at home and abroad, and this could mean that the United States is backing itself into a corner—a very tight one at that—from which it will be most embarrassing to extricate itself. Certainly the administration is making it exceedingly difficult for itself to come back to Congress and, in the face of the explicit language of this resolution, request a contribution of more than half of India's needs.

Now, we really ought to face these questions: What are we going to do if, in fact, the other consortium nations do not contribute a full one-half of what is expected and what are we going to do, if the needs for India exceed the 3 million tons of grain authorized in this resolution?

I agree with the President that equal sharing in India's food needs is a desirable goal, but we should not let our aspirations cloud the realities of the situation. We must allow ourselves sufficient flexibility in the event the crisis in India exceeds current expectations and in the event our goal of equal participation is not attained.

I urge, therefore, that the committee substitute in line 1 on page 3 of House Joint Resolution 262 for the word "equal" such a word as "appropriate" or "equitable." Let us by all means strive for equal participation, but let us not box ourselves into an almost impossible position if this cannot be accomplished.

This morning at the State Department briefing for Congressmen I asked Under Secretary Eugene Rostow the question: "What are the administration's intentions with respect to these limitations?" And he stated that there was no intention to freeze in either the limitations of 3 million tons or an absolute requirement of equal participation. I asked him in view of that would be object to amending the resolution to reflect this and would it be all right if I made that representation before the committee. He said that would be perfectly in accord with the administration's thinking.

Finally, Mr. Chairman, I urge this committee to examine closely the administration's handling of a \$25 million allocation in emergency food relief for distribution by CARE and other American voluntary agencies. These funds were sought last autumn and the administration knew at that time that they were urgently needed to avert widespread starvation among some 10 million children in the States of Bihar and Uttar Pradesh. Although approval of this grant was fully within the administration's authority under Public Law 480, as amended, action on it has been delayed for 4 full months and now we apparently find these funds included in House Joint Resolution 262, and for reasons best known to the administration. In my view,

this is a poor way to handle emergency food relief, for our delay could be unfortunately interpreted by many as playing politics with the lives of children.

What puzzles me as well is that in the third paragraph of House Joint Resolution 262 we find an assertion that the United States has already committed \$25 million in emergency food relief for distribution through CARE and other American voluntary agencies. The final paragraph of the resolution recommends that the President allocate an additional \$25 million for this purpose. Both the Agency for International Development and the Bureau of the Budget assure me that the resolution is concerned with only one \$25 million allocation. If this is so, the resolution could be amended to make this clear. However, in view of the extended delay in making this grant and the strong possibility that the food aid authorized in this resolution will be inadequate to India's needs, I urge that the resolution be amended to authorize an additional \$25 million in emergency food relief on a contingency basis.

I know that many of you on the committee are aware of these problems and are sympathetic to their solution. You have done an outstanding job in dealing with them in a way that is humane and fair. You have taken the trouble to see India's problems and her efforts at first hand.

I know that you share with me the conviction that the food assistance we give to India is not just a humane act of generosity. It is vitally in our own national interest to help see to it that starvation does not tear asunder the largest free democracy in the Eastern World. India is already under great stress. We dare not add to her burdens at this critical time in her history. We dare not place ourselves in the position that "for lack of a nail, the kingdom was lost." Thank you.

And I ask, at this point, permission to have inserted into the record the letter I received from the Department of Agriculture, Office of the Secretary, dated February 3, 1967, with respect to the subject of India's self-help measures.

The CHAIRMAN. Without objection, it will be made a part of the record at this point.

(The letter dated February 3, 1967, follows:)

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, February 3, 1967.

HON. RICHARD L. OTTINGER,
House of Representatives,
Washington, D.C.

DEAR MR. OTTINGER: Thank you for your letter of January 27 in which you request a copy of a report to the Department of Agriculture by Martin E. Abel on self-help measures undertaken by India.

A formal report evaluating agricultural self-help measures in India was not prepared. However, the findings of the Department of Agriculture team can be summarized as follows:

Starting in late 1965 the Government of India began to place increasing emphasis on agricultural development. The food crises of the past few years made it unmistakably clear to India's leaders that agriculture, among all the development objectives, had to receive top priority. Very significant changes have occurred in India's agricultural policies and the commitment of resources to agriculture. Public investment scheduled for agriculture during the Fourth Five-Year Plan will be more than double that the Third Plan. Agriculture is second

only to national defense in the Fourth Plan. Accelerated investments in agriculture have already begun to take place. Budget expenditures for agriculture during 1966-67 are 43 percent above the 1965-66 level. In addition to the Fourth Five-Year Plan the Indian Government has developed an annual subplan which will permit early evaluations of performance. This procedure introduces a new degree of flexibility in adjusting resource allocations within agriculture to ensure that production targets are met.

Since 1964, the Indian Government has been providing food grain producers minimum price support at levels sufficient to encourage greater production.

In 1964, also, the India Parliament created a statutory agency for the purpose of making the price support schedule effective. This agency, called the Food Corporation of India, was charged with two additional responsibilities: To help insure equitable distribution of food among consumers at reasonable prices by gaining a commanding position in the market through purchase, storage, and movement, and to build up gradually a national food reserve.

The tight food grain situation of the past two years has kept market prices well above support prices, thus minimizing the need of the Food Corporation to support prices. The Food Corporation has gradually taken over the procurement responsibility of other Center agencies and, this year, the Food Corporation will be the procurement agent for almost all State governments. Eventually it will operate over the entire country. In a further step, a meeting of state and central government leaders in November, 1966, agreed that a national food budget system should be immediately developed to facilitate greater sharing between surplus and deficit states. The staff work for the food budget is nearing completion and the budget is expected to be announced in March.

The Indian Government took a number of steps in 1966 to stimulate investment in fertilizer production capacity and to ensure sufficient imports of fertilizer to meet established targets for total fertilizer availability.

India has taken the following steps to improve the investment climate for the manufacture of fertilizer in the private sector: (a) All geographic constraints on fertilizer marketing within each state have been removed, and New Delhi plans to remove constraints on interstate movement as soon as supplies permit. (b) All private manufacturers of fertilizer who commit themselves to invest in India prior to March 1, 1967, will be allowed freely to price and distribute their products, with no government regulations. (c) Simplified and streamlined procedures for approving and licensing foreign private investment in the manufacture of fertilizer have been put into effect and, together with new policies on foreign private investment (e.g., acceptance of management control by the foreign collaborator), have succeeded in speeding negotiations with investors already underway and in stimulating proposals from other foreign firms. (d) In allocating foreign exchange, top priority has been given to fertilizers, including fertilizer for seeding programs of new plants, fertilizer raw materials and spare parts for fertilizer plants. (Foreign exchange allocations for fertilizer in 1965/66 were \$163 million and in the current year it is \$268 million.)

Substantial progress has been made to increase the operating efficiency of fertilizer plants in the public sector. As a percent of capacity, production has been raised from 63 percent in 1965 to an estimated 80 percent in 1966. The principal reasons for operation of plants at low levels of capacity were a lack of raw materials, a shortage of spare parts, and poorly designed plants. Indian efforts to date have improved the situation on all these fronts. Steps are also being taken to reduce the dependence upon sulphur—in short supply world around—in the manufacture of fertilizer in India and to develop India's pyrite deposits which can meet the entire sulphur requirements by 1974.

To maximize food production from available inputs, India has adopted a strategy of concentrating the combination of agricultural inputs on the most productive land with an assured supply of water. This concept was first embodied in the Intensive Agricultural Districts Program, later incorporated in the larger Intensive Agricultural Areas Program and now embodied in the High-Yielding Varieties Program. For the Fourth Five-Year plan a target of 32.5 million acres has been set for the High-Yielding Varieties Program and an adequate supply of fertilizer, improved seed varieties, plant protection materials, and irrigation are to be assured for this acreage.

India plans to cover 6.4 million acres of the best crop land with an assured water supply under the High-Yielding Varieties Program during the 1966-67 crop year—an effort without precedent. Domestic supplies of high-yielding varieties were augmented by 18,000 tons of imported wheat seed from Mexico

in an effort to meet the targets. Although available evidence indicates that the concentration of available inputs on the selected acreage has been carried out effectively, drought has affected this program to the extent of ruling out the possibility of reaching the target of one additional ton of food grain per acre. But the program is demonstrating that Indian farmers, given proper guidance and necessary inputs, can dramatically raise productivity levels.

A cabinet level committee on agricultural credit has been established. Also, a working level committee of the GOI is currently studying ways to establish a national agricultural credit program. Steps have been taken this year to increase (about 10 percent over last year) the supply of credit to cultivators through the coops and, on a pilot basis, to use the Food Corporation of India to extend credit to cultivators as an advance on their crop. Cultivators can pay off their loan by either grain or cash. Finally, private banks have been urged to establish rural credit programs.

There has been some speedup in Indian performance in the soil and water management field. The basic outline for a new program has been developed (with USAID/US Geological Survey assistance) and a central coordinating body has been set up and is partially staffed. In addition, India has developed, and is beginning to implement (with USAID/Soil Conservation Service assistance), a program for the better management and more intensive utilization of available water.

Recent evaluations of Indian agricultural development by other organizations such as the World Bank are in substantial agreement with the findings of the Department of Agriculture team that was in India in November and December 1966.

Sincerely yours,

THOMAS R. HUGHES,

Executive Assistant to the Secretary.

The CHAIRMAN. Thank you very much, Mr. Ottinger. If I understand your statement correctly, you feel that Mr. Dole and I have not gone as far as you feel the facts would indicate.

Mr. OTTINGER. Mr. Chairman, I think that the approach is a very excellent one. What I fear is the language which I take it was put in at the request of the administration, putting what appears to be an absolute limitation on both the tonnage that we can supply and on the requirement of equal participation with the consortium nations.

The CHAIRMAN. I take it that you are of the opinion that regardless of what the rest of the world does or what India does, that we should continue to supply all of the food that is necessary for the maintenance of the people of India. Is that your position?

Mr. OTTINGER. No, I think that we should make an effort to see to it that India undertakes self-help measures; in fact the testimony offered yesterday, part of which I did read, indicates quite clearly that India has undertaken very extensive efforts to improve her own agriculture production. In fact, as already stated, I asked permission to submit for the record the letter dated February 3, 1967, from Mr. Hughes, the executive assistant to the Secretary of Agriculture, which outlines not only a study that was made by the Department of Agriculture of India's self-help efforts, but also, one that reached a similar affirmative conclusion by the World Bank. And I think that we should make every effort to have the consortium nations—the "have" nations—to contribute.

The CHAIRMAN. I understand that.

Mr. OTTINGER. But I do think that we have other levers that we could use.

The CHAIRMAN. You suggest other measures. What?

Mr. OTTINGER. There are a great many arrangements that we have with the other "have" nations.

The CHAIRMAN. Of that great many, give us three examples for the record.

Mr. OTTINGER. With respect to India, we have vast aid programs outside the agricultural field.

The CHAIRMAN. Would you suggest that we reduce that aid program if India does not give as much self-help as we feel, and the other nations do not contribute?

Mr. OTTINGER. Yes. I think this is one.

The CHAIRMAN. Just what other aid would you reduce—you would not reduce any of the agricultural aid—what aid other than that would you reduce?

Mr. OTTINGER. I think that the place where the leverage can be applied most effectively in this regard—

The CHAIRMAN. May we have order, please. Go ahead, but please let us hear the witness. That is all.

Mr. OTTINGER. It's your balance-of-payments type of situation.

The CHAIRMAN. We are speaking about the balance-of-payments situation now. Whose balance-of-payments situation?

Mr. OTTINGER. India's balance of payments situation.

The CHAIRMAN. What about the American balance-of-payments situation?

Mr. OTTINGER. The American balance-of-payments situation is a very serious one. Again, I do not happen—

The CHAIRMAN. Which would be most serious, our balance-of-payments situation, or India's balance of payments situation, I mean, from the standpoint of the American people?

Mr. OTTINGER. From the standpoint of the American people, our balance-of-payments situation is the more critical. Even so, I think that we have a tremendous interest not to have us stop giving assistance to India.

The CHAIRMAN. Let us get some of these things on the record, so that we can talk about what we can do. Would you jeopardize the American balance-of-payments situation in order to maintain the Indian balance-of-payments situation?

Mr. OTTINGER. The United States aid at this point is more than 90 percent composed of purchases in the United States. But our aid to the underdeveloped countries, one of the principal ones being India, does not actually adversely affect in any significant manner our balance-of-payments situation. I do not think that question is principally at stake. As I said, I think that there are many leverages with respect to India that can be applied.

The CHAIRMAN. Would you give us just one or two of those leverages?

Mr. OTTINGER. One, as I said, was the size and the scope of the economic aid program and the military aid program.

The CHAIRMAN. I understand that—you mention these things, but you do not tell us what we should do to cut down, for example, the military program.

Mr. OTTINGER. We could, as a matter of fact, in the course of negotiating—

The CHAIRMAN. You said to use other measures. I'm asking what they are and how you would use them. You mentioned other aid, but you do not tell us what we should cut off. You mentioned military aid. Would you reduce the military aid to India?

Mr. OTTINGER. I think that one of the bargaining positions that we can use is in determining the amount of economic aid and the amount of military aid that we give to India as a requirement of self-help. As a matter of fact, that is written into the statute as one of the requirements for giving aid to any country.

I think that we do, in fact, determine the amount of the aid that we give to a country in large part on the amount of self-help measures that they take.

The CHAIRMAN. I did not understand what you just last said. I wish that you would get the microphone a little closer to you.

Mr. OTTINGER. I said that I think that one of the requirements of our foreign aid statute and of our Public Law 480 for a food assistance program is the requirement that the country involved take self-help measures and that, in fact, in determining the amount of aid that we give to India—in determining the agreement that we make with India—that we do, in fact, take into account the amount of self-help measures undertaken by India.

The CHAIRMAN. I thought that that was one of the things to which you objected in the Poage and Dole resolutions was the fact that we tied ourselves rigidly down in saying that India had to provide self-help.

Mr. OTTINGER. Well, actually, that is not a condition which is actually contained therein, except indirectly, by reference to Public Law 480, that is, in the resolution.

The CHAIRMAN. India has not been engaged in any large self-help.

Mr. OTTINGER. I believe it has. I believe the reports from the Department of Agriculture and the World Bank are that they have taken substantial measures to increase their agricultural production, I think, within the last couple of years.

The CHAIRMAN. Of course, I do not think that there is anything that any of us can do about the cow problem in India. And I do not think that the Indians can, either. But it is perfectly obvious that there are enough cattle in India, that is, if they used their cattle like other nations do, that you would not have the present food shortage in India. That is obvious, is it not?

Mr. OTTINGER. No, I do not think that is.

The CHAIRMAN. Do you not think so?

Mr. OTTINGER. Mr. Chairman, you and Senator Miller and Congressman Dole saw some of those cows yourself.

The CHAIRMAN. Yes, there are 230 million cows, more than twice as many as in the United States.

Mr. OTTINGER. As I understand it, some of them are used for milking—about one-third of the cows are used for hauling for various kinds of work purposes, and there are some 30 million cows that are not put to productive work. I am not sure that the quality of those cows is such that they would contribute greatly to the resolution of the problem they have.

The CHAIRMAN. Regardless of the quality of the cows, the cows eat, do they not?

Mr. OTTINGER. They eat, primarily, grass.

The CHAIRMAN. Have you ever been there?

Mr. OTTINGER. I do not say—

The CHAIRMAN. Do you think that it is possible to support 230 million head of cattle without consuming feed that would otherwise—at

least make land available for the production of food for human consumption?

Mr. OTTINGER. I very much doubt it.

The CHAIRMAN. I agree that it is a difficult problem. I do not think that we can do anything about that.

Mr. OTTINGER. I am not any expert on cows. I know that it is a very difficult problem for India.

The CHAIRMAN. You do not have to be an expert on cattle—you have to be an expert in human psychology. I do not think that we can do anything about that for many years to come. But they are planting 20 million acres in cotton and every acre of that cotton land could be used in the production of foodstuffs.

Mr. OTTINGER. I understand that is not so, Mr. Chairman, though again, I am not an expert on this.

The CHAIRMAN. I did not understand you.

Mr. OTTINGER. I understand that is not so.

The CHAIRMAN. Do you know one acre anywhere in the world that will grow cotton that will not, also, grow either corn, grain or sorghum, or something else? I do not know of any acre in the world that will not do that.

Mr. OTTINGER. I am very much abashed to say that I come before the Agricultural Committee as a city boy. I am afraid that I am not much of an expert on these problems, but the reports from the Department of Agriculture and the World Bank indicate that the large majority of the land on which this cotton is grown would not be fit for growing wheat.

The CHAIRMAN. Who is representing the Department of Agriculture here this morning—do we not have a representative of the Department here this morning?

Mr. HARRY ROTHENBACH (staff assistant, USDA). Yes.

The CHAIRMAN. I want this on the record here, that I challenge the Department of Agriculture to come and put into this record a statement that there is one acre of land anywhere in the world on which you can grow cotton, and on which you cannot grow some kind of foodstuff. I want you to carry that message back to the Department. And if the Department wants to testify to the contrary, they shall have the opportunity to do so in the morning. But I do not believe that that is a fact. I do not mean that you, Mr. Ottinger, misrepresented the statement. I mean that I do not believe that it is a practical statement of the facts from which that statement is made. There is not any cotton land that I know of anywhere, that will grow cotton that will not, also, grow other crops. And if the Department of Agriculture feels as it is obviously the fact that it does, from the understanding of Mr. Ottinger; I want their answer to that. If they do not feel that way, I want them to answer that. So, I want them to have that answer in the morning for our record.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, March 1, 1967.

HON. W. R. POAGE,
*Chairman, House Committee on Agriculture,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your question raised at the hearing today on emergency food assistance to India.

The soil-climatic conditions required for the production of cotton overlap the environmental range required for the production of many food-producing crops. From a physical and scientific standpoint, one can, therefore, conclude that virtually every acre of land now producing cotton could produce crops used for food or feed.

However, because of relative differences in yields and prices between cotton and food crops, cotton usually provides a greater advantage to the grower in areas where it can be grown. For example, on irrigated land in our Southwest, cotton will gross the producer about \$500 an acre compared with about \$100 an acre for double cropping barley and grain sorghum on the same land. Small acreages of the better cotton land could be used for the more intensive food crops.

In other regions of the world where cotton can be grown successfully, difference in returns may not be quite so wide as here, but the same generalization holds true. In India for example, cotton as well as food is needed for domestic consumption. India imports both. Producers of cotton in India find this crop more profitable than others even though the need for food is critical. To the extent that India can grow part of her own cotton supply, she is making available scarce foreign exchange for the purchase of foods and other needed imports from abroad.

Sincerely yours,

THOMAS R. HUGHES,

Executive Assistant to the Secretary.

Mr. ROTHENBACH. We will do so, sir.

The CHAIRMAN. But let us get back to this subject before us. Just what would you suggest that we do? I know that we have a resolution that will not satisfy everybody. We were trying to get a resolution that the four of us could agree on, the two Senators, Mr. Dole and myself. Each of them would have a different phraseology and a different approach. So that we knew that we could not and would not be able to bring in a resolution that would satisfy everybody. Would you give us suggestions as to what we should do?

Mr. OTTINGER. It was my understanding—

The CHAIRMAN. So that we understand you? All I'm trying to do is to understand how we would achieve the ends you agree are desirable—and I think that we all agree that they are desirable if—are desirable that India should do her best and that the other nations of the world should contribute—how do you suggest that we proceed? If we announce that the United States does not actually intend to carry this out if the other nations default, we will certainly get no help.

In all kindness and fairness, India has maintained a very powerful lobby in Washington, D.C., for a long time—there is nothing wrong with that—they have a right to do it, but they have maintained pressure here in Washington. They did not maintain as much pressure in Moscow. We gave them 12 million tons of food grains and Moscow has promised to give them 200,000, and yet in India you would hear statements there that the Russians are just as much interested “in our welfare as you are,” and “the Russians are helping us.” And Russia is supplying 200,000 tons of grain. We delivered in this last year and a half 12 million tons of grain. There has not been as great an effort on the part of India to get help from these other nations as there had been to get help from the United States.

How would you get them to put their pressure on these other nations as long as we tell them, “Yes, we will come through if you do not do anything, and the other countries do not do anything—we will come through.” How do you get them to put pressure on the others?

Mr. OTTINGER. I'm not in a position to state that. We have contributed a great deal without applying pressure. I think we would have done so anyhow.

The CHAIRMAN. If you agree with the statement that it is desirable that these other countries make a contribution, at least, equal to that of the United States—if that is desirable, how do you get that done? Maybe you feel it is not desirable for them to do it.

Mr. OTTINGER. I do not take that position, you know, but I do not think that the bargaining tool to use with these other nations is the starvation of the people in India. I just do not think that is an appropriate bargaining tool for us to use—one that would do our national interest very good.

The bargaining tool that we should use could be the Kennedy round of negotiations and the various trade arrangements that we make, the credit extensions that we give to these various countries. We have many areas of relations with these other countries which could enable us to prevail upon them to make a larger contribution.

The CHAIRMAN. We have had all of those areas for the last several years.

Mr. OTTINGER. The basic question, as I take it, from the colloquy yesterday with Mr. Dole, was that Mr. Dole said that he did not intend that this resolution place absolute limitations—that if one were to stick to the hard language of this and to require absolute equal contributions and if it turned out that India, instead of needing 9.8 million tons, would require 11 or 12 million tons, we would be faced with saying either that these other countries would have to contribute some more, or we will stand by and let millions starve. That is the situation we are going to be in. I think that this is not the tool to use to try to get other contributions.

The CHAIRMAN. You have yet to suggest a tool that could be used.

Mr. OTTINGER. I have tried my best.

The CHAIRMAN. The "many ways" you suggest are not very effective, unless we can identify one or two of them.

Mr. OTTINGER. I have indicated, Mr. Chairman, as specifically as I can, the other areas in which we have leverage, such as, for instance, in bargaining for tariffs, and in the credit that we extend to these countries.

The CHAIRMAN. What possible leverage would that be in bargaining on tariffs with India—what does India want to send here?

Mr. OTTINGER. No, I am talking about the other nations, the developed countries of Europe. We have, for instance, negotiations now with Germany over the number of troops that we will maintain in Germany and how those troops are going to be supported. That is one specific area in which this could be made effective. There are many similar relationships that we have in countries, like in Japan, which could be made a factor in our negotiations.

The CHAIRMAN. May I only say that I would not try to speak for Mr. Dole, although I believe we are in pretty general agreement, that I introduced this resolution in good faith, and if we are going to continue to provide food to India, India will have to provide all of the food she can at home, and she has not done it. I intended that if we are going to carry this kind of a burden that the other nations of the world are going to have to pick up one side of this load and carry it.

And if they do not do it, and we are left with what you call the "obligation"—and I do not accept it as our obligation—but with the burden of feeding a population twice as great as our own, or larger, that I recognize the hopelessness of the task, and I think that everybody would be better off to abandon that task right now. That may be harsh, Mr. Ottinger, but I do not want this record to go out and have somebody in India read this record, or the Department of Agriculture read this record and say that it is the congressional intent to meet India's full food requirements. In fact, we should require both India and the other nations of the world to do something.

This resolution is specifically to take care of that situation. We have given 6 months' time in which to negotiate these things. We are saying that, "If you cannot get your house in order in that length of time, you, apparently, do not have any intention of getting your house in order." And I think that it is very wasteful for us to keep pouring food or any other assistance into a country that will not help itself.

Mr. OTTINGER. I know, Mr. Chairman, if India were to face up to a substantial part of this I think that we could have some results. But if they do not, it could have most serious consequences for this Nation—for instance, if they should go Communist.

The small amount that is involved in this to prevent starvation is a very small price to pay, indeed, as an assurance that this great market in the East does not go Communist. I think that is a much more important consideration than whether or not we can get India to do what we desire here.

The CHAIRMAN. Mr. Dole.

Mr. DOLE. I just want to comment on the language in both resolutions. They are identical and we worked on them a long time. I think, basically, nearly everyone is in agreement that what we were doing was necessary, but there were areas where it was difficult to find the appropriate language and on page 3, starting on line 6 through line 14, is one of those very difficult areas.

It was, and is, certainly intended, as Mr. Poage stated, to serve notice on the rest of the world that we cannot go it alone. And the gentleman from New York, obviously, shares the view, that there must be participation by others.

I, also, point out that there is language in lines 6 and 7 indicating the recommendation is based on estimates now available. These could change as we are not certain what may happen in India. Maybe it will be less than 3 million tons, or more than 3 million tons.

Finally, I was in good faith in introducing the resolution. I want to make it as ironclad as possible, but should there be a situation develop, there must be some daylight, some flexibility. It may be that better language can be suggested either today, tomorrow, or by someone who appeared yesterday. We worked with it for many, many hours, because we felt the President, in my opinion, feels there must be more than one humanitarian country in the world; that we do have limits and that our farmers have limits on producing for the present prices in the world.

The CHAIRMAN. Thank you, Mr. Dole. Mr. Jones of Missouri.

Mr. JONES of Missouri. I have trouble reconciling some of these statements that are made in Mr. Ottinger's statement and I want to ask him what he means by some of them.

On page 1, paragraph No. 2, where you say :

India has taken positive steps to increase agriculture production, and while these measures represent only a start, they stand as solid evidence that the Government of India is very much aware of the food crisis and is prepared to meet it.

How is she prepared to meet it?

Mr. OTTINGER. Again, I have to take my evidence second hand, Mr. Jones. I have not made a personal inspection of this, although my administrative assistant, Paul Schosberg, did go to India and spent several days there earlier this year, but what I am relying on, primarily, are studies of the World Bank and the Department of Agriculture. As I say, I have submitted with my testimony a letter from the Department of Agriculture describing the results of these. And it indicates a very substantial increase and concentration of effort on the part of the Indians to produce new fertilizer, to produce new seeds, to provide pumps for irrigation of the land. And as well, I believe, to convert cotton land to food crops, where it is possible to do that. These efforts have been made. They have not done everything that might have been done, but the reports that were made by the experts indicate that they have made enormous efforts and have made real achievements in putting their own agriculture to work.

Of course, we have periodic problems with the weather, too, as all agriculture areas do. And the Indians feel that they will be able to get into a position, eventually, where they will be able to overcome those obstacles. They have not yet achieved that. They have a goal and a program that the Department of Agriculture thinks is adequate to put them on a real self-sustaining basis by 1971.

Mr. JONES of Missouri. What I am getting at is that you say up here that India is prepared to meet this problem, and then in the next paragraph you say:

It is obvious that neither India's self-help measures to increase agricultural productivity nor her efforts to reduce population growth will have a notable effect in the next decade.

In one place you say that she is prepared to meet it, and then you say that she cannot do it in 10 years—that you doubt that. Can she do it in 50 years?

Mr. OTTINGER. I am afraid that I will have to admit that the language in the statement, perhaps, is not as artistic as it might be. But what I am saying is that the reports I have would indicate that India is making a very substantial effort and there is a reasonable prospect that she will be on a self-sufficient basis within a short period of time.

The Indian program calls for her to be self-sufficient by 1971.

Mr. JONES of Missouri. I think that you have read some of the wrong reports. The reports I have been reading and the observations I have made, are not consonant with your statement at all. That is all, Mr. Chairman.

The CHAIRMAN. Are there any other questions? If there are no further questions, we are very much obliged to you. I would simply like to say that I do not want to be in the position of saying that India has done nothing. I stated publicly yesterday, I think, that India has done considerable, but she lacks a great deal of making the self-help efforts that I would expect of an individual citizen who might live in my community and might be an applicant for public welfare.

India is an applicant for public welfare. India asked that the United States assume some kind of burden, some kind of responsibility in this respect. And I want to disassociate myself from any statement that we have any such "obligation" to India.

We are very much obliged to you, Mr. Ottinger. The committee will now go into recess for the purpose of presenting the maid of cotton.

Mr. Jones of North Carolina, together with Mr. Whitener, will present the maid of cotton, Miss Georgia Kay Pearce of Gastonia, North Carolina.

(Short recess.)

The CHAIRMAN. The committee will resume its session. We thank you again, Mr. Ottinger.

Mr. OTTINGER. I wonder if I might say just one more word.

The CHAIRMAN. Yes, you may.

Mr. OTTINGER. That is, I do not feel at all that it is our obligation to the Indians to do all of these things—I do not feel that we have any obligation to India. I think that the obligation is to ourselves and to the free world to see to it that India maintains its freedom. That, I think, is where the word "obligation" ought to be applied.

I would agree with you 100 percent that we should not be reproached by India, and that we should not be told that we have an obligation to help them. I feel that the obligation is to ourselves.

The CHAIRMAN. Thank you, very much. We are very much obliged to you. We appreciate your attendance.

We will hear the next witness, Mr. Harvey Sickels of the National Farmers Organization who is present with us. We will be delighted to hear from you at this time, Mr. Sickels.

STATEMENT OF HARVEY SICKELS, SECRETARY, NATIONAL FARMERS ORGANIZATION, ACCOMPANIED BY LEE D. SINCLAIR, GENERAL COUNSEL

Mr. SICKELS. Thank you, Mr. Chairman and members of the committee, my name is Harvey Sickels and I am secretary of the National Farmers Organization.

It is a pleasure to appear before you today in support of House Joint Resolution 267, introduced by the distinguished chairman of this committee, the Honorable Bob Poage, from Texas, and House Joint Resolution 262, introduced by the distinguished Congressman from Kansas, the Honorable Bob Dole.

We wish to commend this committee and other Members of the Congress for their prompt attention and immediate action to meet the urgent needs of the people of India.

We feel sure the addition of the proposed 3 million tons of feed grain to the amount already provided for by previous arrangements, will do much to combat hunger and malnutrition in this area that has been plagued by 2 years of drought. The provision that this amount to appropriately matched should be helpful in securing support and assistance from other countries.

We approve wholeheartedly this emergency food assistance for India. We are requesting, however, that this committee and Congress as a whole, be reminded that the supply of food stocks in our own

great country has been somewhat reduced. We have great concern about the request for farmers to increase production 30 percent and at the same time the forecast for lower income for farmers for the year 1967.

We wish to comment that strategic manufactured items are purchased by the Government directly from the manufacturer many times before they are manufactured, with a guaranteed profit above costs. We do not criticize the manufacturing industry for negotiating this type of sale. The NFO is trying very hard to do the same thing for its members.

We feel there is a great similarity between other industries and agriculture. In fact, they are exactly the same up to one point. We, in agriculture, have cost of production in seed, fertilizer, hired labor, taxes, and maintenance of farm machinery, as industry has cost of production for raw materials, plant maintenance, labor, and return on their investment.

The last two items listed for industry are not now being considered for cost of production analysis of farm income for farm operators. We say it must and will be when farmers join together and price their products.

This has a direct bearing on this proposed legislation. If adequate stocks are not available from CCC, then we urge that CCC be given the authority to go into the open market to purchase that amount necessary to assist India in their emergency food shortage.

There may be those who will say this will disrupt the markets. If this is so, then the proponents of supply and demand must be admitting some fallacy in their argument that supply and demand sets the price, for if supply and demand are in balance and this assures farmers parity prices, then shouldn't our prices be at 100 percent of parity instead of the present average of 77 percent?

We appreciate the opportunity to appear here today and hope our testimony has been helpful.

The CHAIRMAN. Thank you, Mr. Sickels. We appreciate your statement and your concern as you have expressed it in connection with this subject. I am sure that the members of this committee are greatly concerned. We appreciate your being here.

Are there any questions of Mr. Sickels? There being no questions, let me say again that we are very much obliged to you, Mr. Sickels.

Mr. SICKELS. Thank you.

The CHAIRMAN. Our next witness is Mr. Bert Tollefson, executive director of the American Corn Millers Federation. We will be glad to hear from you.

**STATEMENT OF BERT TOLLEFSON, JR., EXECUTIVE DIRECTOR,
AMERICAN CORN MILLERS FEDERATION, ACCOMPANIED BY
JUAN DEL CASTILLO, FIELD DIRECTOR**

Mr. TOLLEFSON. Mr. Chairman and members of the committee, with me at the witness table is Juan del Castillo, our field director. We do welcome this opportunity to appear briefly in support of the resolutions introduced by yourself and Congressman Dole. Mr. Castillo has been recently in India and may have some comments in response to questions in the way of observations. He is going back shortly to be there again several weeks, working on several projects.

We appreciate this opportunity to meet with you on the vital subject of world food needs. I am Bert Tollefson, Jr., executive director of the American Corn Millers Federation and Export Institute. With me at the table is Juan del Castillo, our field director. Like you, Chairman Poage and Congressman Dole, Mr. Castillo has been in India recently and will return to India and neighboring countries early next month where he will be working several weeks on various projects.

We welcome this opportunity to testify in favor of the resolutions supporting the President's India food message of February 2, which have been introduced in the House by Congressmen W. R. Poage, Democrat, of Texas, and Bob Dole, Republican, of Kansas, with corresponding resolutions introduced in the Senate by Senator Gale McGee, Democrat, of Wyoming, and Senator Jack Miller, Republican, of Iowa. The corn milling industry wholeheartedly endorses this bipartisan expression by Congress supporting the efforts of our Government in coming to the aid of the Indian people at this time of critical food shortage. Attached to our statement is a list of our 70 member companies in 24 States.

Frank Ellis, director of the Food for Peace Division in the Agency for International Development, Department of State, recently stated:

During the past 12 years $3\frac{1}{2}$ billion pounds of cornmeal have been distributed through the U.S. Government and private agencies creating 9 million years of life food energy.

This $3\frac{1}{2}$ billion pounds of golden cornmeal has proven throughout the years to be a nutritious and efficient source of calories and energy in more than 100 countries where corn foods are basic in their usual diets. An outstanding job of administration and public information has been done by officials of the Departments of Agriculture and State, by the Food for Peace offices, and the voluntary agencies including CARE, Catholic Relief Service, Lutheran World Relief, Church World Service, American Jewish Joint Distribution Committee, UNICEF, and others.

Golden cornmeal has so many uses in native dishes throughout the world, we expect its use to increase. But research projects of our federation and other research activities of our member companies are developing other new milled corn products which will make additional contributions toward combating world hunger.

Beginning last September and through January, the U.S. Government has purchased 150 million pounds of a new high-protein, low-cost blended food called CSM which is being distributed by many voluntary agencies to over 80 countries. This new food has been developed through cooperation of Government nutrition experts and the corn milling industry. Most, if not all, of you on the committee know that CSM is a formulation of 68 percent processed cornmeal, 25 percent soy flour, 5 percent nonfat dry milk, and 2 percent vitamin-mineral premix. The result is a 20-percent protein food with an adjusted protein efficiency ratio of 2.48 and a nutritionally proved amino acid balance. It is virtually bran free, has a bland flavor and smooth texture for feeding as a gruel, beverage, or as dough in such foods as tortillas, empanadas, chapati, enchilladas, and so forth.

Nongovernmental programs for acquisition of milled corn products is exemplified by UNICEF's recent cash dollar purchase of 7.6 mil-

lion pounds of CSM for about \$700,000 that will arrive in India ports by mid-March. This CSM will provide 480,000 beneficiaries with a supplementary ration of 80 grams a day for 3 months. The current issue of UNICEF News refers to CSM use as "the first attempt in history to introduce a new food product simultaneously to millions of people on a worldwide basis." UNICEF officials believe it will work.

Yesterday's newspapers reported an article by British nutrition expert N. W. Pirie, writing in the February issue of *Scientific American*, that eating habits can and will be changed with the hungriest peoples being helped the most with new high-protein processed foods.

While CSM is being used primarily as a new food for infant and child feeding it has appeal for adults also. Several members of this committee tasted CSM at our recent milled corn products luncheon here in the Capitol. Most of you who attended that luncheon sampled each of the foods including the famous House Restaurant cornbread, cheese-flavored hominy grits, corn-fed beef and a corn flake cake dessert; but one Congressman liked the CSM soup well enough that he limited his lunch to three cups of the CSM which tastes something like split pea soup.

In New Delhi, Food Minister Subramaniam of India recently said that 60 million people are affected by the scarcity of food, 30 percent of them being children. The *Express News Service* quoted Mr. Subramaniam as saying:

The Government was taking every precaution to see that no child suffered from hunger. A special kind of food containing corn, soyabean, and milk was now provided to these children.

The *Christian Science Monitor* of December 9, 1966, discussed CSM as follows:

Washington has great expectations for blended food formula No. 2.

Its name is prosaic enough. But officials believe its possibilities as a new means of feeding hungry nations could be excellent.

In India, it already has a name: *bal ahar*—Hindi for "child's nutritious food."

Evaluation tests of CSM are now being conducted in over 80 countries and reports have been very favorable. Also attached to our statement is a listing of countries where CSM is being used and the allocation by amount of the first 92 million pounds purchased through December. We are emphasizing the contributions of CSM today, because like a new child in the family, we give it more attention than the others that have been with us longer.

The corn milling industry in cooperation with American corn farmers will continue to work in any feasible way on the vital problem of alleviating world food needs. We are committed through the federation and institute to many projects aimed at improving world nutrition and expanding commerce as essential elements of world peace.

The Department of Agriculture, AID, and State Department have presented you with expert testimony and detailed statistics as to world food needs. You Members of Congress and your staff professionals are evaluating world population trends and food production capabilities. There is an obvious urgency to your deliberations and we will not take time to restate or duplicate facts which we know you are perusing.

Our purpose in making this brief appearance is to express agreement with the India food resolutions pending before you. It is our

further purpose to again assure Congress and Government agencies of our commitment as an industry to be of help wherever possible as we jointly seek solutions to pressing problems of world food needs.

The President in his state of the Union message emphasized the vital importance of developing programs and policies to meet world population growth and resultant food needs. This concern has been reaffirmed by congressional leaders of both parties.

The noted historian Arnold Toynbee, in discussing his challenge and response theory of history, cited civilization such as the Babylonian and Roman Empires that failed to adequately respond to challenges, began to deteriorate and eventually disappeared. One of the greatest challenges facing the United States in our position of leadership is the world food and population situation. The corn milling industry assures you of our commitment to provide manpower, research, and production capacity in participating with others to assure that our national response is sufficient for the challenge.

Our industry accepts our portion of the responsibility but we also consider all the circumstances to provide special opportunities for the potential productivity of American farmers and ingenuity of American industry. We also recognize the essentiality of our Nation assisting underdeveloped countries to develop expanded agricultural production and processing capacity. Our member companies have established plants and marketing operations throughout the world and are working on additional new projects in this area.

Two weeks ago, I spoke at a dinner in Kankakee, Ill., and visited with the presidents of a local farm organization and the local chamber of commerce. The three of us were agreed on the responsibility and opportunity for agriculture and business to combine their very best efforts in meeting crucial world food needs. I am sure that you Members of Congress in meeting with your constituents sense this grassroots commitment from all segments of our society to support the Congress and the administration in this most vital undertaking.

Thank you.

(The attachment follows:)

AMERICAN CORN MILLERS FEDERATION

Alabama Flour Mills, Decatur, Ala.	Dan Valley Mills, Danville, Va.
Albers Milling Co., Los Angeles, Calif.	Davis Mills, Seven Springs, N.C.
Allen Brothers Milling Co., Columbia, S.C.	W. A. Davis Milling Co., High Point, N.C.
The Attala Co., Kosciusko, Miss.	H. Dittlinger Rollers Mills Co., New Braunfels, Tex.
Austin-Heaton Co., Durham, N.C.	Dixie Lily Milling Co., Tampa, Fla.
Barry-Carter Milling Co., Lebanon, Tenn.	Eagle Roller Mill Co., Shelby, N.C.
Autry Brothers Milling Co., Autryville, N.C.	Elbeck Milling Co., Inc., Columbus, Ga.
Bagdad Roller Mills, Bagdad, Ky.	Fant Milling Co., Gainesville, Tex.
J. F. Bess & Co., Gastonia, N.C.	Fant Milling Co., Sherman, Tex.
Bishopville Milling Co., Bishopville, S.C.	General Foods Corp., Kankakee, Ill.
Bluff City Mills, Bluff City, Tenn.	Gilster Milling Co., Chester, Ill.
Burrus Mill & Elevator Co., Fort Worth, Tex.	Gooch Milling Co., Inc., Lincoln, Nebr.
Burrus Mills, Inc., Dallas, Tex.	Gurley Milling Co., Inc., Princeton, N.C.
City Mills Co., Columbus, Ga.	Harris Milling, Owosso, Mich.
Cleveland Milling Co., Cleveland, Tenn.	Hill City Mills, Vicksburg, Miss.
Crete Mills, Crete, Nebr.	Hopkinsville Milling Co., Hopkinsville, Ky.
	House Milling Co., Newton Grove, N.C.
	Humphreys Mills, Memphis, Tenn.

AMERICAN CORN MILLERS FEDERATION—Continued

Illinois Cereal Mills, Paris, Ill.	Nebraska Consolidated, Grand Island, Nebr.
Keco Milling Co., Nashville, Tenn.	Nebraska Consolidated Mills Co., Omaha, Nebr.
Kellogg Co., Battle Creek, Mich.	Pabst Brewing Co., Peoria, Ill.
Kellogg Co., Omaha, Nebr.	Pabst Brewing Co., Milwaukee, Wis.
Spencer Kellogg Division of Textron, Kansas City, Mo.	Page Milling Co., Luray, Va.
Krause Milling Co., Milwaukee, Wis.	Peavey Company Flour Mills, Dallas, Tex.
Lauhoff Grain Co., Danville, Ill.	Piedmont Mills, Inc., Lynchburg, Va.
Lauhoff Grain Co., Chicago, Ill.	Quaker Oats Co., Chicago, Ill.
Lauhoff Grain Co., Geneva, N.Y.	Rains Milling Co., Inc., Princeton, N.C.
Louisa Supply Co., Louisa, Ky.	Ringgold Milling Co., Clarksville, Tenn.
Martha White Mills, Inc., Nashville, Tenn.	Shawnee Milling Co., Shawnee, Okla.
Martha White Mills of West Virginia, Huntington, W. Va.	Sheridan Flouring Mills, Sheridan, Wyo.
Mauser Mills, Treichlers, Pa.	Southeastern Mills, Inc., Rome, Ga.
Miner-Hillard Milling Co. of Lauhoff Grain Co., Wilkes-Barre, Pa.	Western Grain Co., Birmingham, Ala.
Model Mill Co., Jackson, Tenn.	Wilkins-Rogers Milling Co., Washington, D.C.
Molinos de Puerto Rico, San Juan, P.R.	Wilson's Corn Products, Inc., Rochester, Ind.
The Morrison Milling Co., Denton, Tex.	Yukon Mill & Grain Co., Yukon, Okla.
Nappanee Milling Co., Inc., Nappanee, Ind.	
Nebraska Consolidated, Fremont, Nebr.	

Archer-Daniels Midland Co., Minneapolis, Minn., is a member of the Export Institute based on their production of CSM.

MINISTER SEEKS HELP FROM ALL : FOOD CRISIS

Express News Service

NEW DELHI, November 15.—Food Minister Subramaniam said today the food situation was worse than it was last year and could not be solved until the people and the political parties fully co-operated with the Government.

"This year is going to be another year of difficulty because of drought and floods in several parts of the country, particularly Bihar and Uttar Pradesh," he said.

PRECAUTION

At the moment 60 million people were affected by the scarcity of food grains, 30 per cent of them being children.

The Government was taking every precaution to see that no child suffered from hunger. A special kind of food, containing corn, soyabean and milk, was now provided to these children, Mr. Subramaniam said.

Purchases of CSM, September through December, 1966, by country and program

Country	Program	Quantity (pounds)	Country total (pounds)
Aden	UNICEF	32,000	32,000
Algeria	CWS	100,000	100,000
Antigua	UNICEF	87,000	87,000
Brazil	Title II	11,897,950	
	CWS	343,000	
	LWR	189,000	
	NCWC	500,000	12,929,950
Br. Honduras	CARE	100,000	100,000
Burma	UNICEF	435,000	435,000
Burundi	UNICEF	12,000	12,000
Cambodia	UNICEF	3,500	3,500
Cameroon	UNICEF	7,000	7,000
Chad	UNICEF	28,000	28,000
Chile	CARE	100,000	100,000
China	UNICEF	800,000	800,000
Columbia	CARE	2,637,400	
	NCWC	300,000	2,937,400
Congo	CRS	200,000	
	CWS	100,000	300,000
Costa Rica	CARE	300,000	300,000
Dominica	UNICEF	112,500	112,500
Dominican Republic	CARE	100,000	
	CWS	122,500	
	NCWC	1,380,000	602,500
Ecuador	CARE	100,000	
	NCWC	600,000	700,000
Egypt	CARE	1,900,000	
	WRC	4,400	1,904,400
El Salvador	NCWC	300,000	300,000
Ethiopia	NCWC	73,000	73,000
Ghana	CRS	200,000	
	CWS	100,000	300,000
Greece	CWS	888,500	
	NCWC	195,000	1,083,500
Grenada	UNICEF	77,000	77,000
Guadeloupe	NCWC	96,000	96,000
Guatemala	CARE	500,000	500,000
Guinea	UNICEF	3,500	3,500
Guyana	Title II	44,100	44,100
Haiti	CARE	100,000	
	CWS	100,000	
	NCWC	100,000	300,000
Honduras	CARE	270,000	270,000
Hong Kong	UNICEF	9,000	
	SDA	21,000	30,000
India	CARE	39,145,600	
	CWS	225,000	
	NCWC	600,000	
	UNICEF	5,245,000	45,215,600
Indonesia	NCWC	100,000	100,000
Iran	UNICEF	400,000	400,000
Israel	HAD-	50,000	50,000
	DASAH		
Ivory Coast	UNICEF	70,000	70,000
Jamaica	CWS	50,000	50,000
Jordan	LWR	9,500	
	NCWC	40,000	
	UNICEF	117,000	166,500
Kenya	NCWC	200,000	
	UNICEF	283,000	483,000
Korea	Title II	6,613,800	
	CWS	10,000	
	NCWC	49,000	6,767,800
Laos	NCWC	100,000	100,000
Liberia	NCWC	50,000	50,000
Malagasy	NCWC	100,000	100,000
Malawi	UNICEF	26,000	26,000
Malaysia	NCWC	200,000	
	UNICEF	245,000	445,000
Mali	UNICEF	25,000	25,000
Malta	NCWC	1,000	1,000
Martinique	NCWC	40,000	40,000
Mauritania	NCWC	3,500	3,500
Mauritius	UNICEF	383,000	383,000
Montserrat	UNICEF	38,000	38,000
Morocco	NCWC	1,000,000	1,000,000
Okinawa	CWS	545,000	545,000
Paraguay	MCC	25,000	25,000
East Pakistan	CWS	25,000	25,000
West Pakistan	CWS	50,000	50,000

Purchases of CSM, September through December, 1966, by country and program—Continued

Country	Program	Quantity (pounds)	Country total (pounds)
Peru.....	Title II.....	3,268,000	-----
	NCWC.....	100,000	3,368,000
Philippines.....	CWS.....	277,500	-----
	NCWC.....	640,000	-----
	SAWS.....	69,000	986,500
Rwanda.....	UNICEF.....	18,000	18,000
St. Helena.....	UNICEF.....	22,000	22,000
St. Kitts.....	UNICEF.....	118,000	118,000
St. Lucia.....	UNICEF.....	104,000	104,000
St. Vincent.....	UNICEF.....	86,000	86,000
Senegal.....	CRS.....	100,000	100,000
Seychelles.....	UNICEF.....	78,000	78,000
Sierra Leone.....	CRS.....	100,000	100,000
Singapore.....	UNICEF.....	84,500	84,500
Somalia.....	UNICEF.....	27,000	27,000
Spain.....	NCWC.....	1,680,000	1,680,000
Sudan.....	UNICEF.....	85,000	85,000
Surinam.....	UNICEF.....	236,000	236,000
Swaziland.....	UNICEF.....	83,000	83,000
Taiwan.....	CWS.....	100,000	100,000
Tanzania.....	NCWC.....	500,000	-----
	UNICEF.....	307,900	807,900
Thailand.....	UNICEF.....	445,000	445,000
Trinidad and Tobago.....	UNICEF.....	43,000	43,000
Tunisia.....	Title II.....	44,000	-----
	UNICEF.....	87,100	131,100
Turks and Caicos.....	UNICEF.....	23,000	23,000
Upper Volta.....	NCWC.....	264,000	264,000
Uganda.....	UNICEF.....	251,500	251,500
Vietnam.....	MCC.....	75,000	-----
	NCWC.....	200,000	-----
	UNICEF.....	400,000	675,000
Yemen.....	UNICEF.....	22,000	22,000
Yugoslavia.....	CWS.....	450,000	450,000

The CHAIRMAN. Thank you very much, Mr. Tollefson.

Are there any questions?

Mr. DOLE. You are not suggesting, Mr. Tollefson, that we amend the resolution in anyway—you are just indicating your interest and emphasizing things that can be done?

Mr. TOLLEFSON. We do not pretend to be experts in terms of the details of the resolution. We have analyzed the resolution. We feel that in your best judgment you devised what you feel is the best under the circumstances.

We understood from the question yesterday that Mrs. May asked, the question about processed food, whether they would be included and made available—we feel that this is vital, because as these developing countries do expand their research activities, improve their agricultural ability, they will still go through a period of time when they need additional help from developed countries, such as the United States, and that, of course, is reflected in your whole consortium idea.

Mr. DOLE. Thank you.

Mr. CHAIRMAN. Are there any further questions?

Mr. RARICK. As I understand, the gentleman with you has been to India?

Mr. TOLLEFSON. Yes. That is right.

Mr. RARICK. I wonder, sir, whether you have any statistics that would show the increase in the number of cases of malnutrition or deaths due to starvation?

Mr. CASTILLO. No, sir.

Mr. RARICK. There has been a great image put out to the American people that children are dying and starving because of malnutrition in India. In all fairness to our people, I have never seen any statistics to establish this fear. I myself have never been in India.

Men I have talked to who have been there have said that there has been hunger and malnutrition in India as long as there has ever been a country.

As I understand your testimony, sir, you are here trying to encourage the feeding of hungry people in the world, to sell food, and not merely to tell us that we must take away our taxpayer's money expressly to pay for the feeding problem of other countries, is that right?

Mr. CASTILLO. I do not have statistics on the subject, but I think that it would be pretty apparent to any casual visitor to India that there is an extraordinary need for the help that America has been sending over there.

My function with the Corn Millers Institute is to service our products. I am not in a position to offer statistics to support this which is an honest feeling that I have. And that the resolutions that have been proposed here and the other efforts that have been made to supply food to India are badly needed. I cannot support that with statistics, however.

Mr. RARICK. Do you not believe the Indian people themselves, through their own Government should respond in some form of leadership to the food problem?

Mr. CASTILLO. Yes. I think so.

Mr. RARICK. What would you think of our Government if we in the United States would sit idly by and permit millions of Americans to suffer from malnutrition and with the children going to bed who were hungry—you would not think much of that Government, would you?

Mr. CASTILLO. No, sir.

Mr. RARICK. Unless we took some action to feed our own hungry people?

Mr. CASTILLO. I would not.

Mr. RARICK. Secretary Freeman's testimony indicated that in India the agricultural development is second on the budget to national defense. This was his testimony. The Indian Government, apparently, is more interested in spending tax money on guns and airplanes than in buying food and feeding their own peoples—as this would indicate. I want to support this program if I am satisfied that I can justify my vote to my people, because I do not want anyone to go hungry in these times of great prosperity we enjoy. Certainly, I think that the American people feel this way. But here is a country that is using its peoples' hard money for other purposes. The testimony of Mr. Rostow yesterday was that we should free the Indian money, so that they could use that money for other economic ventures as have been laid out by the World Bank and the U.S. Government.

I do not know what those ventures are. I propose to question on that and to find out.

In other words, as I understand your testimony today, you are here mainly to help these people, and you are not here especially asking us to increase the American taxpayers' burden, to give them this food, until at least, there has been some indication in India itself that they are trying to buy and produce this food.

Mr. TOLLEFSON. We are in support of the resolutions which encompass the thoughts that you expressed, with some variation.

Mr. RARICK. You have no knowledge as to how this food is to get to the mouths of the people who are supposedly hungry?

Mr. CASTILLO. The foods that we are primarily concerned with are golden cornmeal and CSM, that is distributed in India through the voluntary relief agencies, such as CARE, the Lutheran and the Catholic relief organizations, as well as other agencies, such as UNICEF. I am sure that sufficient instructions as to use of these foods are being distributed by the voluntary agencies so that they will be properly used by the recipients.

I wanted to make one comment apropos to your question about whether India is doing something so that eventually the United States would be relieved of the burden of supplying foods there. There are three projects in India that are currently underway that would, I think, support that position.

In the first place, CSM is a high protein, multipurpose supplementary food. And it is encouraging the production of a similar product in India which the officials of the food for peace in New Delhi feel should be in production late this year.

There is another food now being produced in India by Indian personnel and technicians which is a similar type of food. And, eventually, should help to supplant importations of CSM from the United States.

The golden cornmeal donations to India have been sufficiently successful so that now the Indian Government is planning, I have been told by Mr. Carmi in the Ministry of Food and Agriculture, that the Indian Government is going to install very large-scale dry corn milling plants in India, which, I believe, they have never had before.

So, those are three steps which would seem to support the point of view that these donations, eventually, do help the recipient countries, such as India, to solve their own feeding problems. It is not something that is done overnight, as you well know.

Mr. RARICK. Do not get me wrong. I am from a farmer belt. I want to sell all of the agriculture products that we can, but if we are going to give them to some foreign country I want the food to go to the people that need it.

In this instance, the World Bank is going to be in control of the distribution.

There are further questions in my mind I should like to ask, but I do not think that you can answer them.

Thank you.

Mr. TOLLEFSON. I think that you, like every other Member of Congress has to substantiate the position you take with your constituents, but this aspect of the world food program has never seemed to be controversial as the subject in most areas of the country. You asked whether you could defend this with your constituents. You know whether you can better than anybody else.

Having worked with this concept of food for the hungry people since I was in the Department, since 1950, I do not know of any Member of Congress that has ever had problems in support of this type of a very humanitarian and very justifiable effort. Expressing, of course, that it has to be properly administered and that the food gets to the people.

Mr. RARICK. We have people starving in Red China and I have an idea in Poland and in Czechoslovakia, in countries all over the world, but we Americans could not feed all of them. That is, out of the taxpayers' pockets. As has been indicated here.

I was mainly trying to pry out from behind the emotional image that is thrown up, that you cannot even question this bill, because there are millions of children lying in the streets dying of starvation, merely emotional phrases. I have not seen any statistics to support this.

I do know that at 2 o'clock yesterday the World Bank had three lobbyists, representatives, here trying to sell this take away program. And no one can tell me that the World Bank is hungry. If we are to give any food to the Indians, we should give it to the people that are in need.

India is a terrifically large country. As I understand it, there are hungry people there and the problem will get worse, unless the Indian Government does something. The whole Indian country did not have a drought. It was confined to several provinces or districts.

One of my colleagues asked yesterday about rats in the silos and in the storage bins. But if people are starving and hungry, the question becomes what is grain in India doing in a warehouse? Why is it not being given to the people?

Mr. TOLLEFSON. In distribution, of course, there are delays of days, sometimes weeks, sir. There has been some storage to meet the emergencies in particular areas. Certainly, the farmer—as a farmer you are aware of that yourself.

Mr. RARICK. I am all for you. I want to help. My main concern is what creates the problem in India; what the Indians are doing with the hard money they have; whether their Government is doing little or nothing; or are they waiting on us Americans to do it all?

Thank you.

The CHAIRMAN. Thank you, Mr. Rarick.

Mr. RARICK. If I may, Mr. Chairman, a further statement. I have here two letters which I have addressed, one to the Secretary of Agriculture, Mr. Freeman, and one to the Under Secretary of State, Mr. Rostow, of February 28, 1967, with reference to a request made yesterday for the submission to these gentlemen for answers to be made in the record. And if I may, I should like to have them incorporated into the record at this point along with the answers when they are made.

The CHAIRMAN. Without objection, that may be done.

(The two letters and answers thereto referred to above, follow:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 28, 1967.

Re Food to India committee hearing.

HON. ORVILLE FREEMAN,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: I am terribly sorry that time and the quorum bell caught me today before I was in turn to ask a few questions on your testimony. At Vice-Chairman Gathings' approval, I am submitting questions in writing and would appreciate your answer in writing for inclusion in the Agriculture Committee Record on this important matter.

Americans, by their education and attitude, are most anxious to help any peoples in trouble. The picture painted to us of India is one of famine, starvation and pestilence.

1. Do you have any data or statistics revealing any increase in deaths due to starvation or malnutrition during 1966? 1967? If so, what is the source of your information? If not, is this merely a persuasive manner of speech to soften the hearts of the American people?

2. How was the foodgrain given to India in 1966 handled? By whom?

3. How is the food to be delivered or reach the individuals for consumption? Will it be sold or a free gift? If sold, by whom? By whom and how will it be decided who is to receive the food?

4. At page 3 of your written statement I note your comment:

"Numerous work projects were carried out and financed with U.S. grain. . . . It was used to finance useful efforts such as building roads and improving irrigation systems."

Was the grain, a gift from America, used to buy work and given only to workers? Or, was our grain used as a medium of exchange to finance projects? If yes, what per cent of grain went to India and what per cent to industrial endeavors? Who owned the endeavors? Who made the decision?

5. Can the Indian people be in as dire a plight as you will suggest when your statement at page 7 states,

"Agriculture is second only to national defense in the Fourth Plan."

Any country that doesn't consider its people and their health as the front line of national defense is in a difficult role. What do you mean by national defense—guns and tanks? What is the price range between the first and second?

6. At page 8 of your testimony you make great references to the Indian government's "steps in 1966 to stimulate investment in fertilizer production including private manufacture and foreign investments." In fact, you indicate more emphasis being made by the Indian government, or whoever is calling the signals, on fertilizer than any other economic field. Can you explain this?

7. Are you aware that fertilizer is readily converted to gun powder and explosives? Are you also aware that fertilizer plants can be readily converted to munitions factories?

8. Why does the proposed "Grain from American People" go to the India Consortium under control of the World Bank rather than to the Indian government or the local communities where the people are in need of food?

9. Have the people of India in the communities involved asked for this aid? Is the program set up so that the food is marked by containers or otherwise so that the recipients will know it is received from the citizens of the United States of America?

The Agriculture Committee will conclude its hearings on March 2, and it would be greatly appreciated if you will answer my questions so that I can include your answers in the transcript.

Very truly yours,

JOHN R. RARICK, *Member of Congress.*

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 8, 1967.

Hon. JOHN R. RARICK,
House of Representatives, Washington, D.C.

DEAR MR. RARICK: This is in reply to the questions raised in connection with United States food assistance to India in your letter of February 28.

1. I do not have any data or statistics with regard to any increase in deaths from starvation or malnutrition. What we do know, however, is that under normal circumstances the average per capita diet in India is seriously below standards regarded as essential for health. We know that the drought this year has decreased the amount of food normally available, therefore, it is not difficult to conclude that hunger and malnutrition would become very serious in the absence of generous food shipments from abroad.

2. The procurement, ocean transportation arrangements, discharging of vessels in Indian ports and the distribution within the country of foodgrain supplied to India by the United States in 1966 were handled by the Government of India:

(a) Procurement of the grain from U.S. suppliers was made by the India Supply Mission in Washington.

(b) Chartering of U.S. flag ships was done in Washington by the India Supply Mission.

(c) Chartering of foreign flag ships was done in New Delhi by the Government of India.

(d) Port unloading and distribution of the grain to various areas in India was carried out under the jurisdiction of the Indian Ministry of Food and Agriculture through four Regional Food Directors located in New Delhi, Calcutta, Bombay, and Madras.

3. Grain supplied to India under Title I is distributed to consumers through a network of 130,000 Fair Price Shops which sell at a fixed price that is normally below the price of domestically produced wheat. In areas where rationing is in effect (including large cities) grain is supplied through the Fair Price Shops to the needy holding ration cards.

Approximately 25 percent of the imported wheat is directed to about 160 milling establishments throughout the country which supply bakeries and Fair Price Shops.

The Central Government of India allocates PL 480 wheat and wheat from government stocks to the various State Governments and Federal Districts according to need.

Grain donated to India under Title III is handled by U.S. voluntary agencies such as CARE, Church World Service, and others who arrange for receipt and make direct distribution to various groups of needy persons.

4. The grain used on work projects was a gift made through the United States voluntary agencies and was used in partial payment to workers on small work projects such as sinking wells, repairing wells and deepening wells, also repairing roads, particularly in stricken areas. It was not used as a medium of exchange to finance projects.

5. I intended to use the term "national defense" in the broad sense—not just guns and tanks. Realistically India faces a formidable military adversary in Communist China, which has demonstrated its belligerency in its 1962 attack on India and could very well do so again. I did not intend to suggest a preoccupation with military development. I think the increased emphasis on food production which has greatly narrowed the gap between defense expenditures and expenditures on agricultural development is a good indication that India does consider the health and welfare of its people as the first line of defense.

6. I emphasized fertilizer because it is one of the key production items. It also is different from a variety of other production inputs because large amounts of foreign exchange and foreign private investment will be required to meet targets set for fertilizer availability by the Government of India. Fertilizer probably more than any other production item, represents a real test of the sincerity of the Government of India to improve agricultural output. Tough decisions on allocation of scarce foreign exchange and economic policies affecting private investment are required to make available to cultivators the needed amounts of fertilizer. So far the Government of India has demonstrated its willingness and ability to act positively on the difficult issues involved in expanding fertilizer supplies. In emphasizing fertilizer, however, I did not intend to downgrade the importance of the other production requisites.

7. It is unlikely that any risk is involved in supplying fertilizers to India and producing fertilizers in India. India is an open country and any attempts to convert to production of explosives would be in evidence. What is in evidence is the growing demand for fertilizer and the efforts of the Government to meet these demands.

8. The proposal to have a multilateral approach to India's food problems through the India consortium is a means of getting other developed nations to share the cost of meeting India's critical food needs. The World Bank, as chairman of this consortium, would act in a coordinating role. The India consortium approach provides historical basis for determining how much each member of the group might contribute and accounting for such contributions. Each member of the consortium would provide assistance to India on a bilateral basis. Food assistance from the United States would go directly to India and to the Indian people who need this food as it has in the past. The United States would receive direct credit for its contributions, as would other contributing nations.

9. Where there is a general need for food aid such as in the State of Bihar and Uttar Pradesh which are suffering from drought at the present time, the State Governments request assistance from the Central Government which in turn requests aid under Title I, PL 480 from the United States. In the case of emergency need on an individual or smaller group basis requests are made by these individuals or local welfare groups directly to United States voluntary agencies.

Where food such as bulk grain is being supplied under Title I it is difficult to mark it as coming from the United States although adequate publicity is given to the individual programs and arrivals. The citizenry is also aware that grain supplied through the Fair Price Shops is of U.S. origin.

In the case of Donations under Title III containers of food distributed through the voluntary agencies are clearly marked in English and the language of the country, "Donated by the People of the United States of America, not to be Sold or Exchanged."

I regret that as a result of the delay in receipt of your letter this information was not supplied earlier.

Sincerely yours,

ORVILLE L. FREEMAN.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 28, 1967.

Re food to India committee hearing.

HON. EUGENE V. ROSTOW,
Under Secretary of State,
Washington, D.C.

DEAR MR. ROSTOW: I regret that time and the quorum bell caught me before I was in turn to ask questions of you while appearing as a witness before the Agriculture Committee today. At the permission of Mr. Gathings, Vice-Chairman of the committee, I am submitting my questions in writing and will appreciate your answers in writing for the record of the hearing.

I note your statement dealt in considerable detail concerning the recent elections in India:

1. Was our "Food for India" program brought about in timing to coincide with the recent elections in India? If so, isn't it a fact that we initiated the timing to encourage popular support for Mrs. Gandhi?

2. In your statement you praise democratic elections in India. Do you deny that the American wheat gift had bearing on the Indian elections? Now that the elections are over do you feel that the powerful minority will regard our proposed wheat plan as an interference and a detriment to their self-government?

3. At page 5 of your statement you indicate:

"There was also broad agreement that the India consortium under the World Bank could provide an effective systematic basis for organizing such an international effort."

Explain what this means. Are we helping a bank for monetary and credit control, or are we interested in feeding hungry individual human beings? Explain how a world bank can set up a distribution organization to get food to the people. If a bank is more advantageous than church and charitable organizations or the local governments within India, why was not the Bank of India used to set up the food line? Please explain what people or organizations will do the actual distribution to see that the food reaches the mouths of any hungry individuals.

4. Please name the members and the nationality of those who serve on the India consortium. By whom are they selected?

5. At pages 5, 6, and 7 of your statement you are constantly referring to India's "broad economic plans" in addition or excluding food production. What are these plans and by whom were they devised and by whom financed? Why does the Indian government regard these "broad economic plans" more important than feeding the people?

6. What is the role of the State Department in this matter? Is your concern with the welfare of the hungry people, or is it for a "balance of payments crisis"?

7. At page 18, you say:

"On the other hand, if we do not provide India with the foodgrain that the President has recommended, the Indian government would be forced to spend more hard currency on food to prevent widespread starvation. In order to do this, the Indian government would have to divert large amounts of hard currency, hundreds of millions of dollars, from its economic development plan. *This would undermine programs which the United States Government, other western government, and the World Bank have encouraged and supported.*"

With this testimony, are you not stating that India at this time has sufficient hard currency to buy whatever food is necessary to prevent starvation or hunger of its people? And that the only reason they or your agency prefer the gift of

\$190,000,000 worth of grain is to be able to save India's money for its own economic development plan in other affairs? Was this decision made by the people of India or by a wealthy industrialist minority?

8. With further reference to your statement, at page 18, I would like to ask: What are these programs which the U.S. government and the world bank have encouraged and which you now suggest require Americans to feed the people of India so that these programs can be paid for by India's money? Who are the "other Western governments" involved with the programs that you state we must not "undermine"?

I want your answer or specific comments as to whether or not we, the World Bank, or any other corporation, foundation or group is using the plight of India to build an economic empire.

Very truly yours,

JOHN R. RARICK,
Member of Congress.

HON. JOHN R. RARICK,
House of Representatives.

DEAR CONGRESSMAN RARICK: I am writing in reply to your letter of February 28 in which you raise questions which time did not permit you to ask following my testimony before the House Agriculture Committee. It might be useful for me to state at the outset what I consider our objectives to be in undertaking our food program for India. The first objective is to feed hungry people for humanitarian reasons and to preserve political stability in the largest democracy in the world. The second reason is to promote economic development, of which agricultural development is an integral part, so that India can in time feed its own people without dependence on other countries. The following answers are numbered with reference to your questions:

1. Our Food for India program has been under way for several years and was not brought about to coincide with the recent elections in India. As far as this year's program is concerned, the Administration considered approaching Congress earlier, but decided to wait until Under Secretary Schnittker and I consulted with various other governments about the Indian food problem in the latter part of January. The timing was not related to India's domestic political developments.

2. We have not received detailed reports on the Indian elections. However, preliminary reports indicate that, in general, the Congress Party fared better in rural areas than in the cities. The fact that a very considerable part of the American wheat goes to the cities (where the Congress Party was quite generally repudiated) would suggest that it did not have a direct bearing on the Indian elections. Now that the elections are over, I do not feel that the seven principal minority parties will regard our proposed wheat plan as interference or as a detriment to self-government. Quite to the contrary, it is widely recognized in India by people of almost all political beliefs (I would exclude the Communists) that United States food supplies are essential for many millions of people.

3. The World Bank makes loans to India for economic development projects as it does to many other less developed countries of the world. In addition, it serves as chairman of the India Consortium and provides such staff support as the Consortium needs. Nations which belong to the India Consortium make loans for economic development to India. The World Bank holds meetings two or three times a year of the donor nations to discuss India's economic situation, terms of aid, and amounts of aid. Each nation belonging to the India Consortium, however, then conducts aid negotiations with India on a bilateral basis in accordance with the legislation of each country. We envisage that food aid will be handled similarly. We expect that the World Bank will call a meeting of donor nations, at which time they will discuss India's food requirements and will indicate what food or food-related aid they can make available. Each nation concerned will then conduct bilateral negotiations with India to carry out the intentions that it has already indicated at the Consortium meeting. In the case of United States food, the actual distribution of Title I food is handled by the Government of India and the Indian state governments which sell the food mainly through fair price shops; United States voluntary agencies distribute most of the Title II (and formerly Title III) food on a donational basis.

There is also the World Food Program which operates under the FAO and is not connected with the World Bank.

4. The member nations of the India Consortium are Austria, Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, the United Kingdom, the United States, and the IBRD/IDA. Each country selects its own delegate, and these delegates change from time to time. The United States is represented by the Assistant Administrator, Near East/South Asia of the Agency for International Development.

5. The objective of the broad economic plans to which I referred is the improvement of the welfare of the Indian people by expanding agricultural production, industry, education, health and other needed services. The improvement of agriculture ranks as the highest priority objective within the framework of these plans and almost a quarter of all development expenditures will be devoted to this objective. One of the objectives of these plans is to assure India self-sufficiency of food by 1971 or 1972. The achievement of this ambitious objective depends not only upon India's population being tided over with food aid in the meantime but it also requires support with the establishment in India of the necessary farm-related industries, such as fertilizer, pesticides, and farm implements that are needed to achieve this agricultural production target. The plans to which I refer are devised by the Indian government and approved by the Indian parliament. Our own assessment of the Indian government's plans for a coordinated attack on its agricultural and other developmental problems is that they are ambitious but feasible. These plans reflect the determination of the Indian government and of the Indian people to buckle down and get the job done and it is our judgment that they deserve our support.

6. The State Department is concerned with continued good relations with India. Food is an important element in this context as is the welfare of the hungry people at the present moment and also the welfare of people who will be hungry in future years if steps are not taken to improve India's agricultural production.

7. In addition to food, India needs fertilizer and pesticides in order to grow more food. India also needs roads, and tractors to build the roads, in order to get the food to the railways. Further, India needs railroads to get the food to the major cities and warehouses to hold the food, factories to build the railroads, and steel mills to build the steel required in the railroads. India also needs electric power to mill the rice and wheat and various kinds of fuel to cook the food. If India spent all of its available foreign exchange on food, grain would be piled high on the docksides, but it would not reach the people because it has to be distributed, prepared, and cooked before it can be eaten. Further, if India does not spend foreign exchange on fertilizer or on raw materials to make fertilizer, food production in India will drop, and India will need ever increasing imports of food to keep up with the growing population.

Foreign exchange allocations are made by officials in the Government of India and not by any special group.

8. The programs which the United States Government and the World Bank have encouraged include education, health and family planning transportation, industrialization, electrification, irrigation, and agriculture. The other Western governments involved in these programs are the members of the Consortium which I listed in answer to Question 4.

With reference to your final paragraph as to whether or not we, the World Bank, or any other group is using the plight of India to build an economic empire, I can assure you that we are not. We want India to become economically viable, and in order to make this possible, we are extending economic assistance in the form of loans and food.

I hope this letter has provided you with the information you wanted. If not, please write again.

Sincerely yours,

EUGENE V. ROSTOW,
Under Secretary for Political Affairs.

The CHAIRMAN. Mr. Miller.

Mr. MILLER. Thank you, Mr. Chairman. I am wondering why the American Corn Millers Federation and Export Institute would be interested in this. It was stated a few minutes ago that the people from the World Bank are interested.

The whole corn would not be sent to India, as I understand it, but you would process it first. Is this correct?

Mr. TOLLEFSON. That is correct. The food that we have been discussing with you this morning is in the processed form, the milled form, of golden cornmeal. And as you know, that is a milled product, CSM which goes a step further in that it is processed and a high-protein low-cost food is derived from this. It is 9½ and 10 cents a pound, which is a very reasonably priced food.

Mr. MILLER. There is something beyond just starving children that we are talking about in this committee. You are interested in it because you would process, apparently, a number of tons of this which would be sent to India. I am trying to find out just exactly what is going on.

Mr. TOLLEFSON. Yes, sir. We are in the process now of processing considerable amounts of these foods and have been for a matter of a good many years—and with this CSM since September.

Mr. MILLER. Is there any special processing that is given to this type of corn? Let us say that we are using it to send to starving children—and we have heard this story many, many times—do these millers make any special rates to process this corn before sending it to India?

Mr. TOLLEFSON. Yes. We have a very competitive industry. The mills are listed here in the list I have submitted here. Some of the mills who have bid on CSM have been unsuccessful. They claim that the mills who are bidding successfully is something that they do not quite understand, because they claim that they cannot make it in terms of what the product costs and what they are offering in the way of price, but it is very, very close in its margin on these foods. We have other mills that will not bid on the export of golden cornmeal. They say that it is so low a price that they cannot meet their fixed costs, so that they do not bid on it at all.

Mr. MILLER. Would the millers still have the business, if the corn did not go to India? And the corn was milled, but was sold in this country?

Mr. TOLLEFSON. Could you elaborate a little on that question?

Mr. MILLER. Would the millers still have the business for this corn today and would they still have the business in the future? We are talking now about something which is getting away from the starvation of the children—we are talking about the hard cold facts of business—would they still have the business the next year or two from now?

Mr. TOLLEFSON. Yes. I think that the world population trends are such, looking toward—the year 2000 with an estimate of 7 billion people—double our present population—that the corn milling industry will continue to grow and we have expanding markets. We have opportunities in many areas. But this is a phase of it, a phase of our operation, only one phase—the export area—where we are expressing this support in terms of Government activity in the whole concept of food for peace on the war on hunger.

Mr. MILLER. Thank you.

The CHAIRMAN. Thank you.

Mr. WAMPLER. This question probably should have been placed before the committee yesterday, but I didn't have the opportunity then. I do not mean to be facetious when I pose this question. Do you not feel that, perhaps, our benevolent Government ought to help India in a rodent-control program, rather than in a feeding program?

Mr. TOLLEFSON. That question, I believe, was asked by one of your colleagues, Mr. Goodling, in a slightly different form yesterday. While we would not be experts in the way of responding to that, it certainly, would be appropriate for the Department of Agriculture and the AID officials to respond to this. I understand there are programs underway to help in the way of preservation of these grains and processed foods, once they arrive there.

Mr. Castillo has visited some of the ports. I think you saw evidence of—did you not, when you were there?

Mr. CASTILLO. I was in one of the CARE warehouses in Bombay about 3 weeks ago to verify that these foods are moving out of the warehouse and not staying there. And, also to check on the condition of the bags as they arrive at the port. I was in the warehouse for a total of about 5 hours, I think, and to be quite candid I saw no evidence of rodents there. I saw no evidence of bags that had been attacked by rodents. That may be attributable to the fact that these particular shipments were leaving as we were standing there. They had just gotten off the vessel and were leaving to go up into the drought area in Bihar, but I saw no evidence of rodent infestation. I would presume that is, because, at least, in this particular warehouse there are efficient means of rodent control.

Mr. WAMPLER. That was your personal observation?

Mr. CASTILLO. Yes.

The CHAIRMAN. May I add this to your statement?

I think that Mr. Dole had the same experience.

We visited some ports and warehouses at some length and saw no rats anywhere or any evidence of any damage by rats. That is not to say that they do not have rats in India. Obviously they do. You, probably, would not see a rat down on my farm, but I know that they are there. I know that they are doing damage. I think that they would have the same situation as that in India. However, there is not any large-scale evidence of rodent damage.

Mr. GOODLING. I pointed out yesterday that in India there are 10 times the number of rats than there are humans. I said further that the rats are definitely eating some of the food supplies that are going there. I asked the Secretary of Agriculture whether we have a rodent-control program, and he told me rather half-heartedly that we do, but the way that he answered my question I do not think it has been effective.

The CHAIRMAN. I can only speak from what I saw there. I saw no rodent damage whatsoever. I did not see one single rat. Did you?

Mr. DOLE. No.

The CHAIRMAN. I did not see one.

Mr. DOLE. And I was looking for rats.

The CHAIRMAN. We saw none. I know that we have them at home, although you do not see them. I do not think that you'd ordinarily see them. I am not trying to say that there were not rats over there, because I am sure that there were, but, for example, if you were in Waco, and you were walking down the street, you would not see any rats.

Mr. GOODLING. I submitted an editorial for the record yesterday on that subject.

The CHAIRMAN. I know that they are on my farm, and I know, perhaps, that there are more than 10 rats per person. However, I could not identify them and take a census of them.

Mr. WAMPLER. I think it is a serious problem over there. It has caused me to have some serious reservations on this proposition. I would like some evidence from the Department of Agriculture that this is not the case.

The CHAIRMAN. It is just like it is in the United States. You can say that you did not see any. Bob and I did not see any, but that does not prove that there were not any rats there. We are quite certain that there were, but I did not see a bit of evidence that they were destroying any grain or cutting any sacks. I do know that I could find that same condition in my own State. However, I do not see any evidence of them. The rat situation in all areas that we visited, certainly, is not out of line with what it is in the United States.

Mr. GOODLING. Is that not due, perhaps, to the fact that they showed you the things that they wanted you to see; is that not it?

The CHAIRMAN. We picked out the sheds. We were the ones that picked out the things to look into.

Mr. PRICE. I think that would be in an area where there would be large amounts of them, where the food is growing.

The CHAIRMAN. I think that there is no question about that. I am sure that they have the same sort of situation in India that we have here.

Mr. WAMPLER. That is, perhaps, what I had more reference to, rather than the destruction of grain by the rats. The fact of the matter is that the rats are destroying a large percentage of the food that is grown. And a program of rodent control in India might alleviate that situation.

Mr. TOLLEFSON. I think that this is an area where private foundations may make an effort beyond what the Government does and out of these may come efforts from the Rockefeller and Ford Foundations to support programs of this kind. I know that most of my relatives are farmers in the Midwest. They have worked on this problem for years. An they still have the rodent problem, as Congressman Poage referred to he has on his own farm.

The CHAIRMAN. We thank you very much for your appearance here.

Our next witness will be Rev. Richard McFarland, of Dumbarton Methodist Church, Georgetown, Washington, D.C.

Is he here?

(No response.)

If not, we have the next witness listed for tomorrow.

The committee will stand in recess until 10:30 in the morning.

(Whereupon, at 12:05 p.m., the committee adjourned, to reconvene at 10:30 a.m. Thursday, March 2, 1967.)

EMERGENCY FOOD ASSISTANCE TO INDIA

THURSDAY, MARCH 2, 1967

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The committee met, pursuant to recess, at 10:40 a.m., in room 1301, Longworth House Office Building, Washington, D.C., Hon. W. R. Poage (chairman) presiding.

Present: Representatives Poage (presiding), Gathings, Abernethy, Abbitt, Jones of Missouri, Purcell, Foley, de la Garza, Vigorito, Jones of North Carolina, Nichols, Montgomery, Brasco, Rarick, Belcher, Teague, Mrs. May, Dole, Wampler, Miller, Burke, Mathias, Zwach, Kleppe, Price, and Myers.

Also present: Christine S. Gallagher, clerk; Hyde H. Murray, assistant counsel; Francis LeMay, staff consultant; and Fowler C. West, assistant staff consultant.

The CHAIRMAN. The committee will come to order.

Our first witness this morning is Mr. Harry L. Graham, of the National Grange. We will be delighted to hear from you now, Mr. Graham.

STATEMENT OF HARRY L. GRAHAM, LEGISLATIVE REPRESENTATIVE, THE NATIONAL GRANGE

Mr. GRAHAM. Mr. Chairman, and members of the committee. I am willing to paraphrase this testimony as much as I can, in the interest of time.

First of all, I want to state to you, personally, Mr. Chairman, how greatly we like to see you here as chairman of this committee and the high hopes we have for the committee under your leadership, and I feel that I no doubt speak for the rest of the committee, that in our history and in our knowledge of the men who have come into this chairmanship nobody has ever come in better prepared to be the chairman as the distinguished Congressman from Texas.

This testimony which I will give this morning is one that has troubled me more than anything that I have written or have ever delivered before this committee. I have three relationships that are very dear to me, and they come into conflict. I do not know how I will say this, but I think that I would like to order my life in such a way that I could say that I am a Christian first, and that I am an American second, and then I have some responsibilities to the farmers.

This subject we are dealing with this morning is one where all of these values that we have were called into an accounting which is very difficult to do, so I am going to do the best that I can. I am go-

ing to raise some questions that I am sure the committee has thought about, and I am sure ones that those who have been in India are very well aware of, and then we will leave it to your good judgment, as we always do.

In the first place, I would like to say that the President is wise in asking for this review. The Food and Agricultural Act of 1965 as it was written into Public Law 480, was written in in an entirely different context than the one in which we hold these hearings this morning. It was concerned with our carryover and dealt with some of the projected food aids that are needed in the world.

I think that we have done a good job with the program that we have had so far. Our trade dollars have expanded to the amount of relief we have programed into hungry nations is phenomenal, 16,500,000 tons of grain last year, 8.9 million tons beyond the commercial sales into India alone.

The one place where we have had difficulty, and I am very well aware of this, is getting anybody to help us to carry this load in any proportion at all. We offered \$350 million for the world food program 3 years ago, and on a matching basis. If my memory is correct, the rest of the world raised about \$118 million.

The next year it was felt that we were losing our interest in the world food program when we cut allocations. However, some of us who have been in these international conferences have assured others that we are willing to match them at any time in almost any amount. And this has been consistent with what the Government has said. We have not been able to get the matching on the other side. This year we have received some substantial gifts from Canada and Australia, and from the Soviet Union which has contributed 200,000 tons of grain, which, against a 3-billion-bushel crop, in our judgment, has not made a very substantial contribution. The Australians are doing better.

And then we come into the consortium, which was organized by the World Bank, and this is one more progressive step taken in this war on hunger, but I am one of these people who feel that once you take away the additional gifts from the Canadians, on the part of this consortium, when you take that out of it, I do not see any opportunity at all that the rest of the world is going to fulfill the conditions which we have set for the granting of this additional aid to a very needy and hungry country.

One of the places I am in difficulty is where I believe that the attempt that the Government has made to get this additional participation by other countries, which is long overdue, that they have made as good an attempt as we have asked them to make and I think that they are to be congratulated for the hard line they have taken, but then we come up against the other side of the coin and, that is, what really is happening in India?

We have had some fairly good connections in terms of our international relations, and the thing that bothers me is the 10-million-ton deficit on which this whole concept was based. It was based on figures that are out of date and they have been out of date for a couple of months. There are new crop estimates and they are not even new—they are almost a month old—in any case that the Indian crop, instead of being 88.5 million tons will only be 87.6. In the last month there

still has been no rain in that part of India, and our guess is that it will be down closer to 72 million than it will be to 76 million.

Now, this is partly because of last year's rice crop failure which caused them to plant their wheat early, because they plowed up their rice, and went into wheat. The wheat crop will be harvested earlier this year in India which means that the critical lack of rain becomes more critical because they are going to be in the harvest fields within 5 weeks at the outside—some of them may be a little sooner than that—because as you wheat farmers know in dryfarming your wheat ripens a little faster. And so we are up against a need which is, in our judgment, about 4 million tons greater than is indicated in the President's message.

This brings us up against another question, and it is: How far can you cut the diet of those people? I do not know whether you felt like I did when I was sick at heart when I heard Mr. Rostow talk about increasing grain ration from 4 to 6 ounces a day, and this in an area that has been going on a diet of 500 to 800 calories a day. You cannot drop it very far. A drop of 100 calories a day is starvation at the best. And we have as many people involved in this as live west of the Mississippi in the United States who are in a position where they may starve to death literally on the basis of what we do here in this committee and in this country. I think we are all right in terms of our commitment up to the first of May, and then their crop will come in. After that, the rest of this year is going to be pretty rough, especially in the latter stages of the year.

I hope that we do not get ourselves in a position where we have to do some uneconomic things in order to move our grain into India next year, in the same way that we are moving it this year. I think that we are going to need just about the same amount of grain, or maybe a little more.

I was in Seattle the first of the year and watched them loading the *Manhattan*, 200,000 tons of grain into the *Manhattan*. The captain told us that they had deadheaded back from India, instead of bringing back 100,000 tons of oil, which would make the trip economically feasible—rather, they had come back with only ballast, so great was the demand for this ship to move another 100,000 tons of wheat to India.

These are the kind of situations, I think, that we have to plan ahead for enough in our commitments so that we do not get boxed into them, because it is, certainly, a little bit ridiculous to be running the second biggest ship in the world one-half way around the world in ballast when they could have been carrying oil out of Asia or some other place where we get oil.

Having said that about the Indian crop, then let us look at what our own situation is. Assuming that we will have a carryover of about 400 million bushels—and, incidentally, I checked and double-checked and had other people to check who think they know about this, so I think that the figures will stand up—assuming that we have a carryover of about 400 million bushels, and that, as a result of the 26-percent increase in planting this last year in winter wheat, and the same percentage increase available in spring wheat, it is apparent that we will have, unless circumstances are greatly altered, the largest crop in all our history of somewhere in the neighborhood of 1.6 billion bushels, although some estimates have run as high as 1.8 billion

bushels. But I think that the 1.6 billion is one that still the experts are holding to. This will give us a total of available supply of wheat of 2 billion bushels.

If we were to assume a 30-million-bushel increase in domestic use, we would have a domestic disappearance of about 700 million bushels. And I think, as to the 30 million bushels, that that is an optimistic assumption. If we were to assume even a 10-million-bushel increase in exports per dollars, we would have sales of about 350 million bushels. And our total and domestic uses, therefore, would be 1,050 million bushels, leaving us with about 950 million bushels.

With available U.S. stocks of 950 million bushels, even if we met all of the remainder of the total Indian need of 12.5 million tons indicated as of March 1, 1967, which is indicated in the reports of yesterday which would be required, this could give us a drawdown for the market year of an additional 225 million bushels for a net carryover of 725 million bushels, assuming that one-third of this was grains other than wheat.

Even if we met only the projected level of exports on a matching basis, and assuming an additional 200 million bushels of wheat for other relief and concessional sales, the carryover would remain about 550 million bushels of wheat.

If the Indian need increased still further we could still devote 150 million more bushels to relief and maintain the present U.S. carryover level of 400 million bushels. This is the reason for our communication, Mr. Chairman, to you on February 3, pointing out that the President's message would appear to leave the U.S. grain prices considerably exposed. And if you would permit, I would like to insert a copy of that letter into the record.

The CHAIRMAN. Without objection, that may be done.

(The letter dated February 3, 1967, follows:)

FEBRUARY 3, 1967.

HON. W. R. POAGE,
Chairman, Committee on Agriculture,
U.S. House of Representatives,
Washington, D. C.

DEAR MR. CHAIRMAN: The President's message to the Congress on "Food for India" presents a grave threat to the present price levels of wheat unless the Congress considers the request as a bare minimum.

The level of food aid exports of wheat to India outlined in the President's message to the Congress contains a serious threat both to the adequacy of minimum diet requirements for the people of India and also to the wheat price levels to American farmers.

Clearly, the projections are far below India's projected minimum requirements, even if the other nations responded to the reasonable U.S. requests for assistance in the food aid program, which still remains doubtful.

To expect the Indians to reap immediate results from increased inputs into their agriculture is unrealistic, especially since their major problem of production is a shortage of rainfall.

The result of the optimistic expectations of food aid assistance and increased Indian yields now projects U.S. commitments at about four million tons less than the projections used to justify the second 15 per cent planting allotment increase last fall.

The projections of U.S. wheat production, plus the bumper crop in Russia and favorable weather reports in the Southern hemisphere, all point up the fact that the President's proposal should be considered only as a minimum commitment, and standby authority should be established promptly to increase the shipments to the level of last fall's projections immediately should the need continue after May 1, 1967. Failure to do this will not only leave U.S. wheat prices in an extremely exposed position, but the increased inputs of U.S. farmers into an ex-

panded acreage presents grave hazards to the integrity of U.S. farm investments due to decreased income.

Leaders of both parties should be aware of the possible political implications of this proposal, both domestically and internationally.

The U.S. Commitment to the War on Hunger if those who are able to help us with the burden refuse to do so, should receive the same high priority and exemption from balanced budget considerations as does the Vietnam War, which is not conditioned either on the willingness of the Vietnamese to help themselves or the willingness of our friendly allies to assist us in our chosen task and much heavier burden.

Indeed, the international political benefit of a vigorous War on Hunger probably outweigh those of our military commitment, important as they are.

With kindest regards, I remain,

Respectfully yours,

HARRY L. GRAHAM.

Mr. GRAHAM. Previous experience has shown that 600-million-bushel carryover raised the market price or projected level of carryover, leaves the market price of wheat at the support level. This would be contrary to the stated position of the administration during the fall of 1966 that policy would be pursued to hold the price of wheat to substantially above the support level. We are not at this time questioning the intention or the integrity of the administration in relationship to this stated policy. However, we think the time has come to suggest some positive action that can be taken by the administration to insure farmers against this kind of a price collapse.

Our first suggestion to this committee is that this committee and its counterpart in the Senate, if it deems necessary under the existing law, authorize the President to pursue food distribution policies providing a minimum amount of nutrition necessary for the starving people of India with due consideration being given to our own national security. The present 750 million bushels is not a threat to our security, but, rather, a desirable carryover level.

Our second suggestion is that at least 200 million bushels should be purchased during the first 3 months of the new crop year, and preferably as much as 300 million bushels. This should be set aside for use only for worldwide famine and relief purposes.

This, of course, is only in relationship to the bill that you are talking about today, but it does have some relationship and would require new legislation.

The third suggestion is that the United States keep the close-as-possible watch for adverse developments in the weather situation in India and Pakistan—we have not heard very much about Pakistan, but they are in trouble, also—that purchase authorization to permit them to begin to negotiate for the needed food grains be issued at the earliest possible time. Now, timing is of particular importance in this, because the U.S. farm price could be severely depressed by the prospect of a 1.6 billion bushel crop being dumped on the market at the beginning of a new year with a possibility of a carryover running as high as 800 million bushels for the next crop year. It could also be equally important for the Government in terms of saving money if its purchase authorizations were issued at the time when the crop traditionally brings the lowest price on the market; namely at harvest time. The failure to delay in this kind of a program could create an economic disaster here in the United States.

We would point out to the members of this committee that it was precisely this kind of a vigorous program and issuance of purchase

authorizations at the close of the 1965-66 crop year and the beginning of the 1967-68 crop year that kept the market demand price structure relatively strong through the first 21½ months of the crop year. We ought to learn from experience, that is why we are saying we ought to do, basically, the same thing this year.

This would call for an additional appropriation of about a half billion dollars. I do not know—it is hard to separate some of these budget figures out, to tell what they have in mind this next year. Even if it did take that much, it would be, in our judgment, that we could send enough to keep 75 to 100 million people alive. We could send as much as we could in 3 days. That is to put it into one perspective.

The other problem which, I think, is very real, is the greatest danger that we have of a food crisis which cannot be handled, the continued pursuit of a cheap food policy. Nothing could cause a greater threat to an inadequate production of foodstuffs for the world than the collapse of our domestic wheat prices. It would rapidly be felt by the producers in every country of the world, with the exception of the common Market with its high protective tariffs it has thrown around its farmers.

The basic reason for the failure of the farmers in the developing countries to keep pace in their production with an increase in population, with the exception of those areas that are hit by a disastrous drought, as has been the case in both India and Pakistan, has been the fact that the returns for their production have been insufficient to stimulate additional inputs into their agricultural plants. For us to expect the Indian farmer to increase his output for wheat in the face of a declining world price, or the availability of wheat from the United States at a support level, is the height of folly. And, Mr. Chairman, we were well aware of your interest in substituting wheat for cotton in India. I think that one of the basic ways of getting this done, and done so that it is meaningful is to be sure that the price of wheat is high enough so that they do not lose too much for not producing cotton, and this, I think, is where this whole basic price relationship comes into the whole world structure so quickly that we simply must not avoid paying close attention to what is happening to American wheat prices this year, and what could happen to them.

The key to the world food crisis is production, and the key to production is price. The failure of the United States to do everything it can to increase the price for the American farmer, which in turn sets a minimum price for the farmers of the rest of the world could be disastrous for the world economy. It would lead to the Western World being an island of abundance in the midst of a sea of misery and starvation, causing wars of conquests, not from greed, but out of need. In the final analysis, the very security of our country is going to depend to a large extent upon the wisdom we exhibit as we cope with the problem confronting this committee today.

And in closing, just a word from Russell Davenport, where he talks about the ideals of our country, and he says that all of the nations of the world may know that the vital distinction of freedom is not to limit, but to share, and freedom here means freedom of choice.

Mr. Chairman, thank you for this time.

(The complete prepared statement of Harry L. Graham follows:)

STATEMENT OF HARRY L. GRAHAM, LEGISLATIVE REPRESENTATIVE,
THE NATIONAL GRANGE

Mr. Chairman and members of the committee, before beginning the testimony on this extremely important and far-reaching proposal coming from the President to the Congress, and to which this Committee has already responded in the introduction of legislation bearing upon this message, may I be permitted to express for the Grange officially our congratulations to the distinguished gentleman from Texas who has assumed the Chairmanship of this Committee which has in its jurisdiction the deliberations and decisions upon which depend the life and death—not only of economic systems—but of millions of people in this world.

We have often expressed, both privately and publicly, our conviction that rarely has a man assumed the chairmanship of this committee with such a broad and profound knowledge of the problems of American as well as world agriculture, with such a deep dedication to the welfare of his own country, concern for the legitimate needs of unfortunate people around the world, and with such high respect from the Members of both sides of the aisle in the U.S. House of Representatives.

We congratulate the Committee for its good fortune; we are comforted as a Nation by the assurance that the work of this Committee is in good hands. I have found working with Chairman Poage a combination of experience that has brought the highest satisfaction to me personally.

We look forward to working with all of you objectively, constructively, and toward the improvement of the general welfare of these 50 states, and, as a nation, in taking our rightful and responsible position as the world's greatest power in assisting the developing and unfortunate nations of this world obtain the same type of prosperity which has been our own great good fortune.

Since this present crisis began to develop in its more critical stages by the failure of the monsoons in India during 1965 when India's food grain production dropped 16 million tons in the 1965-1966 crop year to a level of 72 million tons, the Grange, its distinguished National Master, and your witness today have all carried a heavy burden in our hearts for these unfortunate people. I participated in the first of the national conferences on World Hunger and U.S. Food Policy, as well as being one of the advisers to the FAO biennial conference in Rome in 1965. We have worked as closely as possible with the Freedom from Hunger Foundation, and Mr. Newsom and I served on its Board of Directors and shared its problems. At the present time, the Master of the National Grange, Mr. Herschel D. Newsom, serves as the Chairman of the U.S. World Food Crisis Committee—the large, overall organization of private, agricultural, industrial and philanthropic groups. We are dedicated to finding some of the solutions to these extremely perplexing problems. We know that this concern has been equally shared by Members of this distinguished Committee who have, on a firsthand basis, witnessed the problems being faced, not only in India but in developing nations around the world.

We have read and re-read the most excellent message which the President of the United States sent to Congress concerning this problem. Although we believe that there is adequate authority in the Executive Branch of the Government, included in the Food for Freedom Section of the Agricultural Act of 1965, we respect the President and express our gratitude to him for referring this issue back to the Congress because the situation in 1967 is not the same as the one in 1965 when we were so actively considering the legislation now on the books.

In 1965, the wheat bill of 1964 had been in effect only a year and the first year's crop to be harvested under this legislation was yet ahead of us. The mountain of foodstuffs available to us, not only in cereals but also in dairy products and the oilseed crops, was there for the distribution by our Government through its own programs, its cooperation with private relief agencies, and the commercial sales to our regular customers abroad.

The availability of this reserve of food stocks accumulated by the American taxpayers was an immense and incalculable blessing to the world. Without our willingness to have distributed these commodities which we had considered to be in surplus to nations which had exhausted their financial resources, the starvation in India alone would have been in excess of the total population of the United States west of Chicago.

I do not know when I have been so angry in an international conference as I was last year in London when someone suggested that our gifts of food to the hungry nations of the world were only in enlightened self-interest from the stand-

point of market development. Although this has been true in some instances, especially where our programing went to industrial nations whose production had been dislocated by war, it was not true in terms of India and Pakistan and the multitude of small nations who have been the beneficiaries of the generosity of the American people. We believe that this contribution should be measured in the terms under which it has been given, and we think the terms were in keeping with the highest traditions of our Judao-Christian heritage. I have received deep-seated satisfaction in seeing my country respond to the needs of other peoples in proportion to their needs and our capacity to share with them in the gifts God has so richly bestowed upon us as a nation.

The program we hammered out with much difficulty in 1965 has worked and most of the problems we faced at that point are no longer with us, especially in terms of wheat and feed grains. Our trade for dollars has expanded until last year we had three agricultural export crops selling for more than a billion dollars and our net balance of trade was \$2.5 billion—an amount almost identical to our total commercial sales in 1958-1959.

At the same time, we had programed into a number of hungry nations, 16.5 million tons of grains, excluding rice, and into India alone 8.9 million tons of grains beyond our commercial sales, using a bridge of ships numbering 600 to forge a veritable lifeline between the granaries of the United States and the starving millions of India.

Our efforts have met with failure in one particular area, and that was our inability to get the other nations of the world to assume a reasonable share of the responsibility for providing for the minimum food requirements for the developing nations. In 1964 we allocated, as I remember, \$350 million for these programs on a matching basis with all other countries of the world. They came only up to about a third of this allocation. We reduced our allocation of money in the next year, and still all of the nations of the world together failed to match us in our offers for world food aid.

It was only during the past year that substantial progress has been made, as was outlined in the President's message, but the results are far short of the critical needs of India for the coming year.

We congratulate those in the Administration who have worked so arduously in this attempt to develop a more equitable sharing of the relief burdens of the world, even as we have tried to do the same in our own way in the international conferences and contacts with which we have had a part.

The gifts from Canada and Australia and the Soviet Union are certainly a great improvement over what had been received in the past. The consortium for Indian aid, organized under the World Bank, has given us some reason for hoping for increased success in this area. We should still remind ourselves, however, that a considerable share of the load of the World Bank still might be carried by the United States as we have in the past.

We appreciated and approved of the efforts to cause the Government of India to increase her inputs into this strategic area and have been pleased at knowing this has been done. The results of the election just completed in India are not clear at this point, but it is noteworthy that the Minister of Agriculture Mr. C. Subramaniam, who we consider one of the most aggressive and capable of their ministers and the best Minister of Agriculture since their independence, was not returned to the Parliament. We hope that this can be interpreted as an indication that the people of India are demanding yet more increased inputs into the agricultural sector, not only in production but in the whole distributive process which has had its shortcomings in their system.

In brief, we heartily endorse the Administration's efforts to increase the participation of the Government of India and of the other governments of the world in the efforts to solve this problem of crisis proportions for that great subcontinent.

We are well aware of the delicacy of the situation we face and the ramifications of the negotiations in which our government has been engaged, both with individual nations and in the Kennedy Round. What we feel we must say at this time is not to be interpreted in any way as a disagreement with our government or anything less than an enthusiastic endorsement of the efforts of this Administration to conclude successful negotiations. Rather, it is an attempt to foresee future crisis developments and to provide for them in advance by programs properly designed and equitably borne by the producing nations of the world and their contemporaries in the importing industrial nations.

Our first observation is that, according to information reaching us through private sources—and I would remind you that the Master of the National

Grange until last May was the President of the International Federation of Agricultural Products of which Indian farm organizations are members, and still sits on its Board of Directors—is that the situation in India has deteriorated considerably during the past month. The Indian wheat crop was sown a little early because of the failure of the rice crop, and we should remember that there are two crops grown on this land in favorable years. The rice crop is grown during the rainy season, and the wheat crop is grown during the drier season.

As a result, the harvest time for Indian wheat is moved up this year into early April, only a matter of five or six weeks from now. The projected Indian need of 10 to 12 million tons of food grains, which were rock bottom estimates at best, have now been increased by 2 to 2½ million tons, although this information was not published by the Indian Government during an election campaign in which its food policy was a major campaign issue. There is almost no possibility of an Indian crop beyond 76 million tons—even if it started raining tomorrow. Indeed, there is more of a possibility that this estimate will need to be further reduced and may again be as low as the 72 million tons which were harvested during 1956 and 1966. It should be noted that this reduction in production is affecting their feed grains on about the same basis as it is wheat.

During the calendar year of 1966, there were arrivals in India of 8 million tons of food grains from the United States, plus 2.2 million tons from other sources.

Thus far in 1966, the U.S. has allocated 1,600 thousand tons; Canada, 185 thousand tons; 200 thousand tons from the USSR; and 150 thousand tons from Australia; for a total of 2,135 thousand tons. According to our information, Canada has added to her present allocation by increasing her offer to 850 thousand tons. This is a commitment of 4.8 million tons, counting the President's commitment of 2 million tons at the first of February.

The net deficit, if the 10 million ton figure was correct, then remains 5.2 million tons if we consider the extra grant from Canada in our figures rather than as a part of the consortium. It is to this 5.2 million ton target of the consortium that the President has asked for authority to offer an additional 3 million tons provided "it is appropriately matched by other countries."

This then raises a serious question as to where this matching grain is coming from if we are expecting an additional 2.6 million tons to be added and matched by the U.S. just to get to the 10 million ton target—no longer an adequate figure.

It is doubtful that we can expect the Canadians to make much more of a contribution. The Australians, with one of the largest wheat crops in history, should and we would hope will increase their contribution by enough to bring it up to a half million tons—another 350 thousand. Even if they bring their contribution up to 600 thousand total from the 150 thousand tons already committed, this leaves 2 million tons to be accounted for, and the only place to account for it is from gifts of capital and cash from the industrial countries or increased allocation from the USSR.

There is no great enthusiasm for hoping the USSR will substantially increase its contribution to bring this matching share of the consortium up to the U.S. offer. There is considerable evidence available that the Russian crop will revert to its 1964-1965 level from its bumper crop of 1965-1966. Preliminary guesses are that the production in the virgin lands which was excellent last year will be down by a third this year. This is about par for the marginal type of land and weather involved with this virgin land. This certainly will make the Russians a bit hesitant about increased commitments. The possibility of the continued high commercial demands from Russia, as well as the same possibility from China due to the developing chaos there, indicates that the pressure of commercial needs will have some adverse effect on the generosity of both Russia and Australia, and for what it is worth, from Argentina. In addition, Western European crop estimates are no more than average in production—if that high.

Consequently, we are faced with the probability that our generous offer in the President's message to provide another 3 million tons on a matching basis, or at least if the other countries of the world would add 2.7 million tons—less the increase already provided by the Canadians of 565 thousand tons—is very remote and probably highly unlikely. It would mean that generally the countries of Western Europe would have to raise and supply enough money to purchase 2.7 million tons of grain, and we have seen no indication that such a proposition is going to be accepted by Western Europe, except on more or less of a token basis.

If you add the increased needs that India is going to have on the basis of the most recent weather reports, which indicate a crop of only 76 million tons, the United States is left with the choice of providing about 5 million tons (192.5 million bushels) of grain or watching 70 million people we have already kept alive, simply and slowly starve to death. We need to remember that this many people have been almost on a famine basis for the last year with caloric intake so extremely low that the drop of another 150 calories a day is the difference between life and death.

At this point, I would like to quote from ARYA SWAPATRA—one of the most widely circulated farm magazines in India—an article entitled "Food Grain Imports" from the December 3 issue.

"The Government of India had hoped to get assurances and agreement from the United States Government for about twelve million tonnes of foodgrains—chiefly wheat—for the year 1967. There is already an urgent request to the United States President for 2 million tonnes. Of the agreed supplies of 12 million tonnes for 1966, perhaps ten million tonnes have been shipped. The sudden stoppage of further shipment by the U.S. President has once again caused considerable discussion about the relation between India and the United States.

"The crop situation has certainly become bad with the failure of the monsoon in several parts of the country and the kharif crops prospects are not at all bright. These are facts which cannot be hidden and are as obvious to the United States Government as to ourselves.

"If cannot be the case that the United States Government wants to stop giving assistance—which is more commercial than free gifts—but there is considerable force in the U.S. Administration's belief that India should choose not to depend exclusively on the United States alone.

"Both Canada and the Soviet Union—the Soviet Union has had a record harvest—are certainly likely to make grain supplies available and certainly the Government of India has made the necessary requests. The whole problem is really about making payments in some way or other. These details will naturally be worked out but it is necessary to point out that the Government of India has not so far been able to make its commitments to maintain availability of foodgrains in the country clear enough. There are always doubts about the quantities needed in particular states and there are variations in the administration with regard to procurement, rationing etc.

"The tragedy of it all is that we have had to make a miserable example of ourselves because in the opinion of the U.S. Government we have really not pursued policies and programmes which would have resulted in substantial increase in our agricultural production. This is not a new development and it is even today less seriously realised than is necessary that this criticism of Indian agricultural policies is largely true.

"If it is to be conceded that a long term definite programme for agricultural development has to be worked out and on that basis we have to arrange for imports of foodgrains, there is certainly considerable scope for useful discussions between U.S. authorities and the Indian Government. Bringing about conditions and facilities for vast improvements in agricultural yields in the country is not the same thing as, say, agreeing to set up a mammoth steel plant here or there in this country.

"There is actually recognition in the United States as well as elsewhere that developing countries, though largely only agricultural, are likely to have to be net importers of foodgrains in the initial stages of their development. Only there has got to be satisfaction also that agriculture is not on that account neglected.

"The time is past when we could discuss if agriculture had been neglected at all in our plans. We have to proceed on a clear understanding of what can now be done. It would appear that the U.S. government is quite willing to assist and in spite of apparently insoluble ideological differences between India and the United States, the U.S. is willing to be of considerable assistance. A more business-like discussion so to say, face to face is essential and must be taken on hand before long. It would be wrong to allow the impression to be gathered that the United States Government is forcing the Government of India to do things that it does not like. Unfortunately, it is not sufficiently understood that urgency of supplies of foodgrains cannot be mitigated by discussions about what policies have failed and what policies would succeed. Indo-U.S. relations should not be allowed to be strained by temporary moods of the U.S. President or by exhibitions in this country of antipathy to U.S."

It is important for us, as well as the people of India, to remember that despite a considerably larger input of resources into the agricultural sector, these do not substitute for rain. Any irrigation plan to substitute for the lack of available moisture during the last two years, is many years in the future.

The question facing the Government of the United States, and especially this Committee at the present time, is whether or not we have the wheat in sufficient quantities to meet these needs, and whether we are willing to commit our resources to see that a sufficient quantity of wheat is delivered to prevent the mass starvation that seems to be in the offing.

With this in mind, let us look at our own situation. Assuming that we will have a carryover of about 400 million bushels, and that, as a result of the 26 per cent increase in planting last year in winter wheat and the same percentage increase available in spring wheat, it is apparent that we will have, unless circumstances are greatly altered, the largest crop in all our history of somewhere in the neighborhood of 1.6 billion bushels, although some estimates have run as high as 1.8 billion bushels. This will give us a total of available supply of wheat of 2 billion bushels.

If we were to assume a 30 million bushel increase in domestic use, we would have a domestic disappearance of about 700 million bushels. If we were to assume even a 10 million bushel increase in exports for dollars, we would have sales of about 350 million bushels. Our total domestic and commercial uses, therefore would be 1,050 million bushels, leaving us with about 950 million bushels.

With available U.S. stocks of 950 million bushels, even if we met all the remainder of the total Indian needs of 12.5 million tons indicated as of March 1, 1967, this could give us a draw down for the market year of an additional 225 million bushels for a net carryover of 725 million bushels, assuming that one-third of this was grains other than wheat.

Even if we met only the projected level of exports on a matching basis, and assuming an additional 200 million bushels of wheat for other relief and concessional sales, the carryover would remain about 550 million bushels of wheat.

If the Indian need increases still further, we could still devote 150 million more bushels to relief and maintain the present U.S. carryover level of 400 million bushels.

In case the maximum possible need of India should arise, it is probable that we would indeed commit additional grain sorghums as well as a possibility that we might, and could, commit some rice for this same feeding program—although this is a more expensive way of doing the job that must be done.

This all adds up to the justification of our communication to the Chairman of this distinguished Committee of February 3, pointing out that the President's message would appear to leave the U.S. grain prices considerably exposed. I should like to insert a copy of that letter in the record at the present time.

Our previous experience has shown that a 600 million bushel carryover, or projected level of carryover, leaves the market price of wheat at the support level. This would be contrary to the stated position of the Administration during the fall of 1966 that policies would be pursued to hold the price of wheat substantially above the support level. We are not, at this time, questioning the intention nor the integrity of the Administration in relationship to this stated policy. However, we think the time has come to suggest some positive actions that can be taken by the Administration to insure farmers against this kind of a price collapse.

Our first suggestion is that this Committee and its counterpart in the Senate, if it deems necessary under the existing law, authorize the President to pursue food distribution policies providing a minimum amount of nutrition necessary for the starving people of India with due consideration being given to our own national security. In our judgment, the present 400 million bushel carryover is not a threat to our security, but rather a desirable carryover level.

Our second suggestion is that at least 200 million bushels should be purchased during the first three months of the new crop year, and preferably as much as 300 million bushels. This should be set aside for use only for world-wide famine and relief purposes.

The third suggestion is that the U.S. keep the closest possible watch for adverse developments in the weather situation in India and Pakistan, and that purchase authorizations to permit them to begin to negotiate for the needed food grains be issued at the earliest possible time. This is particularly important for U.S. farm prices which could be severely depressed by the prospect of a

1.6 billion bushel crop being dumped on the market at the beginning of a new year with a possibility of a carryover running as high as 800 million bushels for the next crop year. It could also be equally important for the government in terms of saving money if its purchase authorizations were issued at the time when the crop traditionally brings the lowest price on the market—namely at harvest time.

We can assure the Members of the Congress and the Executive Branch of the Government that a delay in this kind of a program could create an economic disaster here in the United States. We think it only fair to point out that, if we are reading the sentiment of American farmers correctly, failure to move into the market and protect the prices the farmers have developed with great sacrifice would not be a very popular course of action. We believe that it is a matter of prudence and wisdom and that these suggestions should be carried out forthwith to protect the U.S. against its inability to meet its international demands and commitments at a time of extreme emergency.

We would point out to the Members of this Committee that it was precisely this kind of a vigorous program and issuance of purchase authorizations at the close of the 1965-1966 crop year and the beginning of the 1967-1968 crop year that kept the market demand and price structure relatively strong through the first two-and-one-half months of the crop year.

This would call for an additional appropriation of about a half-billion dollars. In the light of our expenditures to protect a much smaller nation from a communist takeover, an additional expenditure of this size seems to be amply justified, and, I believe, would be supported by the majority of both parties.

We would remind this distinguished committee of another fact which should be quite obvious but which seems to be forgotten in much of the discussion about the relationship of American agriculture and that of the developing world food crisis. The greatest danger we have of ending up in a food crisis which cannot be handled is the continued pursuit of a cheap food policy. Nothing could cause a greater threat to an adequate production of foodstuffs for the world than the collapse of our domestic wheat prices. This would rapidly be felt by the producers in every country of the world, with the exception of the Common Market with its high protective tariffs it has thrown around its farmers.

The basic reason for the failure of the farmers in the developing countries to keep pace in their production with an increasing population, with the exception of those areas that are hit by a disastrous drought as has been the case in both India and Pakistan, has been the fact that the returns for their production have been insufficient to stimulate additional inputs into their agricultural plant. For us to expect the Indian farmer to increase his output for wheat in the face of a declining world price or the availability of wheat from the United States at a support level, is the height of folly.

The key to the world food crisis is production, and the key to production is price. The failure of the United States to do everything it can to increase the price for the American farmer, which in turn sets a minimum price for the farmers of the rest of the world could be disastrous for the world economy. It would lead to the Western World being an island of abundance in the midst of a sea of misery and starvation, causing wars of conquest, not from greed but out of need. In the final analysis, the very security of our country is going to depend to a large extent upon the wisdom we exhibit as we cope with this problem confronting this committee today.

The CHAIRMAN. Thank you very much, Mr. Graham, for your thoughtful discussion. You have raised some items of interest that are of tremendous importance to American agriculture. Obviously, the question of the price for these commodities enter into this question. I am glad that you have that in mind. That committee met earlier this morning to discuss some of those very matters with representatives of the Foreign Agriculture Service, asking them the same thing, in regard to maintaining greater income from wheat. We are not going to be able to supply wheat for any long time without paying a better price than producers have been receiving. The Indians themselves are not going to be able to do much about it, whatever their desires may be. The Indian farmers, like all other farmers, have to get enough for their product to pay the cost of production; otherwise, they will not and cannot produce it.

Mr. Purcell, do you desire to ask a question?

Mr. PURCELL. I do not really have a question, Mr. Chairman, but what I feel is an important issue to be raised at this place in the record.

First, I would say that I thoroughly agree with the basic approach to this problem which the distinguished chairman stated on Wednesday on India. The chairman characterized India as an applicant for public welfare. He stated that India has not made the kind of effort he would expect to be made by a private citizen of his community toward doing what he could to solve his own problems before requesting aid from others. India could and should do much more than has been done in this regard. My concern is, as has just been expressed by the chairman, based on domestic wheat prices which might result from our Nation being locked into a position which limits our export possibilities. I believe that I share the concern of the National Grange, if I have understood your statement correctly, Mr. Graham. This is a matter, basically, of our own self-interest.

I am not suggesting at this point that we either reject or modify the resolution now under consideration. I believe it is important that we carefully study the prospect for wheat production in the United States during 1967 and the total wheat disappearance we can expect. A very close balance, it seems to me, is most important here in order that we do have adequate supplies and carryover, and in order that an oversupply does not drag down the price of wheat to the American farmer.

In other words, I am always concerned about doing all that we can to feed hungry people wherever they are, provided they are interested in doing their part. I am also deeply interested in expanding agricultural exports. My first responsibility, however, must be to those American citizens who use their land, equipment, money, and labor to produce this food supply.

I will not belabor the point at this time, Mr. Chairman, I just wanted to take this opportunity, in view of statements made here by Mr. Graham, to state this concern and this basic feeling on my part.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Purcell. If there are no further questions, we are very much obliged to you.

Mr. Dole.

Mr. DOLE. I just wanted to ask one question of Mr. Graham. On page 13 of your statement, Mr. Graham, you suggest that, at least, 200 million bushels be purchased in the first 3 months of the new crop year. What type of purchases are you contemplating and at what price—are you talking about purchases by the Commodity Credit Corporation, or what?

Mr. GRAHAM. I think that they should purchase it at the market price—they should not wait until the price gets down to the support level to try to purchase it. I think they have some obligation to us who have been asked to produce this wheat, to purchase it so that the price is not further depressed from what it is at the present time. Obviously, the only way that wheat is going to be made available is to purchase it now. We, certainly, cannot draw it out of the 158 million bushels. So that they ought to purchase it in the market like anybody else, just go in and buy it like they are buying beef and chickens, and everything else—offer to purchase at a price, but, never-

theless, the price ought to be consistent with the promise last fall that the price would be maintained substantially above the support level.

Mr. DOLE. Of course, the price is above the support level.

Mr. GRAHAM. Right.

Mr. DOLE. But the support level is too low. It is rather difficult to convince the farmer that he is making a profit when he looks at his bank account. There seems to be a tendency to assume all farmers endorse this kind of resolution for selfish profit motives. We must recognize that it is a two-edged sword. Many farmers in the wheat-producing sectors are being asked to produce at cost, or maybe even less so that we can carry out an extensive food-for-peace program.

And, as Mr. Purcell has pointed out, and the chairman on other occasions, this is just not the case. The farmer has the same humanitarian motives—they have the same patriotic motives we all have, but the farmer has other problems and cannot be expected to provide food at wholesale for India or any other country.

Mr. GRAHAM. I do not think that 15 cents is very substantial above the support level.

Mr. DOLE. I do not, either. I share your view there, but there are those who say "X" percent above the support level is all right.

The CHAIRMAN. Mr. Brasco.

Mr. BRASCO. I did want to ask a question, Mr. Chairman, of Mr. Graham. It may not be directly relative to the matters you have discussed, because being a newcomer, finding myself on the Agriculture Committee, you can imagine the type of difficulty I have following some of these concepts, but I was wondering within the context of our willingness to supply grain to starving people in other countries, and certainly, that is admirable—I was just wondering whether or not you would have any information as to a comparison between the amounts that we supply abroad and the amounts of surplus used for the poor people here in our country, in our cities.

Mr. GRAHAM. Mr. Brasco, we use most of ours in terms of the food stamp plan, and this has no relationship. It would be a very small amount in comparison to what we use abroad in terms of any direct relief. There are still some areas in which we would be more apt to use some meat and dairy products for relief. But the comparison is almost nonexistent. We may be using 100,000 bushels, or 200,000 bushels here for that kind of relief, and 16 million tons abroad.

Mr. BRASCO. So that it would be fair to say—Mr. Graham, that we could do more for our own poor at home?

Mr. GRAHAM. I think that we can. I think that you will learn this as you get into this that there is a substantial amount of money that is appropriated in terms of the Department of Agriculture for purposes of helping our poor here. We have always supported that. And the amount that is necessary. We do not want people to starve in Brooklyn any more than they ought to starve in Bombay.

The CHAIRMAN. Mr. Price.

Mr. PRICE. I would like to say something for the record here that I believe is of interest. Having come from a ranching and farming background, it appears to me that we are getting the cart before the horse in many cases here. All of the testimony that we have had about these resolutions has concerned a need. And, certainly, we will agree

that the need is there, but it seems to me that wheat and other grains and all of these other products have to be produced before they can be shipped to India or other countries. There's not one other industry in this country that is asked to do what the American farmer has done at 74 percent of parity—not one—not the manufacturers, like GMC or any other—not one is asked to produce at 74 percent of parity and handed over there for nothing. Certainly, it appears to me that if the food needs of the world are to be used as a means of trying to increase income for the farmer, we should talk about parity for the farmer, and not talk about 15 cents above parity. It is discouraging to farmers to ask them to go out and try to raise production to feed a hungry world and then have the Government make them the scapegoats as their production and living costs continue to rise while their income does not.

There are 800,000 people leaving the farms every year. If we could offer some incentive in the way of decent prices for the work they have been doing on the farms, it would not drive them away from the farms. I think it is time that this committee, and the Federal Government should take that into account.

Mr. Freeman said that there is not going to be any farm program coming up this year. Then what shall we do—starve another million people off the farms because we do not want to take the time or effort to attempt to solve the American farmers' problem?

The Internal Revenue Service people were in here the other day delving into what a cottonpicker or a sheepshearer is going to be paid. It was the most disgusting thing I have ever seen.

And they seem to think the American farmer is the guy to take the brunt of it. We are going to destroy the farmer and rancher because the administration is playing politics with them in our world trade and attempting to feed the world. And I believe that organizations like yours have the responsibility of seeing that the farmer gets what he is entitled to. And I believe that is what you are trying to do. We need this market, but we need a program under which the American farmer can share in the overall profits of a prosperous economy on a comparable basis with everyone else in the United States.

Mr. GRAHAM. Welcome to the committee.

The CHAIRMAN. I know that there are others who want to ask questions, but I am going to ask that we try to keep our questions down in number, because we have five more witnesses on our witness list that we have to hear. And then we will have an executive session. We will have to go to the Rules Committee before we can bring this resolution to the floor. We would like to schedule it for next week. And I am hoping that we can act this morning on this. I know that no one wants to delay things by just talking about it. We are not getting far afield, because I know that these things are very closely associated with the Indian food situation, but I hope that we can keep the discussion down to a minimum.

Mr. Kleppe.

Mr. KLEPPE. May I ask a question?

The CHAIRMAN. Certainly.

Mr. KLEPPE. Do I understand correctly, Mr. Graham, that your statement does not oppose House Resolution 267, but you rather think that it should go further?

Mr. GRAHAM. Yes; the resolution you have should be passed, but the thing that concerns us is that our concern does not stop with this,

because we have to get a good deal farther down the road before we solve our problem here at home, rather than in just passing this resolution. I think that the resolution is in perfectly good order. We have approved it, and the testimony shows that.

Mr. KLEPPE. I wanted to be sure of that.

Mr. GRAHAM. Let us go a little further after we get this out of the way.

The CHAIRMAN. Thank you. If there are no further questions, we are much obliged to you, Mr. Graham.

The next witness is Mr. Herbert C. Fledderjohn, in behalf of the Friends Committee on National Legislation.

**STATEMENT OF HERBERT C. FLEDDERJOHN, ACCOMPANIED BY
FRANCES E. NEELY, LEGISLATIVE ASSISTANT, FRIENDS COM-
MITTEE ON NATIONAL LEGISLATION**

Mr. FLEDDERJOHN. Mr. Chairman and members of the committee, my name is Herbert C. Fledderjohn, and with me is Frances E. Neely, legislative assistant. Today I am appearing for the Friends Committee on National Legislation, a Quaker organization that from its inception 24 years ago has placed a high priority on working on legislation dealing with world hunger and international development. The FCNL has testified several times before this committee on Public Law 480 and related legislation.

Those of you who know the highly individualistic nature of the members of the Society of Friends realize that no person or organization can speak officially for all Friends. But on this question of America's responsibility to do its full share in overcoming world hunger, there is a high degree of consensus among Friends.

Not pertinent to this testimony, but so I will be fully identified, I am also president of the International Cooperative Development Association, an organization of U.S. cooperatives that are making available their knowledge and experience to assist in the development of cooperatives and agriculture in the less developed countries, as a contribution to their economic development. I am not an expert on India, but as part of an effort which the International Cooperative Development Association is currently making to develop a large-scale program for fertilizer production in India, I have had occasion in recent months to learn something of the food and agricultural problems of that country.

It is not necessary to recount here India's need for food during 1967. It is also clear that any permanent solution to the problem of hunger in India must ultimately come from greatly increased productivity in her own agricultural industry. In spite of prodigious efforts by the Indian Government and large-scale technical assistance by this and other governments and the world organizations, total food production in India has not kept up with increasing demand, and whether we accept the estimate of 10 million tons or 15 million tons as the needed level of imports in 1967 to supplement her own production is almost academic. The need is acute, and the failure to meet it will result in a major disaster.

The Friends Committee on National Legislation recognizes and supports the need for self-help, but agricultural development is a slow

process. Time is required to develop improved seed varieties, develop and test plant protection materials, create the facilities to produce the required fertilizer, and train the millions of cultivators in their effective use. In addition, a whole new infrastructure must be created to receive, process, transport, and convert the raw products so that the population centers will have food available when they need it, and in a form which they can use. The function of our food aid now is therefore to buy the time required to modernize the agricultural sector of the Indian economy. In this regard, Americans need to remember that the United States bears partial responsibility for the delay in improving Indian food production capacity, since this country was a party to earlier decisions to concentrate the bulk of U.S. assistance in the industrial sector.

The Friends Committee on National Legislation wants to support House Joint Resolutions 262 and 267 which are under consideration here today. However, we would like to respectfully suggest that certain sections of the resolution might be strengthened in order to permit our Government freedom to respond to the need as it becomes more fully defined.

1. While we commend every effort to persuade the nations of the world to shoulder their fair share of the burden of preventing mass starvation in India, we would urge that the word "equal" be stricken from the sentence on page 3 beginning "The Congress endorses the President's policy of equal participation on the part of the United States with all other nations * * * in assisting the Government of India to meet these needs." We would recommend as well the elimination of the phrase "provided it is appropriately matched" which appears in the second full sentence on page 3. Other nations can help—if not with food, then with fertilizer, chemicals, or cash—but we feel it should be basic to the policy of the U.S. Government that our aid in the fight against famine should be limited only by our capacity to help, and not contingent upon others providing their "fair share."

2. In light of the above, we would suggest striking the phrase "amount of food grain not to exceed" in the sentence beginning "Further, the Congress recommends, on the basis of estimates now available, that the United States provide an additional amount of food grain not to exceed three million tons. * * *" It is possible that the estimates of total need may be too low and that even the U.S. fair share might exceed this amount.

3. No reference is made to transportation costs in the resolution, but because of India's need to conserve her hard currency resources for use in her agricultural and industrial development, consideration should be given to a plan whereby our Government would pay transportation costs on food shipments made under this resolution, or at least on that part of the freight which requires hard currency.

4. The resolution does not specify what kind of sales agreements the administration has in mind, which raises a question as to what application, if any, section 103(b) of the 1966 Food for Peace Act will have. As you know so well, this section requires a "progressive transition" to dollar sales. We would strongly recommend against any decision to apply this proviso in the emergency situation in which India finds herself. We urge this committee to take a similar position in this report.

5. A study should be made to determine whether any good purpose is served by requiring payment for the 3 million or more tons of food grains to be furnished under this resolution. The U.S. Government now owns such a large share of the Indian money supply as to constitute a continuing threat to her economic stability. In total, these funds represent more capital than can conceivably be constructively used in the foreseeable future. It is possible that the best interests of the people of India and the citizens of the United States would be better served if this food were furnished as an outright grant rather than a sale.

The Friends Committee on National Legislation warmly supports the humanitarian concern intended by this resolution, but thinks this concern should be expressed more explicitly through the revisions we have suggested. We realize that the long-range salvation of the developing nations lies in their own internal economic growth; but that growth comes slowly and the advantaged must do what they can to help smooth the rough spots. Steel is essential, in the long run, but, in the short run, food is the healing, life-sustaining commodity. The right of access to food should not rest on the accident of nationality, ideology, race, climate, or circumstances into which a child is born. The gift of food is one way of expressing our belief in the brotherhood of man.

The CHAIRMAN. Thank you very much, Mr. Fledderjohn. We appreciate your presentation and your viewpoints. I am going to forego asking any questions at this time. Are there any questions by members of the committee? If there are no questions, we will call the next witness, who will be R. D. Zumwalt, chairman of the Export Advisory Committee of the Millers' National Federation.

STATEMENT OF RICHARD D. ZUMWALT, PRESIDENT, BURRUS MILLS, DALLAS, TEX., CHAIRMAN, EXPORT ADVISORY COMMITTEE, MILLERS' NATIONAL FEDERATION, ACCOMPANIED BY GORDON BOALS, DIRECTOR OF EXPORT PROGRAMS, MILLERS' NATIONAL FEDERATION

Mr. ZUMWALT. Mr. Chairman and members of the committee, I am accompanied here today by Mr. Gordon Boals, a member of the staff of the Millers' National Federation.

My name is Richard D. Zumwalt. I am president of Burrus Mills, Dallas, Tex. I am also a member of the Committee on Agriculture as well as chairman of the Export Advisory Committee of the Millers' National Federation and president of Bulgur Associates.

I am appearing here today on behalf of the Millers' National Federation. The membership of the federation includes some 85 to 90 percent of the flour milling capacity of the United States. We appreciate very much this opportunity to appear before you to express our views.

The Millers' National Federation at an executive committee meeting on February 23, 1967, reviewed the food crisis situation in India and action proposed in the White House message to the Congress on February 2, as well as House Joint Resolution 267 introduced by Chairman Poage, of Texas, and House Joint Resolution 262 introduced by Mr. Dole, of Kansas. Our executive committee unanimously agreed to the following statement:

Recognizing—

That India is currently faced with a serious food deficit problem resulting from two successive drought years that make necessary continued food imports during calendar 1967; and

That a Joint Resolution is being considered by the House Committee on Agriculture to support emergency food assistance to India;

The Millers' National Federation declares its support of the purposes of the Joint Resolution—H.J. Res. 267 and H.J. Res. 262.

In view of the continued serious drought conditions during recent weeks and many uncertainties regarding import program needs throughout 1967, the federation is confident that the committee will be reexamining the specific tonnage and dollar figures included on page 3 of the resolution and will make changes if it is considered necessary or desirable to do so.

The federation does recommend, however, that whatever food grain tonnage figure or assistance the committee approves should include a reasonable part in the form of wheat products.

Among the advantages of U.S. wheat products in the India food program are:

Products are ready for immediate consumer or institutional use which is essential for meeting urgent famine area or special group needs. This is particularly important for effective voluntary agency or donation programs as well as providing the Indian Government with some flexibility in its food ration program;

Products are bagged and can be more quickly unloaded at ports and distributed to emergency areas;

Products can be enriched or prepared to meet specific nutritional needs of special groups in the population; i.e., children, and so forth; and

Products provide a much broader base for U.S. participation in and support of a food program for India. Not only growers are involved but also processors, labor, and the U.S. economy generally.

During the past year the federation has developed types of fortified wheat products of substantially increased nutritional values especially designed for meeting special needs in overseas countries. Their higher nutritional values permit food needs to be met with smaller quantities of wheat shipped from the United States, a factor of special significance when supplies are limited. The products have already had some limited tests in India and have been found to be very adaptable for such programs. These new types of wheat products are not produced in India so they supplement rather than compete with locally produced products. Accordingly, Federation believes that these fortified products as well as other forms of wheat products can be very helpful in meeting some of the special food program needs during this year of crisis in India.

Thank you, Mr. Chairman, for giving us the opportunity to appear before your committee today.

The CHAIRMAN. We are delighted to have had your statement, Mr. Zumwalt. Are there any questions of Mr. Zumwalt?

Mr. Zwach.

Mr. ZWACH. Mr. Zumwalt, I represent a real large farming district in the State. I have before me the parity figures for agriculture products for January 15, 1967, for wheat 61 percent of parity.

I have heard a great deal of talk about other groups, but I have not heard much talk about the farming. You asked that a lot of this shipment should be in wheat products.

Mr. ZUMWALT. Correct.

We could get 61 percent of parity for our milling efforts.

Mr. ZWACH. You get 100 percent.

Mr. ZUMWALT. That is a matter of interpretation.

Mr. ZWACH. Would you say that the transporter, the shipper, everybody else, should do this at less than a fair return as the farmer is being asked to do?

Mr. ZUMWALT. No.

Mr. ZWACH. In other words, I am asking, do you think that the producer of the wheat is entitled to 100 percent of parity on this amount that we are shipping out?

Mr. ZUMWALT. Congressman Zwach, I am not in the business of determining parity for farmers. I really do not know what the farmer is entitled to. I say that he is entitled to more than he is getting, sir.

Mr. ZWACH. Mr. Chairman, I should like to state that I am in full agreement with your statement earlier in the hearing with regard to the farmer's return. The farmers are now subsidizing the American people at about three-fourths what they ought to be getting. I want to know, are we going to go now into a program of furnishing food for the rest of the world and that the farmer is expected to do it at less than a fair return? As I sit here and have listened to this testimony, this is the thing that impresses me tremendously.

Mr. Chairman, I think the Congress should seriously consider an amendment to our farm laws to the effect that all of the food that the Government furnishes to other countries should be furnished at 100 percent of parity; that the farmer be given 100 percent parity. I think that this would help to raise the price support tremendously and the parity figure.

I do not expect that I am going to sit here and ask our farmers to produce food in this fashion. First of all, to subsidize the American people, and then, secondly, to subsidize the world at less than a fair turn.

And we may expect that there will be a need for food for India next year and the next year. We have to keep up our farm plant. And this is really important, Mr. Chairman. While this is somewhat indirect in this area, I am very concerned about this.

The CHAIRMAN. Thank you, Mr. Zwach. And thank you, Mr. Zumwalt.

Mr. Dole.

Mr. DOLE. I have a question. Are you suggesting, Mr. Zumwalt, that there be an amendment—that is, that the resolution be amended to include product forms?

Mr. ZUMWALT. We believe that in the reexamination of this resolution that it could very easily be specified that wheat byproducts or wheat products would be included in this program.

Mr. DOLE. Is there any product form that presently is shipped in India?

Mr. ZUMWALT. Under the donation program there is some bulgur and some very, very small quantities of flour, according to the record, that are being shipped, that is, under the donation program.

Mr. DOLE. Under the donation sector only?

Mr. ZUMWALT. That is right—that is right.

Mr. DOLE. How much does that amount to worldwide?

Mr. ZUMWALT. On the donation portion, I imagine India would be getting maybe \$10 million, less than \$10 million.

Mr. DOLE. That is a rather insignificant amount.

Mr. ZUMWALT. Yes, an insignificant amount.

Mr. DOLE. Thank you.

The CHAIRMAN. Thank you again, Mr. Zumwalt.

The next witness is Mr. William E. Moran, vice president of the International Economic Policy Association, who will present their statement in place of the listed witness, Mr. N. R. Danielian, the president of that organization. We will be pleased to hear you now.

**STATEMENT OF INTERNATIONAL ECONOMIC POLICY ASSOCIATION,
PRESENTED BY WILLIAM E. MORAN, VICE PRESIDENT**

Mr. MORAN. Mr. Chairman and members of the committee, it is a pleasure to appear before this committee which has the important responsibility of reviewing the administration's policies and proposals on food aid.

Before discussing the current resolution of the President to allocate an additional 3 million tons of grains to India, I would like to commend the committee for the farsighted and realistic approach taken on food aid in the 1966 food-for-peace legislation. I refer particularly to the emphasis put on adequate self-help measures by the recipient countries, on dollar sales to help the U.S. balance of payments, and on limiting the terms for dollar sales to 20 years.

I believe that the positions taken by this committee on self-help and dollar sales are fully consistent with the realities which the President outlined in section II in his "Message on India Food." It is heartening to see that the administration has accepted these principles in its current approach to foreign assistance programs.

American agricultural production has made a great contribution to relieving hunger and malnutrition and in fostering economic development throughout the world. It is indeed a proud chapter in the history of international cooperation. Since 1954, the United States, through its various food-for-peace programs, undertook to furnish agricultural commodities valued at almost \$20 billion to meet these noble objectives. (More than three-quarters of this was in the form of local currency sales or outright grants.) No other country or group of countries can match this record.

Title I, local currency sales to India alone have amounted to \$3.5 billion through fiscal 1966, which compares with development (dollar) loans of \$2.3 billion, not counting what we have contributed through our part of the World Bank and IDA to India's development.

The proposed 3 million tons of wheat and grain sorghums for India will bring the total U.S. food aid contribution to India this year to 6.6 million tons at a cost of approximately \$400 million. This will leave approximately 3 to 4 million tons for other countries to contribute to meet India's current food deficit. The association supports the President in the offer of food and the proposal that other countries should thus share in supplying India food aid requirements until that country is able to bring up its production.

We note with some disappointment, however, that despite assiduous efforts over past months, other countries, according to the President's message, have come forth with only 535,000 tons. (See page 7 of President's message.)

Moreover, I am at a loss to understand why the Soviet Union was in effect left out of this proposal to seek contributions of food aid to India from other countries. The Soviet Union's production of wheat last year was 73.5 million tons, which will leave them with a substantial export capacity estimated from anywhere from 4 to 7 million tons. It would indeed be a welcome further step in international cooperation if the Soviet Union would join the United States and other countries in contributing to the food needs of India.

The proposals in this Presidential message to achieve burden sharing in distributing food aid call for action in the Aid India Consortium, led by the World Bank, the Organization for Economic Cooperation and Development (OECD), and the General Agreements on Trade and Tariff (GATT). The Soviet Union is not a member of any of these groups. Thus, she will not be pressed by such negotiations to participate in sharing the food aid burden. This is regrettable, at a time when we propose building bridges to the East. Certainly one should expect such bridges to include humanitarian assistance to India and other countries in need.

The President, in his message, refers to a proposal of the United States to make available, from all industrialized countries, 10 million tons of food grains annually for food aid. This proposal is now being discussed in the GATT Cereals Group at Geneva as part of an international cereals arrangement. I cannot understand why the sharing of food aid should become part of a tariff and trade negotiation. Food aid is a completely separate issue from tariffs. Certainly we should not have to accept European protectionist devices against agricultural imports, or make trade concessions to wean out of them food aid contributions. Assisting underdeveloped countries should be a joint responsibility of the developed countries. Internationalizing aid at the expense of concessions from the United States is in no sense a true sharing of the burden.

I should also like to point out to this committee that this resolution proposing burden sharing will be meaningless if the present negotiations in Geneva proceed on their current course. As it now stands, the United States is likely, over a brief period of years, to lose its agricultural markets in Europe.

At present, the EEC is the world's largest importer of agricultural products. In 1964, the EEC countries imported \$11.1 billion worth of agricultural products, of which \$8.6 billion came from nonmember countries. These included \$1.5 billion from the United States, \$1.5 billion from Latin America, \$1.4 billion from EFTA and other non-Communist European countries, \$1.0 billion from African countries not associated with the EEC, and \$0.8 billion from Asian countries other than mainland China. As the variable levies are extended in one form or another to practically every agricultural product produced in any quantity in the EEC—and to processed products derived from these down to the level of cornflakes and chewing gum—and as the high price supports agreed to in the EEC stimulate internal production, this huge volume of imports will be progressively diminished.

If this happens, U.S. agriculture, whose productivity has increased by 100 percent since 1949, will find itself in the position of being a very small, residual supplier for cash markets and a large supplier to concessional markets. We will end up with growing Public Law 480 sales as in the past, and diminished cash sales. In effect, we will be subsidizing European agriculture at the taxpayers' expense while we feed the less developed countries.

The higher minimum prices proposed by the United States of wheat (approximately 40 cents a bushel) will stimulate inefficient production abroad at the expense of U.S. exports and will give other producers—Canada, Australia, and Argentina—a greater proportion of the cash sales.

Thus, the current trends in agricultural policies abroad, particularly in the EEC, create large uncertainties for the United States. European commercial markets are being protected by various devices and the protecting countries show little willingness to contribute to the burden of providing food aid.

The U.S. negotiators have expressed disappointment with the offers made by the EEC. As Howard Worthington, Deputy Assistant Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, said in a speech this past January, the EEC offers "are entirely in terms of the EEC system." Very few represent true trade liberalization or betterment of the situation for exporters. Most would just bind the situation that will result from the completion of the EEC variable levy system. It is hard to escape the judgment that EEC offers are designed almost entirely to obtain international approval of this system.

In the light of this situation, it is our opinion that the United States should drop food aid negotiations at Geneva as a part of tariff negotiations, and concentrate on reduction of tariff and nontariff barriers against U.S. agriculture. Let us approach other countries on food aid as a moral and political obligation and not buy them off by U.S. tariff reductions.

The logical conclusion of this situation is that the United States should wait for the EEC to make meaningful offers before we conclude the Kennedy round, and extend the Trade Expansion Act if necessary. Time is on our side. The high cost of food in Europe induced by high price supports, and severe inflationary pressures, would tend to make Europe less competitive in both food and manufactures. At that point the Europeans are likely to become less protectionist in agriculture and more willing to consider true trade liberalization.

We recommend that the committee in its report make it clear that the United States should not make trade and tariff concessions in GATT or other trade negotiations in order to obtain food aid contributions from other countries.

The CHAIRMAN. Thank you very much, we are obliged to you, Mr. Moran, for your statement.

Our next witness will be Mr. Fred Devine, deputy director of CARE, New York City.

I would call attention of all of our witnesses to the fact that it is not necessary to read your statements. There is no rule of the committee that requires that. We do not require anyone to read his statement. We do need time for an executive session this morning.

STATEMENT OF FRED DEVINE, DEPUTY DIRECTOR, CARE,
NEW YORK CITY, N.Y.

Mr. DEVINE. Mr. Chairman and members of the committee, my name is Fred Devine. I have just returned from 11 days in Bihar, in the famine area.

CARE is cooperating with the Indian Government. I do not mean only in the State of Bihar, but in other places.

At the present moment lactating mothers, and preschool children, and children of school age and nonschool age—about 3.5 million people—are being fed per day in the State of Bihar.

This is a gradually accelerating program, having begun last October with about 600,000 when this disaster broke out and began to show signs of increasing.

I do not have to go into too much detail on that, because some of you have visited the area and have visited India as well.

I have this wire which came in from India on the wire last night, and I would like to read it to you, as to what is now being done.

The total budget that the Government of India and the state government of these two states are providing are as follows:

One hundred million rupees—I do not have these figures in dollars—they came over the wire in rupees—100 million rupees in the State of Bihar for general relief; 54 million rupees in behalf of water supply projects; 74 million rupees in behalf of cattle feed, and in the State of Uttar Pradesh 74 million rupees for general welfare, and 8 million rupees for water supply.

The total allocated in available moneys is 310 million rupees.

And the Prime Minister Scarcity Fund, which is a fund organized in India—that is, the Indian citizens contribute to it, they have contributed 7½ million rupees which is about \$1 million, and 2.4 million rupees have been distributed.

CARE itself is spending 320,000 rupees per month to put food in the schools, and 300,000 rupees per month for the condiments necessary to make a more nutritive meal.

The Government of India is allocating, and has allocated, 175,200 tons of wheat alone to the State of Bihar this last month.

In our program, while as I said before, consisting of lactating mothers and preschool children, up to the age of 5, are being fed each day at the schools. We have up to 3.5 million people. And for every child in school there are three nonschool attendants who are fed.

We anticipate that the peak period of this famine will be between April and July. During that time we will, probably, need food to feed about 7½ million people a day.

These are not dry ration handouts. The food is cooked at the school. The people consume it on the school grounds.

The Government of India has stopped all vacations and is keeping the schools open. Everyone will receive a cooked meal until this disaster, hopefully, ends with the next full rains in mid-July or early August.

In conclusion, I would like to say one further thing, that from time to time we do criticize our friends, but with the support we have received in the way of resource material, from Mr. Waters and Mr. Ellis, I am afraid that we would not have today what we have if

we had not had that support. We would today in this area have people dying of starvation. I am happy to report it is not the fact at this moment. That is a realization that we are concerned about.

I would, also, like to say for the people in the U.S. Department of Agriculture, particularly Mr. Eskildsen, that this support has made this come true.

The only recommendation that we would like to make is that the \$25 million for the donation program not necessarily be considered a ceiling, because we really do not know what is going to happen in this disaster come April, June, or July, and we may just need more than \$25 million worth of food.

Thank you.

The CHAIRMAN. Thank you, Mr. Devine, for your fine statement.

Now, we have with us our colleague, who served with distinction on this committee for some time. We are glad to have you, Congressman Paul Findley, of Illinois. We will be glad to hear from you now.

STATEMENT OF HON. PAUL FINDLEY, REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. FINDLEY. Thank you. I appreciate the chance to be here.

My purpose is to express the hope that the committee will undertake a searching scrutiny of India's performance, since a similar resolution was enacted a year ago, before you dispose of the new resolution.

I feel that the Congress is entitled to know in precise detail what India has done during the past year to increase its own food output.

In my view, generalities and promises should not be accepted. Indiana, by expert testimony before this committee this year, has been shown to have ample land and water to feed twice its present population. What specifically has India done to shed religious taboos so costly to its food supplies? What specifically has India done to create price incentives to create greater outputs, or to control population? Has India done all that could be reasonably expected to boost its own food output?

To what extent have U.S. food gifts actually impeded agricultural progress in India? For example, is it true that the operation of so-called fair-price markets, stocked mainly with gift grain from the United States, has cut prices too low to provide an adequate incentive to higher food production? Has the Indian Government taken adequate steps to give public credit to the United States for our generosity? Is that implicit in this program? To what extent have been the regular gifts been habit forming?

During the year what specifically has India done politically or militarily in return for our food generosity? Has aid in any form been provided by India to our military forces and others defending South Vietnam? Are any Indian military forces helping us? Has the Government which has received so much from the American people made even the slightest move to speak for our objectives in South Vietnam, or, to give a precise example, to mitigate the effect of hostile, anti-American theater productions in Bombay? About which I read the other day.

How much of the grain supply virtually free to the Indian Government is in turn distributed free to destitute people? Is it true

that almost all of our food gifts were put on the Indian Government market and sold?

What can be done to assure that the food gifts will actually be donated to people who have no money?

If it is determined that extensive free distribution is not practicable, would it be better for our Government to make a cash gift instead of grain gifts to India, so that grain requirements can be acquired through private market channels, and thus strengthen rather than depress local production incentives?

And, finally, I wonder why is this resolution being considered so soon after the legislation extending for 2 years the life of Public Law 480—legislation which gave the President ample authority to go ahead with the proposed shipments? This strikes me as especially curious, because the executive branch is, almost without exception, jealous of its discretionary authority and resentful when the Congress imposes specific restrictions. I am reminded, of course, of the current determined effort by the executive branch in regard to Yugoslavia to ignore a restrictive amendment this committee placed on trading with the enemy.

On one hand the Executive scorns directions from the Congress, and on the other hand asks for it. This split personality is such a paradox as to raise a question in my mind about the real motives the executive branch may have had in urging approval of this resolution.

It may well be that the Executive foresees some adverse results coming from the timing and other specifics of this proposal and wants to shift to the Congress responsibility for what happens.

Thank you.

The CHAIRMAN. Thank you very much. Come back when we have a little more time.

Mr. FINDLEY. Thank you.

The CHAIRMAN. We have just had another request, a gentleman who desires to testify this morning. We advised him that we would, perhaps, be unable to get him in on this schedule. I did advise him, however, that we would be happy to have a statement for the record in case we did not have time to hear him. Therefore, permission will be granted to Rev. L. Maynard Catchings, associate director for international development, Council for Christian Social Action, United Church of Christ, to supply a statement for the record, which will be made a part of the record at this point.

(The statement follows:)

STATEMENT OF THE REVEREND L. MAYNARD CATCHINGS, ASSOCIATE FOR INTERNATIONAL DEVELOPMENT, COUNCIL FOR CHRISTIAN SOCIAL ACTION, UNITED CHURCH OF CHRIST; AND THE NATIONAL COUNCIL OF CHURCHES

1. The Council for Christian Social Action of the United Church of Christ sent a telegram on December 22 to President Johnson strongly urging that the Administration resume shipments of grain to India to meet the food emergency which threatens millions of people with famine. We now want to identify ourselves with those favoring the U.S. Congress' adoption of a Joint Resolution authorizing the allocation of emergency food assistance to India.

2. We urge that this crisis assistance, given out of our sense of moral humanitarianism, be given without being attached to requirements that other nations match our contributions.

3. We humbly call your attention to the fact that this crisis situation in India does not result primarily from a lack of willingness to help themselves but from a natural drought which has affected agricultural development over the past two years.

4. We strongly recommend that this emergency food assistance be in the form of a grant rather than a sale, in order not to further handicap India's long term agricultural development projects. In this regard it is encouraging to note that India, in her newest five-year plan, according to the Morgan Guaranty Survey, has shown heightened attention to agricultural problems.

The CHAIRMAN. The committee will now go into executive session. We are very much obliged to all of the witnesses.

(Whereupon, at 11:55 a.m., the committee proceeded into executive session.)



