

## 'Human Beings Are A Resource, Too'

The president of the National Farm Bureau, Allen Grant, began his opening address to the organization's Virginia state convention with praise for Plato's conception of the human mind, as a lead-in to a well-aimed attack on environmentalism.

"Human beings are a natural resource, too," said Grant. "People themselves, the right to labor, to own and use property, must not be jeopardized by an imbalance of environmental emphasis. Wildlife, soil, water, forest, grasslands, minerals have meaning only in terms of human relationships to them.

"If this were not so, the logical conclusion is that mankind should return the planet to the way it was when humans first appeared, and then quietly choose self-extinction to leave the earth in a pristine, useless state forevermore."

Grant singled out for special attack the Carter Administration cuts on water projects. Grant called for more extensive water development programs, and blasted the National Environmental Protection Act, and the process of "environmental impact studies" as tools of special interest groups inimical to the nation. He committed the farm community "to get this entire process repealed."

"We have trouble understanding the politician who trades on the false idea that man must never disturb his environment for economic purposes," Grant said. "We cannot understand the narrow-mindedness of the environmentalist purist who seems to think that evolution can be frozen, that no species or creature, animal or plant, must ever be endangered no matter how many billions in economic loss may be suffered by people."

### *Denounce Farm Strike*

Farm Bureau leaders are actively opposed to the Dec. 14 farmer strike, known as the American Agriculture Movement or the 100 Percent Parity. The chief organizers of this operation are coordinating with the National Farmers Union and the National Farm Organization to convince farmers in a desperate cash position to strike, hold their supplies off the market, refuse to buy from suppliers and plow under. The operatives who pushed the Independent Truckers strike in 1974 are now coordinating with the farm strike in order

to ensure maximum media attention and dislocation.

At a press conference in Virginia, Grant emphasized his sympathy with the plight of farmers, but termed the strike as "not the effective means to change the situation." Speaking at the Maryland Farm Bureau convention, the Maryland Secretary of Agriculture Young D. Hance emphasized that consumers were on the farmers' side in the struggle for "fair prices," and cautioned the farmers against making "reckless decisions" to get involved with the strike operation and offending "the consumer who uses our products."

## Pressure Builds To Expand Agriculture Exports, Repeal Jackson-Vanik

The Carter Administration, roundly criticized by farmers and leading policy makers for failing to push agricultural exports, is developing a new, intermediate credit program geared to expanding agricultural exports. Simultaneously, momentum is building in Congress to overturn the Jackson-Vanik Amendment which severely limits trade with East bloc nations.

Leading American political figures are joining the American Farm Bureau in stressing the importance of exports. Former Treasury Secretary John Connally is touring the nation promoting a "labor-industry alliance," heavily oriented toward an export program; "American agriculture can feed the world," Connally stated recently. Former Undersecretary of Agriculture Richard Bell, currently vice-president of Riceland Foods, recently told a House Agriculture subcommittee that the U.S. needs to "develop a policy framework for the development of export markets in the developing

world" as well as "Communist countries." (Bell's speech is excerpted below).

Responding to this pressure, the Carter Administration has told the U.S. Department of Agriculture (USDA) to review its entire export policy. According to an official in the USDA's Office of the General Sales Manager, President Carter would like to greatly increase U.S. credits available for agricultural trade. While the program is still on the drawing board, USDA officials will likely recommend a new intermediate credit program that would extend agricultural credit to foreign nations at rates lower than the prevailing commercial interest rates. The program — which one official said might provide at least a couple of billion dollars in credit — would bridge the gap between the present one- to three-year Commodity Credit Corporation Sales Program and the 20- to 40-year loans under Title I of P.L. 480, the Food for Peace program. The Administration

may also propose an increase in funding for both the CCC and the P.L. 480 program (see Kelly M. Harrison's speech below).

A spokesman for the House Agriculture Committee said the Committee expected to hold hearings on the Administration's proposal in January. Rep. Robert Bauman (R-Md), a key House Republican leader, and Sen. Jesse Helms (R-N.C.) have already introduced a resolution to the House and Senate respectively requesting the Administration to develop an export-oriented program.

On the other hand, the Carter Administration is saying that the problem is "overproduction," and using the pretext of "human rights" to hold up Food for Peace grain shipments. Senator Hubert Humphrey (D-Minn.) has introduced legislation which ties farm exports to the development of an international grain reserve, a policy promoted by the investment bank community which hopes to maintain control over food supplies for its own political advantage.

The supporters of increased farm exports in the Administration and Congress view Eastern Europe and China as key markets. But the Soviet Union, with its huge import needs, has been cut out from access to U.S. credits for agricultural purchase because of the Jackson-Vanik Amendment, which blocks the granting of most-favored-nation status to the USSR because of alleged violations of human rights. Administration officials around Secretary of State Cyrus Vance and a broad coalition of Congressional factions (Senators Helms and Humphrey included) have been actively pushing for a repeal of Jackson-Vanik.

While the Soviet Union may purchase as much as 15 million tons of grain from the U.S. in 1978, the amount of purchases could at least double if more credits were available. The market potential in the developing sector is even greater. The problem is not lack of need but lack of credit. The Third World situation is complicated by the fact that those countries not only need cheap credits — about the two percent rate of the P.L. 480 program — but most need a debt moratorium before they can purchase any additional exports. At this point, the Administration's proposal neglects these hard economic facts.

The U.S.'s agricultural export policy is further complicated because the Administration is talking out of both sides of its mouth on the subject. Earlier last month, President Carter announced a new feedgrains set-aside program which could reduce acreage planted by 10 percent, thereby limiting the amount of feed-grains available for exports. According to the Nov. 21 *Feedstuffs*, President Carter made the decision reluctantly and on the advice of his consumer-oriented Agriculture Secretary, Bob Bergland. While a bad precedent, the program is highly complex and according to *Feedstuffs*, "won't make all that much difference." President Carter has also left himself an option to reverse his decision in the spring if Soviet purchases are large.

At the same time, P.L. 480 agreements have not been made, pending a State Department review of each purchasing country concerning human rights violations. As a result, P.L. 480 client nations — generally the poorest nations — are not receiving food shipments.

While some progress was made this week with 11 nations approved, the Agriculture Department is up in arms, saying it doesn't think the State Department is doing anybody anywhere any good.

— Carol Lerner

## USDA to Initiate New Intermediate Credit Program

*Kelly M. Harrison, Assistant Administrator for Foreign Market Development of the U.S. Department of Agriculture, outlined the USDA's proposals for expanding agricultural exports through the creation of a new intermediate credit program in a speech Sept. 21, 1977. His remarks, made before the North Carolina State Agricultural Policy Conference in Raleigh, N.C. included the following:*

We (the USDA) will act vigorously to expand U.S. agricultural exports, on which our farmers depend for 20 percent of their net income. We will act responsibly to provide technical and food assistance to developing countries to help bring them into the mainstream of life on this planet. Through participation in international forums, we will press to liberalize trade and to increase cooperation between all nations to enhance food security for the world. We believe those international policy objectives are consistent with world realities and complement one another.

In market development, we have undertaken a system of integrated export market program planning....

A credit program is being formulated now to bridge the gap between the present one-to-three year CCC Export Credit Sales Program and the 20-to-40 year loans extended under Title I of P.L. 480. This program is designed not only to be another export market tool to compete in world markets, but to meet the particular intent of some nations to move from concessional purchases to a commercial basis for eligible and available U.S. farm products....

## We Need An Export Development Policy Now...

*The following are excerpts from recent testimony of Richard E. Bell before the House subcommittee on oilseeds and rice and livestock and grains. Bell, the Deputy Assistant Secretary of Agriculture for International Affairs and Commodity Programs in the Nixon-Ford Administration and now vice-president of Riceland Foods in Stuttgart, Arkansas, focused on the urgency of a deliberate developing-sector oriented farm export policy.*

If we are going to continue the momentum of U.S. agricultural exports of the past five years, there are several actions that need to be taken:

First of all, we should emphasize our advantages as a supplier to the world market.

We should complete the policy framework we began several years ago regarding sales of U.S. farm products to Communist countries.

We should provide most-favored-nation tariff treatment on industrial products from the USSR since no country can continue to buy if it cannot sell.

We need to provide short-term government credit to the Peoples' Republic of China for the purchases of U.S. farm products.

We need to emerge from the multilateral trade negotiations with improved access to markets in Western Europe and Japan.

We need to develop a policy framework for the development of export markets in the developing world.

Perhaps this last point is the most important of all. It means the development of a realistic alternative to the UNCTAD program, which, in reality, is a non-starter as far as trade expansion is concerned. It is a political policy, not an economic policy....

Our greatest potential for increasing U.S. agricultural exports lies in the developing countries.... The 1980s will need to be a period when we concentrate our efforts in the developing countries. We need to begin *now*, which means developing a policy framework by which the trade can be developed....

## Japanese Cabinet Announces It Will Not Surrender To Strauss

The new Japanese cabinet has made it clear that it will not surrender to the demands of U.S. Trade Negotiator Robert Strauss.

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### JAPAN

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On Dec. 6, Strauss predicted that Japan would announce "substantial concessions" on trade and monetary questions, and that nothing less would be acceptable. But two days later Nobuhiko Ushiba, Japan's new Minister for External Economic Affairs who will visit Strauss this week, told the *Wall Street Journal* "I don't know how to satisfy him (Strauss—ed.) but I expect it will be rather difficult. I'm not going to try and solve everything. I'm trying to come to a better understanding with American authorities ... but I don't expect a total solution."

Ushiba said Japan would unilaterally lower tariffs on a broad range of products such as smoked herring, and promised that Japan's trade surplus would be reduced "substantially" in the fiscal year beginning April 1. The Minister then proceeded to reject every other major stipulation made by Strauss.

Replying to the proposition that Japan set a date for going into current account deficit, he said, "No country in the world can commit itself to going into deficit." As for Strauss's insistence that Japan drastically increase imports of manufactured goods, remarking, "You must know that manufactured goods are bought by Japanese private persons. How can we force Japanese consumers to buy when there isn't any demand?" On the question of deflation, Ushiba said Japan was in no position to take "drastic measures to stimulate" the economy. Ushiba added that he was surprised that U.S.-Japan relations had deteriorated "so much, so fast" in the past year.

On Dec. 7, the Japanese cabinet leaked an unofficial list of the proposals Ushiba will make to Strauss this week, mainly promises of tariff cuts that have little

economic significance laced with vaguely worded promises of "orderly" exports and increases in import financing by the government. The *New York Times* remarked that these are hardly the drastic or basic changes that Strauss demanded, and added that the U.S. Administration still insists that Japan commit itself to running a current account deficit.

Some U.S. business circles recognize that it is impossible to force through Strauss's ultimatums, though from varying viewpoints. Brookings Institution staffer Robert Solomon criticized the Administration's heavy-handed dealing with Japan, but then pressed for Japan to institute a massive reflation program, an idea Ushiba has already rejected. The *Wall Street Journal* advises Mr. Strauss to take the same approach once suggested for Vietnam—declare victory and get out—a suggestion that Strauss accept Japan's tariff reduction proposals as sufficient.

### Britain On Japan's 'Intolerable Affront'

The British continue to take the lead in pushing protectionist measures. Japan's *Asahi Evening News* noted that at the recent International Monetary Fund meeting Blumenthal had pledged to the Japanese not to make a protectionist speech, but abandoned the pledge once Britain's Finance Minister Denis Healey started attacking Japan. At the latest EEC meeting, Prime Minister James Callaghan expressed doubts that Japan had gone far enough to reduce its trade surplus. At a talk before the New York City Economic Club, British Ambassador Peter Jay labelled Japan's trade surplus an "intolerable affront," and demanded remedies through "either exchange rates or other less visible barriers." He threatened "action against Japanese exports" if such measures were not taken.