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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
Secretary Earl L. Butz, Secretary of Agriculture
Lt. Gen. Brent Scowcroft, Deputy Assistant
to the President for National Security Affairs

DATE AND TIME: Tuesday, November 26, 1974

PLACE: The Oval Office
The White House

[The press was admitted for photographs]

Butz: Did the Koreans raise the question of the delay in PL 480 shipments?

President: No. But Rhodes mentioned something about Taiwan and Korean cotton.

[The press departed]

President: Tell us about the Food Conference [in Rome, November 5].

Butz: I'm sorry about the food snafu. The Senators played to the television. Henry made an excellent speech. There were references made to it throughout the Conference and it dominated the Conference. It was incorporated in most of the resolutions.

It was a tough Conference, with all the consumers there. There were many anti-American references. At the end, though, the Secretary General of the Conference said the U. S. was far and away the most generous contributor.

Let me go over some of the principal areas. This is a brochure we put out. [Tab A].

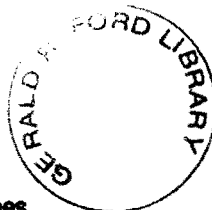
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DECLASSIFIED

E.O. 12958 (as amended) SEC 3.3

NSC Memo, 3/30/06, State Dept. Guidelines

By NARA, Date 8/19/09



~~TOP SECRET~~ XGDS (3)
CLASSIFIED BY: HENRY A. KISSINGER
Downgraded 5/11/04 *JK*

-- First and most important was the effort to expand food production.

-- Then is the problem of food aid. The Indians are buying wheat but they will need 2 million tons more. They have bought about 3.5 million tons. Someone must move wheat or rice into India and Bangladesh.

-- World Food Security. We want to set up a group which will settle the food reserve problem.

-- Information Systems. Even the Soviet Union said they would consider it. The PRC said no.

-- The World Food Council. That's a coordinating and consulting group.

The flap on food started when Canada started when Canada said it would double its aid; Australia said it would increase it too. The Senators went public with their request. In defense of the Administration, I put out how much we have already done. The brochure has all the figures.

President: I'll probably get a question on this in the press conference Friday. Are the voluntary agencies giving us problems?

Butz: Good. No problems. Our corn may not be as tight as we thought. Wheat is down a dollar from the high; corn is about 3.50. We had a heavy wheat planting. Soybeans are down a bit because livestock feeding is down.

President: What about sugar?

Butz: There will be no relief until the new crop. Next year we will have beets running out of our ears. Industry is the big sugar user. The dairy people are raising hell. The beef people are pretty good.

Beef will be down early next year, but pork and poultry will be up.

President: I was disturbed with the flap in Rome. We have to be better organized.

Butz: We should have held our ground.

President: We got the impression that you supported it from the cable you sent back. It was a bad show.



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NEWS

U.S. DEPARTMENT OF AGRICULTURE

NOTE TO CORRESPONDENTS:

WASHINGTON, Nov. 18--The attached fact sheets were handed out by Secretary of Agriculture Earl L. Butz at a press conference Nov. 18 in Washington, D.C., following the Secretary's return from Rome, Italy, where he headed the U.S. delegation to the World Food Conference.

Press Division
Office of Communication

5010

USDA 3315-74



The World Food Conference in Brief

Food Production. The Conference agreed that increased food production is essential in both developed and developing areas. In the case of many developing countries, a reordering of programs, priorities, and farmer incentives is required to stimulate production. The Conference also recognized that additional funds will be required to help developing countries increase production. In this connection, the United States has supported the creation of a voluntary fund. In Rome, the OPEC countries recommended establishment of such a fund. General approval was expressed at the Conference, and follow-up work by the UN will include this proposal. No specific dollar amounts were proposed. In addition, a number of resolutions were passed to improve nutrition programs, child feeding, fertilizer development, and to increase the participation of women in solving world food problems.

Food Aid. The Conference recommended that food aid donor countries make all efforts, beginning in 1975, to provide commodities and/or financial assistance to ensure at least 10 million tons of grain per year as food aid. The Conference recommended that grain exporting and importing countries, as well as present and potential financial contributors meet as soon as possible on immediate food problems. A meeting is scheduled for Nov. 29 in Rome.

World Food Security. The Conference endorsed the FAO undertaking for international cooperation in establishing a world network of national grain reserves. This would involve adoption of general guidelines for national stockholding policies for grains and the use of international consultations and exchange of information. The Conference gave strong endorsement to the proposal that cereal producing, consuming, and trading nations join together to accelerate implementation of such a world reserve system. This Reserve Coordinating Group, as it was described by Secretary Kissinger in his speech at the Conference, will meet soon to get this activity under way.

Information. The Conference decided to establish a Global Information and Early Warning System on Food and Agriculture, described by Secretary Butz in his Conference speech as "essential to the whole objective of improved food security around the world." The Conference agreed that FAO is the most appropriate organization to supervise this system. All governments were invited to participate. In the beginning, the system will concentrate on basic foods, particularly grains. Later, a wide range of commodities will be included.



Trade. The Conference stressed the need for eliminating trade barriers, utilizing the Multilateral Trade Negotiations under the General Agreement on Tariffs and Trade (GATT), as agreed to in the Tokyo Declaration.

World Food Council. The Conference approved establishment of a World Food Council, an organization to have coordinating, consultative and advisory powers with respect to food aid, investment, and other foreign assistance. About 25 members are to be nominated by the UN Economic and Social Council, and elected by the UN General Assembly.

Nov. 18, 1974

U.S. Food Assistance to Other Countries

U.S. Food Aid:

- In eight years 1965-72, provided 84 percent of all food aid contributions of developed countries (both bilateral and multilateral aid).
- 46 percent of all World Food Program aid since beginning in 1962. (Canada second with 13 percent)
- \$25 billion in donations and concessional sales since beginning of P.L. 480 in 1954.
- 143 million tons of wheat, rice, and other grains since 1954.
- Current year: Higher spending level on P.L. 480 than a year ago. More wheat and rice in physical quantities in P.L. 480 programs this year than a year ago.

Aid to Bangladesh:

- U.S. has contributed a third of all food aid to Bangladesh since its independence (1972).
- Current year U.S. is already programming 250,000 tons of wheat and rice to Bangladesh (Title I).
- We are watching food situation closely in Bangladesh.

Aid to India:

- U.S. leading provider of economic development since India's independence.
- Last year, U.S. sent outright donations of \$67 million (far more Title II-type programs than any other country).
- New shipments of food grains expected soon, in addition to Title II donations.

Aid to Sahel:

- U.S. made direct donations of over a half million tons of grain in FY 1973 and FY 1974.
- This year, additional donation of 100,000 tons are now moving to the Sahel.
- U.S. donated \$3.3 million to UN Sahelian Trust Fund through FAO for assuring delivery of food in drought relief programs.
- U.S. has donated \$29 million for aid supplies including medicine, vitamins, tools and equipment.
- U.S. supplied aircraft to assist in delivery.
- U.S. is providing technical assistance to improve production in the Sahel.

U.S. Technical and Developmental Assistance

Fertilizer Development Aid:

- In FY 1975, U.S. will provide 329,000 tons of fertilizer valued at \$164,000,000.
- This could increase substantially during year.
- 2/3 or more of the amount will be purchased offshore.

Development aid and technical assistance:

- U.S. has provided more than \$1½ billion in last 10 years (much of it for agricultural development).
- Current year: FY 1975 budget requested a doubling of FY 1974 development aid with 60 percent earmarked for agriculture.

Training provided for foreign nationals in U.S.:

- For 22 years, have averaged over 1000 a year.

Overseas technical assistance since 1966 (beginning of PASA):

- An average of 300 USDA people serve overseas in any given year.
- Land Grant Colleges have provided more than 1,000 man years since 1960.

P.L. 480 Research Grants:

- Since 1954, P.L. 480 counterpart funds have provided 1500 research grants in 32 countries.

Direct Grants to Overseas Research Centers:

- USDA provides one-fourth of the budgets for 10 research centers around the world, including IRRI (Philippines) and the Center for maize and wheat improvement in Mexico.
- By 1978, these contributions will double.

P.L. 480 Proceeds for Economic Development:

- In 20 years, \$11 billion has been generated by P.L. 480 for development use by foreign countries.



✓ P/Butz 26 Nov 1974

B Did Koreans raise question of delay in PLK 80 shipments.
P No. But Rhodes mentioned something about fairness of Korean cotton.

B (Explained something about prices (Pace out))

P Talks about food crisis

B Sorry about food crisis. The Senators played to a TV. K. small and excellent speech. References made throughout and it dominated and dominated in most of the session.

It was tough. very up and down. Many anti US speech references. etc and the Secretary of the Conf said US was far away a most generous contributor.
(Went then back home on a Conf.)

Food Production

Food Aid - India has been buying wheat but they will need 2 million more. They have but about 3/4 million.

Someone must move wheat or rice into India + Bangladesh.

World Food Security - This program will settle food requirements. Life Support. Even so said they would consider it. P.C. similar World Council Council - a consult + consult group.

The flap on food aid started when Canada said it would double its aid; Austria said it would increase.

The Senators went public w/ their request. The defense Dept said how much we have already done (attached) (Described Purchase)

P I will probably get a position in Peace Conference



P ~~at~~ on a vol. agencies giving us info.

B They got to Clark - he asked for Title II. I think we better off using what we have under Title I

We must broaden steps for holding food reserves. Japan has been doing its share.

P ~~How~~ are we doing on monitoring?

B Good. Two parts. One comes may not be as tight as we thought. Wheat is down a dollar from a high; corn is about 75¢. We had from wheat planting. Soybeans down a bit because ^{harvest} planting is down

P How about sugar?

B In relief until now crop. Next year we will have better harvesting out one year. Industry is the big sugar user. The dairy people are causing hell. The beef people are pretty good.

Beef will be down early next year but pork & poultry up.

(Domestic price supports)

P I was disturbed w/c flap in Rome. We have to be better organized.

B We should have held our ground & little talk - speak

P We got a impression that you supported the way you went to it. It was a broad theme.

