9/28/77 [3]

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 9/28/77 [3]; Container 44

To See Complete Finding Aid:
http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf

8:55 AM

[redacted]

THE WHITE HOUSE

WASHINGTON

September 27, 1977

MEETING WITH SENATOR JOHN A. DURKIN
Wednesday, September 28, 1977
8:55 a.m. (5 minutes)
Oval Office

From: Frank Moore F.M.

I. PURPOSE

Photo opportunity.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: This meeting was scheduled pursuant to your advice that you would make a photo opportunity available to Senator Durkin.

B. Participants: The President
Senator Durkin
Frank Moore

C. Press Plan: White House Photos Only.

III. TALKING POINTS

Not necessary.

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

September 28, 1977

Stu Eizenstat
Peter Bourne

The attached was returned in the President's outbox today. This copy is sent to you for your information and appropriate handling. The signed original of the Presidential memos have been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: The Vice President
Jody Powell
Jack Watson
Jim McIntyre
Charles Schultze
Zbig Brzezinski
Bob Linder

RE: WORLD HUNGER INITIATIVE/INTERNATIONAL FOOD AND AGRICULTURE POLICY

THE WHITE HOUSE
WASHINGTON

September 28, 1977

Stu Eizenstat
Peter Bourne

The attached was returned in the President's outbox today. This copy is sent to you for your information and appropriate handling. The signed original of the Presidential memos have been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: The Vice President
Jody Powell
Jack Watson
Jim McIntyre
Charles Schultze
Zbig Brzezinski
Bob Linder

RE: WORLD HUNGER INITIATIVE/INTERNATIONAL FOOD AND AGRICULTURE POLICY

THE WHITE HOUSE
WASHINGTON

9/28/77

Mr. President:

The attached September 26 memo from Stu Eizenstat responds to your comments on earlier memos from Bourne & Bergland (Tab A) and Eizenstat (Tab B).

The memorandum to heads of departments and agencies proposed by Stu is very similar to the presidential memorandum proposed in his August 30 memo (Tab B).

Peter Bourne's memo of September 14 (at Tab C) is submitted to you now for the first time (after a great deal of back & forth between Stu and Peter). Staff comments on Peter's memo are also attached at Tab C; Jim Fallows has edited the presidential memorandum proposed by Peter.

---Rick

1. amend this memo + have signed by pen
2. send out copies of Bourne memo and 2 pres memos:

THE WHITE HOUSE

WASHINGTON

3. send also SE + Jody copy of his memo

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
/		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
	/	POWELL
	/	WATSON
	/	LANCE
	/	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

		ARAGON
/		BOURNE
	/	BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		HARDEN
		HUTCHESON
		JAGODA
		KING

		KRAFT
		LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		POSTON
		PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
		VOORDE
		WARREN

Stu - p 2 of the memo 2nd P, Last sentence add (after "to me") "and to the Sec. of Agriculture" JC

THE WHITE HOUSE

WASHINGTON

September 26, 1977

CONFIDENTIAL -- NOT FOR CIRCULATION

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT Stu

SUBJECT: World Hunger/International Food and Agricultural Policy

This memorandum will comment on the following related matters:

TAB A 1) Your request that I advise on Peter Bourne's August 26, 1977 memorandum commenting on Secretary Bergland's excellent August 15 report on International Food and Agricultural Policy;

TAB B 2) Your comment on our August 30 recommendation that the Secretary of Agriculture form a working group on food and agricultural policy. On that recommendation you said the following: "Stu -- I don't like this -- Prefer single coordinator (you, Schultze, etc.) with Bourne and all others involved. Subcommittees might be formed to contribute to one Agricultural/Food analysis."; and

TAB C 3) Peter Bourne's memorandum of September 14, 1977 proposing that he chair the world hunger working group.

While in many obvious areas there is an overlap between the world hunger issue and the development of a food and agricultural policy, both foreign and domestic, there are also marked differences.

Thus, in developing a coherent national and international food and agricultural policy it seems clear to me that the Department of Agriculture should be the lead agency because of the technical issues involved -- price supports, set-asides, international agricultural agreements, buffer stocks, import quotas, and the like.

Electrostatic Copy Made for Preservation Purposes

With regard to world hunger and Peter's September 14 memorandum, I have no opinion on whether the world hunger working group should be co-chaired by Peter and NSC, as recommended by NSC and OMB, or simply by Peter. Peter makes a valid point in arguing that NSC leadership would be viewed by some interests as linking the issue to military security.

It seems to me that this working group, perhaps under Peter, might serve as a subcommittee to the broader food and agricultural policy coordinating committee. This would permit Peter to run the world hunger study but would let the broader and more technical food and agricultural policy issues follow Secretary Bergland's lead. It would also tie the two activities together.

I have met with Peter and he agrees with the suggestion that you form a subcommittee on world hunger with the subcommittee reporting directly to you rather than through the overall committee. Also, I have checked this with Agriculture and they see no problem.

Assuming you decide to sign the farm bill (signing ceremony now planned for 10:30 a.m. Thursday), you might want to announce formation of these groups at the signing ceremony.

THE WHITE HOUSE

WASHINGTON

September 17, 1977

~~CONFIDENTIAL~~ -- NOT FOR CIRCULATION

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: World Hunger/International Food and Agricultural Policy

This memorandum will comment on the following related matters:

1) Your request that I advise on Peter Bourne's August 26, 1977 memorandum commenting on Secretary Bergland's August 15 excellent report on International Food and Agricultural Policy;

2) Your comment on our August 30 recommendation that the Secretary of Agriculture form a working group on food and agricultural policy. On that recommendation you said the following: "Stu -- I don't like this -- Prefer single coordinator (you, Schultze, etc.)with Bourne and all others involved. Subcommittees might be formed to contribute to one Agricultural/Food analysis."; and

3) Peter Bourne's memorandum of September 14, 1977 proposing that he chair the world hunger working group.

While in many obvious areas there is an overlap between the world hunger issue and the development of a food and agricultural policy, both foreign and domestic, there are also marked differences.

Thus, in developing a coherent national and international food and agricultural policy it seems clear to me that the Department of Agriculture, through a PRM process (NSC and/or Domestic Policy Staff) should be the lead agency because of the technical issues involved --- price supports, set-asides, international agricultural agreements, buffer stocks, import quotas, agricultural commodities, and the like.

DETERMINED TO BE AN ADMINISTRATIVE MARKING

With regard to world hunger and Peter's September 14 memorandum, I have no opinion on whether the world hunger working group should be co-chaired by Peter and NSC, as recommended by NSC and OMB, or simply by Peter.

It seems to me that this working group, perhaps under Peter, might serve as a subcommittee to the broader food and agricultural policy study, which I have suggested might be done under a PRM. This would permit Peter to run the world hunger study but would let the broader and more technical food and agricultural policy issues follow Secretary Bergland's lead. It would also tie the two studies together.

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

September 14, 1977

Peter - Conform to memos - J.C.

MEMORANDUM FOR THE PRESIDENT

FROM : PETER G. BOURNE P.B.

SUBJECT: WORLD HUNGER INITIATIVE

This memorandum was prepared by an Ad Hoc Executive Office Working Group on World Hunger, chaired by my office, with participation of the National Security Council, Domestic Council, White House Intergovernmental Relations Office, Office of Science and Technology Policy, Council of Economic Advisers, Office of Management and Budget, Office of the Special Assistant for Consumer Affairs, and Council on Environmental Quality.

I. Purpose

To respond to your request for ideas and policy options on world hunger and to seek your guidance on how to develop policy initiatives.

II. Background

Interest in the world hunger issue is extensive within Government agencies and throughout the private sector.

--Executive Office. Interest in and a desire to be part of the development of any world hunger initiative has already been expressed by the agencies which make up the Ad Hoc Executive Office World Hunger Working Group.

--Congress. A letter to you signed by 33 members of Congress in June encouraged a Presidential world hunger initiative. Recent legislative changes designed to make development assistance and food aid policies more human needs oriented reflect Congressional interest on which a Presidential initiative might build. A substantial number of members in both Houses plan to introduce on September 27 a resolution calling on you to establish a Presidential Commission on World Hunger. Their efforts are in principle supportive of your interest in a hunger initiative.

--International Organizations. The world hunger issue has received priority attention in recent years in organizations such as the World Food Council, the U.N. Food and Agricultural Organization, the International Fund for Agricultural Development, and the World Bank; these and other organizations could be important vehicles for helping to implement a Presidential initiative.

--Private Sector. Interest includes both experts and organizations wishing to participate in the development of policies and to organize public support for appropriate Presidential actions once announced.

In addition, several foreign policy and food studies have been conducted or are in progress. These studies include departmental reviews, such as USDA's International Food and Agriculture Assessment (recently submitted to you) and OMB's Food and Nutrition Reorganization Study as well as interdepartmental and private sector reviews such as the National Academy of Science's World Food and Nutrition Study, the Development Coordinating Committee Study on Foreign Aid, the National Security Council PRM-8, the Vance-Blumenthal Study on Foreign Aid as it relates to multilateral assistance, the Brookings Institution study of foreign aid, and the International Health Assessment (currently being conducted by my office).

To make maximum use of this broad interest in the hunger issue, a mechanism is needed which reports directly to you and is coordinated with Stu Eizenstat's proposed Cabinet-level Group on Food and Agricultural Policy. This would assure that preliminary planning for a Presidential world hunger initiative adequately involves the Executive Office, the line Agencies, the Congress, international organizations, and the private sector. Since Stu received your views on his proposed ongoing mechanism, we have reached an agreement with him. In order to ensure coordination, I should be a member of the Full Committee as well as continue to serve as White House Coordinator on World Hunger.

III. Assumptions

In developing the process for shaping such an initiative, we are making the following assumptions:

1. That you wish to demonstrate publicly in the near future your commitment to do something about world hunger--perhaps within the next 2 months. We sense that you do not want another study but prefer a series of actions.

2. That you view world hunger as a global issue, including concern for malnutrition at home as well as abroad.

3. That you intend your interest in world hunger to be understood as part of your overall concern for basic human needs, not an isolated issue. Your initiative would thus be one major further step in demonstrating concretely your commitment to improve the quality of life throughout the world.

IV. Strategy

If you agree with the above assumptions, we propose the following actions:

1. Development of a Policy Statement on World Hunger

There is broad agreement among experts in the field that one of the most important Presidential actions would be to make a crisp, concise statement of United States policy with regard to world hunger. Your involvement is critical to mobilizing national and international efforts to alleviate global hunger. Recent food-related legislation, ample current grain supplies, and the constructive developing country attitudes manifested at the June meeting of the World Food Council offer you an opportunity to play a timely leadership role.

A statement based on policy options developed by the Departments and the Executive Office of the President could specify actions such as:

--To help developing countries accelerate their efforts to achieve food self-reliance.

--To assure adequate food aid levels on a multiyear basis for humanitarian and developmental purposes and to increase the effectiveness of such aid.

--To work with other nations to develop international food reserves for food security, emergency relief, and price stability.

--To increase access to food through special trade arrangements and other measures.

--To strengthen the capacity of multilateral food-related institutions such as the World Food Council and the U.N. Food and Agricultural Organization.

--To accelerate relevant food and nutrition research activities.

Other specific policy areas could be included based on further agency inputs during the planning process.

The basic goal of these policy measures would be to help improve the nutritional well-being of the world's hungry people. The hunger statement would also serve as a basic point of reference in the Administration's overall human needs initiative.

The policy statement should be specific enough to define your commitment yet should avoid closing off ideas and options which might grow out of the various studies now underway. While the statement would allude to domestic food and nutrition problems and programs, its primary focus would be international. Policy options underlying a statement on hunger could be prepared by the World Hunger Working Group in 8 to 10 weeks. After choosing your preferred options, you could deliver a message describing U.S. policy actions to the United Nations, to the Congress, or in another forum of your choosing.

Decision: Approve _____

Disapprove _____

2. Expansion of World Hunger Working Group

The Ad Hoc Executive Office Working Group (which has prepared this memorandum and previous comments on material sent to you by Secretary Bergland and Stu Eizenstat) should be expanded to include direct representation from the relevant Departments and Agencies. The resulting World Hunger Working Group (WG) chaired by me would be in effect a subunit of Stu's proposed Cabinet-level Interagency Group on Food and Agricultural Policy of which I would also be a member. The WG (subcommittee) would as rapidly as possible develop policy options and subsequently a Presidential statement on world hunger. The expanded membership of the WG may increase the difficulties of coordination; however, we believe that the participation in the process by the Agencies that would implement the initiative is indispensable.

A small task force of private consultants representing a variety of interests and expertise as well as personnel temporarily detailed from the Agencies will serve with my staff to support the Working Group.

Decision: Approve _____

Disapprove _____

3. Preparation of Cabinet Memorandum (attached)

The World Hunger Working Group would prepare a memorandum for you to issue to Cabinet Departments and Agencies. The memorandum would announce the establishment of the Working Group and would direct Cabinet Secretaries and Agency heads to provide it with their views and recommendations.

Decision: Approve _____ ~~(Prepare a memo to Cabinet)~~ (send attached memo)

Disapprove _____

4. Involvement of the Private Sector

Private sector representatives--from agriculture, business, labor, universities, foundations, and the religious community--should be included in the above process. Informally this could be done through contacts by the Working Group with private sector individuals and organizations. On a more formal basis, private sector input could be assured by the establishment of a small but prestigious private sector Consultative Group to serve as the visible public advisory body in the development of the Administration's world hunger initiative.

Informal consultation with the private sector could lay the basis for eventual public support, avoiding the risks of public discussion prior to the announcement of the policy. Use of a more formal mechanism would make for more visible public involvement in the process but might delay it and produce recommendations with which you might have to disagree publicly.

Decision: Involve private sector informally _____

Establish Private Consultative Group (prepare names for my review) _____

5. Presidential Communication with Selected Members of Congress

Building on increased Congressional concern for world hunger, you should communicate your interest to members of Congress, including those advocating a Presidential Commission on World Hunger. The purpose would be to state your intention to

launch an Administration program on world hunger and solicit their views on food policy issues. We believe that by discussing these matters with the House and Senate leadership you will engender support for the initiative and demonstrate your resolve to act. This also may develop additional support for overall foreign aid policies.

Decision: Arrange meeting with selected members of Senate and House by early October to discuss broad issues of international food policy _____

Prepare draft letter to selected members of Congress on my plans in this area _____

Defer contacts with Congress on hunger issues _____

Summary of Comments on Who Should Chair the WG

The respective positions are as follows:

--NSC proposes that the World Hunger Working Group be co-chaired by my office and the NSC staff in order (1) to increase coordination necessary among members of the Working Group, and (2) to ensure that the Working Group's work is fully related to all aspects of U.S. development assistance and foreign economic policies.

--OMB supports NSC's recommendation that the Working Group be jointly chaired by my office and the NSC staff. OMB contends that continuing involvement of my office is obviously needed if the Working Group is to maintain the momentum already developed by my efforts these past months; however, they contend that if NSC co-chairs the Working Group, it will ensure that the world hunger initiative will reinforce, and in turn be reinforced by other U.S. efforts abroad.

--My position is that I should chair the Working Group and NSC should continue to participate fully as a key member as it has up to now. This ensures coordination with ongoing foreign policy reviews.

Moreover, if NSC were made co-chairman, in the eyes of the public and Congress this would not separate hunger from NSC's major policy responsibilities such as weapons sales, nuclear proliferation, and relations with the Soviets and Chinese; ~~Stu Eizenstat concurs on this position~~.

Finally, I was designated the lead person in the White House on this issue by you in an August Cabinet meeting. Changing this position may create confusion in the private sector and Congress as to your intention to crystallize public support for basic human needs using world hunger as the rallying point.

Decision: World Hunger Working Group chaired by Peter Bourne (as stated in attached proposed presidential memorandum to heads of departments and agencies) _____

World Hunger Working Group co-chaired by Peter Bourne and NSC (NSC, State, and OMB support) _____

THE PRESIDENT HAS SEEN.

Stu advise F

THE WHITE HOUSE

WASHINGTON

August 26, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: PETER G. BOURNE P.B.

SUBJECT: BERGLAND MEMORANDUM DATED AUGUST 15, 1977, RE REPORT ON INTERNATIONAL FOOD AND AGRICULTURE

The comments contained in this memo were coordinated with the NSC, DC, OMB, OSTP, CEA, and the Cabinet Secretary.

I. Summary Analysis

Secretary Bergland's excellent report is encouraging in that he proposes that the Department of Agriculture become a full collaborator on international food policy governmentwide, and expresses a concern for food policies which address the basic human needs of the poor in the world. The key step to take now is to establish, where possible, specific Administration goals to achieve by 1980 which will dictate the policies to pursue. The flaws in the report are the absence of specifics concerning a procedure to arrive at an Administration position, a temporary coordinating mechanism, and lack of emphasis on particular aspects of the needs of the poor in the developing world. However, this can be resolved through a deliberative forum where the views of primary departments and agencies (State, Agriculture, AID, Treasury, the Peace Corps, etc.) and the private sector (in particular, farmers, businessmen) are taken into consideration in molding Administration food policy.

II. Key Proposals of Importance

--A UN speech by the President. It was felt that the UN speech should be considerably broader than simply a discussion of the world food problem, and indeed broader than basic human needs. It needs to lay out the President's global approach, particularly focusing on the type of world we envisage in coming decades. In so doing, however, it should communicate clearly the

necessity of addressing the world food problem. The view was that an early October speech would be premature and that the President should await development of specific policies first.

--An expanded role for the Department of Agriculture. This newly expanded role should be developed in close collaboration with State, AID, NSC, OMB, and the White House, also with adequate involvement of the private sector as well as Congress.

--U.S.D.A.'s approach to commercial food sales, food reserves, trade, and food aid. However, what is required is the balancing of interests in this area with other interests including ensuring more equitable distribution of food to the poor, the relationship of our present U.S. and foreign agricultural production policies to nutrition (both at home and abroad), and the institutional linkages required to bring about a coordinated policy in these areas.

--Foreign Food Assistance. Provided, however, that the emphasis is on the poor nations.

--Scientific and technical collaboration. Provided, however, that the emphasis is on useful technology in support of the poor producers. Investment in basic agricultural research both here and abroad will be necessary in order to enhance the world's productive capacity for the intermediate and longer term. This is essential both to provide adequate food supply abroad as well as to keep food costs down domestically.

--International trade arrangements.

III. Specific Negative Attributes of the Report

--The report, though well conceived, was developed in somewhat of a policy vacuum. To the best of our knowledge, many of the principals in and out of government did not officially engage in collaborative consultation with Agriculture in developing the report. This can easily be rectified by convening a steering group made up of the principal agencies, to develop a set of governmentwide recommendations for the President to consider.

--The report lacks a budget impact analysis.

--The report lacks a specific set of measurable goals which identify what it is that all these policy initiatives will accomplish.

--Downplays the conflicting, competing, and overlapping policies now in place among the many agencies (26 agencies involved) and does not suggest how these problems will be worked out beyond consultation. Much more is required and leadership from the Executive Office could ensure that all views were considered in a policy evaluation.

In fact, what appears to be needed is to reform the present patchwork set of authorities and functions and, during the interim, establish a temporary coordinating mechanism which ensures that the various government and private interests are taken into consideration in making and executing policy over the short run and until the reforms are implemented.

--More attention should be given to the "demand" side of hunger, i.e., the ability of people to buy food. One key element in overcoming world hunger is to promote adequate development to enable people to earn enough money to buy the food they need. Simply focusing on increased production might lower food costs, but unless the question of hunger is looked at in an overall developmental context, we will be addressing only the supply side and not the demand side. This argues for avoiding too much of a shift from AID to the Department of Agriculture in dealing with the problem of world hunger.

--There is no objective analysis of the advantages and disadvantages of policy recommendations, and no alternatives suggested. The President needs to know the political and economic implications of a recommendation and the various alternatives available before deciding on a policy. Otherwise, there is no way to judge how one recommendation impacts on overall Administration objectives in this area.

--The report does not address the OMB Food Policy Reorganization Initiative or the AID and Brookings Development Assistance studies.

IV. Next Steps

A. It is recommended that you send a memorandum to Secretary Bergland commending him for the very welcome, thoughtful, and innovative report. Furthermore, the letter should indicate that plans are to include Secretary Bergland as a principal participant in the international food policy issue. A proposed draft letter to the Secretary of Agriculture is attached.

B. As you may recall, you requested Peter Bourne, Zbig Brzezinski, Stu Eizenstat and Frank Press to suggest a plan on World Hunger. We have been working on this and within the next two weeks will be submitting for your consideration a memorandum that proposes some initial steps needed to develop a coordinated world food policy.

Attachment

THE WHITE HOUSE

WASHINGTON

To Secretary Bob Bergland

I would like to commend you on your very welcome, thoughtful and innovative "Report on International Food and Agriculture." I recently requested that my staff recommend a plan to coordinate world food policy. I will decide on the appropriate steps within the next few weeks, at which time you will be included as a principal participant in the formulation of world food policies.

Sincerely,

The Honorable Bob S. Bergland
Secretary of Agriculture
Washington, D.C. 20250

To Secretary Bob Bergland

I would like to commend you on your very welcome, thoughtful and innovative "Report on International Food and Agriculture." I recently requested that my staff recommend a plan to coordinate world food policy. I will decide on the appropriate steps within the next few weeks, at which time you will be included as a principal participant in the formulation of world food policies.

Sincerely,

The Honorable Bob S. Bergland
Secretary of Agriculture
Washington, D.C. 20250

JC/nm

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

August 15, 1977

RL

President Jimmy Carter
The White House
Washington, D. C.

Dear Mr. President:

I enclose for your information and comment my report on international food and agriculture.

My report outlines initiatives the Carter Administration should consider and other initiatives already underway in the Department of Agriculture.

The aim is to create a framework for the United States Government's actions in food and agriculture in developing and developed countries.

I am sending copies of my report to the Vice President and Stuart Eizenstat.

Sincerely,

BOB BERGLAND
Secretary

Enclosures

REPORT TO PRESIDENT JIMMY CARTER

INTERNATIONAL FOOD AND AGRICULTURE

BOB BERGLAND, SECRETARY OF AGRICULTURE

August 15, 1977

Situation

You have made clear your commitment to fulfilling basic human needs in the United States and abroad. You have emphasized that food is a centerpiece of your foreign policy. These policy positions have to be translated into action.

The United States exports $24 billion worth of agricultural products each year. Our surplus in agricultural trade is the dominant factor in our foreign exchange earnings. This Administration's actions must reflect this economic reality.

Now that domestic farm legislation is taking shape, the Carter Administration should focus on initiatives in international food and agriculture. In this report I suggest the directions these initiatives should take.

International Organizations

At the World Food Council meeting in June the United States moved into leadership on problems of food in the Third World. This advantage will be lost unless we exercise further leadership promptly and consistently.

-- I understand you are considering a speech before the United Nations General Assembly in September. This would be an excellent forum for you to specify initiatives on basic human needs, especially food, and to specify objectives we seek in international organizations concerned with food and agriculture. I will send you suggestions for topics to be included in such a speech.

-- The meeting of the Food and Agriculture Organization in Rome in November provides another opportunity for this Administration to make a positive turn in American policy. Mainly because of attitudes carried over from the past, the United States is seen as being more interested in haggling over FAO's budget than in FAO's real purposes. In my speech to the meeting in Rome I plan to emphasize this Administration's commitment to the FAO as a principal instrument for progress in world food and agriculture as well as our commitment to helping improve the effectiveness of the FAO.

-- In order to sustain our leadership in international organizations concerned with food and agriculture, Secretary Vance and I need to work out better means for exercising that leadership. Because of habits from the past, the Departments of State and Agriculture (and some other departments) tend to compete for leadership rather than concentrate on substance. Our working arrangements should reflect the facts that the Department of State has primary responsibility for coordinating foreign policy and that the Department of Agriculture has primary responsibility for substantive and technical decision-making on food and agriculture. I will work out necessary arrangements with Secretary Vance.

-- The Department of Agriculture also needs to work closely with international development banks on agricultural projects. In 1976 agricultural projects financed by these banks amounted to about $3 billion. The World Bank has invited our participation, and we will take up that invitation.

Foreign Food Assistance

In September you will receive recommendations from the Development Coordinating Committee and the Brookings Institution about the overall shape

and scale of the United States' official development assistance. Probably you will have to choose among divergent options on substance and organization.

In my view, this Administration's foreign assistance program should be built on effective actions to deal with malnutrition and with inadequate rates of growth of food production in poor countries. I believe there is widespread support among the American people and in the Congress for this approach. But the structure we have inherited -- with its confused objectives and complicated administration -- is not delivering the goods.

I will submit for your consideration:

-- Proposed legislation to improve foreign food assistance now carried out under Public Law 480. The legislation would provide specific programs and specific budget items for: emergency assistance, including food-security arrangements for poor countries; humanitarian assistance directed to malnourished poor people and combined with local self-help projects for these families to raise their incomes; food for development, both to support major developmental projects such as land reform and to support long-term developmental policies by the governments of poor countries; and supporting assistance for situations, such as the Middle East, where the United States' strategic interests are involved. The legislation would provide for multiple-year commitments and reserve stocks of American food to back up these commitments. The legislation also would provide for active participation by voluntary organizations and land-grant universities and for collaboration between the Department of State/ Agency for International Development and the Department of Agriculture in administering foreign food assistance.

-- Recommendations for introducing effective management of foreign food assistance. Now the lines of responsibility and authority in Washington and the field seem designed to maximize conflict and minimize accomplishment. The P. L. 480 Interagency Staff Committee -- a group composed of non-policy-level people, many of whom have inadequate knowledge of food and agriculture and the countries to which our food assistance is directed -- should be abolished. After consulting with Secretary Vance and Governor Gilligan, I will recommend to you an arrangement between State/AID and the Department of Agriculture which will establish executive responsibility for P. L. 480 and will bring together our foreign policy and developmental interests with professional knowledge of food and agriculture in developing countries.

Scientific and Technical Collaboration

On June 20 the National Research Council (NRC) submitted to you an excellent analysis of the world food and nutrition situation and recommended actions by the United States Government to deal with that situation. The NRC stressed the need to expand food production in poor countries and to improve the distribution of the benefits of that increased production to satisfy nutritional needs of the poor. The NRC also emphasized that efficient food production here and abroad requires sustained scientific and technical collaboration between the United States and other countries. In fact, such collaboration supports both our developmental interests and our commercial interests.

Already the Department of Agriculture has collaborative arrangements with some 20 countries outside the group of countries served by the AID. Taking these two groups of countries together, the existing and prospective

demand on the United States' scientific and technical resources in food and agriculture is huge. These resources exist primarily in land-grant universities and the Department of Agriculture and, to a lesser but significant extent, in the private sector.

However, the United States Government is not organized to marshall these resources and put them to work. For example, except for arrangements which are fully financed by other countries, such as Saudi Arabia, and particular projects financed by the AID, the Department of Agriculture has no specific funds for international scientific and technical collaboration in food and agriculture. Although existing foreign assistance legislation authorizes funds for collaboration by land-grant universities and this Department on problems of food and agriculture in developing countries, in fact these funds are not being used. The result is piecemeal efforts far short of what the NRC recommends.

In the Department of Agriculture's budget estimates for fiscal year 1979, I will recommend funds to be used by land-grant universities and this Department to undertake scientific and technical collaboration with other countries -- both developed and developing -- along the lines recommended by the NRC. These estimates will include funds for the universities and this Department to develop resources for serious, sustained contributions to developing food and agriculture in poor, food-deficit countries. I don't propose to go into competition with the AID abroad, but I do intend to press the case for this Department's having sufficient funds and expertise to sustain scientific and technical work on international problems of food and agriculture.

-- I am designating a senior officer of the Department of Agriculture to be responsible for organizing this Department's participation in and our arrangements with land-grant universities for scientific and technical collaboration with other countries.

International Trade Arrangements

Negotiations in the International Wheat Council (IWC) and the Multilateral Trade Negotiations (MTN) will begin in earnest in Autumn 1977. Our basic objectives in these trade negotiations are to dampen wide swings in prices for producers and consumers, improve world food security, and expand trade flows of agricultural products.

The Office of the Special Trade Representative (STR) and the Department of Agriculture are collaborating closely in these negotiations. This Department is providing staff to the STR and is doing substantive and technical analyses for the agricultural trade negotiations.

-- The Carter Administration should give prominence to our agricultural objectives in these multilateral negotiations, because agriculture may be the knottiest area. So you can put your personal stamp on the negotiations, I suggest that you, Ambassador Strauss, and I meet in the White House with Congressional leaders to discuss our agricultural objectives and that you then meet with the press. This best could be done in September, before serious discussions in the IWC and the MTN begin.

-- In parallel with our seeking dependable multilateral arrangements, we should make clear our intention to be affirmative marketers of America's agricultural products. Among other things, this might impose some discipline on our competitors and encourage them to take the multilateral negotiations

more seriously. In the following section I outline initiatives in commercial export promotion. We should proceed now with bilateral arrangements with centrally-planned countries which do not participate in the MTN and with other initiatives which do not conflict with multilateral negotiations.

Commercial Export Promotion

Commercial sales are by far the predominant element of our international agricultural trade. We need an effective commercial export strategy and effective program management to support that strategy. This Administration should assure that the United States is a dependable supplier of high quality agricultural products to the world.

The Department of Agriculture is taking these actions:

-- We are analyzing individual countries abroad, and we are looking especially for those situations where rising economic demand can create rising markets for American agricultural products, now and in the future. Using this information, we will design three- to five-year plans with American agricultural export-promotion associations for markets in individual countries. Depending on the characteristics of each market, these plans will combine market-development activities by the private export-promotion associations, credit facilities from the private sector and from the United States Government, and commercial supply arrangements backed up by appropriate commitments from the Commodity Credit Corporation (CCC). We intend to complete these plans for major countries by June 1978 or earlier.

-- We will examine whether American agricultural cooperatives need special help from the Department of Agriculture to operate directly in foreign markets. Our international grain trade is dominated by a handful

of private companies which operate as multinationals; they do not seek to optimize American exports. American cooperatives might enliven competition and expand exports of American grain. We will consult with cooperatives in order to develop definite plans by the end of 1977.

-- We will design an intermediate credit program to fill in the gap between the one- to three-year credits now available from the CCC and the 20- to 40-year loans available under P. L. 480. This new credit program would address situations, such as Korea and Portugal, where development is not a primary consideration and help us market products, such as breeding cattle, for which the CCC's three-year credit maximum is unrealistic. The intermediate credit program will be designed this year, in time to be included in the budget for FY 1979, but probably should be held in reserve pending the outcome of multilateral trade negotiations. We will work with the Export-Import Bank in designing this program.

-- In our budget for FY 1979 we will recommend establishing a first group -- perhaps half a dozen -- of American agricultural trade offices abroad. IBM, Chase Manhattan, and Pan Am maintain highly visible presences abroad, but American agriculture does not. These trade offices would be operated on contract in collaboration with American export-promotion associations and would bring together some activities now conducted independently by these associations and by agricultural attaches.

-- We are acting to assure the quality of American agricultural exports through better inspection arrangements. These actions include tighter licensing and monitoring of inspectors, better means for fumigating

stored grain and for detecting hidden insect infestation, and better testing of the protein content of wheat.

-- We will work with private industry and governmental agencies to help develop storage and distribution facilities in countries whose imports are constrained by lack of such facilities. These facilities are especially important to poor, food-deficit countries.

I plan to highlight these initiatives in commercial export promotion in speeches during the coming weeks.

Program Management

Many of the initiatives I have outlined in this report interact with each other. A foreign food assistance program along the lines I have sketched requires a different approach to reserve stocks and forward planning than the United States has practiced until now. Multilateral trade negotiations interact with both our assistance to poor countries and our commercial trade. And so on. Because of these interactions, the Carter Administration needs to develop a pattern of policies and actions which links our domestic and foreign concerns in food and agriculture.

The absence of such a pattern can be painful to people in the United States and to people in other countries. For example, because our predecessors had no strategy for dealing with changes in international supply and demand for agricultural products, the United States' trade has had to absorb most of the fluctuations in world market conditions. For the same reason, food supplies for hungry people in the poorest countries were curtailed when their needs were critical.

In order to create a pattern for dealing with international food and agriculture, the Department of Agriculture is analyzing these program-management instruments and how they fit together:

-- Farmer-controlled stocks to be used primarily for stabilizing domestic market conditions in the interests of producers and consumers in the United States.

-- Government-controlled stocks to be used primarily for exercising the United States' obligations in international agreements -- both multilateral and bilateral -- and in food-security and developmental arrangements with poor, food-deficit countries.

-- Adjustments in agricultural production in the United States, through acreage adjustments and other means, to maintain appropriate supplies for stocks and for current demand.

-- Bilateral and multilateral trading arrangements as they interact with the above instruments.

We intend to complete much of this analysis by the end of 1977. We expect this analysis will yield legislative recommendations.

Also, in analyzing the food and agricultural situations in developing and developed countries abroad, we are examining the range of instruments available to the United States for dealing with individual countries. Particular countries may be candidates simultaneously for food assistance, scientific and technical collaboration, commercial export-promotion, bilateral agreements, and multilateral commodity agreements. To fit this range of instruments to individual countries requires information, planning, and

management which by and large have not been done until now. We also intend to complete a first round of these country plans by the end of 1977.

Action

I have outlined the several actions underway in the Department of Agriculture.

The FY 1979 budget and the legislative agenda for 1978 will be vehicles for your taking decisions on items which represent significant new departures or financial commitments.

Many of the items in this report should be included in formal Presidential messages at the beginning of 1978 and in speeches between now and then. My colleagues will work with Stuart Eizenstat to see that you receive recommended language for these messages and speeches.

If you agree it will be useful, I will plan to present informal reports on international food and agriculture to you and the members of the Cabinet each quarter.

B

Stu - like this - I don't like prefer single coordinator. (Yes, Schultze, etc) with Bourne & all others members. Sub committees might be formed to contribute to one Ag/food analysis J.C.

THE PRESIDENT HAS SEEN:

THE WHITE HOUSE

WASHINGTON

August 30, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
LYNN DAFT

SUBJECT: Establishment of an Interagency Working Group on Food and Agricultural Policy

Secretary Bergland has recommended that you establish an Interagency Working Group to assist in the formulation of food and agricultural policy.

We endorse this recommendation. We think it offers a means of more systematically involving the several agencies that have a stake in the formulation of agricultural policy. Also, we think it can be done in a way that will complement the new decision process now being developed. In addition, it underscores your commitment to Cabinet government.

Peter Bourne raised a concern regarding the role of this working group vis-a-vis Peter's role in developing an Administration initiative on world hunger. We see no problem in that regard. We have talked to Peter and in accord with his concerns, we have modified the proposed memorandum from you to the relevant agencies to make it clear that this working group is not the Administration's vehicle for developing a comprehensive world hunger policy. The Interagency Working Group, as we envision its operation, would concentrate on the more routine agricultural policy issues that are continually arising ... e.g. decisions regarding loan rates, set-asides, import quotas, marketing quotas, and the like. The development of major Administration initiatives, such as the one on world hunger, would normally be handled by other means. It is possible, of course, that this group could be asked to contribute to the development of such an initiative by assessing a part of the overall issue. But we do not see it giving rise to jurisdictional squabbles.

Frank Moore approves the proposal, but suggests that his office be given an opportunity to notify key Congressmen in advance. We think that is a good suggestion.

A proposed memorandum is attached.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

This Administration assigns high importance to developing policies and actions in food and agriculture which serve the needs of people, especially poor people, in the United States and abroad. In the United States we must find means for encouraging family farms and efficient agricultural production to assure reasonable incomes to producers and fair prices to consumers. At home and abroad we must work to conquer poverty and hunger. We must expand foreign markets for the United States' efficient agricultural production, and we must help poor nations improve their food production and distribution.

The Secretary of Agriculture has primary responsibility in the Executive Branch for developing policies and actions in food and agriculture. In order to exercise this executive responsibility, the Secretary of Agriculture must weigh and balance interests represented in other parts of the Executive Branch. Accordingly, I am directing the Secretary of Agriculture to form a Working Group on Food and Agricultural Policy. This Working Group will be chaired by the Deputy Secretary of Agriculture and will be composed of representatives at the level of assistant secretary from these organizations:

Department of State
Department of the Treasury
Department of Agriculture
Office of the Special Representative
for Trade Negotiations
Agency for International Development
Office of Management and Budget
Council of Economic Advisors
National Security Council

The Secretary of Agriculture may invite representatives of other organizations in the Executive Branch to serve in the Working Group.

In consultation with the Secretary of Agriculture and the White House Domestic Policy Staff, the Working Group will develop an agenda for policy considerations on domestic and international food and agriculture. The Secretary of Agriculture, in consultation with the Domestic Policy Staff, will inform me of policies adopted and actions taken and will refer to me policy options on issues requiring Presidential decision.

This Working Group will not be the Administration's vehicle for developing a comprehensive world hunger policy, which will be coordinated by other means.

The Department of Agriculture and the Domestic Policy Staff will provide staff for the Working Group on Food and Agricultural Policy.

To ensure coordination, I am asking the Domestic Policy Staff to inform other organizations in the Executive Branch of policy issues to be addressed and decisions made on domestic and international food and agriculture.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

INFORMATION 8 September 1977

TO: THE PRESIDENT

FROM: RICK HUTCHESON

SUBJECT: Comments on Eizenstat Memo

OMB concurs with Eizenstat.

STR supports the idea of an interagency mechanism to coordinate the formulation of U.S. agricultural policy, but suggests several amendments to Stu's proposal:

- the working group should be chaired by either CEA or DPS, as a "neutral broker"; otherwise, the group could be dominated by the Cabinet agency with the strongest interest in the subject matter;

- the working group should include Commerce (expertise in agribusiness, pesticides, agricultural equipment) and the CIA (crop forecasting data); both agencies have been valuable members of past agricultural policymaking groups;

- the lines of responsibility for the working group vis-a-vis three statutory committees chaired by STR (Trade Policy Review Group, Policy Committee, and Staff Committee) should be clarified. "This has been done with past interagency agricultural policy working groups with no problem, and I am certain it can be worked out in this case."

Jack Watson fully supports Stu's recommendation that the interagency group be reactivated, but thinks that there needs to be a much clearer delineation as to who is working on what -- especially between this group and Peter Bourne's group on world hunger.

Peter Bourne fully supports Stu's suggestion of an interagency working group chaired by USDA, but suggests several amendments:

- the memorandum should make clear that this is a reactivation of a previously existing working group;

- all references to the international aspects of agricultural policy, to policies affecting poor people abroad, etc., should be deleted - to emphasize that the working group would focus primarily on <u>domestic</u> food and agricultural policies.

(DPS does not think it is possible to separate the domestic and international aspects of agriculture, and hence, thinks the references to international agriculture should remain.)

- Peter suggests adding Labor, Commerce and HEW to the working group (issues affecting producers, farm labor, and consumers) and deleting CEA, OMB, NSC and STR from the working group.

(DPS feels strongly that OMB, CEA and STR should be included on the group. While Commerce and Labor were members of the previously existing interagency working group, DPS does not believe they contributed greatly -- they can be called in as necessary. DPS does not see any reason for HEW to be on the working group.)

Jim Fallows has cleared the memorandum.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

27 September 1977

TO: THE PRESIDENT

FROM: RICK HUTCHESON RH

SUBJECT: Staff Comments on Attached Bourne Memo

Eizenstat's comments are included in his cover memo.

Frank Press says that OSTP will be pleased to participate in developing a world hunger initiative.

Brzezinski concurs with Bourne, except that NSC, State and OMB recommend that NSC be designated a co-chair of the proposed working group.

OMB supports the concept of a world hunger initiative, and is including this in a review of foreign aid which NSC will present to the President in mid-October.

Because the scope and costs of a hunger initiative are not now known, OMB recommends that the private sector be only informally involved and that congressional contacts be deferred (decisions #4 and #5 in the Bourne memo).

Schultze comments that "the objectives of the proposed policy are excellent. But they are stated in highly general terms. Given the difficulty of the problems and the state of our present knowledge, it will be very easy to overpromise."

Are there techniques of assistance not presently being exploited by AID and World Bank which will help developing countries do a better job in agriculture? Is there any way "to strengthen the capacity of multilateral food-related institutions" other than increasing their budgets?

Schultze therefore recommends "that you insist on a very specific and detailed list of recommendations, and have them subjected to critical analysis, before publicly committing the Administration to a highly visible new initiative."

A second issue, according to Schultze, "is a turf fight

over who ought to be in charge of nutrition and international agricultural policy."

Schultze observes that the most important things affecting world hunger are: US agricultural production and stocks; world grain reserves; US foreign aid programs and multilateral aid contributions; and "billions of dollars of budget money" related to the above items.

Schultze is "not sure that a 'world hunger working group' can or should be the mechanism to develop policy recommendations or follow up on these matters. The key agencies are USDA, OMB, CEA, State/AID, Treasury, and the Domestic Policy Staff. It might be highly desirable, however, to include Peter Bourne, representing the White House interest in world hunger problems, in all the meetings and task forces which develop fundamental domestic and international agricultural policy."

Finally, Schultze observes that a reorganization project study of these matters is scheduled for completion in mid-1978, and suggests that you may wish to have this study expedited.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

As you know, I have repeatedly emphasized as a major goal of U.S. foreign policy the importance of meeting basic human needs -- in particular, the alleviation of world hunger and malnutrition. In order to develop a major initiative in this area, I have formed a World Hunger Working Group headed by my Special Assistant, Peter Bourne, to coordinate a White House study of world hunger with other U.S. domestic and international food and agricultural policies. Peter Bourne, representing the Working Group, will participate on the soon to be formed Cabinet Level Committee on Food and Agricultural Policy, chaired by the Secretary of Agriculture.

The Working Group consists of Executive Office Organizations -- National Security Council (NSC), Domestic Council (DC), White House Intergovernmental Relations Office (WHIGA), Office of Science and Technology Policy (OSTP), Council of Economic Advisors (CEA), Office of Management and Budget (OMB), Office of the Special Assistant for Consumer Affairs (OSACA), Council of Environmental Quality (CEQ), and Office of the Special Representative for Trade Negotiations (STR) -- as well as representation from the U.S. Department of Agriculture (USDA), State, Agency for International Development (AID), Treasury, and Commerce.

The purpose of the Working Group is to prepare a list of options to combat world hunger and malnutrition with the full participation of several departments and agencies. This analysis will be the basis for a Presidential statement outlining the following goals:

-- to provide more equitable access to available food and to improve nutritional well-being;
-- to increase the supply of food relative to need;
-- to offer food assistance to those unable to purchase enough food for adequate nutrition;
-- to assure a decision-making process, management, and resources adequate to implement these policies.

Departments and agencies affected by this memorandum should submit to the chairman of the Working Group their recommendations by close of business on October 21st.

The Working Group will review the recommendations and develop a set of U.S. government policy options designed to make a significant impact on world hunger. Departments and agencies will have an opportunity to comment on the Working Group's list of options before it is submitted to me.

I would appreciate your cooperation to enable the Working Group to complete its task on or about November 11th.

Jimmy Carter

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

This Administration is determined to develop food and agricultural policies which help the people who need help most, both in the United States and abroad. By encouraging efficient agricultural production, especially on the family farm, we can ensure reasonable incomes for producers and fair prices for consumers. An efficient productive system will also help us meet the demands of foreign markets. Our policy should give our producers the greatest possible access to foreign markets, while helping poor nations improve their own ability to produce and distribute food.

The Secretary of Agriculture has primary responsibility in the Executive Branch for developing policies and actions in food and agriculture. In order to exercise this responsibility, the Secretary of Agriculture must weigh and balance interests represented in other parts of the Executive Branch. Accordingly, I am directing the Secretary of Agriculture to form a Working Group on Food and Agricultural Policy. This Working Group will be chaired by the Secretary's designee and will be composed of representatives at the level of assistant secretary from these organizations:

Department of State
Department of the Treasury
Department of Agriculture
Office of the Special Representative
for Trade Negotiations
Agency for International Development
Council of Economic Advisors
Office of Management and Budget
National Security Council

The Secretary of Agriculture may invite representatives of other organizations in the Executive Branch to serve in the Working Group.

In consultation with the Secretary of Agriculture and the White House Domestic Policy Staff, the Working Group will develop an agenda for policy considerations on domestic and international food and agriculture. The Secretary of Agriculture, in consultation with the Domestic Policy Staff, will inform me of policies adopted and actions taken and will refer to me policy options on issues requiring Presidential decision.

A subcommittee of this Working Group will serve as the vehicle for developing an Administration policy on world hunger. This Subcommittee will report its findings and recommendations directly to me and to the Secretary of Agriculture.

To insure coordination, I am asking the Domestic Policy Staff to inform other organizations in the Executive Branch of policy issues to be addressed and decisions made on domestic and international food and agriculture.

The Department of Agriculture and the Domestic Policy Staff will provide staff for the Working Group on Food and Agricultural Policy.

Jimmy Carter

THE WHITE HOUSE

WASHINGTON

w/ Landrum

Date: September 27, 1977 MEMORANDUM

FOR ACTION:	FOR INFORMATION:
Jim Fallows attached	

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Food and Agriculture Memo for the Heads of Executive Departments and Agencies.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE TURNAROUND

DAY:

DATE:

ACTION REQUESTED:

_X_ Your comments

Other:

STAFF RESPONSE:

____ I concur. ____ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

This Administration assigns high importance to developing policies and actions in food and agriculture which serve the needs of people, especially poor people, in the United States and abroad. In the United States we must find means for encouraging family farms and efficient agricultural production to assure reasonable incomes to producers and fair prices to consumers. At home and abroad we must work to conquer poverty and hunger. We must expand foreign markets for the United States' efficient agricultural production, and we must help poor nations improve their food production and distribution.

The Secretary of Agriculture has primary responsibility in the Executive Branch for developing policies and actions in food and agriculture. In order to exercise this executive responsibility, the Secretary of Agriculture must weigh and balance interests represented in other parts of the Executive Branch. Accordingly, I am directing the Secretary of Agriculture to form a Working Group on Food and Agricultural Policy. This Working Group will be chaired by the Secretary's designee and will be composed of representatives at the level of assistant secretary from these organizations:

Department of Agriculture
Department of State
Department of Treasury
Agency for International Development
Council of Economic Advisors
Office of Management and Budget
Special Trade Representative
National Security Council

The Secretary of Agriculture may invite representatives of other organizations in the Executive Branch to serve in the Working Group.

In consultation with the Secretary of Agriculture and the White House Domestic Policy Staff, the Working Group will develop an agenda for policy considerations on domestic and international food and agriculture. The Secretary of Agriculture, in consultation with the Domestic Policy Staff, will inform me of policies adopted and actions taken and will refer to me policy options on issues requiring Presidential decision.

A Subcommittee of this Working Group will serve as the vehicle for developing an Administration policy on world hunger. This Subcommittee will report its findings and recommendations directly to me.

To insure coordination, I am asking the Domestic Policy Staff to inform other organizations in the Executive Branch of policy issues to be addressed and decisions made on domestic and international food and agriculture.

The Department of Agriculture and the Domestic Policy Staff will provide staff for the Working Group on Food and Agricultural Policy.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

As you know, I have emphasized on several occasions the importance of meeting basic human needs -- and, in particular, the alleviation of world hunger and malnutrition -- as a major goal of U.S. foreign policy. In order to develop a major initiative in this area, I have formed a World Hunger Working Group headed by my Special Assistant, Peter Bourne, to coordinate fully a White House initiative on world hunger with other U.S. domestic and international food and agricultural policies. Peter Bourne, representing the Working Group will participate on the soon to be formed Cabinet Level Committee on Food and Agricultural Policy, chaired by the Secretary of Agriculture.

The Working Group consists of Executive Office Organizations--National Security Council (NSC), Domestic Council (DC), White House Intergovernmental Relations Office (WHIGA), Office of Science and Technology Policy (OSTP), Council of Economic Advisors (CEA), Office of Management and Budget (OMB), Office of the Special Assistant for Consumer Affairs (OSACA), Council of Environmental Quality (CEQ), and Office of the Special Trade Representative (STR)--as well as representation from the U.S. Department of Agriculture (USDA), State, Agency for International Development (AID), Treasury, and Commerce.

The purpose of the Working Group is to prepare an options analysis on world hunger and malnutrition with the full participation of the relevant Departments and Agencies. This analysis will be the basis for a Presidential statement which would advance the following goals:

--to provide more equitable access to available food and to improve nutritional well-being;
--to increase the supply of food relative to need;
--to offer food assistance to those unable to purchase sufficient food for adequate nutrition;
--to assure a decision-making process, management, and resources adequate to implement these policies.

The world hunger initiative should specify actions in policy areas such as those attached.

Departments and Agencies affected by this memorandum should submit to the Chairman of the Working Group their recommendations by close of business October 21st.

The Working Group will review submissions and develop a set of U.S. Government policy options designed to make a significant impact on world hunger. Departments and Agencies will have an opportunity to comment on the Working Group's options analysis before it is submitted to me.

I would appreciate your cooperation to enable the Working Group to complete its task on or about Novermber 11th.

Jimmy Carter

THE WHITE HOUSE

WASHINGTON

Date: September 27, 1977 MEMORANDUM

FOR ACTION:
Jim Fallows

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Food and Agriculture Memo for the Heads of Executive Departments and Agencies.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE TURNAROUND

DAY:

DATE:

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

____ I concur. ____ No comment.

Please note other comments below:

Revised 1st page attached
JF. 9/27/77

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

FALLOWS

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

This Administration is determined to develop food and agricultural policies which help the people who need help most, both in the United States and abroad. By encouraging efficient agricultural production, especially on the family farm, we can ensure reasonable incomes for producers and fair prices for consumers. An efficient productive system will also help us meet the demands of foreign markets. Our policy should give our producers the greatest possible access to foreign markets, while helping poor nations improve their own ability to produce and distribute food.

The Secretary of Agriculture has primary responsibility in the Executive Branch for developing policies and actions in food and agriculture. In order to exercise this responsibility, the Secretary of Agriculture must weigh and balance interests represented in other parts of the Executive Branch. Accordingly, I am directing the Secretary of Agriculture to form a Working Group on Food and Agricultural Policy. This Working Group will be chaired by the Secretary's designee and will be composed of representatives at the level of assistant secretary from these organizations:

(3) Department of Agriculture
(1) Department of State
(2) Department of Treasury
(5) Agency for International Development
(6) Council of Economic Advisors
(7) Office of Management and Budget
Office of the (4) Special ~~Trade~~ Representative for Trade Negotiations
(8) National Security Council

The Secretary of Agriculture may invite representatives of other organizations in the Executive Branch to serve in the Working Group.

PLEASE TYPE

In consultation with the Secretary of Agriculture and the White House Domestic Policy Staff, the Working Group will develop an agenda for policy considerations on domestic and international food and agriculture. The Secretary of Agriculture, in consultation with the Domestic Policy Staff, will inform me of policies adopted and actions taken and will refer to me policy options on issues requiring Presidential decision.

A Subcommittee of this Working Group will serve as the vehicle for developing an Administration policy on world hunger. This Subcommittee will report its findings and recommendations directly to me.

To insure coordination, I am asking the Domestic Policy Staff to inform other organizations in the Executive Branch of policy issues to be addressed and decisions made on domestic and international food and agriculture.

The Department of Agriculture and the Domestic Policy Staff will provide staff for the Working Group on Food and Agricultural Policy.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

This Administration ~~assigns high importance~~ to developing policies ~~and actions in~~ food and agriculture which ~~serve the needs of~~ people, ~~especially poor people,~~ in the United States and abroad. ~~In the United States we must find means for encouraging~~ family farms and efficient agricultural production, ~~to assure~~ reasonable incomes ~~to producers~~ and fair prices ~~to consumers~~. ~~At home and abroad we must work to conquer poverty and hunger~~. ~~We must expand~~ foreign markets ~~for the United States' efficient agricultural production, and we must~~ help poor nations improve their food production and distribution.

The Secretary of Agriculture ~~has~~ primary responsibility in the Executive Branch for developing policies and actions in food and agriculture. In order to exercise this ~~executive~~ responsibility, the Secretary of Agriculture must weigh and balance interests represented in other parts of the Executive Branch. Accordingly, I am directing the Secretary of Agriculture to form a Working Group on Food and Agricultural Policy. This Working Group will be chaired by the Secretary's designee and will be composed of representatives at the level of assistant secretary from these organizations:

Department of Agriculture
Department of State
Department of Treasury
Agency for International Development
Council of Economic Advisors
Office of Management and Budget
Special Trade Representative
National Security Council

The Secretary of Agriculture may invite representatives of other organizations in the Executive Branch to serve in the Working Group.

Over: Our policy should give our producers the greatest possible access to

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

As you know, I have repeatedly emphasized ~~on several occasions~~ the importance of meeting basic human needs -- ~~and~~, in particular, the alleviation of world hunger and malnutrition, as a major goal of U.S. foreign policy. In order to develop a major initiative in this area, I have formed a World Hunger Working Group headed by my Special Assistant, Peter Bourne, to coordinate ~~fully~~ a White House ~~initiative on~~ study of world hunger with other U.S. domestic and international food and agricultural policies. Peter Bourne, representing the Working Group, will participate on the soon to be formed Cabinet Level Committee on Food and Agricultural Policy, chaired by the Secretary of Agriculture.

The Working Group consists of Executive Office Organizations--National Security Council (NSC), Domestic Council (DC), White House Intergovernmental Relations Office (WHIGA), Office of Science and Technology Policy (OSTP), Council of Economic Advisors (CEA), Office of Management and Budget (OMB), Office of the Special Assistant for Consumer Affairs (OSACA), Council of Environmental Quality (CEQ), and Office of the Special ~~Trade~~ Representative for Trade Negotiations (STR)--as well as representation from the U.S. Department of Agriculture (USDA), State, Agency for International Development (AID), Treasury, and Commerce.

The purpose of the Working Group is to prepare a list of options to combat ~~an options analysis on~~ world hunger and malnutrition with the full participation of ~~the relevant~~ several Departments and ~~A~~agencies. This analysis will be the basis for a Presidential statement ~~which would advance~~ outlining the following goals:

--to provide more equitable access to available food and to improve nutritional well-being;
--to increase the supply of food relative to need;
--to offer food assistance to those unable to purchase ~~sufficient~~ enough food for adequate nutrition;
--to assure a decision-making process, management, and resources adequate to implement these policies.

~~The world hunger initiative should specify actions in policy areas~~ such as those attached.

Departments and Agencies affected by this memorandum should submit to the Chairman of the Working Group their recommendations by close of business on October 21st.

The Working Group will review ~~submissions~~ the recommendations and develop a set of U.S. Government policy options designed to make a significant impact on world hunger. Departments and Agencies will have an opportunity to comment on the Working Group's ~~options analysis~~ list of options before it is submitted to me.

I would appreciate your cooperation to enable the Working Group to complete its task on or about November 11th.

This Administration is determined to develop food and agricultural policies which help the people who need help most, both in the United States and abroad. By encouraging efficient agricultual production, especially on the family farm, we can ensure reasonable incomes for producers and fair prices for consumers. An efficient productive system will also help us meet the demands of foreign markets. Our policy should give our producers the greatest possible access to foreign markets, while helping poor nations improve their own ability to produce and distribute food.

THE WHITE HOUSE
WASHINGTON

September 15, 1977

The Vice President
Stu Eizenstat
Frank Moore
Jody Powell
Jack Watson
Bert Lance
Charles Schultze
Zbig Brzezinski
Esther Peterson
Frank Press
Charles Warren

The attached will be submitted to the President today. This copy is sent to you for your information. If you wish to comment, please call (7052) by 3:00 PM today.

Rick Hutcheson

WORLD HUNGER INITIATIVE

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20500

September 15, 1977

MEMORANDUM FOR Rick Hutcheson

FROM: Frank Press FP

SUBJECT: World Hunger Initiative

OSTP supports the effort described in the Bourne memo to identify a plan for analyzing elements of a world hunger initiative. The President's responses on the various questions will provide direction. OSTP will be pleased to participate under either proposed arrangement for the chairmanship.

THE WHITE HOUSE
WASHINGTON

attach

Dawne memo
SE memo
comments on PB

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

SEP 15 1977

MEMORANDUM FOR RICK HUTCHESON

THRU: Bo Cutler

FROM: Ed Sanders/Randy Jayne

SUBJECT: Peter Bourne Memo on World Hunger Initiative

OMB supports the proposed steps to define a U.S. initiative on world hunger. Correspondingly, we are taking steps to assure that the concept will be given consideration in the ongoing review of foreign aid requested by the President. The results of this review will be presented to the President in mid-October, after Cabinet-level discussions, under NSC auspices.

At present, however, the programmatic scope and the costs of a hunger initiative are not known. Because of the potential far-reaching implications of such an initiative, we believe that the President should be provided some more concrete indication of the benefits and costs of alternative approaches before the Administration becomes more formally committed. Thus, for now, the private sector should be only informally involved and congressional contacts should be deferred (strategy issues #4 and #5 in the Bourne paper).

In support of NSC co-chairmanship of the hunger initiative working group, it should be pointed out that NSC staff have continuing responsibility for Executive Office coordination of all U.S. foreign assistance policies and programs.

Peter Bourne, representing the White House interest in world hunger problems, in all the meetings and task forces which develop fundamental domestic and international agricultural policy. To the best of my knowledge, this has not been true in the past.

You have approved a reorganization project study to explore means of improving the government's ability to deal with these matters. This study is now scheduled for completion in mid-1978. You may wish to ask the reorganization team to expedite its efforts, and bring you recommendations in the near future.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 16, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze CLS

Subject: Peter Bourne's World Hunger Memo

There are two aspects to the memo: (1) The substantive elements of a suggested Presidential policy statement on world hunger; and (2) A turf fight over who ought to be in charge of nutrition and international agricultural policy.

I. Substantive:

The memorandum, on page 3, lists six major elements of a world hunger program. The objectives of the proposed policy are excellent. But they are stated in highly general terms. Given the difficulty of the problems and the state of our present knowledge, it will be very easy to overpromise. For example:

1. "To help developing countries accelerate their efforts to achieve food self-reliance."

   Comment. What techniques of assistance, different from those now employed by AID or the World Bank, will substantially increase the effectiveness of programs to help developing countries do a better job in agriculture? I am not aware that there exist large possibilities, generally agreed to be effective, that we could exploit.

2. "To insure adequate food aid levels on a multi-year basis for humanitarian and developmental purposes and to increase the effectiveness of such aid."

   Comment. The "multi-year" component of this objective hinges on the establishment of U.S. and world grain stocks, sufficient to carry us through bad crop years without sharp reductions

in P.L. 480 shipments. Insofar as the overall level of P.L. 480 is concerned, we have to strike a very delicate balance between providing humanitarian aid and avoiding measures which ruin incentives for agricultural development in the recipient countries. Again, I am not aware of unexploited possibilities.

3. "To strengthen the capacity of multilateral food related institutions such as the World Food Council and the U.N. Food and Agriculture Organization."

   Comment. Do we have any suggestions except increasing the size of their budgets?

I recommend that you insist on a very specific and detailed list of recommendations, and have them subjected to critical analysis, before publicly committing the Administration to a highly visible new initiative.

II. Turf:

In making a decision I think it is important to remember that we are dealing with the fundamentals of U.S. domestic and international agricultural policy. The most important things that we do to affect world hunger involve:

1. U.S. agricultural production and stocks; hence, price supports, target prices, set-asides, etc.

2. World grain reserves; hence, basic international trade and commodity negotiations.

3. U.S. foreign aid programs and multilateral aid contributions.

4. Billions of dollars of budget money related to (1), (2) and (3) above.

I am not sure that a "world hunger working group" can or should be the mechanism to develop policy recommendations and follow up these matters. The key agencies are USDA, OMB, CEA, State/AID, Treasury, and the Domestic Policy Staff. It might be highly desirable, however, to include

THE PRESIDENT HAS SEEN.

See advise F

THE WHITE HOUSE

WASHINGTON

August 26, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: PETER G. BOURNE P.B.

SUBJECT: BERGLAND MEMORANDUM DATED AUGUST 15, 1977, RE REPORT ON INTERNATIONAL FOOD AND AGRICULTURE

The comments contained in this memo were coordinated with the NSC, DC, OMB, OSTP, CEA, and the Cabinet Secretary.

I. Summary Analysis

Secretary Bergland's excellent report is encouraging in that he proposes that the Department of Agriculture become a full collaborator on international food policy governmentwide, and expresses a concern for food policies which address the basic human needs of the poor in the world. The key step to take now is to establish, where possible, specific Administration goals to achieve by 1980 which will dictate the policies to pursue. The flaws in the report are the absence of specifics concerning a procedure to arrive at an Administration position, a temporary coordinating mechanism, and lack of emphasis on particular aspects of the needs of the poor in the developing world. However, this can be resolved through a deliberative forum where the views of primary departments and agencies (State, Agriculture, AID, Treasury, the Peace Corps, etc.) and the private sector (in particular, farmers, businessmen) are taken into consideration in molding Administration food policy.

II. Key Proposals of Importance

--A UN speech by the President. It was felt that the UN speech should be considerably broader than simply a discussion of the world food problem, and indeed broader than basic human needs. It needs to lay out the President's global approach, particularly focusing on the type of world we envisage in coming decades. In so doing, however, it should communicate clearly the

necessity of addressing the world food problem. The view was that an early October speech would be premature and that the President should await development of specific policies first.

--An expanded role for the Department of Agriculture. This newly expanded role should be developed in close collaboration with State, AID, NSC, OMB, and the White House, also with adequate involvement of the private sector as well as Congress.

--U.S.D.A.'s approach to commercial food sales, food reserves, trade, and food aid. However, what is required is the balancing of interests in this area with other interests including ensuring more equitable distribution of food to the poor, the relationship of our present U.S. and foreign agricultural production policies to nutrition (both at home and abroad), and the institutional linkages required to bring about a coordinated policy in these areas.

--Foreign Food Assistance. Provided, however, that the emphasis is on the poor nations.

--Scientific and technical collaboration. Provided, however, that the emphasis is on useful technology in support of the poor producers. Investment in basic agricultural research both here and abroad will be necessary in order to enhance the world's productive capacity for the intermediate and longer term. This is essential both to provide adequate food supply abroad as well as to keep food costs down domestically.

--International trade arrangements.

III. Specific Negative Attributes of the Report

--The report, though well conceived, was developed in somewhat of a policy vacuum. To the best of our knowledge, many of the principals in and out of government did not officially engage in collaborative consultation with Agriculture in developing the report. This can easily be rectified by convening a steering group made up of the principal agencies, to develop a set of governmentwide recommendations for the President to consider.

--The report lacks a budget impact analysis.

--The report lacks a specific set of measurable goals which identify what it is that all these policy initiatives will accomplish.

--Downplays the conflicting, competing, and overlapping policies now in place among the many agencies (26 agencies involved) and does not suggest how these problems will be worked out beyond consultation. Much more is required and leadership from the Executive Office could ensure that all views were considered in a policy evaluation.

In fact, what appears to be needed is to reform the present patchwork set of authorities and functions and, during the interim, establish a temporary coordinating mechanism which ensures that the various government and private interests are taken into consideration in making and executing policy over the short run and until the reforms are implemented.

--More attention should be given to the "demand" side of hunger, i.e., the ability of people to buy food. One key element in overcoming world hunger is to promote adequate development to enable people to earn enough money to buy the food they need. Simply focusing on increased production might lower food costs, but unless the question of hunger is looked at in an overall developmental context, we will be addressing only the supply side and not the demand side. This argues for avoiding too much of a shift from AID to the Department of Agriculture in dealing with the problem of world hunger.

--There is no objective analysis of the advantages and disadvantages of policy recommendations, and no alternatives suggested. The President needs to know the political and economic implications of a recommendation and the various alternatives available before deciding on a policy. Otherwise, there is no way to judge how one recommendation impacts on overall Administration objectives in this area.

--The report does not address the OMB Food Policy Reorganization Initiative or the AID and Brookings Development Assistance studies.

IV. Next Steps

A. It is recommended that you send a memorandum to Secretary Bergland commending him for the very welcome, thoughtful, and innovative report. Furthermore, the letter should indicate that plans are to include Secretary Bergland as a principal participant in the international food policy issue. A proposed draft letter to the Secretary of Agriculture is attache

B. As you may recall, you requested Peter Bourne, Zbig Brzezinski, Stu Eizenstat and Frank Press to suggest a plan on World Hunger. We have been working on this and within the next two weeks will be submitting for your consideration a memorandum that proposes some initial steps needed to develop a coordinated world food policy.

Attachment

THE WHITE HOUSE

WASHINGTON



To Secretary Bob Bergland

I would like to commend you on your very welcome, thoughtful and innovative "Report on International Food and Agriculture." I recently requested that my staff recommend a plan to coordinate world food policy. I will decide on the appropriate steps within the next few weeks, at which time you will be included as a principal participant in the formulation of world food policies.

Sincerely,

The Honorable Bob S. Bergland
Secretary of Agriculture
Washington, D.C. 20250

THE WHITE HOUSE
WASHINGTON

September 15, 1977

The Vice President attached
Stu Eizenstat - attached
Frank Moore
Jody Powell
Jack Watson
Bert Lance
Charles Schultze
Zbig Brzezinski attached
Esther Peterson
Frank Press attached
Charles Warren

The attached will be submitted to the President today. This copy is sent to you for your information. If you wish to comment, please call (7052) by 3:00 PM today.

Rick Hutcheson

WORLD HUNGER INITIATIVE

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
X	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

Call by ~~today~~ 3:00 pm today if you wish to comment

ACTION	FYI	
	/	MONDALE
		COSTANZA
	/	EIZENSTAT
		JORDAN
		LIPSHUTZ
	/	MOORE
	/	POWELL
	/	WATSON
	/	LANCE
	/	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

		ARAGON
		BOURNE
	/	BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		HARDEN
		HUTCHESON
		JAGODA
		KING

		KRAFT
		LINDER
		MITCHELL
		MOE
	/	PETERSON
		PETTIGREW
		POSTON
	/	PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
		VOORDE
	/	WARREN

THE WHITE HOUSE
WASHINGTON

Sept 23rd 1977

Rick,

Stu and I got together on the World Hunger issue. The attached is a revised version of what I gave you previously which we feel now addresses the President's concern about fragmentation in this area, and adequately resolves it.

Because of the long time it has taken to accomodate everyone's concerns, I am most anxious to get this in to him as quickly as possible. Let me know if you have any questions.

Thanks

Peter Bourne

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

August 15, 1977

RL

President Jimmy Carter
The White House
Washington, D. C.

Dear Mr. President:

I enclose for your information and comment my report on international food and agriculture.

My report outlines initiatives the Carter Administration should consider and other initiatives already underway in the Department of Agriculture.

The aim is to create a framework for the United States Government's actions in food and agriculture in developing and developed countries.

I am sending copies of my report to the Vice President and Stuart Eizenstat.

Sincerely,

BOB BERGLAND
Secretary

Enclosures

REPORT TO PRESIDENT JIMMY CARTER

INTERNATIONAL FOOD AND AGRICULTURE

BOB BERGLAND, SECRETARY OF AGRICULTURE

August 15, 1977

Situation

You have made clear your commitment to fulfilling basic human needs in the United States and abroad. You have emphasized that food is a centerpiece of your foreign policy. These policy positions have to be translated into action.

The United States exports $24 billion worth of agricultural products each year. Our surplus in agricultural trade is the dominant factor in our foreign exchange earnings. This Administration's actions must reflect this economic reality.

Now that domestic farm legislation is taking shape, the Carter Administration should focus on initiatives in international food and agriculture. In this report I suggest the directions these initiatives should take.

International Organizations

At the World Food Council meeting in June the United States moved into leadership on problems of food in the Third World. This advantage will be lost unless we exercise further leadership promptly and consistently.

— I understand you are considering a speech before the United Nations General Assembly in September. This would be an excellent forum for you to specify initiatives on basic human needs, especially food, and to specify objectives we seek in international organizations concerned with food and agriculture. I will send you suggestions for topics to be included in such a speech.

— The meeting of the Food and Agriculture Organization in Rome in November provides another opportunity for this Administration to make a positive turn in American policy. Mainly because of attitudes carried over from the past, the United States is seen as being more interested in haggling over FAO's budget than in FAO's real purposes. In my speech to the meeting in Rome I plan to emphasize this Administration's commitment to the FAO as a principal instrument for progress in world food and agriculture as well as our commitment to helping improve the effectiveness of the FAO.

— In order to sustain our leadership in international organizations concerned with food and agriculture, Secretary Vance and I need to work out better means for exercising that leadership. Because of habits from the past, the Departments of State and Agriculture (and some other departments) tend to compete for leadership rather than concentrate on substance. Our working arrangements should reflect the facts that the Department of State has primary responsibility for coordinating foreign policy and that the Department of Agriculture has primary responsibility for substantive and technical decision-making on food and agriculture. I will work out necessary arrangements with Secretary Vance.

— The Department of Agriculture also needs to work closely with international development banks on agricultural projects. In 1976 agricultural projects financed by these banks amounted to about $3 billion. The World Bank has invited our participation, and we will take up that invitation.

Foreign Food Assistance

In September you will receive recommendations from the Development Coordinating Committee and the Brookings Institution about the overall shape

and scale of the United States' official development assistance. Probably you will have to choose among divergent options on substance and organization.

In my view, this Administration's foreign assistance program should be built on effective actions to deal with malnutrition and with inadequate rates of growth of food production in poor countries. I believe there is widespread support among the American people and in the Congress for this approach. But the structure we have inherited — with its confused objectives and complicated administration — is not delivering the goods.

I will submit for your consideration:

— Proposed legislation to improve foreign food assistance now carried out under Public Law 480. The legislation would provide specific programs and specific budget items for: emergency assistance, including food-security arrangements for poor countries; humanitarian assistance directed to malnourished poor people and combined with local self-help projects for these families to raise their incomes; food for development, both to support major developmental projects such as land reform and to support long-term developmental policies by the governments of poor countries; and supporting assistance for situations, such as the Middle East, where the United States' strategic interests are involved. The legislation would provide for multiple-year commitments and reserve stocks of American food to back up these commitments. The legislation also would provide for active participation by voluntary organizations and land-grant universities and for collaboration between the Department of State/Agency for International Development and the Department of Agriculture in administering foreign food assistance.

— Recommendations for introducing effective management of foreign food assistance. Now the lines of responsibility and authority in Washington and the field seem designed to maximize conflict and minimize accomplishment. The P. L. 480 Interagency Staff Committee — a group composed of non-policy-level people, many of whom have inadequate knowledge of food and agriculture and the countries to which our food assistance is directed — should be abolished. After consulting with Secretary Vance and Governor Gilligan, I will recommend to you an arrangement between State/AID and the Department of Agriculture which will establish executive responsibility for P. L. 480 and will bring together our foreign policy and developmental interests with professional knowledge of food and agriculture in developing countries.

Scientific and Technical Collaboration

On June 20 the National Research Council (NRC) submitted to you an excellent analysis of the world food and nutrition situation and recommended actions by the United States Government to deal with that situation. The NRC stressed the need to expand food production in poor countries and to improve the distribution of the benefits of that increased production to satisfy nutritional needs of the poor. The NRC also emphasized that efficient food production here and abroad requires sustained scientific and technical collaboration between the United States and other countries. In fact, such collaboration supports both our developmental interests and our commercial interests.

Already the Department of Agriculture has collaborative arrangements with some 20 countries outside the group of countries served by the AID. Taking these two groups of countries together, the existing and prospective

demand on the United States' scientific and technical resources in food and agriculture is huge. These resources exist primarily in land-grant universities and the Department of Agriculture and, to a lesser but significant extent, in the private sector.

However, the United States Government is not organized to marshall these resources and put them to work. For example, except for arrangements which are fully financed by other countries, such as Saudi Arabia, and particular projects financed by the AID, the Department of Agriculture has no specific funds for international scientific and technical collaboration in food and agriculture. Although existing foreign assistance legislation authorizes funds for collaboration by land-grant universities and this Department on problems of food and agriculture in developing countries, in fact these funds are not being used. The result is piecemeal efforts far short of what the NRC recommends.

In the Department of Agriculture's budget estimates for fiscal year 1979, I will recommend funds to be used by land-grant universities and this Department to undertake scientific and technical collaboration with other countries -- both developed and developing -- along the lines recommended by the NRC. These estimates will include funds for the universities and this Department to develop resources for serious, sustained contributions to developing food and agriculture in poor, food-deficit countries. I don't propose to go into competition with the AID abroad, but I do intend to press the case for this Department's having sufficient funds and expertise to sustain scientific and technical work on international problems of food and agriculture.

— I am designating a senior officer of the Department of Agriculture to be responsible for organizing this Department's participation in and our arrangements with land-grant universities for scientific and technical collaboration with other countries.

International Trade Arrangements

Negotiations in the International Wheat Council (IWC) and the Multilateral Trade Negotiations (MTN) will begin in earnest in Autumn 1977. Our basic objectives in these trade negotiations are to dampen wide swings in prices for producers and consumers, improve world food security, and expand trade flows of agricultural products.

The Office of the Special Trade Representative (STR) and the Department of Agriculture are collaborating closely in these negotiations. This Department is providing staff to the STR and is doing substantive and technical analyses for the agricultural trade negotiations.

— The Carter Administration should give prominence to our agricultural objectives in these multilateral negotiations, because agriculture may be the knottiest area. So you can put your personal stamp on the negotiations, I suggest that you, Ambassador Strauss, and I meet in the White House with Congressional leaders to discuss our agricultural objectives and that you then meet with the press. This best could be done in September, before serious discussions in the IWC and the MTN begin.

— In parallel with our seeking dependable multilateral arrangements, we should make clear our intention to be affirmative marketers of America's agricultural products. Among other things, this might impose some discipline on our competitors and encourage them to take the multilateral negotiations

more seriously. In the following section I outline initiatives in commercial export promotion. We should proceed now with bilateral arrangements with centrally-planned countries which do not participate in the MTN and with other initiatives which do not conflict with multilateral negotiations.

Commercial Export Promotion

Commercial sales are by far the predominant element of our international agricultural trade. We need an effective commercial export strategy and effective program management to support that strategy. This Administration should assure that the United States is a dependable supplier of high quality agricultural products to the world.

The Department of Agriculture is taking these actions:

-- We are analyzing individual countries abroad, and we are looking especially for those situations where rising economic demand can create rising markets for American agricultural products, now and in the future. Using this information, we will design three- to five-year plans with American agricultural export-promotion associations for markets in individual countries. Depending on the characteristics of each market, these plans will combine market-development activities by the private export-promotion associations, credit facilities from the private sector and from the United States Government, and commercial supply arrangements backed up by appropriate commitments from the Commodity Credit Corporation (CCC). We intend to complete these plans for major countries by June 1978 or earlier.

-- We will examine whether American agricultural cooperatives need special help from the Department of Agriculture to operate directly in foreign markets. Our international grain trade is dominated by a handful

of private companies which operate as multinationals; they do not seek to optimize American exports. American cooperatives might enliven competition and expand exports of American grain. We will consult with cooperatives in order to develop definite plans by the end of 1977.

— We will design an intermediate credit program to fill in the gap between the one- to three-year credits now available from the CCC and the 20- to 40-year loans available under P. L. 480. This new credit program would address situations, such as Korea and Portugal, where development is not a primary consideration and help us market products, such as breeding cattle, for which the CCC's three-year credit maximum is unrealistic. The intermediate credit program will be designed this year, in time to be included in the budget for FY 1979, but probably should be held in reserve pending the outcome of multilateral trade negotiations. We will work with the Export-Import Bank in designing this program.

— In our budget for FY 1979 we will recommend establishing a first group -- perhaps half a dozen — of American agricultural trade offices abroad. IBM, Chase Manhattan, and Pan Am maintain highly visible presences abroad, but American agriculture does not. These trade offices would be operated on contract in collaboration with American export-promotion associations and would bring together some activities now conducted independently by these associations and by agricultural attaches.

— We are acting to assure the quality of American agricultural exports through better inspection arrangements. These actions include tighter licensing and monitoring of inspectors, better means for fumigating

stored grain and for detecting hidden insect infestation, and better testing of the protein content of wheat.

— We will work with private industry and governmental agencies to help develop storage and distribution facilities in countries whose imports are constrained by lack of such facilities. These facilities are especially important to poor, food-deficit countries.

I plan to highlight these initiatives in commercial export promotion in speeches during the coming weeks.

Program Management

Many of the initiatives I have outlined in this report interact with each other. A foreign food assistance program along the lines I have sketched requires a different approach to reserve stocks and forward planning than the United States has practiced until now. Multilateral trade negotiations interact with both our assistance to poor countries and our commercial trade. And so on. Because of these interactions, the Carter Administration needs to develop a pattern of policies and actions which links our domestic and foreign concerns in food and agriculture.

The absence of such a pattern can be painful to people in the United States and to people in other countries. For example, because our predecessors had no strategy for dealing with changes in international supply and demand for agricultural products, the United States' trade has had to absorb most of the fluctuations in world market conditions. For the same reason, food supplies for hungry people in the poorest countries were curtailed when their needs were critical.

In order to create a pattern for dealing with international food and agriculture, the Department of Agriculture is analyzing these program-management instruments and how they fit together:

-- Farmer-controlled stocks to be used primarily for stabilizing domestic market conditions in the interests of producers and consumers in the United States.

-- Government-controlled stocks to be used primarily for exercising the United States' obligations in international agreements -- both multilateral and bilateral -- and in food-security and developmental arrangements with poor, food-deficit countries.

-- Adjustments in agricultural production in the United States, through acreage adjustments and other means, to maintain appropriate supplies for stocks and for current demand.

-- Bilateral and multilateral trading arrangements as they interact with the above instruments.

We intend to complete much of this analysis by the end of 1977. We expect this analysis will yield legislative recommendations.

Also, in analyzing the food and agricultural situations in developing and developed countries abroad, we are examining the range of instruments available to the United States for dealing with individual countries. Particular countries may be candidates simultaneously for food assistance, scientific and technical collaboration, commercial export-promotion, bilateral agreements, and multilateral commodity agreements. To fit this range of instruments to individual countries requires information, planning, and

management which by and large have not been done until now. We also intend to complete a first round of these country plans by the end of 1977.

Action

I have outlined the several actions underway in the Department of Agriculture.

The FY 1979 budget and the legislative agenda for 1978 will be vehicles for your taking decisions on items which represent significant new departures or financial commitments.

Many of the items in this report should be included in formal Presidential messages at the beginning of 1978 and in speeches between now and then. My colleagues will work with Stuart Eizenstat to see that you receive recommended language for these messages and speeches.

If you agree it will be useful, I will plan to present informal reports on international food and agriculture to you and the members of the Cabinet each quarter.

Peter Bourne Memo

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

6050

LIMITED OFFICIAL USE

September 16, 1977

INFORMATION

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI ZB

SUBJECT: World Hunger Initiative

I support the creation of a Working Group on World Hunger which is recommended in Peter Bourne's memorandum to you of September 19. The hunger initiative is directly related to a variety of foreign economic policy and development assistance issues.

Because of our central role in the determination of the policies that are relevant to a hunger initiative, we have worked closely with Peter Bourne's office in the development of the proposals contained in his memorandum.

Since I desire to continue that collaboration most effectively, I do wish to reiterate my interest in seeing the NSC designated as the co-chairman of the Working Group. The Department of State as well as the Office of Management and Budget supports this view.

LIMITED OFFICIAL USE

Bergland Report

THE WHITE HOUSE
WASHINGTON

Rick Hutcheson --

This replaces the memo you have been holding. Stu and Peter met on Saturday -- here are the results.

joanne

27 Sept 77

THE WHITE HOUSE
WASHINGTON

September 17, 1977

Rick:

Peter has been out of town, and I would like to see if this type of arrangement (as indicated in the attached memo) could be agreed upon so that the President does not have to waste his time on this kind of non-substantive decision-making.

I would appreciate it if you could hold up on submitting this package to the President until Peter returns on Thursday at which time I will talk with him.

Stu

THE WHITE HOUSE
WASHINGTON

Send to: Fallows
Lynn Daft

Rec'd from Peter
Bourne 9-27

4- make sure Daft has all of the comments so he can include in his memo

THE WHITE HOUSE
WASHINGTON

9/26

Lyn Dayt also
re - writing memo;
exp 9/26 pm or 9/27 am

TB

THE WHITE HOUSE
WASHINGTON

9/25

Hold for Stu to review new Bourne attachment.

TS

THE WHITE HOUSE
WASHINGTON

9/24

9/25 Attached

Peter has taken back
his memo to make some
changes in it as a result
of his mtg w/ SE.
Expected back Mon.

B