

MEMORANDUM

NATIONAL SECURITY COUNCIL

SECRET HAS BE 1/6

UNCLASSIFIED

INFORMATION

December 17, 1974

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER *AK*

SUBJECT: Food Aid

AK

JRC

James Grant, President of the Overseas Development Council, has written you the letter at Tab A urging a substantial increase in food aid this year in order to avert widespread famine before the next harvest. It is one of the most articulate of the many letters we have received on this subject.

Jim believes that a mistake is being made by our failing to respond adequately to the immediate problems. Specifically, he urges you to use existing authorities to increase food aid to a level of nine million tons (approximately twice the high level option for FY 75 PL-480) and that you appeal to Americans to reduce their consumption of meat and their use of fertilizer in order to free more for the rest of the world.

I have thanked Mr. Grant for his letter and described our position as taken at the World Food Conference.

UNCLASSIFIED

THE WHITE HOUSE

WASHINGTON

December 17, 1974


Dear Jim:

The President has asked me to respond to your letter of November 8, 1974.

The President and I share your deep concern for the world food problem. It was for this reason that the United States initiated the idea of a World Food Conference. At the Conference we proposed a number of means to deal with the long-term food problem and to prevent major shortages from recurring. We also pledged -- as a means of helping to deal with the short-term crisis -- that the United States will increase its food aid contribution despite the adverse weather conditions which have affected our crops this year. The President plans to announce his decision on the exact amounts of food aid later in December when this year's crop information will be more complete. I can assure you that he will do everything possible to ensure that our contribution will be responsive to world needs.

The President appreciates your stimulating letter. I hope you will continue to advise us and that you will find our total efforts to deal with the food problem worthy of your support.

Warm regards,



Henry A. Kissinger

Mr. James P. Grant
Overseas Development Council
1717 Massachusetts Avenue, N.W.
Washington, D. C. 20036

dispatched fm US 12-17-74

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION/5553

November 30, 1974

MEMORANDUM FOR: SECRETARY KISSINGER

FROM: ROBERT HORMATS *RH*

SUBJECT: Letter to the President from
Jim Grant on Food Aid

Jim Grant, President of the Overseas Development Council, has written the President (Tab A) urging an increase in U.S. food aid to nine million tons, and a Presidential appeal to Americans to reduce consumption of meat and the ornamental use of fertilizer. His letter is one of the most articulate of the many that have been received on this subject.

A summary memorandum for the President is at Tab I.

A suggested reply from you to Jim Grant (Tab II) reaffirms our already announced intention to increase food aid this year.

RECOMMENDATION:

1. That you send the information memorandum to the President (Tab I) along with Mr. Grant's letter at Tab A.
2. That you sign the reply to Mr. Grant at Tab II.

November 8, 1974

The Honorable Gerald R. Ford
 President of the United States
 The White House
 Washington, D. C.

Dear Mr. President:

Nearly six years ago you were thoughtful enough to call me to urge that I remain in the new Administration and assist John Hannah. I told you then that I had already agreed to become the first President of the Overseas Development Council and was hopeful of being equally if not more helpful to both the President and John Hannah from that position. I am now writing you in this spirit as the turmoil of the election subsides.

A tragic and unnecessary mistake is, in my judgment, being made by the United States at the Rome Food Conference, a mistake which not only could be a cause of much regret to you over the next two years, but also deprives you of a golden opportunity to provide the leadership so many Americans are looking for and the world so urgently needs. If you agree that a mistake is being made, it can still be remedied by presidential action within the next few days.

The World Food Conference, wisely convened at our initiative and essential to the survival of millions of human beings over the next several years, will not succeed, in my opinion, without a further initiative on your part. I know that you have grappled with these issues in recent weeks, but urge most seriously that you take further immediate action within your existing authority and announce before the conclusion of the World Food Conference that you are doubling the U. S. food aid program for Fiscal Year 1975 by 4.5 million tons, to a total of 9 million tons for the year. A number of measures could be announced at the same time to ensure that this action has no inflationary impact. Among these, and to give Americans a sense of participation in meeting the need to reduce the millions of additional deaths now in prospect over the next 18 months, you might do as Harry Truman did at the time of a similar crisis in the fall of 1946 (see enclosed Oct. 6, 1946, New York Times clipping) and appeal to your fellow Americans to reduce their use of grain-intensive foods and fertilizers for non-agricultural purposes. Scores of leaders of church, civic, and legislative groups as well as members of the House and Senate are calling urgently for such a course of action and will support you wholeheartedly. As you know, the Senate recommended in August that you do this in a bipartisan resolution sponsored initially by Senators Humphrey, McGee, Aiken, and Young, and later by a total of 37 Senators.

My urgent recommendation may sound presumptuous at a time when the U. S. delegation has gone to Rome under the leadership of Secretary Butz with a fully staffed-out U. S. position. Our position can be described as constructive on the medium and longer term issues of increasing food production and of establishing a world food reserve system if our intentions are taken seriously by other governments. Unfortunately, the U. S. positions for the World Food Conference give the appearance of being long on rhetoric and urging serious action by other governments and the U. S. Congress, and to be very short on action in those areas (such as food aid and urging restraint on food and fertilizer use) where the Executive Branch already has full authority to act--and where most informed observers feel the need to be most urgent. There currently is no sign that the United States will agree to ship even one-half the 9 million tons provided in 1972 before the recent crisis set in, and that amount, in turn, was only one-half that shipped in the crisis year 1965. This can only be described as unresponsive to the need so forcefully set forth Monday by a group of experts--including such people as Barbara Ward, Jack Heinz II, Lester Brown, and Jean Mayer--who met in Rome over the weekend (enclosure 2). My own statement on the Op-Ed page of the New York Times on Sunday (enclosure 3) expressed the same position.

Furthermore, U. S. credibility in the food field has been gravely damaged by Secretary Butz, who has established for himself an image in the food arena equivalent to that of the Shah of Iran in oil--showing interest in higher prices for the producers and "the rest of the world be damned." He was still steadfastly denying last week that there even is a world food crisis!

I believe the United States needs a successful World Food Conference for the following, briefly summarized reasons:

(1) As you may know, the October Federal Reserve Bulletin reports that over the past year rising world food prices have been the single most important reason, even more than oil, for inflation in the industrialized countries. A new world food supply and reserve system is required if we are to avoid a continuing spiraling of the prices of food over the next ten years. And this Conference is probably the only opportunity during your first term as President to accomplish this. With the last of our idle land under production and sharply diminishing returns having set in on the increased use of fertilizer and water in the United States, the 250-300 million tons of increased grain production required by 10 years from now can only be provided at moderate cost levels if we can get production up very substantially in developing countries such as Argentina and India.

-3-

(2) Millions more people will be dying in the world over the next several years as a result of increased malnutrition and hunger than was anticipated two years ago. How many millions in fact die depends more on decisions within your present authority than on those of any other single man--or country--in the world today.

(3) If the world food situation continues to deteriorate further, the United States will increasingly be assigned a major share of the blame. The current world food crisis has arisen not only because of the well known factors of drought and rising demand accompanied by tightening supply, but also due to a third, less widely recognized factor: the 1972 and 1973 shifts in U.S. agricultural policy deliberately intended, according to Secretary Butz, to eliminate governmental food stocks. The "success" of these policy shifts (which kept 19.5 million acres out of production in 1973 after the Russian grain deal and droughts of 1972) explains in considerable part why grain prices more than doubled well before the OPEC oil price increases of the fall of 1973. The U.S. Government further compounded the world grain shortfall when it imposed a ban on new export sales of fertilizer from October 1973 to June 30, 1974. Thus our government has a greater measure of responsibility for the present situation than those then in the responsible positions appear comfortable in acknowledging.

Failure to act soon and significantly on the promise that both you and Secretary Kissinger made before the United Nations to provide increased food aid could, I fear, prove to be a major diplomatic mistake. Alternatively, greater initiative and leadership exercised by the President of the United States at this time would almost certainly have major beneficial results far exceeding the costs involved. Other countries are uncertain, insecure, and waiting for a clear U.S. lead in this field. The United States, which dominates the world food situation to a greater degree than the Arabs do oil, needs to demonstrate in the food field what vigorous and responsible leadership could likewise accomplish in other areas of conflict over access to essential raw material supplies.

I recognize that the increase in food aid proposed herein does pose two major questions: What about budgetary pressures? And what about the potential inflationary impact on the economy? There may be no avoiding the fact that if cuts cannot be made elsewhere, we may simply have to add the better part of a billion dollars to the budget so that some millions of people may live and to ensure that the U.S. -proposed World Food Conference is a success and contributes to slowing long-term inflationary trends. Coping with the short-term inflationary issue is less intractable. To begin with, the inflationary

-4-

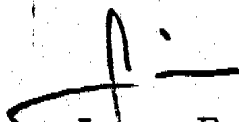
impact of an additional 4 to 5 million tons of food aid should not be exaggerated. The United States intends to export 12 or 13 times that amount in any event, and many overseas buyers with existing contracts could probably be persuaded to defer significant deliveries until after the next harvest. A series of other steps also could be taken. Furthermore, considerable savings could be made through voluntary reductions in consumption. Support for such a move is likely if a national appeal is made by you and other political leaders and if it is apparent that any savings will reach those whose survival is threatened.

The greatness of the actions of Truman, Vandenberg, Herter, and Marshall in 1947 and 1948 was that, to their enduring credit, they converted a crisis into a great opportunity for progress for all mankind. President Eisenhower showed the same leadership in establishing the Food for Peace program in the 1950s. I believe, Mr. President, that a similar opportunity exists at this moment if you will use the authorities already at your disposal. But the opportunity is a fleeting one, and the affirmative response to such action will be progressively less as each day passes next week.

If I can be of assistance in any way, you know you can call on me.

With best wishes,

Sincerely,



James P. Grant
President

Enclosures:

Oct. 6, 1946, New York Times Clipping
Rome Declaration (Barbara Ward, et al)
New York Times Article - Nov. 3, 1974

Copyright, 1947, by The New York Times Company.

NEW YORK, MONDAY, OCTOBER 6, 1947.

TRUMAN CALLS ON NATION TO FOREGO MEAT TUESDAYS, POULTRY, EGGS THURSDAYS

TO AID EUROPE

Truman, Harriman,
Clegg and Marshall
in Radio Plea

BREAD A DAY URGED

'Hoarding' in Grain Is Ordered
to Stop—60-Day Closing
of Distilleries Is Advised

Summary of broadcasts on the
radio are on Page 5.

SAMUEL A. TOWERS
Special to The New York Times

WASHINGTON, Oct. 5—President Truman asked the American people tonight to observe meatless Tuesdays and use no poultry, or eggs, on Thursdays and to save a slice of bread a day.

He urged adoption of other food conservation measures to provide necessary shipments needed to avert starvation and suffering among the people of Europe.

On other steps, he suggested a 60-day shutdown by distilleries, and that "this action alone will avert the deaths of millions of hungry people."

Truman also said that he was moving against "hoarding" of commodities. He said he had directed the War Relocation Authority to require the grain exporters to raise their margin requirements to at least 23 1/3 per cent. He served notice that he might mean action by the War Relocation Authority to limit the amount of grain being hoarded.

Examples for Nation

Truman called for a half-hour broadcast from the White House to further the president's campaign for voluntary conservation to meet

approval and endorsement to an immediate food-saving program mapped out by a preceding speaker, Charles Luckman, chairman of the President's Citizens Food Committee.

In addition to aiding the survival of European peoples crushed by the misfortunes of nature and the aftermath of war, adherence to the food conservation program, the President pointed out, would contribute to the struggle against inflation and foster lower prices.

He told his audience that Mrs. Truman had directed the White House to follow the food-saving program and that he in his capacity as Commander in Chief, had ordered the military services to comply.

Grain Saving by Industries

Mr. Luckman, in advancing a plan of action for the preservation of food by all segments of the economy, announced that the distilling industry, at a meeting here this week, would be asked to declare a sixty-day emergency suspension of operations.

At a meeting last week more than half of the industry had pledged a 50 per cent reduction in the use of grain.

Continued on Page 5, Column 2

4 Steps to Save Food Offered by President

Special to The New York Times

WASHINGTON, Oct. 5—President Truman's guide for the nation's food consumers during the crisis in Europe:

1. Use no meat on Tuesdays.
2. Use no poultry or eggs on Thursdays.
3. Save a slice of bread every day.
4. Public eating places will serve bread and butter only on request.

"It is simple and straight forward." No Objection To Declassification in Full 2011/05/02 : LOC-HAK-57-2-14-1

Meat Industry Council Asks Price Ceilings on Livestock

Requisitioning of Animals if Growers Refuse to Sell Also Urged—Two 'Meatless Days' a Week Opposed as No Economy

Price ceilings on livestock, and Government requisitioning of cattle if growers refused to sell at maximum legal prices, were recommended yesterday by the National Meat Industry Council.

The executive board of the council, after a series of week-end conferences, went on record as opposed to two "meatless days" a week on the ground that it might lead to heavier rather than lighter consumption of meat.

Jack Kranis, council president, said that many families, through the use of fish, poultry and vegetable dinners, were eating meat on fewer than five days a week. He said that general observance of two "meatless days" would tend to standardize five days of meat-eating, thus increasing the meat consumption of many families.

"If every family will reduce voluntarily its consumption of meat, whether it now has meat on the table three, four, five, or six days a week, the nation will achieve a maximum saving of meat and reduce the demand for grain to feed

cattle and hogs," said Mr. Kranis. "This will also produce a downward pressure on meat prices, and help curb living costs."

Mr. Kranis suggested also that housewives buy the cheaper cuts and grades of meat, rather than choice steaks and chops, to bring down prices and reduce waste. He said that 75 per cent of the cheaper meats were not being used on the average American dinner table.

"If the housewife will make greater use of the cheaper cuts," said Mr. Kranis, "we will have about 25 per cent more use of the entire animal. This will help feed starving Europe and cut our meat bills at home. All that is needed is for the housewife to learn how to cook the cheaper cuts. They are fully as nutritious as the choice cuts if properly prepared. Unskillful cooking will, of course, produce unpalatable dishes. It is time the American housewife learned how to cook the cheaper cuts."

The Meat Industry Council's board decided that price controls

Continued on Page 5, Column 2

**DECLARATION OF THE ROME FORUM
ON THE WORLD FOOD PROBLEM**

We are on the eve of the most serious crisis since 1946.

The primary question before us is how many of the world's people may not survive until the next harvest. Between now and then we have no opportunity to adjust the supply of food: on that the die is cast. Demand must, therefore, be adjusted to supply, and since market operations will not bring down prices for the world's poorest people immediate action to ensure their access to basic supply--of food, of fertilizer--is the Conference's first order of business.

Immediate action: the estimated shortfall in foodgrains in 1974-75 is of the order of 20 million tons, of fertilizer about one million tons. To secure these supplies, expenditures of the order of \$4-\$5 billion will be required. Clearly, the responsibility for providing these sums rests on those wealthy nations who enjoy the greatest capability to meet the bill. If the financing is combined with some restraint on affluent consumption--of food, of fertilizer--further inflationary pressure can be avoided. The high-protein diet and scale of non-agricultural use of fertilizer among the wealthy suggests the practicability of some strategy of restraint. We believe that the fundamental test of the seriousness with which governments and people confront the risk of spreading famine is whether a firm commitment to provide the necessary finances and secure the needed supplies is met before the end of the Food Conference.



U.S. Policy and the Food Parley

By James P. Grant

WASHINGTON—The United Nations world food conference opens Tuesday in Rome under the shadow of two great crises. Neither can be successfully addressed without vigorous United States leadership.

The first is the urgent need to reshape the world food system; this is the primary reason for holding the conference.

A successful redesigning of the world food system over the coming decade would save millions of lives and reduce the inflating cost of food.

The second crisis is the rapidly growing specter of famine and widespread acute malnutrition resulting from shortages of food and fertilizer and from soaring food prices. Hundreds of thousands have died from these causes in the last year and many more will die in the next two years.

The principal issue here—ones that United States decisions will undeniably affect—is this: How many millions will die?

The position on the world food system being taken to Rome by the United States delegation, led by the Secretary of Agriculture, Earl L. Butz, calls for a world food reserve system, more assistance in order to increase production in developing countries, more international cooperation in research, and other good proposals.

Although these recommendations are sufficiently vague to be subject to widely varying interpretations, they could be the basis for a major cooperative effort over the next decade if other countries are convinced the United States seriously

follow through in subsequent negotiations. Unfortunately, its position on the immediate food emergency casts doubt on its long-run intentions.

The tonnage of the food-aid program this year is less than half the nine million tons provided in 1972 (the last "normal" year), and one-quarter of that made available to meet food shortages of the mid-nineteen-sixties.

While Americans are watching death on their television sets and reading of rising death rates in more than a dozen countries, Mr. Butz steadfastly maintains that there is "no world food crisis" and adamantly opposes any food-policy equivalent of last year's turning down of thermostats.

North Americans once were rightly proud of their abundant production of food and willingness to share it with the world. For decades, the United States has managed its agricultural wealth almost as if it were in trust for all mankind.

After World War II, tens of millions of tons of United States foods and fibers flowed to war-devastated countries, helping former Allies and foes. Americans, far less well off than now and still recovering from wartime austerity, had weekly meatless days in order to help others.

For more than 25 years, Americans had a global food policy that served our conscience and foreign policy well. Current policy, however, no longer serves either adequately. In fact, there have been uncharacteristically irresponsible actions in the last two years.

Thus, in 1973, well after the mammoth Soviet grain purchase of mid-1972 and widespread drought in many

the United States, Washington paid American farmers nearly \$2 billion to keep land out of production.

In October, 1973, the United States suspended new export sales of fertilizer while vigorously, and properly, protesting the Arab oil embargo. This restriction has been a major contributor to the 1.5-million-ton fertilizer shortfall in the developing countries, which will cost them 15 million tons in lost grain production this year. Meanwhile, however, Americans are continuing to use some three million tons of fertilizer a year on lawns, cemeteries and golf courses.

In addition, the United States food-aid program has decreased greatly just as the world food situation has worsened and as the developing countries have paid an additional \$2 billion to us because of the higher prices of our food exports.

This apparent callousness to suffering overseas comes simultaneously with an outcry from many quarters of American society for greater United States leadership on food problems.

The Senate has passed a bipartisan resolution sponsored by 37 Senators calling on the President to double food aid by restoring it to the 1972 level, and asking him to appeal to Americans to reduce the ornamental uses of fertilizer to make more available for farmers at home and abroad.

The world food conference offers President Ford a unique opportunity for United States leadership by deeds that go beyond rhetoric, especially by doubling food aid and by calling on all Americans to conserve grain and fertilizer.