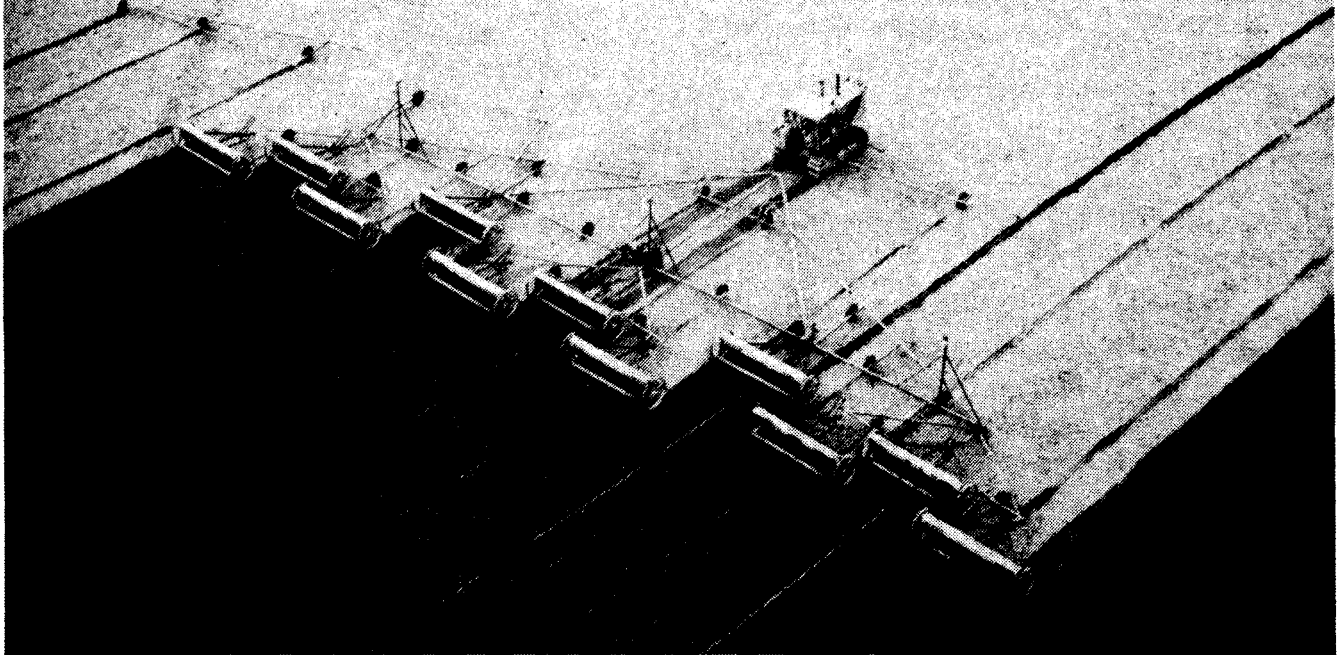


Exclusive Interview

Agriculture Secretary Block foresees U.S. farm export push



Agriculture Secretary John R. Block granted this exclusive interview to *EIR* Agriculture Editor Susan B. Cohen on April 23 in Washington, D.C. as rumors multiplied about President Reagan's yet-to-be-announced decision to terminate the grain embargo. Secretary Block, who had worked, talked, and fought for months publicly and privately to have the ban lifted, joined his "no comment" on the matter with a broad smile that said almost as much as the enthusiasm and confidence with which he proceeded to discuss plans for expanded farm exports.

Secretary Block, who has premised his strategy for restoring farm profitability in part on expanded exports, was secretary of agriculture for the State of Illinois for three years before being appointed by President Reagan to head the Department of Agriculture. A graduate of West Point, John Block is a successful farmer who built a 300-acre farm in southern Illinois into a 3,000-acre hog, corn, and soybean operation.

EIR: There's one question I have to ask, and it's one you expect: the press is full of rumors that the embargo will be lifted tomorrow, and I must ask your views on that.

Block: I just am not going to comment on the grain embargo issue today. Sorry.

EIR: As I said, it's an obligatory question. But what I really want to get into is the question of exports and export-market development broadly. That's one of the things you've emphasized very strongly, and certainly your experience at the helm in Illinois makes you quite familiar with the ropes in terms of export market development. What plans do you have for export expansion? I know you have an upcoming European trip, and maybe you could comment on that also.

Block: Well, we have some very ambitious plans in terms of expanded exports. We have a product in the United States that's competitive worldwide—our farm products. And even in our budget considerations, we've favorably treated commercial export budgetary issues with more money to expand our efforts to sell our products. And we're working right now—they need some greater detail—on some of the specific efforts we intend to make to expand exports, since just talking about that is not good enough. We need to produce, and we intend to work at producing in this area. And of course the trip to Europe, to the World Food Conference, and then the subsequent meetings with some of the major members of the European Common Market—realizing of course that the European Common Market is our largest single custom-

er when you put the countries all together, and we'll be talking over trade issues, trade considerations—is part of the overall effort to do this. But just part, because this world's big. We have big customers in the Far East and a very, very large customer on our southern border—Mexico.

EIR: I wanted to discuss Mexico specifically. President Reagan has taken the initiative to launch a new relationship with Mexico. There's an upcoming meeting with President López Portillo, and certainly agriculture will be very important there. I understand you will accompany President Reagan.

Block: This is possible. That is not absolutely certain. But because of the agricultural exports to Mexico, and their desire to talk with us about future supplies of farm products, it may well be that I will be with the President. But—at one time it looked like we had it all set but, because of the assassination attempt, now we don't know the timing and what kind of a schedule we'll work out.

EIR: I know the department has been participating in an interagency effort in preparation for the trip. Have you made any specific proposals?

Block: We're working with other agencies, but we have not presented any proposals to Mexico for them to look at. We're at the developmental stage right now.

EIR: From discussions with colleagues in Mexico, I know that they're interested, in addition to food imports, in the range of American farm-food technology and knowhow.

Block: We *definitely* look forward to working closely on a mutual-exchange basis with Mexico on technology in agriculture, on common concerns of pests, insects, animal health—all are a major concern to us because of their close proximity to our country and the great amount of trade between the two countries, the people that travel back and forth, the livestock that's transported over the border. It's very important that we work together on all of these different issues.

EIR: The development of trade relations with Mexico can set the pace for a new type of economic relationship with the developing sector countries. What ideas do you have in terms of broader Third World market development problems?

Block: I think there's a great opportunity in the developing countries and in countries that are nearly developed that have a ways to go. In Latin America we have many countries there that I think could be good customers of ours in future years. In the Far East we've been successful in developing some important markets—just as an example, Korea and Taiwan have been tremendous markets for us. And there'll be new ones and more in the future.

EIR: What do you envision will be the main programs through which these will take place? PL-480 was focused on heavily because of the budget cuts—maybe you could situate PL-480 in terms of the broader scope of programs.

Block: Well, our major thrust will be for commercial markets, and we can accomplish this by our Foreign Agricultural Service efforts, our agricultural attachés,



Secretary Block

our trade offices that we have authority to open. I think we have nine open now and we're looking to open two more this year, and will continue to work these into our program of promoting exports for the United States.

Our emphasis on exports, as we work with the companies in the United States in an effort to get involved in sales abroad, is accompanied by a government-wide

effort to reduce red tape and some of the regulatory stumbling blocks that exist, maybe not so much in agriculture, but in commerce and other places. We're working at the cabinet level, in close harmony and agreement—Commerce, U.S. Trade Representative, Agriculture—all together trying to reduce these impediments to export trade. This in itself can get more companies involved in trading and selling abroad, and can be a major factor in expanding our export markets.

EIR: You addressed a meeting of agribusiness people interested in the investment potential in Nigeria. Do you have any specific ideas in terms of the continent of Africa? Nigeria, of course, is a wealthier country, but many of the other countries are in desperate need of food and farm production knowhow.

Block: Well, some of these cases have to be treated differently. In some cases, such as Nigeria, I think we have a splendid effort between our Foreign Agricultural Service and the private sector in our country—private companies jointly going in there to work together to expand opportunities to sell our products. But they have an advantage, they are going to have the money to buy them.

What you're pointing out is that there are countries that don't have. Under these circumstances our main thrust of expanding commercial exports is one thing, that's to create jobs in the United States to strengthen our economy. But for those countries that can't buy, or can't easily buy, then we approach it with humanitarian considerations as much as anything. And PL-480 does provide some assistance there, and of course, through the United Nations funds and efforts, and private organizations. But you're getting into something entirely different there. It's not something we're insensitive to; we

EIR: Is there any thinking in the department now to consider these types of cases in terms of long-term investment? That is, food investment, and agricultural infrastructure investment, in the context of a broad industrial development plan for the given country.

Block: Well they *do* pose a long-term investment opportunity for us. We've done this in the past with countries that have ultimately become tremendous customers of

I mentioned some; Korea, Taiwan are just examples, but there are many more. And some of the countries we're talking about could fall into that category—countries like this that started out under PL-480 assistance programs. And they developed an appetite for what we had to sell. We were able to strengthen their economies, they started some industrialization. So it's part of the overall plan and program. It's not so new, but we certainly recognize past successes and want to take advantage of them, and perpetuate future successes along the same lines.

EIR: One of the things that comes up with discussion of market expansion in the Third World is the recently fashionable argument that Malthus was right, that there's going to be famine, that it is impossible to feed all these people. Certainly American agriculture is living proof

as an advocate of American agriculture, taking an educational role in this light?

Block: I think we will serve in an educational role. I think, almost to the man, the Department is going to be a walking, preaching evangelist for agriculture, for the contribution the industry makes and can make to the future of the United States and other countries that need what we're raising and, indeed, to the stability and peace of the world. This is a message we're going to be passing on at every opportunity.

And I certainly don't buy the idea that we're going to have famine in a year or two, or three, or five, or ten. We could—anything can happen—but we could once again be buried in surpluses, too. So I think it's something that you can write about—you know, conjecture is easy to come by. But given stronger commodity prices, there's a great amount of land in the world that can come into production; not that we have it all. We could bring some additional in, too. We're certainly not farming the United States nearly as intensively as Europe is farming their land, or Japan, which in itself is telling us there's a lot we could do if there was adequate incentive to do it. And we don't want to do it until the times comes, until the monetary incentive is there. But once it's there, we can rise to the occasion, and certainly will.

EIR: That gets into another area you have emphasized greatly. Everyone was happy at the one bright spot in the

budget, agricultural research. Could you explain your views on the importance of agricultural research, why you felt it was imperative to strengthen the budget in that respect?

Block: I think it's important, simply because here we on one hand talk about the demands that are going to be placed on this production plant of ours in the United States—and I think they're going to be substantial. Like I said, we're going to be up to meeting those demands, but we need to plan ahead. And part of planning ahead is having adequate research, developing new technologies for seed, fertilizer, machinery, equipment, production technology, as well as marketing technology, new uses for our products. I don't expect government to do it all. But we need to do our share.

Private industry has and will continue to do a large amount of the research. Along this same line are the educational programs that come through our extension service. We talk about meeting these demands, but as we farm this production plant more intensively, we need to have better education and understanding on how to manage this production plant so that we won't suffer excessive soil erosion, and losses, and in order to preserve it for future generations. The whole thing ties together, and that's one reason I feel it's essential to put emphasis on research and education: in order to be prepared to meet the demands of the future.

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EIR: My observation is that that is what has made American agriculture so unique: the combined research/education aspect of it, which, of course, the Lincoln administration set up. I wonder if you have any thoughts on whether the success of the Space Shuttle may help get the Landsat agricultural applications moving again?

Block: I don't have any details. I am aware of the very useful detailed information we could get from that. And I'm also convinced that the successful space trip is going to add a new dimension that we haven't had in the last 8 or 10 years in space. So it may give us all a boost here.

EIR: The last question I would like to ask is your view on what you will do with the Department that's different. You are the first real production man this Department has had for some time, and there are many people who are really counting on you.

Block: I would prefer to leave that to all the people that continually serve as critics of the United States Department of Agriculture—as they should. My intention, of course, is to safeguard the broad interests of agriculture in the halls of government, and promote and work for prosperity in the agriculture industry, and serve as an effective advocate of agriculture. Someone else is going to have to be the judge.

EIR: Thank you very much.