



## SPEECH

# Illinois Agriculture Board of Directors Meeting

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I realize I was planning on taking questions from you, but I do have a couple of points to make. One is a general point about priorities, and the approach that one takes to understanding our economic life, and the other is a practical point about the United States Senate that I think we should think about, not only because it is to my advantage that you do so, but also because it's true.

The first is something that I learned in the course of my career in the State Department and the work that I did with the international system--work that, when I was both ambassador and Assistant Secretary of State, had involved a lot with the north-south dialogue and issues of development, the various programs that America involves itself into, the U.N. development program and the World Bank and other agencies where we're dealing with and trying to help countries work with issues of development--the one thing that I learned from all of that, and it started, I guess, even during my days on the policy planning staff, when at one point we were trying to work out an approach to dealing with U.S. policy toward Africa on development issues. I spent a lot of time studying the whole issue of development, starting with countries like Japan, that had actually gone through the development stage in the 19th century. And one of the things that had struck me forcibly and that was reinforced by every experience I had over the years was that the key, the very vital, absolute, clear, key foundation for economic development, for the transition from pre-industrial to industrial, for the transition from industrial to modern technological, the key to it all is successful agriculture.

No country, *no country*, in fact, has been able to make that transition that did not somehow meet the challenge of its agricultural sector.

And I include in that even the exception that proves the rule of Japan, because it is that, the exception that proves the rule. All of the rest, including, of course, the Soviet Union--why did the Soviet Union crumble? Of course, if you get me on my ideological days, I would explain to you that it was because of socialism, and because of top-heavy bureaucracy, and because of the dead hand of government strangling everything. But the truth is that the area where socialism most hurt in the prospects for the Soviet enlivened economy, that area was agriculture. Now, it's possible that would have hurt a little less if they hadn't killed off their human resources in the first stages of the revolution. The murder of--what was it?--some 17-odd-million kulaks who were essentially the farming class of the old Russian empire. We don't realize it but it is not only hard, once you kill off that number of people, it's impossible then to rebuild that human resource, because you've lost the art and you've killed all the people who would have passed it on to their children and to their children's children.

And they never recovered from that devastation. Try as they might, of course, they couldn't make socialized agriculture work, and even today, it's not entirely clear that in a different environment it's going to be a whole lot better. Now, there are a whole lot of components to that. To this very day, storage and transportation and infrastructure have no proper respect for the primacy of agriculture. But it's a clear lesson.

And thankfully, by hook or crook, what I think at least in part as a result of the fact that for a while we had a balanced constitutional system, America knows this lesson. It has learnt the lesson, applied the lesson, and over the course of years we've shown more respect than is wanted in most countries for the truth that you must respect the requirements of sustained agricultural production. You must respect the need to develop an agricultural sector that lives on its own bottom, produces the surplus necessary so that you don't have to worry about your food security and don't develop an extraordinary dependence on external sources in that critical regard.

And one might say, if I hadn't cited the Soviet example, "Well, of course we'll be all right! We have plentiful land, abundant resources," and so forth--but so did they. Don't look at all of the wonderful smiling fields out here and think that they are the result--as you wouldn't be tempted to--of something that just sprang out of the ground because the soil was rich and the climates can be this and that. No. It didn't happen that way. Agriculture is not about the resources. I have been to so many countries, whether it was the old Soviet Union, whether it's countries in Asia and Africa, in particular, where they have hugely rich agricultural possibilities that go undeveloped because they have not concentrated, as necessary, on maintaining and developing and rewarding the role that people have to play in the development of a successful agricultural sector.

As a result of that lesson, I simply make the point that I'll never be tempted to believe the myth that we are somehow now moved into a different kind of economy, that we can be an economy that relies on services, information processing, technology, and all of this. Don't fool yourselves. On the day we let slip the agricultural sector, that's the day when our economy will start to slip into the toilet of oblivion. We must take care of it because it is like the foundation of a house, and if it crumbles, our economy will crumble.

I think that that priority has to be respected. And I've always said this, by the way, and always believed it. I will, of course, have a deep incentive to believe it as the Senator from Illinois, but it's a good thing I believe it anyway, because I find it very hard, to tell you the truth, to argue for things I don't believe. Then it would make it impossible. But I do.

The second point, which I think is a practical one, as we are talking about other issues and priorities, we have to remember that for all the five-point plans and six-point this's and that's that people can articulate when they are running for the United States Senate, that's not how the Senate works. The Senate isn't a body where you go in, and you put your five-point plan on the table, and everybody nods and thanks you and votes it across. You are just one of a hundred people.

As I put it when I was jokingly chiding him for his relative lack of self-confidence on the debates, Barack Obama seemed to be chilled with fear when I came into the State of Illinois, because he keeps saying, "Well, he's from Maryland. What's he doing here?" Therefore, he went down from six to two debates, on the argument that six debates was an offer for in-state people. I said, well, if he's that afraid of somebody just because he comes from another state, I beg to inform him that when he gets to the United States Senate, he'll find 98 people there who come from other states. They are going to be 98 of the best people those states can find. If he's afraid to debate with them as he is afraid to debate with me, Illinois is going to be in serious trouble.

I would argue, based on his record, that Illinois may only have one Senator anyway. And if that Senator is Dick Durbin, then we're in trouble. That's the truth of it. I'm glad you asked me to this race, so you had a shot at having a Senator. But you let two Dick Durbins into the United States Senate, and you've got no Senator at all. And this is a problem, especially when it comes to dealing with colleagues in the Senate.

I have an advantage in that regard, and the advantage is that in addition to everything else, I walk into the United States Senate with an established reputation, particularly in key areas like trade and how one handles multilateral fora, what the possibilities are, what the results are. And I don't speak with wisdom of abstraction or book-learning. I have been there, I have conducted negotiations in those fora, I have led the U.S. delegations in very complicated

circumstances, and I know some of the ins and outs, and also some of the liabilities of dealing with those things. I have also been a voice on economic and trade policy for a long time. Not everybody agrees with what I say, but most people, including most folks in the U.S. Senate, will listen. And that's very important, because you don't have the opportunity to be persuaded by an argument that you don't listen to seriously.

Final point, which I will make with delicacy, because I wouldn't want to imply anything untoward about any of my soon-to-be colleagues in the United States Senate, I hope. But I would say this: people have probably noticed that I was asked to come into Illinois by the Republican Party here, and that, over the course of the last several weeks--and maybe everybody hasn't noticed--contrary to what the media and all these distortions and lies have led you to believe, I have been able in what would ordinarily take people several months, we have put together a campaign organization, and that campaign organization is staffed by people all over the state. We have volunteers upwards of 7,000 in our database, 7,500, and it still grows. Presidential campaigns would be happy to have that many volunteers, but to have them signed up in one state in the course of a few weeks--we had six thousand at the end of five weeks, and we have continued to grow. Why is that? Well, it's because I have come in and out of Illinois working with people, pro-life people, pro-family people, Second Amendment people, people who were interested in changing the tax system to get rid of the income tax and establish a Fair Tax, people who were interested in repealing the death tax. I've been in and out to help those organizations build and raise money and so forth. As it has been true here to such a degree that I could come into the state and within weeks have a campaign organization, intensely committed volunteers, people working their hearts out because of the common things we believe, guess what? I have done that in state after state after state. Not, perhaps, with the same intensity of results as here. Though, I didn't know that for sure, because the results here have surprised me. I've just been doing the work. I had no idea that the seeds have sprung up to the extent that they have.

What does that mean in the U.S. Senate? It means that when I approach my colleagues in the U.S. Senate, they not only know what I know, what my experience is, what my background is, they know that if I show up in their state saying that they haven't done the right thing on an issue, there are going to be a whole lot of Keyes people in that state who listen to what I say. You can't beg, borrow, or steal that. And you can't produce it with on speech at the Democratic National Convention, either. I have a real base that will become a base of influence for the whole people of Illinois.

My coming here is an offer in response to an invitation. It's an offer to put that at the service of the people of this state, and to put it at their service from day one, not after several years of getting to know people. Without putting it bluntly, and obviously without citing anything, there are already Senators in the United States Senate who know good and well that the likelihood is that they would not have been there if I had not supported them in a primary or in a general election.

So, meaning no offense, I do have something to offer that goes beyond just opinions on the issues and clear stands that you can trust. I think I have a background that offers the kind of clout and influence that will immediately allow the interests of Illinois to have an advocate who will be heard and heeded on the issues of importance to the people of our state. Thank you.

### **Question and answer session**

Q: You said in your remarks that you have quite a bit of experience in trade issues. Trade is indeed important to Illinois agriculture. If you're elected Senator from this state in this upcoming election, what would be your position or stance as it relates to some of the challenging issues that we are facing with the World Trade Organization as it relates to agriculture?

ALAN KEYES: Well, I have to tell you from the front that I am not a fan of multilateral fora--and the reason I'm not a fan of multilateral fora when it comes negotiating things that really affect the interest of our people, our farmers and our workers, is because I've had to deal with them and I know for a fact that when an American representative walks through the door of a

multilateral institution, most of the clout we enjoy in the world is left outside the room. And I'm not sure a lot of people realize that.

We are the richest, the most powerful, the most influential nation on the face of the earth. Access to our markets is absolutely critical to the economic survival of most of the countries in the world. When we walk through the door of a multilateral arena, where as whether we sit down at a bilateral table, all that clout, as it has to do with that individual country, is on the table, and everything they have at stake in their relationship with us is hanging the balance if they don't treat us fairly--that's not true in multilateral arenas. Quite the contrary. They can become part of these groups that gang up on us in various ways so that we end up with agreement, in which countries that would otherwise have to make serious concessions to it, in terms of access to their markets and other things, they don't.

They can also cry poor when they are actually rich. I used to see this all the time when we were doing the north-south stuff: countries like Brazil, and so forth, daring to suggest that they were part of the developing country group, and they needed all these concessions so they could keep their tariffs high and block access, and so forth, because after all, they are part of the poor countries and they need help.

Who are we kidding here? We used to joke about this all the time. One of our major strategies was to break out their real interests, because they had interests identical to ours in some areas, and they'd always pretend it was otherwise while counting on us to pound the table, and so forth.

Every now and again, what we do is we'd refuse to pound the table, and force them out of the closet to defend their own interest, contrary to that of the group they claimed part of. It was fun to watch them squirm.

Truth of the matter is, I don't believe those agreements result in things that are advantageous to us. I think, for instance--and I know this might be counter to the views of some--I think that what we get out of the WTO agreements, the GATT rounds, and all of that, especially for our farmers, c'mon, y'all, I know that everybody says, "Let the farmers take up the rear, be happy with the scraps off the international table." Somebody really believes we are getting fair access to the big guys, the ones who really could spell some profits for our farmers, like Japan? The door is open in Japan, I suppose, for our agriculture products. Do I have a vote on that? Anybody believe that? Is the door cracked a little bit?

It might be cracked, but they're not poking their heads out yet. It would seem to me that that would be nice. Why is that possible? Why is that possible, when we know the extent to which some of these countries depend on access to our consumers? I say it's possible because we constructed an arena where it's possible, for a whole scheme of complex reasons, for us to go into a bilateral situation, not get what we need, because they're waiting on the multilateral agreements and fora either to get a better agreement or to get something distributed from an administrative tribunal that will undercut what we need. And so, I don't think we get a good shake.

What I would do to improve that is I'd start putting a lot more emphasis on the need to be satisfied with how the balance sheet looks at the bilateral level, before we were willing to consider moving forward on various things in the multilateral fora. A little linkage wouldn't hurt a bit with some of these countries, and I think that it would help a lot.

I also think that we need to be careful, because we signed on to the whole mantra of free trade and the multilateral negotiations that have been wrongly connected with it. First, free trade is not free. We all know that, don't we? It's actually a managed, a carefully managed, a carefully stage-managed forum of international trade, in which every detail has been negotiated and brokered by complex agreements that filled tomes you and I couldn't even get through. To call that free, and not to understand that it is in fact intensively managed in a socialistic fashion is simply a false use of language--and I don't particularly like indulging in it.

So, the stage managed trade that results from these negotiations in the multilateral fora is then presented to our Congress, and we're supposed to fast-track it. What happens to the

interest of farmers in that fast-track process? Well, I'll tell you what. Since we are not, I think, in a position, for various reasons, to really have farmers occupying their right place at the table in the multilateral negotiations, when it's put before our Congress--where, by the way, farming interests have a much greater share of the clout because of the United States Senate. We still remember that, don't we? The fact that we have two Senators from every state means that in the Senate agricultural interests in America still have a blocking say when it comes to agreements. Don't you realize that's why fast-track exists: to undercut that reality, so that farmers can be pushed to the back of the line and kept there, despite the fact that to get something through the Senate you need the support of the states where a farming interest would otherwise dictate that the Senators had to look for better deals?

This isn't working, y'all. I know some people think it is, but I don't believe it. I think we can do better--and I think we could do better if we respected the process, let the Senate do its work on these treaties in such a way as to represent the real balance of power that still exists in the American system but is being circumvented by the fast-track approval process. It actually means that in the arena where the farmers could still be at the head of the line, they are put successfully to the back of the line or near it because we're fast-tracking these results where farmers weren't really sitting at the head of the table, where agricultural interest didn't have the kind of clout they have in the United States Senate.

I will be looking to find various ways to address that. And I think as I address my colleagues, particularly those who come from states like Illinois, I'm not sure a lot of folks have thought of this lately, you know, that there was a reason our Constitution is put together the way it is, and a reason why the agricultural interests are actually given a disproportionate influence in the way our Constitution is put together. I think it is because the country was, obviously, strongly agricultural in a different sense, but also I think the Founders were a very far-sighted people. They understood not only the importance of agricultural foundation, they understood its importance culturally, and they wanted to make sure that the most wholesome element of society had a disproportionate influence in order to protect its existence at the political table.

So, I would be looking to do better than we can do at the WTO--not only to defend us from some of the results there that might come out of its decisions and tribunals, but to look for an approach out of whatever administration that shows a greater respect for the seminal truth of the primacy of agriculture in our success.

Q: My question has to do with hunger and malnutrition, and, as you know, I'm sure, that continues to be a world-wide problem, particularly in some of the least developed regions of the world. When you are elected to the U.S. Senate, do you have some kind of notion about some of the things we might be able to do help resolve the problems? On the humanitarian side, we certainly can provide to produce food to feed those folks and to help them. What can a Senator do or what can the United States do to improve that situation?

KEYES: Well, I think that the situation is kind of complex, and you can see it if you look at the history of some of our humanitarian efforts to help, which I had to do extensively at times when I was working on these issues over the course of the years, when we had things like PL 480 and other programs that were aimed at making sure that our surplus production could be put to good use in making sure that people around the world weren't starving. And I think that is a very good and well-intentioned approach.

But obviously, though, it does create some problems, because if you are dealing with a country in a developmental stage where you know that in order for it to take off, it has to develop a viable agriculture, sometimes, the things we did to help [didn't succeed] because of the nature of their governments, by the way. Because governments in a lot of these third-world countries--oh, I hate to put it this way, but you know what just occurred to me? It was about to slip out of my mouth; I guess it will anyway. I was about to say that governments in a lot of these third-world countries are kind of like the situation of politics in the State of Illinois. And that is, that you have an urban majority, or a near-majority--in the case of a lot of these countries, it's an urban plurality, because it doesn't have to be a majority if they add military power to it and take over--and the government caters to the interests of that urban population at the *expense* of what is needed in order to reward and sustain the people who

are still on the land. And in the case of a lot of these countries, the people who are still on the land are numerically still the majority. Very different from our situation, obviously. But they are still oppressed by a combination of military power and governments that are authoritarian or tyrannical and that therefore take account only of the little power that still keeps them where they are.

And this means that they are unwilling to do things. They are socialistic and authoritarian and they won't establish a system that has reduced the crisis to a level that will actually remunerate the effort of their farmers. They move against them in various other ways because they often represent a power or ethnic base that's contrary to theirs, and so forth and so on, and sadly, the end result is that they destroy agriculture--and then they try to use our food to feed the starving people that result there.

I don't think we want to be part of that syndrome, because we don't like tyranny and we don't like starvation, and I would think we would want to help other countries develop viable agriculture.

But at the same time, we do want to make sure that our resources are available to starving folks.

I think you do have in a context of an insistence that governments be in place that will adopt policies that are actually viable economically, and as they move forward on those policies they drop the barriers so that we can give their people access to the food that they need to sustain themselves while they're trying to move up the line. And that is something that would certainly work and work better than neglecting either side of this equation. At the end of the day, I think we want to have viable economies in other parts of the world where people have developed to a stage where they have more money to buy our goods of all kinds. And our abundant agriculture can help to meet the deficit that is created by bad government, a lot of the times, in terms of their food production, until they get on their feet.

Second point. One of the things that helped in our development was, obviously, we developed very early on a system for spreading the knowledge, the art, that is required to sustain agriculture successfully. Extension System and so forth, the agricultural colleges and all of the things that went into making sure that we developed the human resources with knowledge and an effective passing on of information from generation to generation so that we developed an effective system.

Do you realize in a lot of countries in the world, even though they tried to [unintelligible: farm] and other things, it just isn't working, and that means we have another tremendous resource to share with the rest of the world: we have our talent, our knowledge, to share with these countries that don't have it.

And that is something else we don't usually think of but which I think also offers a lot of hope, because it offers the prospect of a kind of employment for people who are coming out of our rural communities--people with the skills and understanding of agriculture who can be a resource to all the world. And I think we need to develop programs that offer that resource along with the food that can help to sustain them in this gap as they're developing their future.

And the third point, of course, is that all around we can do the things that would benefit every farmer in the world, including our own, as we use our technology edge to develop the alternative uses of agricultural products. There obviously is a crunch. You see it in the European community, you see it globally. Farming is, it seems to me, one of those areas that's subject to this paradox: the better you are at it, the lower your return is likely to be. Isn't that sad? I wonder why God did that to farmers.

[laughter]

So, if you're really good at it and you get that abundant harvest, and you take it to the market, and everybody else has been really good at it and they get an abundant harvest, then you can't get a return on it that it reflects what you put into it.

That's one of the geniuses of our present system. I often explain to people, that's why I say we call it supports, not subsidies. We are not subsidizing farmers, we are actually supporting a system that kind of evens out the expectation so that they're not punished for being good farmers. And that's all we're doing, and that's in the best interest of the society and everybody else.

But because of that, I think we need to spend time and effort developing a knowledge infrastructure that will allow us to expand the usefulness of agricultural products beyond just food--because then you get into a universe where, as fuel, as alternative products of other kinds, there can be an almost unlimited horizon in which your efficient production can then be devoted to the production of things what will help elevate the energy crunch and things of this kind. And every farmer in the world can then be encouraged to be the best farmer they know how to be. And then, within obvious common-sense limits, you would still have a use for the product that didn't interfere with a return on all that work that is needed to sustain the farming sector.

Q: I think all of us can relate to that definition that you just laid out.

[laughter]

Q: I had two questions, since we're kind of on the international subject. There were some commentators on one of the news programs the other day that said that one of our problems with the Muslim community was the fact that we support Israel too much, and then I saw this morning or last night where Israel was going to use \$500,000,000-worth of smart bombs with the U.S.A. military agent in the U.S. So, I guess my question to you is what do you see is the future with the U.S. and Iraq and the Muslim community and the terrorists, et cetera.

KEYES: Well, I actually think that it's not only just wrong, it's actually dangerously wrong to suggest that something about our relationship with Israel is the reason we are under the gun of terrorists. I will say, though, there is relationship between the policies we have in the past pursued--we, Europeans and others--toward the Middle East, and the terrorist phenomenon we now face, because it's not an accident that this terrorism is basically headquartered in the Middle East. It's headquartered in the Middle East because, for decades, we and others followed policies that rewarded terror in the Middle East.

We followed policies that started in the 1960's, when they were hijacking planes and doing various things to people, we said, "OK, OK," and after the usual tut-tutting, we would sit them down at the negotiating table and make some concessions. And then Yasser Arafat and others would go out, they'd start taking over ships at sea, attacking people at the Olympics in 1972. We tut-tutted for a while, then we sat them down at the table of negotiation, made some concessions. And every time there has been this use of terror and bloodshed and killing of innocent people, we sat them down, after a little respite, at the table of negotiation and we made some concessions.

I think the people who practiced terror might have gotten it over a few decades: "When we practice terrorism, we get concessions"--until finally they were so emboldened that they actually believed this same practice would work directly on us. After all, we had, time and again, followed and pursued a policy in the Middle East that suggested we were willing to reward terror. Why not? If we're willing to reward terror when it's Israelis and a random American die, why not when it's a lot of Americans die, then we'll reward it, as well?

No, you and I both know this was grave miscalculation.

When they start killing Americans in New York at the World Trade Center, we got on our hind legs and said, "We've got to kill terrorists now." And I like that, myself. I think that's the best response to terror--but it should have been the response all along.

When your hands are dripping with blood, when you're practicing a way of doing war that we know to be offensive to conscience, if we reward it, we encourage it. And we rewarded it because, if I may say so, we were not willing to acknowledge that terrorism practiced against Israel was terrorism, not freedom fighting.

Now that we have, thank God, and now that we're acknowledging it everywhere, in Chechnya and elsewhere, we come to a stage where, let's look at all terrorists under the same rubric. You can be a freedom fighter or you can be a terrorist. You cannot be both. A freedom fighter will fight, but he'll target military targets, he'll target the opponent's military infrastructure, and so forth. When you cross the line and kill the children and kill the unarmed civilian, and attack the soft targets that have nothing to do with military work or preparation, then we're coming for you, wherever you are.

I think that's the only message that is going to work with terror, and it has to work, as well, with the governments that support terror. That includes governments like Iraq. It will include standing governments like Iran and Syria, if they don't get the message. See, Libya has started to get the message, and we want Syria and Iran to get the message. If they don't get the message, we're going to have to deal with *them*.

And I think that we shouldn't be looking at these headlines. I saw one the other day said, "Second term means more war." Who are we kidding here? We're not in charge of whether we have this war. Did we invite the attack on the World Trade Center? Did we put a sign up saying, "Attack here please, because we're ready"?

No, we didn't.

The war was started by others. It will be continued by them if we encourage them to believe they'll get something out of it.

And so, I think we have to put up an [offensive] front--and by the way, I say this with some conviction, because I'm one of those people who said it long before September 11th. In the days of the Reagan administration, when we were going back and forth about what should our terror policy be, I was part of that group--which included Jeane Kirkpatrick, Justice Clark, Constantine Menges and others--who believed we needed a strong, activist, aggressive, preemptive strategy toward terror. We did not adopt it. We suffered the consequences. Now we have adopted it. If we retreat from it, we will suffer even more devastating consequences--and it will not be because of Israel. It will be because when you give this beast your blood and do not exact a cost in terms of its life, it then comes looking for more of your blood. You open a market in the blood of your citizens that can be occasionally allayed for a moment, but will never be appeased. And this we should not do.

Q: Let's shift gears to agriculture again, the state's largest industry. Currently, Senator Fitzgerald is on the Senate ag. committee. If elected the next Senator of Illinois, would you seek that position?

KEYES: Yes, I would. I think it's imperative, especially given what I've said about priorities.

It's also imperative, though, because--I was commenting on this on the elevator. I come home living in Cal City. It was my first choice, because it was a learning experience. What I especially wanted to learn about the areas that have been affected by the fatal use of the Democrat machine and what people there are thinking, because that's something that can be, I think, necessary, if we are to crack the truth, which is that the Chicago machine is not invulnerable. A whole bunch of unhappy people are living under its rubric--unhappy economically and unhappy because they're prisoners of cautions with a Democrat party that has betrayed their faith in the sense of community--and we can crack it.

But in terms of what I have done here, in terms of who invited me in, in terms of the people who were on the telephone calling up and the minute they heard the name, saying, "Yes! See if you can get him"--where did they come from? They came from all over downstate, for the most part. Well, there were some in Chicago. But they came from all over downstate. If someone were to ask me, "Where's your natural base of support in Illinois?" that's where it is. In that sense, politically, that's where I'm from. It also reflects the priorities that I believe. I know there are people in Chicago who share my moral priority. I absolutely am *certain* that the majority of people downstate share my moral priority. And that's essential.



So, one of the reasons I'd be on the ag. committee is because one has to protect one's own base--and I would certainly do so, because in that sense, people keep saying, "Oh, he's from Maryland," well, no, I'm not only living in Illinois, I know exactly which part of Illinois I'm from.

