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ADDRESS OF

HUBERT H. HUMPHREY

NATIONAL FARMERS ORGANIZATION CONVENTION

ST. CLOUD, MINNESOTA

SEPTEMBER 19, 1970

*President -
George Matson*

Milton Maxwell

*Ole Olson
Wendy Anderson
Spencer
Montgomery*

↳ American agriculture, and Minnesota farmers in particular, are the victims of Republican neglect:

↳ * Neglect in the fifties under Ezra Taft Benson that cost Minnesota farmers hundreds of millions of dollars -- once again that pattern of neglect has been fastened onto the already over-burdened backs of Midwest farmers.

↳ * Neglect in seeking to abandon the concept of parity, the concept of economic justice, in farm programs --

↳ * Neglect in seeking to lower feed grain prices --

↳ * Neglect in holding back advance feed grain payments that were so desperately needed for spring planting and farm operations --

↳ * Neglect in trying to scuttle the Special School Milk Program --

↳ * Neglect in cutting back on the Food for Peace program --

- ↳ * Negelct in failing to provide adequate farm credit --
- ↳ * Shameful neglect in promoting the tight money policy that denies farmers the credit they need --
- ↳ * Unforgiveable neglect in setting unconscionably high interest rates --
- ↳ * And, finally, neglect in the unwillingness of this Republican Administration to support effective bargaining power for farmers.

*Randy
A.*

There is much foolish talk heard today about farming, that family farms are obsolete, that modern production technology will soon provide all the food and fiber we need by simply pushing a few buttons, that farmers themselves are a vanishing breed.

Nonsense.

Man does not have to be the victim of the tools he has created; he can and should be the directing force of those tools, the manager, the policy-maker, the decision maker.

Until the day comes that human beings can exist on a mad scientist's dream diet of little green pills, there are going to be farms and farmers. There may be new tools and new techniques, but there will be farmers.

Change

There will be change, all life, all growing, is change.
 But farmers can have a major voice in the direction of
 that change if they set a goal and join together to reach it.

You here have set a goal; you have joined your
 individual strengths together to form National Farmers
 Organization. You have made the essential first decision --
 that you will not be the victims of economic power controlled
 by others, that instead you will find the way to harness
 and control that economic power so that you -- the farmers --
 the producers of raw materials -- may share equitably in
 the good things enjoyed by those in other walks of life.

No longer is your work done when the harvest
 is gathered, when the cattle are ready to go to market, or
 the milk hauled to the dairy.

The members of the National Farmers Organization
 have opened the farm gate and walked out to meet together
 at the bargaining table, to talk contract terms -- commodity
by commodity -- with the handlers and processors of your
 products, just as years ago the factory workers and the
 miners went to the bargaining table to raise their voices --
 together -- to determine their wages, their hours, in fact,
their destinies.

NFO

↳ It has taken farmers a long time to open that farm gate and take the road to collective bargaining,

They have been too accustomed to working within long-established channels; too accustomed to asking, "What will you give me?" instead of saying, "This is what I charge"; too accustomed to buying at retail and selling at wholesale.

↳ Look at the language of commerce: We say the hardware store charges 39 cents a pound for nails; we say General Motors charges four thousand dollars for a car.

↳ But the farmer, who also produces and sells things, gets five dollars and 20 cents, blend price, for his milk; or gets 26 dollars for his fed cattle.

The farmer deserves the right to charge for his products instead of getting what the buyer decides he can have. ↳ And to be able to charge a fair price and get it means you must have the right and the organization to engage in bargaining -- in collective bargaining -- for a fair price and the terms of delivery.

↳ Progress toward economic equity for farm people is going to depend primarily on what they are able to do for themselves.

↳ Labor is organized, business is organized, finance is concentrated and organized, teachers and doctors and lawyers are organized. Yes, even football players are organized and they bargain for salary and benefits.

They all bargain for a share of the national income. They all, in effect, bargain collectively in the market place. ↳ Farmers alone have found themselves at the mercy of the market. They simply are not yet in a position to decide the prices that they will charge for their products. ↳ But your presence here -- the growth of your organization -- the perseverance and strength you have shown -- these are clear indications to me that farmers are going to be in that position, that you will achieve bargaining power.

*Aug drop
highest in 22 yrs
Parity
71
Lowest
since 1933*

↳ But let me make these ^{additional} points about successful bargaining:

↳ * When you reduce the supply under the wheat and feed grains programs, farm bargaining power is increased.

* When CCC refrains from selling government-held stocks of wheat and feed grains at harvest time, farm bargaining power is increased.

* When exports are increased under the Food for Freedom act, farm bargaining power is increased.

* When we increase the number of people with the ability to pay for food, when we reduce unemployment and fight poverty, farm bargaining power is increased.

* When we provide an adequate diet for our needy, school lunches and wholesome milk for our children, farm bargaining power is increased.

* When marketing orders bring stability into the marketing of a commodity, farm bargaining power is increased.

* When there is plenty of farm credit available at reasonable rates of interest, farm bargaining power is increased.

* When you protect American farm products like beef, pork and dairy products from cut throat foreign competition, farm bargaining power is increased.

All of these things I have worked for and will continue to work for. All strengthen the farmer's bargaining power in the market place.

And when unemployment figures go up and the purchasing power of the dollar goes down, then farm bargaining power is weakened.

When interest rates go up, when credit is tight, and farmers have to sell on a depressed market, farm bargaining power is weakened.

When we do not use the full authority of the Food for Peace program to distribute food to needy nations, farm bargaining power is weakened.

And when the farm programs of the Agricultural Act of 1965 that farmers struggled to achieve are abandoned, farm bargaining power is weakened.

The farm bill that passed the House in August would abandon the concept of parity and mean lower prices and lower income to feed grain farmers. Thanks to the members of the Senate Agriculture Committee and Senator Mondale, and Senator Burdick, and Senator Montoya and others, the Senate this week passed a greatly improved farm bill which restores the principle of parity. Feed grain program payments will be keyed to 75% of parity, instead of the Administration-backed rigid dollar figure. The bill contains the Mondale-Burdick amendment requiring that advance payments be made to farmers cooperating in the feed grains and wheat programs within 60 days of sign-up time.

↪ If we had an Administration in Washington that was sensitive to the financial needs of farmers, it would not be necessary to write into law such an administrative provision. ↪ Farmers are fortunate that their elected representatives in the Senate are willing to correct short-sighted decisions made in the U. S. Department of Agriculture. ↪ And a major reason for this willingness is that farmers have been speaking with one voice through the Farm Coalition. Members of NFO joined together with members of 23 other farm and commodity organizations to present their views to Congress.

Coalition

Don't ever doubt that such a coalition is effective. In its own way, the U. S. Congress is a bargaining table and the united, vocal strength of the Farm Coalition is a form of collective bargaining.

Congress a Bargaining Table

The bill now goes into conference to iron out differences between the weak House-passed bill and the improved Senate bill. I have no doubt that the voice of the Farm Coalition is again being heard in Washington, for the conference table is, indeed, a true bargaining table.

JH

As we all know, farm programs in themselves are not the ultimate answer to farm price and income problems. But they do provide a starting point, a basic protection through floor prices, tools to be used to temper our great productive capacity in the interests of both producers and consumers, if they are drawn and administered properly.

If farm programs are abandoned before farmers have achieved effective bargaining power and collective bargaining techniques, the harsh economic forces of the so-called "free market" would bring disaster to farmers.

The facts are, as one study after another shows, that net farm income would fall by one-third if present programs were dropped.

Individual farm families would not be the only victims to suffer the consequences of such action.

Our economy is interdependent, each part relying on the other. When there is unemployment in the cities, there is trouble in rural America.

When farm prices are down, there is trouble in our factories.

When farm people are pushed off the land, there is mounting trouble in the cities.

The extension and strengthening of the present farm laws, with needed improvements, is only one of the actions needed. We need a food stamp plan that is not only authorized by Congress, but is funded and administered so that there is no malnutrition in America. Hunger in America is intolerable.

We need a greatly expanded school lunch program, that reaches all school children. And there should be free lunches for the children from families too poor to pay for the regular school lunch.

The special school milk program should be continued. This program is as American as apple pie. The Congress of the United States has recognized this, year after year -- giving generous support to this program -- a program I fought for and voted for in the United States Senate.

This year Congress decided that the program should be made permanent and should be funded at a level of \$120 million.

But the Administration seemed to have decided to balance the budget by pinching the pennies of school children and was all set to cripple the program with all sorts of restrictions.

School authorities had been informed that less than one-fifth of the authorized funds would be made available. They were told there would have to be two programs -- one for the child of the poor, another for the child of the non-poor -- class distinction in its most outrageous form. To top it off, the price of a half-pint carton of milk was to go up from 4 cents to 7 cents.

This was the school milk program at the opening of the school year until farm organizations, the PTA's, the teachers, and an outraged public protested and demanded that the program be restored in full without discrimination in price or person. And this united voice of outrage was heard and heeded. The Secretary of Agriculture has announced the full restoration of the Special School Milk Program.

We need a national program to encourage agricultural exports, to enable American farmers to compete with foreign competition, even if it requires export subsidies.

The Food for Peace program should be strengthened. Congress has appropriated the funds but this Republican Administration is not using them. The potential for good in our abundant production of food was clear early in the 1950's. The Humphrey amendment to the Mutual Security Act, adopted in 1954, provided a small beginning -- 150 million dollars -- in the use of surplus foods in our foreign aid programs. In 1954, Congress adopted the Agricultural Trade Development and Assistance Act, which became commonly known as Public Law 480.

I was a co-sponsor of this bill. Although it was limited to a surplus disposal concept, it was a start toward an effective program to use food as a positive force for peace and freedom in the world. In subsequent years, as the law came before Congress for renewal, it was possible to gain support to expand the program, providing more funds and broadening the concept to that of the Food for Peace program. I am happy and proud of the role I had in bringing about this program.

Do you realize the impact this program has had on agriculture in Minnesota?

For example, in 1968, almost 23% of Minnesota agricultural exports went into the Food for Peace program. Dairy products accounted for more than 35% of this total.

During the period from July 1, 1954 through December 31, 1969, more than 7 billion pounds of non-fat dry milk, valued at more than \$898 million was shipped, most of it going for donation through voluntary relief organizations. The value of these shipments to Minnesota, top ranking producer of non-fat dry milk, has been almost 25 million dollars.

In 1954, the value of all agricultural exports from Minnesota was \$87.4 million. By 1968, Minnesota's share had grown to \$226.3 million.

Minnesota's contribution to agricultural exports by commodity in 1968 included:

Dairy products.....	\$19.6 million
Wheat.....	22.7 million
Wheat flour.....	8.8 million
Soybeans.....	53.3 million
Soybean oil.....	7.4 million
Feed grains.....	49.9 million
Flaxseed.....	3.0 million
Protein meal.....	15.2 million

(Continued)

Meat and meat products.....	6.6 million
Poultry products.....	1.5 million
Lard and tallow.....	9.2 million
Hides and skins.....	5.9 million

Yes, the Food for Peace program is important to this State and to this country and to the world. This is no time for this program to be permitted to lag.

This country needs strategic reserves of major farm commodities. The threat of destruction of a major part of this year's corn crop by a newly discovered corn blight underscores the need of such a reserve, ready to come into the market when needed. Prices sky-rocket when a crop fails, and speculators have a field day, and prices of other commodities soar, but a farmer without a crop to sell does not benefit. A strategic reserve would bring stability to the markets, protecting both farmers and consumers. Such reserve would be maintained at common-sense, clearly-defined levels. The method and timing of the release of the reserved commodities would be spelled out to insure that the market would neither be driven up or down. And producers themselves should have a responsibility in the holding and the management of these reserves.

With such a strategic reserve, farm bargaining power would be increased.

Farmers also need ready access to reasonably priced credit. Credit is the life-blood of our system of farming. Main Street bankers, who provide most of the funds to farmers, feel the pinch of tight money and high interest rates just as their clients do -- their needs and welfare are identical.

Fine young men, trained in agriculture, simply cannot find the money needed for high-priced land and expensive machinery.

The Federal Farm Credit System should establish a special lending program to provide an organized and controlled approach to financing young farmers. Because beginning farmers lack individual financial equity, the Farm Credit Banks and Production Credit Associations should develop such methods as special reserves, guarantees, joint loans, and partnership ventures. And experienced financial counsel should be offered to young farmer-borrowers when they face major business decisions.

The Farmers Home Administration, too, must have ample funds and exercise its authority to make loans for young farmers.

Farmer cooperatives contribute to bargaining power. They must be strengthened and there must be protection in the law for cooperatives to merge in order to give strength to the farmer in the market place. The Capper-Volstead Act was designed to give the farmer that chance to organize his co-ops, yet the Justice Department has from time to time moved to prevent cooperative mergers even though there is no monopoly nor evidence of monopoly. Nevertheless, the anti-trust laws are frequently brought to bear despite the Capper-Volstead Act.

Farmers deserve a voice in policy-making at the highest levels of government.

The Federal Reserve Board should have one or more representatives who can and will speak for farmers, for producers instead of the complex of agri-business organizations. The policies and actions of the Federal Reserve Board are felt by farmers as much as by any other business or industry and there should be true farmer representation on the Board.

The President's Council of Economic Advisors should have at least one member who knows and sympathizes with rural life and the problems and opportunity found there.

The Budget Bureau, the Tariff Commission, the Interstate Commerce Commission and the Department of Transportation all should have farmer representation in their councils.

Such appointments should be made as a recognition of the importance of agriculture to our national life.

Few people realize that agriculture's assets total 307 billion dollars, equal to about two-thirds of the value of current assets of all the vast corporations in the United States; or about one-half the market value of all corporation stocks on the New York Stock Exchange.

Even though the number of people living on farms has declined a third in the last 10 years, three out of every 10 jobs in private employment in our country today are related to agriculture.

I have spoken today about a better deal for the American farmer -- and this means a better America. But we all know there is more to this subject than just dollars and cents.

What we are really talking about is the quality of life in rural America -- the opportunities you and your children have to take advantage of the unprecedented standard of living that America offers today.

We are talking about better schools, better hospitals, and health care. We are talking about communities that can afford the public services which will attract new industries and provide new job opportunities, and new income.

We are talking about making it possible for rural young people to stay on the farm, stay in their home towns, and still look forward to a full and rewarding life. Today, for every 175 rural youngsters who reach working age, there are fewer than 100 jobs. This year, about 200 thousand of those young Americans will leave home and go into the city.

Their departure will make rural America a poorer place. Their leaving will not only separate them from their families but will weaken our rural communities -- weaken them spiritually as well as economically.

I am for giving those young people -- and every other American -- a real choice about where to live, where to work, where to raise their families.

If they wish to live in the cities, those cities should be clean, wholesome and safe. Today, too often, they are not.

If they wish to live in rural America, then rural America must provide opportunity and modern living.

But rhetoric about rehabilitation, reform, and renewal will do very little for rural America. The key is economic equity, economic power, economic justice for the American farmer. The key is higher farm income. The key is parity -- yet the Republican administration is ready and eager to forget parity.

On our campuses, in our newspapers, in the electronic media, even in Congress, and the White House, there is far too little discussion of the needs of rural America. Once again rural America is neglected. It is a forgotten land and a forgotten people. When a President can deliver a State of the Union message and fail to mention family farmers and American agriculture, then I say the farmer is being neglected and forgotten.

↳ When a Presidential message on the economy fails to include any major reference to the economic and social needs of American agriculture, then I say the American farmer is being neglected and forgotten.

↳ When a government fails to take the leadership in presenting a farm program to Congress, then you can only conclude that the farmer is neglected and forgotten.

↳ The neglect of agriculture must stop. It is time the farmer's needs and efforts are recognized, It is time for the government to make the American farmer a partner in the prosperity and progress of this country.

↳ If I am elected to the United States Senate, I shall ask to be assigned to the Senate Committee on Agriculture and Forestry. I served on this Committee for approximately 8 years. It is my hope that I can serve again. I believe that Midwest Agriculture needs an effective hard-working, determined and experienced spokesman for the family farmer.

↳ I have done this in the past. I am prepared to do an even better job in the future.

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As your Senator, I shall be your faithful servant who cares about every farm family, every rural resident, and every rural community.

So, I ask your help, not only for election to the U. S. Senate, but in building a better rural America.





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