

President Fatherses

Sen Eastland  
Sen Stennis

REMARKS BY SENATOR HUBERT H. HUMPHREY

Arlo  
Swanson

NATIONAL ASSOCIATION OF STATE RURAL  
REHABILITATION CORPORATIONS

CAPITOL HILL QUALITY COURTS

WASHINGTON, D. C.

OCTOBER 16, 1973

Don Keffey -  
Sta - D.D.  
Barney Malesky

ague - its time has come!

OUR RURAL REHABILITATION CORPORATIONS, GOING BACK TO THE GREAT DEPRESSION, REPRESENT ONE OF THE FIRST DECISIVE RESPONSES OF THE FEDERAL GOVERNMENT IN PROVIDING ASSISTANCE TO FARMERS AND RURAL RESIDENTS.

HAVING UNDERGONE SEVERAL REORGANIZATIONS, INCLUDING A TRANSFER OF ASSETS IN TRUST TO THE OLD RESETTLEMENT ADMINISTRATION, AND A SUBSEQUENT RETURN OF THESE ASSETS OVER AN EXTENDED PERIOD TO STATE GROUPS, THESE STATE CORPORATIONS HAVE PERFORMED VITAL SERVICES IN PROVIDING FUNDS FOR FARM OWNERSHIP LOANS, FOR LOANS TO STUDENTS FROM FARM FAMILIES TO PURSUE A HIGHER EDUCATION, AND FOR OTHER IMPORTANT RURAL REHABILITATION PURPOSES.

(Senator: FYI -- The reallocation of trust funds to state corporations, under the Trust Liquidation Act passed by the 81st Congress, has been administered by the Farmers Home Administration. But the use of these funds has been limited to the purposes under the original charter and as approved by the Secretary of Agriculture -- in accordance with subtitles A and B of the Consolidated Farm and Rural Development Act.

The President's Budget for fiscal 1974 stated that the face value of returned corporation assets totalled \$39.5 million. The entire assets of 25 state corporations have been returned to those states. A partial return of assets has been made to 15 states for rural rehabilitation purposes agreed upon by each state corporation and the federal government, while the total assets of two state corporations are being administered by the FmHA. While it was estimated that some \$5.5 million in assets would be transferred to the states during the year, retained earnings by the federal government would amount to over \$5.9 million.)

I HAVE BEEN CONCERNED ABOUT CONTINUED <sup>FEDERAL</sup> INTERFERENCE IN  
THE DETERMINATION OF THE MOST EFFECTIVE USE OF TRUST FUND  
ASSETS AND INCOME BY STATE RURAL REHABILITATION CORPORATIONS.

IN MINNESOTA, FOR EXAMPLE, THE STATE LEGISLATURE HAS  
PASSED LEGISLATION TO ENABLE THE USE OF SOME OF THESE FUNDS  
FOR EXPANDED SOYBEAN RESEARCH, THEREBY PROTECTING AND  
PROMOTING A VITAL RESOURCE IN OUR RURAL ECONOMY, BUT THE USE  
OF FUNDS FOR THIS PURPOSE HAS NOT BEEN APPROVED AT THE FEDERAL  
LEVEL, BECAUSE IT DOES NOT FALL WITHIN THE GUIDELINES OF THE  
ORIGINAL CHARTER.

I BELIEVE OUR STATES SHOULD BE GIVEN THE RESPONSIBILITY  
TO MAKE THEIR OWN DECISIONS IN THE PUBLIC INTEREST ON HOW THESE  
FUNDS CAN BEST BE USED FOR RURAL REHABILITATION AND RURAL  
DEVELOPMENT PURPOSES.

MAJOR NEW AVENUES ARE NOW OPEN TO STATE RURAL REHABILITATION  
CORPORATIONS TO ACCOMPLISH TASKS OF VITAL IMPORTANCE TO RURAL  
AMERICA.

# Rural Develop

AFTER AN INTENSIVE LEGISLATIVE EFFORT, WE HAVE SUCCEEDED  
IN GETTING RURAL DEVELOPMENT OFFICIALLY UNDERWAY. Finally

RURAL DEVELOPMENT ACT REGULATIONS HAVE BEEN PUBLISHED, AND  
THE FISCAL 1974 APPROPRIATIONS FOR THE DEPARTMENT OF AGRICULTURE,  
INCLUDING FUNDS FOR THE FURTHER IMPLEMENTATION OF THIS ACT,  
HAVE NOW CLEARED THE CONGRESS.

SPECIFICALLY, IN ADDITION TO VARIOUS REVOLVING AND  
INSURANCE FUND AUTHORITIES, THIS APPROPRIATIONS BILL, NOW  
AWAITING THE PRESIDENT'S SIGNATURE, CONTAINS SOME \$394.5 MILLION  
IN NEW OBLIGATIONAL AUTHORITY FOR RURAL DEVELOPMENT PROGRAMS.

I URGE IMMEDIATE APPROVAL BY THE PRESIDENT,

↳ WITH THE ENACTMENT OF THE RURAL DEVELOPMENT ACT OF 1972,

CONGRESS MOVED TOWARD NATIONAL OBJECTIVES WHICH I HAVE

REPEATEDLY EMPHASIZED --

-- FIRST, TO ENCOURAGE THE PEOPLE IN RURAL AMERICA TO

REMAIN THERE IF THEY CHOOSE TO DO SO, THROUGH THE PROVISION

OF NEW ECONOMIC OPPORTUNITIES;

-- AND SECOND, TO SHARE THE NATION'S RESOURCES AND

ECONOMIC PRODUCTS AMONG ALL REGIONS AND PEOPLE OF AMERICA.

IN SHORT, WE CAN NOW WORK TOGETHER TO HELP THE PEOPLE OF

RURAL AMERICA TO SHAPE AND ACHIEVE THE KIND OF FUTURE THEY WANT

FOR THEMSELVES.

↳ THROUGH PROVIDING FOR NEW SYSTEMS OF COMPREHENSIVE PLANNING  
AND OF LOANS FOR BUSINESS AND INDUSTRIAL LOCATION, AND  
ASSISTANCE TO COMMUNITIES TO ACQUIRE AND DEVELOP LAND AND PLAN  
AND PROVIDE ESSENTIAL COMMUNITY FACILITIES, WE CAN MOVE  
TOWARD ESTABLISHING THE BALANCED NATIONAL GROWTH AND DEVELOPMENT  
THAT MUST NOW HAVE AN URGENT PRIORITY IN OUR LAND.

↳ AND THROUGH PROVIDING INCREASED ASSISTANCE FOR RURAL  
HOUSING AND FOR FARMING OPERATIONS, WE CAN HELP FAMILIES TO  
REMAIN ON THE LAND AND PROSPER.

FINALLY, UNDER FURTHER PROVISIONS FOR ENVIRONMENTAL  
PROTECTION, WE CAN HELP ASSURE THAT THE VITAL RESOURCES OF  
RURAL AMERICA ARE PROTECTED AND INTELLIGENTLY UTILIZED.

I BELIEVE THAT IN EVERY STATE WHERE POSSIBLE, STATE RURAL  
REHABILITATION CORPORATIONS SHOULD HELP TAKE THE LEAD IN  
DEVELOPING PLANS FOR RURAL DEVELOPMENT.

IN MY JUDGMENT, THE RESOURCES OF STATE RURAL REHABILITATION  
CORPORATIONS COULD WISELY BE APPLIED AS PART OF STATE  
COMMITMENTS TO RURAL DEVELOPMENT. SUCH FUNDS CAN BE USED  
EFFECTIVELY IN MATCHING FEDERAL MONIES FOR RURAL DEVELOPMENT  
PROJECTS. THEY CAN BE INVESTED AS SEED MONEY TO STIMULATE  
LOCAL FINANCIAL PARTICIPATION IN SIMILAR PROJECTS, WHICH CAN  
ALSO BE FACILITATED UNDER THE RURAL DEVELOPMENT BANK ACT  
(S.1698), WHICH I INTRODUCED IN MAY OF THIS YEAR.

2 THE SIMPLE FACT IS THAT THE MONIES THAT WE EXPEND AND  
INVEST IN RURAL AMERICA IN JOBS, IN INDUSTRIAL GROWTH, IN  
HOUSING, IN WATER AND SEWER FACILITIES, IN ELECTRICITY AND  
TELEPHONES, IN SCHOOLS AND HOSPITALS, ALL OF THOSE THINGS  
ADD TO THE WEALTH AND STRENGTH OF THIS NATION. WHAT WE DO --  
OR FAIL TO DO -- TODAY CLEARLY COMMITTS AND FIXES FUTURE  
PATTERNS OF LIFE IN THIS COUNTRY.

THE PROGRAMS OF STATE RURAL REHABILITATION CORPORATIONS  
-- DIRECTED TOWARD SERVING THE INTERESTS AND NEEDS OF FARMERS,  
OF RURAL RESIDENTS, AND OF YOUTH -- CLEARLY INDICATE YOUR  
COMMITMENT TO ACHIEVING A STRONG FUTURE FOR RURAL AMERICA.

I URGE YOU TO MAKE EVERY EFFORT TO TAKE ADVANTAGE OF THE NEW  
OPPORTUNITIES OPEN TO YOU TO HELP ACCOMPLISH THIS PRIORITY GOAL.

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