

REMARKS BY SENATOR HUBERT H. HUMPHREY

ANNUAL CONVENTION OF THE
MINNESOTA FARMERS UNION ANNUAL CONVENTION

St. Paul, Minnesota

December 10, 1974

It is a pleasure to be with you at your annual convention. The Farmers Union can be proud of the forceful role that they have played in trying to protect the American farmer.

And at this troubled time in our history, the American farmer needs all the help he can get.

Our consumers have rightly been concerned over rising food prices which will probably increase by about twelve per cent during 1974.

Our farmers justifiably feel that food -- taking only about sixteen per cent of the take-home dollar -- is still a bargain.

What is not generally known is that prices received by the farmers have been dropping. Our livestock, dairy, poultry and hog producers have been losing money.

The Congress has before it legislation to purchase up to \$2 billion to help these producers through government purchases. The food would be used for domestic and international humanitarian needs.

On December 4, I introduced S.4206, to increase the dairy price support to 90 per cent of parity. The bill also proposes a quarterly adjustment of the price received by the farmers under the basic parity level.

I pointed out that we had no choice but to enact legislation to do what the Department of Agriculture has neither the courage nor the will to do.

We need to take action to keep our farmers in business, and these two bills are directed at that objective.

As many of you realize, I had the privilege of participating in the recently concluded World Food Conference as a Congressional Advisor.

One of my main conclusions growing out of that conference was that we need a sound national food policy in the United States. We are past the point where rhetoric about the free market can be allowed to stand in place of a national food policy.

In developing that policy we must first take into account the needs of our farmers and urban consumers. Both groups have an interest in a sound and profitable agriculture.

At the same time, a sound agricultural policy must not be tilted in favor of one farm group over another.

We also must look at the world food picture in terms of both the countries which can purchase our food products and those which need food aid and technical assistance to produce more food.

Our livestock, dairy, poultry and hog producers are in desperate straits and have been for some time. Yet, our Secretary of Agriculture has nothing to offer but his eternal optimism.

We have very proudly announced that our exports have gone over the \$21 billion mark. But there has been little attention given to the impact of high food export prices on the poorer developing countries.

The more affluent nations have been increasing their standard of living and importing more food. The developing nations have had to allocate scarce funds between costly food, fertilizer and petroleum products.

Until 1972, these needy countries had done a commendable job in expanding food production and staying ahead of population increases. Since 1950 they increased total grain production by 78 percent in comparison with 64 percent for the developed countries.

However, in 1972 the world's food production dropped by 33 million tons, The first time in 20 years that there has been an absolute decrease in output.

To meet population increases and rising standards of living, a world wide increase of about 24 million tons is needed each year.

In the aftermath of The World Food Conference there has been a lot of talk about what the developing countries must do to deal with the food problem.

My answer is that there is a lot which we all can and must do. The developing countries, contrary to general opinion, have spent heavily for their own economic development - eight or nine dollars for every outside dollar of foreign aid.

I would remind my critics and friends that we cannot be smug in our prosperity and ignore the outside world. By the year 2000, over 60 percent of the world's population will be located in the developing world, and this does not include the People's Republic of China which will account for another 18 percent.

This will leave one person in five in what we refer to as the developed world.

The clear conclusion that is drawn from these numbers is that we must all work together unless we want to be an island of prosperity in ever growing sea of poverty.

To respond to this challenge is in our own long range interest. It also is the right thing to do.

The distinguished Chairman of the Senate Committee on Agriculture and Forestry, Senator Talmadge, announced on September 23 that our committee would hold extensive hearings early in 1975. These hearings will cover the entire agriculture spectrum.

This is an opportunity to provide some badly needed leadership in strengthening our agricultural economy.

Senator Talmadge also announced that my bill, S. 2005, would be the starting point for these hearings.

One main area which we will be examining is the target and loan price levels. Our grain farmers today are the beneficiaries of high market prices for wheat and feed grains. But this picture could change abruptly if we have a good harvest and after we have reduced our animal herds.

Farmers are rightly concerned when President Ford calls on them to produce in order to fight inflation. Does he realize that this sounds like low prices and over-production?

Where is the understanding of the increased costs of production, which for my dairy farmers in Minnesota is estimated at 30 percent in one year.

Another key area to be examined will be our export policy. I have suggested that we need a supply management program when our crops are in short supply.

We also must stop deluding ourselves about the existence of an international free market. Other, major exporting and importing countries have established state trading corporations or agencies which respond to political as well as economic opportunities.

In the recent sale to the Soviet Union, the Department of Agriculture finally conceded that we did not have an international free market.

Unfortunately, this was a painful lesson, and our government had to change the rules of business in the middle of the game.

A third major area requiring careful review and analysis is the subject of reserves.

We need to have a reserve program which will enable the Government to make purchases when there is excess production. At the same time, firm rules are required so that any reserves held by the Government do not depress prices.

A reserve can give some stability to our markets and meet export and disaster requirements. Reserves held exclusively in private hands cannot be relied upon to meet national needs, as the Soviet sale demonstrated. Our livestock producers would not be in today's sad shape if we had held on to at least a small reserve.

I have recommended that the Government hold a very modest level of reserves. We owe this to our consumers and our farmers who are the main users of grains. It also is needed for our own national defense.

We hear that the Soviet Union has a strategic stockpile of food. Everyone knows stories about battles throughout history which were influenced because of food shortages.

Why are we so foolish as to be willing to sell off all we have to anyone who comes along with money in hand?

Where is our own strategic reserve?

In the coming year, we will not only have to deal with major domestic agricultural issues, we also will be following up on the good start made at the World Food Conference on the world food problems.

The Administration, under Secretary Butz, never could quite make up its mind to announce that we are, in fact, increasing our food aid.

I and other Congressional members of the delegation suggested that we announce our intention to increase our food aid by one million tons to about 4.3 million tons. This is a modest proposal, and Secretary Butz conceded that we would likely provide at least this much.

Announcing our intentions in Rome would have been an effective way of providing leadership and mobilizing action by other nations.

We certainly do need to focus our attention on the long range problems. But the long run solutions are no help to those who are starving today.

We all have seen the pictures of starving children with distended stomachs. But the Administration gives the appearance of being unwilling to face up to the existence of a problem.

It is hard to ignore the need and harder still to hold back and not respond. As the poet Browning once said.

"The child's cry in the darkness curses deeper than the strong man in his wrath."

Despite the confusion over food aid at the World Food Conference, a number of worthwhile agreements were reached. And, above all, the world's attention was focused on this critical issue.

We should not that all of the resolutions agreed upon are of importance to our own farmers. This is true whether it is the resolution on increasing fertilizer production, establishing an international information system; improving research; or developing an international reserve system.

We must provide strong leadership to help implement the work of the World Food Conference.

At the same time these efforts will benefit our own farmers. And one of the most important steps for us to take in dealing with the food problem is to help our own farmers and stabilize our agricultural economy.

The Secretary of Agriculture appears to be almost oblivious to the problems of agriculture today. We cannot take our farmers for granted and drive them out of production.

I find it more than cruel that farmers are feeling compelled to kill their cattle at a time when the world needs all the food that can be produced.

But how do you get this Administration to wake up?

Secretary Kissinger summed up the task before us in his address at the World Food Conference:

"Our responsibility is clear. Let the nations gathered here resolve to confront the challenge, not each other. Let us agree that the scale and severity of the task require a collaborative effort unprecedented in history. And let us make global cooperation in food a model for our interdependent world - energy, inflation, population, protection of the environment."

#

REMARKS BY SENATOR HUBERT H. HUMPHREY

ANNUAL CONVENTION OF THE
MINNESOTA FARMERS UNION ANNUAL CONVENTION

ST. PAUL, MINNESOTA

DECEMBER 10, 1974

IT IS A PLEASURE TO BE WITH YOU AT YOUR ANNUAL CONVENTION.

THE FARMERS UNION CAN BE PROUD OF THE FORCEFUL ROLE THAT

THEY HAVE PLAYED IN TRYING TO PROTECT THE AMERICAN FARMER.

AND AT THIS TROUBLED TIME IN OUR HISTORY, THE AMERICAN
FARMER NEEDS ALL THE HELP HE CAN GET.

OUR CONSUMERS HAVE RIGHTLY BEEN CONCERNED OVER RISING
FOOD PRICES WHICH WILL PROBABLY INCREASE BY ABOUT TWELVE

PER CENT DURING 1974 - *and an estimated 15%*

yet in 1975 OUR FARMERS JUSTIFIABLY FEEL THAT FOOD -- TAKING ONLY

ABOUT SIXTEEN PER CENT OF THE TAKE-HOME DOLLAR -- IS STILL

A BARGAIN.

WHAT IS NOT GENERALLY KNOWN IS THAT PRICES RECEIVED BY THE FARMERS HAVE BEEN DROPPING, OUR LIVESTOCK, DAIRY, POULTRY AND HOG PRODUCERS HAVE BEEN LOSING MONEY.

THE CONGRESS HAS BEFORE IT LEGISLATION TO PURCHASE UP TO \$2 BILLION TO HELP THESE PRODUCERS THROUGH GOVERNMENT PURCHASES. THE FOOD WOULD BE USED FOR DOMESTIC AND INTERNATIONAL HUMANITARIAN NEEDS.

ON DECEMBER 4, I INTRODUCED S.4206 TO INCREASE THE DAIRY PRICE SUPPORT TO 90 PER CENT OF PARITY. THE BILL ALSO PROPOSES A QUARTERLY ADJUSTMENT OF THE PRICE RECEIVED BY THE FARMERS UNDER THE BASIC PARITY LEVEL.

I POINTED OUT THAT WE HAD NO CHOICE BUT TO ENACT
LEGISLATION TO DO WHAT THE DEPARTMENT OF AGRICULTURE HAS
NEITHER THE COURAGE NOR THE WILL TO DO.

WE NEED TO TAKE ACTION TO KEEP OUR FARMERS IN BUSINESS,
AND THESE TWO BILLS ARE DIRECTED AT THAT OBJECTIVE.

AS MANY OF YOU REALIZE, I HAD THE PRIVILEGE OF
PARTICIPATING IN THE RECENTLY CONCLUDED WORLD FOOD CONFERENCE
AS A CONGRESSIONAL ADVISOR.

ONE OF MY MAIN CONCLUSIONS GROWING OUT OF THAT CONFERENCE
WAS THAT WE NEED A SOUND NATIONAL FOOD POLICY IN THE UNITED

STATES. WE ARE PAST THE POINT WHERE RHETORIC ABOUT THE FREE

MARKET CAN BE ALLOWED TO STAND IN PLACE OF A NATIONAL FOOD

POLICY

IN DEVELOPING THAT POLICY, WE MUST FIRST TAKE INTO
ACCOUNT THE NEEDS OF OUR FARMERS AND URBAN CONSUMERS.

BOTH GROUPS HAVE AN INTEREST IN A SOUND AND PROFITABLE
AGRICULTURE.

AT THE SAME TIME, A SOUND AGRICULTURAL POLICY MUST NOT
BE TILTED IN FAVOR OF ONE FARM GROUP OVER ANOTHER.

WE ALSO MUST LOOK AT THE WORLD FOOD PICTURE IN TERMS
OF BOTH THE COUNTRIES WHICH CAN PURCHASE OUR FOOD PRODUCTS
AND THOSE WHICH NEED FOOD AID AND TECHNICAL ASSISTANCE TO
PRODUCE MORE FOOD *for themselves.*

OUR LIVESTOCK, DAIRY, POULTRY AND HOG PRODUCERS HAVE

BEEN IN DESPERATE STRAITS FOR SOME TIME. YET, OUR

SECRETARY OF AGRICULTURE HAS NOTHING TO OFFER BUT HIS ETERNAL

OPTIMISM.

WE HAVE VERY PROUDLY ANNOUNCED THAT OUR EXPORTS HAVE GONE

OVER THE \$21 BILLION MARK. BUT THERE HAS BEEN LITTLE

ATTENTION GIVEN TO THE IMPACT OF HIGH FOOD EXPORT PRICES ON

THE POORER DEVELOPING COUNTRIES.

THE MORE ^{undustrialized} AFFLUENT NATIONS HAVE BEEN INCREASING THEIR

STANDARD OF LIVING AND IMPORTING MORE FOOD. THE DEVELOPING

NATIONS HAVE HAD TO ALLOCATE SCARCE FUNDS BETWEEN COSTLY FOOD,

FERTILIZER AND PETROLEUM PRODUCTS.

UNTIL 1972, THESE NEEDY COUNTRIES HAD DONE A COMMENDABLE
JOB IN EXPANDING FOOD PRODUCTION AND STAYING AHEAD OF POPULATION
INCREASES. *Indeed,* SINCE 1950 THEY INCREASED TOTAL GRAIN PRODUCTION
BY 78 PERCENT IN COMPARISON WITH 64 PERCENT FOR THE DEVELOPED
COUNTRIES.

HOWEVER, IN 1972 THE WORLD'S FOOD PRODUCTION DROPPED BY
33 MILLION TONS. *for* THE FIRST TIME IN 20 YEARS THAT THERE HAS BEEN
AN ABSOLUTE DECREASE IN OUTPUT.

TO MEET POPULATION INCREASES AND RISING STANDARDS OF LIVING,
A WORLD WIDE INCREASE OF ABOUT 24 MILLION TONS IS NEEDED EACH
YEAR.

IN THE AFTERMATH OF THE WORLD FOOD CONFERENCE THERE HAS BEEN A LOT OF TALK ABOUT WHAT THE DEVELOPING COUNTRIES MUST DO TO DEAL WITH THE FOOD PROBLEM.

MY ANSWER IS THAT THERE IS A LOT WHICH WE ALL CAN AND MUST DO. THE DEVELOPING COUNTRIES, CONTRARY TO GENERAL OPINION, HAVE SPENT HEAVILY FOR THEIR OWN ECONOMIC DEVELOPMENT - EIGHT OR NINE DOLLARS FOR EVERY OUTSIDE DOLLAR OF FOREIGN AID.

I WOULD REMIND MY CRITICS AND FRIENDS THAT WE CANNOT BE SMUG IN OUR PROSPERITY AND IGNORE THE OUTSIDE WORLD. BY THE YEAR 2000, OVER 60 PERCENT OF THE WORLD'S POPULATION WILL BE LOCATED IN THE DEVELOPING WORLD, AND THIS DOES NOT INCLUDE THE PEOPLE'S REPUBLIC OF CHINA WHICH WILL ACCOUNT FOR ANOTHER 18 PERCENT.

THIS WILL LEAVE ONE PERSON IN FIVE IN WHAT WE REFER TO AS
THE DEVELOPED WORLD.

THE CLEAR CONCLUSION THAT IS DRAWN FROM THESE NUMBERS IS
THAT WE MUST ALL WORK TOGETHER UNLESS WE WANT TO BE AN ISLAND
OF PROSPERITY IN EVER GROWING SEA OF POVERTY.

TO RESPOND TO THIS CHALLENGE IS IN OUR OWN LONG RANGE
INTEREST. IT ALSO IS THE RIGHT THING TO DO.

THE DISTINGUISHED CHAIRMAN OF THE SENATE COMMITTEE ON
AGRICULTURE AND FORESTRY, SENATOR TALMADGE, ANNOUNCED ON
SEPTEMBER 23 THAT OUR COMMITTEE WOULD HOLD EXTENSIVE HEARINGS
EARLY IN 1975. THESE HEARINGS WILL COVER THE ENTIRE AGRICULTURE
SPECTRUM.

THIS IS AN OPPORTUNITY TO PROVIDE SOME BADLY NEEDED LEADERSHIP IN STRENGTHENING OUR AGRICULTURAL ECONOMY.

SENATOR TALMADGE ALSO ANNOUNCED THAT MY BILL, S. 2005, WOULD BE THE STARTING POINT FOR THESE HEARINGS.

ONE MAIN AREA WHICH WE WILL BE EXAMINING IS THE TARGET AND LOAN PRICE LEVELS. OUR GRAIN FARMERS TODAY ARE THE BENEFICIARIES OF HIGH MARKET PRICES FOR WHEAT AND FEED GRAINS IF THEY HAVE A CROP. BUT THIS PICTURE COULD CHANGE ABRUPTLY IF WE HAVE A GOOD HARVEST NEXT YEAR AND AFTER WE HAVE REDUCED OUR ANIMAL HERDS.

FARMERS ARE RIGHTLY CONCERNED WHEN PRESIDENT FORD CALLS ON THEM TO PRODUCE IN ORDER TO FIGHT INFLATION. DOES HE REALIZE THAT THIS SOUNDS LIKE LOW PRICES AND OVER-PRODUCTION?

WHERE IS THE UNDERSTANDING OF THE INCREASED COSTS OF PRODUCTION, WHICH FOR OUR DAIRY FARMERS IS ESTIMATED AT 30 PERCENT IN ONE YEAR.

ANOTHER KEY AREA TO BE EXAMINED WILL BE OUR EXPORT POLICY. I HAVE SUGGESTED THAT WE NEED A SUPPLY MANAGEMENT PROGRAM WHEN OUR CROPS ARE IN SHORT SUPPLY.

WE MUST STOP DELUDING OURSELVES ABOUT THE EXISTENCE OF AN INTERNATIONAL FREE MARKET. OTHER, MAJOR EXPORTING AND IMPORTING COUNTRIES HAVE ESTABLISHED STATE TRADING CORPORATIONS OR AGENCIES WHICH TAKE ADVANTAGE OF POLICAL AS WELL AS ECONOMIC OPPORTUNITIES.

IN THE RECENT SALE TO THE SOVIET UNION, THE DEPARTMENT OF AGRICULTURE FINALLY CONCEDED THAT WE DID NOT HAVE AN INTERNATIONAL FREE MARKET.

UNFORTUNATELY, THIS WAS A PAINFUL LESSON, AND OUR GOVERNMENT HAD TO CHANGE THE RULES OF BUSINESS IN THE MIDDLE OF THE GAME.

A THIRD MAJOR AREA REQUIRING CAREFUL REVIEW AND ANALYSIS IS THE SUBJECT OF RESERVES.

WE NEED TO HAVE A RESERVE PROGRAM WHICH WILL ENABLE THE GOVERNMENT TO MAKE PURCHASES WHEN THERE IS EXCESS PRODUCTION. AT THE SAME TIME, FIRM RULES ARE REQUIRED SO THAT ANY RESERVES HELD BY THE GOVERNMENT DO NOT DEPRESS PRICES.

A RESERVE CAN GIVE SOME STABILITY TO OUR MARKETS AND MEET EXPORT AND DISASTER REQUIREMENTS. RESERVES HELD EXCLUSIVELY IN PRIVATE HANDS CANNOT BE RELIED UPON TO MEET NATIONAL NEEDS, AS THE SOVIET SALE DEMONSTRATED. OUR LIVESTOCK PRODUCERS WOULD NOT BE IN TODAY'S SAD SHAPE IF WE HAD HELD ON TO AT LEAST A SMALL RESERVE.

I HAVE RECOMMENDED THAT THE GOVERNMENT HOLD A VERY MODEST LEVEL OF RESERVES. WE OWE THIS TO OUR CONSUMERS AND OUR FARMERS WHO ARE THE MAIN USERS OF GRAINS. IT ALSO IS NEEDED FOR OUR OWN NATIONAL DEFENSE.

WE HEAR THAT THE SOVIET UNION HAS A STRATEGIC STOCKPILE OF FOOD. EVERYONE KNOWS STORIES ABOUT BATTLES THROUGHOUT HISTORY WHICH WERE INFLUENCED BECAUSE OF FOOD SHORTAGES.

WHY ARE WE SO FOOLISH AS TO BE WILLING TO SELL OFF ALL WE HAVE TO ANYONE WHO COMES ALONG WITH MONEY IN HAND?

WHERE IS OUR OWN STRATEGIC RESERVE?

IN THE COMING YEAR, WE WILL NOT ONLY HAVE TO DEAL WITH MAJOR DOMESTIC AGRICULTURAL ISSUES, WE ALSO WILL BE FOLLOWING UP ON THE GOOD START MADE AT THE WORLD FOOD CONFERENCE ON THE WORLD FOOD PROBLEMS.

THE ADMINISTRATION, UNDER SECRETARY BUTZ, NEVER COULD QUITE MAKE UP ITS MIND TO ANNOUNCE THAT WE ARE, IN FACT, INCREASING OUR FOOD AID.

I AND OTHER CONGRESSIONAL MEMBERS OF THE DELEGATION SUGGESTED THAT WE ANNOUNCE OUR INTENTION TO INCREASE OUR FOOD AID BY ONE MILLION TONS TO ABOUT 4.3 MILLION TONS.

THIS IS A MODEST PROPOSAL, AND SECRETARY BUTZ CONCEDED THAT WE WOULD LIKELY PROVIDE AT LEAST THIS MUCH.

ANNOUNCING OUR INTENTIONS IN ROME WOULD HAVE BEEN AN EFFECTIVE WAY OF PROVIDING LEADERSHIP AND MOBILIZING ACTION BY OTHER NATIONS.

WE CERTAINLY DO NEED TO FOCUS OUR ATTENTION ON THE LONG RANGE PROBLEMS. BUT THE LONG RUN SOLUTIONS ARE NO HELP TO THOSE WHO ARE STARVING TODAY.

WE ALL HAVE SEEN THE PICTURES OF STARVING CHILDREN WITH DISTENDED STOMACHS. BUT THE ADMINISTRATION GIVES THE APPEARANCE OF BEING UNWILLING TO FACE UP TO THE EXISTENCE OF A PROBLEM.

IT IS HARD TO IGNORE THE NEED AND HARDER STILL TO HOLD BACK AND NOT RESPOND. AS THE POET BROWNING ONCE SAID:

"THE CHILD'S CRY IN THE DARKNESS CURSES DEEPER THAN THE STRONG MAN IN HIS WRATH."

DESPITE THE CONFUSION OVER FOOD AID AT THE WORLD FOOD CONFERENCE, A NUMBER OF WORTHWHILE AGREEMENTS WERE REACHED, AND, ABOVE ALL, THE WORLD'S ATTENTION WAS FOCUSED ON THIS CRITICAL ISSUE.

WE SHOULD NOT THAT ALL OF THE RESOLUTIONS AGREED UPON ARE OF IMPORTANCE TO OUR OWN FARMERS. THIS IS TRUE WHETHER IT IS THE RESOLUTION ON INCREASING FERTILIZER PRODUCTION, ESTABLISHING AN INTERNATIONAL INFORMATION SYSTEM; IMPROVING RESEARCH; OR DEVELOPING AN INTERNATIONAL RESERVE SYSTEM,

WE MUST PROVIDE STRONG LEADERSHIP TO HELP IMPLEMENT THE WORK OF THE WORLD FOOD CONFERENCE.

AT THE SAME TIME THESE EFFORTS WILL BENEFIT OUR OWN FARMERS.

AND ONE OF THE MOST IMPORTANT STEPS FOR US TO TAKE IN DEALING WITH THE WORLD FOOD PROBLEM IS TO HELP OUR OWN FARMERS AND STABILIZE OUR AGRICULTURAL ECONOMY.

THE SECRETARY OF AGRICULTURE APPEARS TO BE ALMOST OBLIVIOUS TO THE PROBLEMS OF AGRICULTURE TODAY. WE CANNOT TAKE OUR FARMERS FOR GRANTED AND DRIVE THEM OUT OF PRODUCTION.

I FIND IT MORE THAN CRUEL THAT FARMERS ARE FEELING COMPELLED TO KILL THEIR CATTLE AT A TIME WHEN THE WORLD NEEDS ALL THE FOOD THAT CAN BE PRODUCED.

BUT HOW DO YOU GET THIS ADMINISTRATION TO WAKE UP?

SECRETARY KISSINGER ELOQUENTLY SUMMED UP THE TASK BEFORE US IN HIS ADDRESS AT THE WORLD FOOD CONFERENCE :

"OUR RESPONSIBILITY IS CLEAR,

LET THE NATIONS GATHERED HERE RESOLVE TO CONFRONT THE
CHALLENGE, NOT EACH OTHER,

LET US AGREE THAT THE SCALE AND SEVERITY OF THE TASK
REQUIRE A COLLABORATIVE EFFORT UNPRECEDENTED IN HISTORY,

AND LET US MAKE GLOBAL COOPERATION IN FOOD A MODEL FOR
OUR INTERDEPENDENT WORLD - ENERGY, INFLATION, POPULATION,
PROTECTION OF THE ENVIRONMENT."



Minnesota Historical Society

Copyright in this digital version belongs to the Minnesota Historical Society and its content may not be copied without the copyright holder's express written permission. Users may print, download, link to, or email content, however, for individual use.

To request permission for commercial or educational use, please contact the Minnesota Historical Society.



www.mnhs.org