

REMARKS OF SENATOR HUBERT H. HUMPHREY

FARMERS UNION

GRAIN TERMINAL ASSOCIATION

ANNUAL MEETING

St. Paul, Minnesota

December 3, 1975

Despite record U.S. harvests this year, the world food supply situation is little better than a year ago.

Our farmers still feel neglected and unappreciated by the government. And many urban consumers do not understand agriculture and its modern complexities.

We have an Administration which is trying to forget lessons learned in maintaining the stability and productive capacity of this vital industry.

It's not a case of trying to teach an old dog new tricks. It's a case of trying to remind a confused Administration of some basic facts.

The Nation's Governors in February, 1975, resolved:

"We must develop a workable national food policy that takes into account at least minimum protection for our farmers and their resources upon whom we are calling for unlimited production."

That need exists more than ever today. The production of wheat this year was up 19.2 percent, corn 22.5 percent and soybeans 19.5 percent.

The index of all agricultural production for this year is 122 in comparison with the previous record of 120 in 1973.

Our agricultural exports are expected to approach \$23 billion this year, with net agricultural sales over imports of \$12.7 billion. And yet, net income for farmers is likely to drop from over \$27 billion last year to around \$25 billion this year.

Minnesota farm income for this year is lower than in 1974, when net farm income dropped by \$543.4 million. How many sectors of our economy would be willing to accept a twenty-four percent reduction in net income?

Farm prices have continued to bounce up and down, depending on the weather and rumors of export sales. Meanwhile, production costs keep rising ever upward.

The Administration responds that its policy is one of full production and the free market.

I support that as a goal, but it is not adequate or realistic as a policy. Without a balanced food and agricultural policy, our farmers will continue each year to look down the barrel at potential financial disaster.

On the other hand, we confront a frightening world food need, with over 2 million new mouths to feed each month.

To cripple food production with economic pressures that drive people from farms is unacceptable as we watch the progression of world starvation. We cannot and will not ignore this serious obligation.

The record of this nation in helping to feed the world is one of which we can all be proud. In addition to our ever increasing commercial exports, we have provided over \$27 billion in food assistance since 1954.

This record achievement did not just happen. We provided agriculture with the stability needed to encourage the farmer to invest in new technology, and to plan for five, ten or more years into the future.

It is a record that was made possible by developing programs to assure the availability of credit.

It also was based on agricultural research efforts, market promotion and development, adequate transportation and inputs.

And it was encouraged by the tremendous growth in the ability of the farmer to market his own product. Those of you gathered here know this story better than most, because you helped write that history.

However, let us not kid ourselves. The programs we fashioned over the years have not been perfect. We did not provide adequate rewards for our farmers.

But let's look at the record of what we have accomplished.

The American farmer -- from the Minnesota dairyman to the Louisiana rice producer -- stands before his nation and the entire world with a record of productivity that is unmatched anywhere.

In the years right after World War II, America was looked to as the breadbasket of the world. And today, more than ever, we are the world's main food surplus nation.

The people of America today enjoy a diet unparalleled in the world for quality, variety and -- most important -- abundance. For most of us, food costs amount to only about 17 percent of take-home income.

The average American has been able to improve his diet through a generally rising standard of living, by programs of consumer information, and by improved food quality, quantity and safety.

The child nutrition programs have been greatly expanded and extended to reach additional millions with better school lunches, school breakfasts, and additional milk. A special effort has been made to place these food programs within the reach of all children, regardless of family circumstances.

We also have launched a special supplemental feeding program for the nutritionally vulnerable. The Woman, Infants and Children (W.I.C.) program is designed to make certain that the most needy infants have the opportunity for normal mental development.

The Food Stamp Program has made an adequate diet a reality for millions of people. And it also serves as a buffer during periods of severe unemployment.

All of these efforts to improve agriculture and our national nutrition levels came only because groups such as G.T.A. made their contribution. Someone recognized a need and saw the responsibility of having the government act in the public interest.

But in spite of our progress, we face major uncertainties in agriculture today.

We hear a lot of talk about the advantages of the free market. And we are told of the wisdom of removing the shackles of government intervention and interference from the farmer. But these speeches do not represent the dawning of a new era in agricultural economics.

They represent an attempt to turn back the clock.

One of the main shortcomings of our present agricultural programs is lack of adequate support prices for our producers.

Last spring Congress passed a one year farm bill. It was not an ideal piece of legislation. We were forced to temper what we felt was needed against what might be acceptable to the White House. But even this modest bill brought forth a Presidential veto, although grain prices then were well above the target prices in the bill.

Recently the market prices have been hovering near the levels in that bill.

In vetoing the bill, President Ford said it would cost too much money. He acknowledged that farm costs were 11 percent higher than in 1974, and prices were down seven percent.

And unfortunately the Department of Agriculture resorted to furnishing highly misleading and distorted information on the cost of the bill in order to defeat it.

The President praised the American farmer for responding to his call for all-out production. And he pledged his personal support to maintain the farmer's access to world markets.

Since then, our farmers have learned the value of that promise. As the Soviet crop estimates plummeted -- from 215 to 160 million metric tons -- the demand for our grain escalated.

But the Administration -- in spite of its free market proclamations -- again, as in 1973 and 1974, established export controls.

I hope that the recent agreement with the Soviet Union helps to stabilize the demand for our agricultural products. It is highly disruptive when one year that country buys 15 million tons and the next year purchases almost nothing.

I have urged that the Soviets buy on a regular basis. This would enable cooperatives such as GTA to participate in the business, and it would reduce the disruption in our market.

But it is not just on the farm or in our export markets that we face uncertainty today. In the marketing of agricultural commodities, farmers have made tremendous investments in the development of cooperative associations to market their products.

When the cooperative movement began, it was often subject to attack as a violation of antitrust laws. In 1922, Congress, through the Capper-Volstead Act, said that farmers needed cooperatives to permit them to compete in the market.

Over the years, Congress has encouraged farmer cooperatives on the basis that they improve the marketing ability of farmers and serve to stimulate competition with private corporations.

But today, the cooperatives are under attack once again, being charged with "unduly enhancing" food prices. It is clear that the Administration would like to restrict cooperatives in the name of stimulating competition.

I understand that Secretary Butz, who should know better, recently stated that G.T.A. had "gobbled up all the private elevators along the Milwaukee and Northwestern railroads."

To make matters worse, these remarks were made in an urban setting, at the Harvard Business School, where the comments were likely to go unchallenged.

I am reminded of Adlai Stevenson's comment that "if the Republicans will stop telling lies about us, we will stop telling the truth about them."

But let us not be deceived. The talk about limiting cooperatives really is a discussion of how we can limit the farmer in the market place.

It is interesting to note that only 28 percent of all farm output is marketed through cooperatives. In 1973, the combined sales of all cooperatives totaled \$19 billion, while General Motors had sales of over \$28 billion.

The cooperative is a force for stability and a means to enable the producer to get a better deal. It also helps assure reliable food supplies for consumers. But today we hear veiled threats which create concern and confusion.

The cooperatives must not stand divided. An attack on one is an attack on all.

This is just one more area where the Administration has been guided by theory rather than fact.

We need not only a new coach and a new team, but an entirely different game plan.

Increasingly, we also have become aware of the critical importance of a good transportation system in moving the output of the farm to the ultimate user. What we need is a transportation policy including not just roads but also our railroads and waterways.

Our focus in recent years has been mainly on railroads. Since 1960, track abandonments have averaged about 1,000 miles annually. Yet the railroads insist that they are losing \$130 million a year on branch lines alone.

Around Redwood Falls, according to your GTA Digest, trains don't run on that line until the quack grass is strong enough in spring to hold the ties together.

We also face a major issue in trying to reach a decision on rebuilding Lock and Dam 26 at Alton, Illinois, on the Mississippi.

If these structures give way, we will place a heavy strain on our rail and road facilities. And our farmers will pay a heavy price because we have been unable to reach a decision on how to proceed.

This issue brings together the concerns of the environmentalists, and those who feel that these facilities must be rebuilt.

We need to find a way to give these concerns a full hearing, but also be able to reach a conclusion promptly.

What is needed today is the development of a balanced food and agricultural policy which takes into account the needs and interests of farmers and consumers alike. This policy must relate our domestic, export and humanitarian concerns.

We will need to avoid dealing with problems on an ad hoc basis -- groping from crisis to crisis, unsure of where we are headed but still proclaiming the gospel of the full market.

This will mean being realistic rather than being guided by polls, developing slogans, or coming up with new "WIN" buttons.

We should develop a policy aimed at the following specific objectives:

- Price and income protection for producers of food and fiber;
- Food supply stability for consumers at reasonable prices;
- Adequate supplies of inputs and transportation for producers at reasonable prices;
- Assuring the production of adequate supplies of dairy and livestock products for domestic and international needs; and

-- The establishment of a reserve program to provide market stability during periods of shortage and surplus, maintain the reliability of the U.S. as an exporter, and continue the provision of food assistance to needy nations.

All of this can be done without depressing farm prices.

We have seen some of the problems of recent years from rising food prices, embargoes, rising farm indebtedness and foreclosures, and volatile export markets, to the cost price squeeze on farmers, particularly livestock and dairy producers.

We must get away from the uncertainty each year as to whether this year will be a bad year for our livestock or grain producers.

The task before us requires leadership, getting on with the job ahead. Unfortunately, that commodity seems to be in short supply these days.

I pledge to continue my best efforts in this direction, and I urge you to do likewise.

# # # # #

Jewell Holland ~~Ed~~

✓ Barney Malusky  
Malusky  
Hatchman

REMARKS OF SENATOR HUBERT H. JEFFREY

Winston V.C.

FARMERS UNION

GRAIN TERMINAL ASSOCIATION

Great you for  
GTA

ANNUAL MEETING

ST. PAUL, MINNESOTA

DECEMBER 3, 1975

Board of  
Directors

L DESPITE RECORD U.S. HARVESTS THIS YEAR, THE WORLD FOOD SUPPLY SITUATION IS LITTLE BETTER THAN A YEAR AGO.

L OUR FARMERS STILL FEEL NEGLECTED AND UNAPPRECIATED BY THE GOVERNMENT. AND MANY URBAN CONSUMERS DO NOT UNDERSTAND AGRICULTURE AND ITS MODERN COMPLEXITIES.

L WE HAVE AN ADMINISTRATION WHICH IS TRYING TO FORGET LESSONS LEARNED IN MAINTAINING THE STABILITY AND PRODUCTIVE CAPACITY OF THIS VITAL INDUSTRY.

IT'S NOT A CASE OF TRYING TO TEACH AN OLD DOG NEW TRICKS. IT'S A CASE OF TRYING TO REMIND A CONFUSED ADMINISTRATION OF SOME BASIC FACTS.

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L THE NATION'S GOVERNORS IN FEBRUARY, 1975, RESOLVED:

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# Gouvernon Conference 1975, Resol.

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"WE MUST DEVELOP A WORKABLE NATIONAL FOOD POLICY THAT

TAKES INTO ACCOUNT AT LEAST MINIMUM PROTECTION FOR OUR

FARMERS AND THEIR RESOURCES UPON WHOM WE ARE CALLING

FOR UNLIMITED PRODUCTION."

*In a National Food Policy*  
THAT NEED EXISTS MORE THAN EVER TODAY. THE PRODUCTION OF

WHEAT THIS YEAR WAS UP 19.2 PERCENT, CORN 22.5 PERCENT AND

SOYBEANS 19.5 PERCENT.

~~THE INDEX OF ALL AGRICULTURAL PRODUCTION FOR THIS YEAR IS~~

~~122 IN COMPARISON WITH THE PREVIOUS RECORD OF 120 IN 1974.~~

OUR AGRICULTURAL EXPORTS ARE EXPECTED TO APPROACH \$23 BILLION

THIS YEAR, WITH NET AGRICULTURAL SALES OVER IMPORTS OF \$12.7

BILLION. AND YET, NET INCOME FOR FARMERS IS LIKELY TO DROP FROM

OVER \$27 BILLION LAST YEAR TO AROUND \$23 BILLION THIS YEAR.

MINNESOTA FARM INCOME FOR THIS YEAR IS LOWER THAN IN 1974,  
WHEN NET FARM INCOME DROPPED BY \$543.4 MILLION. HOW MANY SECTORS  
OF OUR ECONOMY WOULD BE WILLING TO ACCEPT A TWENTY-FOUR PERCENT  
REDUCTION IN NET INCOME?

FARM PRICES HAVE CONTINUED TO BOUNCE UP AND DOWN, DEPENDING  
ON THE WEATHER AND RUMORS OF EXPORT SALES. MEANWHILE, PRODUCTION  
COSTS KEEP RISING EVER UPWARD.

THE ADMINISTRATION RESPONDS THAT ITS POLICY IS ONE OF FULL  
PRODUCTION AND THE FREE MARKET.

I SUPPORT <sup>such</sup> A GOAL, BUT IT IS NOT ADEQUATE OR REALISTIC  
AS A POLICY. WITHOUT A BALANCED FOOD AND AGRICULTURAL POLICY,  
OUR FARMERS WILL CONTINUE EACH YEAR TO LOOK DOWN THE BARREL AT  
POTENTIAL FINANCIAL DISASTER.

ON THE OTHER HAND, WE CONFRONT A FRIGHTENING WORLD FOOD NEED,  
WITH OVER 2 MILLION NEW MOUTHS TO FEED EACH MONTH.

TO CRIPPLE FOOD PRODUCTION WITH ECONOMIC PRESSURES THAT DRIVE  
PEOPLE FROM FARMS IS UNACCEPTABLE AS WE WATCH THE PROGRESSION  
OF WORLD STARVING. WE CANNOT AND WILL NOT IGNORE THIS SERIOUS  
OBLIGATION.

THE RECORD OF THIS NATION IN HELPING TO FEED THE WORLD IS ONE  
OF WHICH WE CAN ALL BE PROUD. IN ADDITION TO OUR EVER INCREASING  
COMMERCIAL EXPORTS, WE HAVE PROVIDED OVER \$27 BILLION IN FOOD  
ASSISTANCE SINCE 1954.

THIS RECORD ACHIEVEMENT DID NOT JUST HAPPEN. WE PROVIDED  
AGRICULTURE WITH THE STABILITY NEEDED TO ENCOURAGE THE FARMER  
TO INVEST IN NEW TECHNOLOGY, AND TO PLAN FOR FIVE, TEN OR MORE  
YEARS INTO THE FUTURE.

L IT IS A RECORD THAT WAS MADE POSSIBLE BY DEVELOPING PROGRAMS

TO ASSURE THE AVAILABILITY OF CREDIT,

L IT ALSO WAS BASED ON AGRICULTURAL RESEARCH EFFORTS, MARKET

PROMOTION AND DEVELOPMENT, ADEQUATE TRANSPORTATION AND INPUTS.

L AND IT WAS ENCOURAGED BY THE TREMENDOUS GROWTH IN THE ABILITY

OF THE FARMER TO MARKET HIS OWN PRODUCTS. *through Co-operatives* THOSE OF YOU GATHERED

HERE KNOW THIS STORY BETTER THAN MOST, BECAUSE YOU HELPED WRITE

THAT HISTORY.

~~HOWEVER, LET US NOT FORGET THAT~~ *But* L THE PROGRAMS WE FASHIONED

OVER THE YEARS HAVE NOT BEEN PERFECT. WE DID NOT PROVIDE ADEQUATE

REWARDS FOR OUR FARMERS,

*50 yrs  
34 yrs below cost.*

*2/3* LET'S LOOK AT THE RECORD OF WHAT WE HAVE ACCOMPLISHED.

*from* Wheat Producers and  
Corn

L THE AMERICAN FARMER -- FROM THE MINNESOTA DAIRYMAN TO

THE LOUISIANA RICE PRODUCER -- STANDS BEFORE HIS NATION AND THE

ENTIRE WORLD WITH A RECORD OF PRODUCTIVITY THAT IS UNMATCHED ANYWHERE.

L IN THE YEARS RIGHT AFTER WORLD WAR II, AMERICA WAS LOOKED TO

AS THE BREADBASKET OF THE WORLD. L AND TODAY, MORE THAN EVER, WE ARE

THE WORLD'S MAIN FOOD RESERVE SECURITY NATION,

Food Power  
not food weapon.

L THE PEOPLE OF AMERICA ~~THEY~~ ENJOY A DIET UNPARALLELED IN THE

WORLD FOR QUALITY, VARIETY AND -- MOST IMPORTANT -- ABUNDANCE.

L FOR MOST OF US, FOOD COSTS AMOUNT TO ONLY ABOUT 17 PERCENT OF

TAKE-HOME INCOME. Lowest in the world.

L THE AVERAGE AMERICAN HAS BEEN ABLE TO IMPROVE HIS DIET THROUGH

A GENERALLY RISING STANDARD OF LIVING, BY PROGRAMS OF CONSUMER

INFORMATION, AND BY IMPROVED FOOD QUALITY, QUANTITY AND SAFETY,

American ~~of~~ <sup>of</sup> food. Policies goes beyond  
loans, supports, & trade -

L THE CHILD NUTRITION PROGRAMS HAVE BEEN GREATLY EXPANDED AND  
EXTENDED TO REACH ADDITIONAL MILLIONS WITH BETTER SCHOOL LUNCHES,  
SCHOOL BREAKFASTS, AND ADDITIONAL MILK. A SPECIAL EFFORT HAS  
BEEN MADE TO PLACE THESE FOOD PROGRAMS WITHIN THE REACH OF ALL  
CHILDREN, REGARDLESS OF FAMILY CIRCUMSTANCES.

L WE ALSO HAVE LAUNCHED A SPECIAL SUPPLEMENTAL FEEDING PROGRAM.  
~~FOR THE INTENTIONALLY VULNERABLE.~~ THE WOMAN, INFANTS AND CHILDREN  
(W.I.C.) PROGRAM IS DESIGNED TO MAKE CERTAIN THAT THE MOST NEEDY  
INFANTS HAVE THE OPPORTUNITY FOR NORMAL MENTAL DEVELOPMENT.

L THE FOOD STAMP PROGRAM HAS MADE AN ADEQUATE DIET A REALITY FOR  
MILLIONS OF PEOPLE. AND IT ALSO SERVES AS A BUFFER DURING PERIODS  
OF SEVERE UNEMPLOYMENT.



LAST SPRING CONGRESS PASSED A ONE-YEAR <sup>emergency</sup> FARM BILL. IT WAS NOT AN IDEAL PIECE OF LEGISLATION. WE WERE FORCED TO TEMPER WHAT WE FELT WAS NEEDED AGAINST WHAT MIGHT BE ACCEPTABLE TO THE WHITE HOUSE. BUT EVEN THIS MODEST BILL BROUGHT FORTH A PRESIDENTIAL VETO, ALTHOUGH GRAIN PRICES <sup>and now</sup> THEN WERE WELL ABOVE THE TARGET PRICES IN THE BILL.

RECENTLY THE MARKET PRICES HAVE BEEN HOVERING NEAR THE LEVELS IN THAT BILL.

IN VETOING THE BILL, PRESIDENT FORD SAID IT WOULD COST TOO MUCH MONEY, HE ACKNOWLEDGED THAT FARM COSTS WERE 11 PERCENT HIGHER THAN IN 1974, AND <sup>farmer</sup> PRICES WERE DOWN SEVEN PERCENT. - 18% Drop

AND UNFORTUNATELY THE DEPARTMENT OF AGRICULTURE RESORTED TO FURNISHING HIGHLY MISLEADING AND DISTORED INFORMATION ON THE COST OF THE BILL IN ORDER TO DEFEAT IT.

L THE PRESIDENT PRAISED THE AMERICAN FARMER FOR RESPONDING TO HIS  
CALL FOR ALL-OUT PRODUCTION. AND HE PLEDGED HIS PERSONAL SUPPORT  
TO MAINTAIN THE FARMER'S ACCESS TO WORLD MARKETS.

L SINCE THEN, OUR FARMERS HAVE LEARNED THE VALUE OF THAT PROMISE.  
AS THE SOVIET CROP ESTIMATES PLUMMETED -- FROM 215 TO 160 MILLION  
METRIC TONS -- THE DEMAND FOR OUR GRAIN ESCALATED.

L BUT THE ADMINISTRATION -- IN SPITE OF ITS FREE MARKET  
PROCLAMATIONS -- AGAIN, AS IN 1973 AND 1974, ESTABLISHED EXPORT  
CONTROLS -- an outrageous interference in the market!

L I HOPE THAT THE RECENT AGREEMENT WITH THE SOVIET UNION HELPS  
TO STABILIZE THE DEMAND FOR OUR AGRICULTURAL PRODUCTS. IT IS HIGHLY  
DISRUPTIVE WHEN ONE YEAR THAT COUNTRY BUYS 15 MILLION TONS AND THE  
NEXT YEAR PURCHASES ALMOST NOTHING. -- only 3<sup>or 4</sup> big  
companies can supply

*Smaller amounts*  
L I HAVE URGED THAT THE SOVIETS BUY, ON A REGULAR BASIS,

L THIS WOULD ENABLE COOPERATIVES SUCH AS GTA TO PARTICIPATE IN  
THE BUSINESS, AND IT WOULD REDUCE THE DISRUPTION IN OUR MARKET. !!

~~SOVIETS BE CUSTOMERS LONG TERM~~  
L BUT IT IS NOT JUST ON THE FARM OR IN OUR EXPORT MARKETS THAT

WE FACE UNCERTAINTY TODAY. L IN THE MARKETING OF AGRICULTURAL

COMMODITIES, FARMERS HAVE MADE TREMENDOUS INVESTMENTS IN THE

DEVELOPMENT OF COOPERATIVE ASSOCIATIONS TO MARKET THEIR PRODUCTS.

L WHEN THE COOPERATIVE MOVEMENT BEGAN, IT WAS OFTEN SUBJECT TO

ATTACK AS A VIOLATION OF ANTITRUST LAWS L IN 1922, CONGRESS, THROUGH

THE CAPPER-VOLSTEAD ACT, SAID THAT FARMERS NEEDED COOPERATIVES TO

PERMIT THEM TO COMPETE IN THE MARKET.

L OVER THE YEARS, CONGRESS HAS ENCOURAGED FARMER COOPERATIVES ON

THE BASIS THAT THEY IMPROVE THE MARKETING ABILITY OF FARMERS AND

SERVE TO STIMULATE COMPETITION WITH PRIVATE CORPORATIONS.

↳ BUT TODAY, THE COOPERATIVES ARE UNDER ATTACK ONCE AGAIN, BEING CHARGED WITH "UNDULY ENHANCING" FOOD PRICES. ↳ IT IS CLEAR THAT THE ADMINISTRATION WOULD LIKE TO RESTRICT COOPERATIVES IN THE NAME OF STIMULATING COMPETITION.

↳ I UNDERSTAND THAT SECRETARY BUTZ, WHO SHOULD KNOW BETTER, RECENTLY STATED THAT G.T.A. HAD "GOBBLED UP ALL THE PRIVATE ELEVATORS ALONG THE MILWAUKEE AND NORTHWESTERN RAILROADS."

↳ TO MAKE MATTERS WORSE, THESE REMARKS WERE MADE IN AN URBAN SETTING, AT THE HARVARD BUSINESS SCHOOL, WHERE THE COMMENTS WERE LIKELY TO GO UNCHALLENGED.

↳ I AM REMINDED OF ADLAI STEVENSON'S COMMENT THAT "IF THE REPUBLICANS WILL STOP TELLING LIES ABOUT US, WE WILL STOP TELLING THE TRUTH ABOUT THEM."

L BUT LET US NOT BE DECEIVED. L THE TALK ABOUT LIMITING COOPERATIVES

REALLY IS A DISCUSSION OF HOW WE CAN LIMIT THE FARMER IN THE MARKET

PLACE.

L IT IS INTERESTING TO NOTE THAT ONLY 28 PERCENT OF ALL FARM OUTPUT

IS MARKETED THROUGH COOPERATIVES. L IN 1973, THE COMBINED SALES OF ALL

COOPERATIVES TOTALED \$19 BILLION, WHILE GENERAL MOTORS HAD SALES OF

OVER \$28 BILLION.

L THE COOPERATIVE IS A FORCE FOR STABILITY AND A MEANS TO ENABLE

THE PRODUCER TO GET A BETTER DEAL. L IT ALSO HELPS ASSURE RELIABLE

FOOD SUPPLIES FOR CONSUMERS. L BUT TODAY, WE HEAR VEILED THREATS

WHICH CREATE CONCERN AND CONFUSION,

L THE COOPERATIVES MUST NOT STAND DIVIDED. L AN ATTACK ON ONE

IS AN ATTACK ON ALL.

L THIS IS JUST ONE MORE AREA WHERE THE ADMINISTRATION HAS BEEN  
GUIDED BY THEORY RATHER THAN FACT.

L ~~WE NEED NOT ONLY A NEW COACH AND A NEW TEAM, BUT AN ENTIRELY~~  
DIFFERENT GAME PLAN. *none on another matter*

L INCREASINGLY, WE ALSO HAVE BECOME AWARE OF THE CRITICAL  
IMPORTANCE OF A GOOD TRANSPORTATION SYSTEM IN MOVING THE OUTPUT OF THE  
FARM TO THE ULTIMATE USER. ~~WE~~ WE NEED ~~IS~~ A TRANSPORTATION POLICY  
INCLUDING NOT JUST ROADS BUT ALSO modern ~~OUR~~ RAILROADS AND WATERWAYS.

L ~~OUR FOCUS IN RECENT YEARS HAS BEEN MAINLY ON RAILROADS.~~ L SINCE  
1960, TRACK ABANDONMENTS HAVE AVERAGED ABOUT 1,000 MILES ANNUALLY,  
YET THE RAILROADS INSIST THAT THEY ARE LOSING \$130 MILLION A YEAR  
ON BRANCH LINES ALONE.

AROUND REDWOOD FALLS, <sup>MINN</sup> ACCORDING TO YOUR GTA DIGEST, TRAINS DON'T

RUN ON THAT LINE UNTIL THE QUACK GRASS IS STRONG ENOUGH IN SPRING TO  
HOLD THE TIES TOGETHER,

↳ WE ALSO FACE A MAJOR ISSUE IN TRYING TO REACH A DECISION ON  
REBUILDING LOCK AND DAM 26 AT ALTON, ILLINOIS, ON THE MISSISSIPPI.

↳ IF THESE STRUCTURES GIVE WAY, WE WILL PLACE A HEAVY STRAIN ON OUR  
RAIL AND ROAD FACILITIES AND OUR FARMERS WILL PAY A HEAVY PRICE  
BECAUSE WE HAVE BEEN UNABLE TO REACH A DECISION ON HOW TO PROCEED.

↳ THIS ISSUE BRINGS TOGETHER THE CONCERNS OF THE ENVIRONMENTALISTS,  
AND THOSE WHO FEEL THAT THESE FACILITIES MUST BE REBUILT.

WE NEED TO FIND A WAY TO GIVE THESE CONCERNS A FULL HEARING,  
and reach a decision promptly.  
BUT ALSO REACH A CONCLUSION PROMPTLY.

WHAT IS NEEDED TODAY IS THE DEVELOPMENT OF A BALANCED <sup>National</sup> FOOD

AND AGRICULTURAL POLICY WHICH TAKES INTO ACCOUNT THE NEEDS AND

INTERESTS OF FARMERS AND CONSUMERS ALIKE L THIS POLICY MUST RELATE OUR

DOMESTIC, EXPORT AND HUMANITARIAN CONCERNS,

WE WILL NEED TO AVOID DEALING WITH PROBLEMS ON AN AD HOC BASIS --

GROPING FROM CRISIS TO CRISIS, UNSURE OF WHERE WE ARE HEADED BUT STILL

PROCLAIMING THE GOSPEL OF THE FULL MARKET,

L THIS WILL MEAN BEING REALISTIC RATHER THAN BEING GUIDED BY POLLS,

DEVELOPING SLOGANS, OR COMING UP WITH NEW "WIN" BUTTONS --

*What the farmer don't need is a lot of ifs and buts - Expensive valley*

WE SHOULD DEVELOP A POLICY AT THE FOLLOWING SPECIFIC

OR OBJECTIVES: *to provide*

L Loam - + Target Price  
PRICE AND INCOME PROTECTION FOR PRODUCERS OF FOOD AND FIBER;

L abundance  
FOOD SUPPLY STABILITY FOR CONSUMERS, AT REASONABLE PRICES;  
Assured

-- ADEQUATE SUPPLIES OF INPUTS AND TRANSPORTATION FOR PRODUCERS

AT REASONABLE PRICES. - *fertilizer, fuel, seeds supplies*

{ - ASSURING THE PRODUCTION OF ADEQUATE SUPPLIES OF DAIRY AND  
LIVESTOCK PRODUCTS FOR DOMESTIC AND INTERNATIONAL NEEDS; AND

{ - THE ESTABLISHMENT OF A RESERVE PROGRAM TO PROVIDE MARKET  
STABILITY DURING PERIODS OF SHORTAGE AND SURPLUS, MAINTAIN THE  
RELIABILITY OF THE U.S. AS AN EXPORTER, AND CONTINUE THE  
PROVISION OF FOOD ASSISTANCE TO NEEDY NATIONS.

{ *↓ must*  
ALL OF THIS CAN BE DONE WITHOUT DEPRESSING FARM PRICES.

WE HAVE SEEN SOME OF THE PROBLEMS OF RECENT YEARS FROM  
RISING FOOD PRICES, EMBARGOES, RISING FARM INDEBTEDNESS AND  
FORECLOSURES, AND *uncertain* EXPORT MARKETS, TO THE COST PRICE  
SQUEEZE ON FARMERS, PARTICULARLY LIVESTOCK AND DAIRY PRODUCERS.

*(Each Year)*

WE MUST GET AWAY FROM THE UNCERTAINTY AS TO WHETHER THIS

~~WILL~~ WILL BE A BAD YEAR FOR OUR LIVESTOCK OR GRAIN PRODUCERS.

THE TASK BEFORE US REQUIRES LEADERSHIP, GETTING ON WITH  
THE JOB AHEAD. UNFORTUNATELY, THAT COMMODITY SEEMS TO BE IN  
SHORT SUPPLY THESE DAYS.

I PLEDGE TO CONTINUE MY BEST EFFORTS IN THIS DIRECTION, AND

I URGE YOU TO DO LIKEWISE.

## ## ## ## ##

001327



*Farmers Union Grain Terminal Association*

SAINT PAUL, MINNESOTA 55165

JAN 30 9 07 AM '76

January 28, 1976

B. J. MALUSKY  
PRESIDENT

The Honorable Hubert H. Humphrey  
232 Russell Senate Office Building  
Washington, D. C. 20510

Dear Hubert:

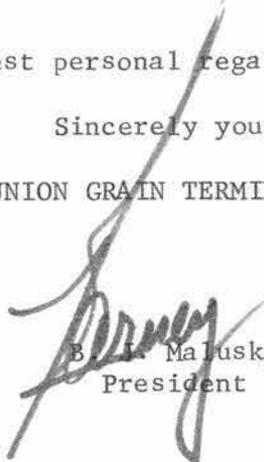
Enclosed is a copy of our transcript of your address  
made at GTA's Annual Banquet on December 3, 1975.

We have had a number of requests for copies of your  
speech, and we should like your permission to send  
these.

With every good wish and best personal regards.

Sincerely yours,

FARMERS UNION GRAIN TERMINAL ASSOCIATION

  
B. J. Malusky  
President

*File not edited*

ADDRESS BY SENATOR HUBERT H. HUMPHREY  
38TH ANNUAL MEETING BANQUET  
FARMERS UNION GRAIN TERMINAL ASSOCIATION  
SAINT PAUL, MINNESOTA  
WEDNESDAY, DECEMBER 3, 1975

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Well, thank you very much, my dear and good friend, Barney. Barney Malusky has done a remarkable job, as you all know, in giving leadership to GTA. I don't know whether you've applauded him properly or not, but I think we ought to tell Barney how proud we are of his great success here. ~~And~~ <sup>also</sup> I want to compliment ~~also~~ Jewell Haaland, your chairman, and Gordon Matheson, your vice chairman. Jewell, I know what Gordon has been going through as vice chairman, and I just want you to know that you have my sympathy, Gordon. <sup>And</sup> To every member of the GTA Board -- my special congratulations. The next thing I'd like to suggest is that they turn off those terrible bright lights up there so I can see you. ~~Turn on the house lights, I want to see what's going on out there. I feel blind as a bat; I can't see a one of you. That's better. I'm no actor; this is not Hollywood. I'm in St. Paul, and I'm in Minnesota. I want to see the folks out here, not only from Minnesota, but also from all of the surrounding states.~~ I already met a friend here from South Dakota, and he told me things were good. I hope that's true. ~~I've still got a little business out there in Huron, South Dakota; I like to put in my commercials early. If you ever stop in to Humphrey's Drug Store, tell him you want the "preacher's discount" and that I told you that you were entitled to it. I regret that we held you up a little while, but as I told Barney, we left Washington at 5:55, Washington time; and we had headwinds of about 125 m.p.h., flying Northwest, and they did as good a job as they could.~~

getting ~~us~~ here. I used ~~all their facilities~~ so I <sup>had to</sup> change clothes enroute. I didn't have time leaving Washington to put on a clean shirt or a proper suit; but ~~here~~ <sup>here</sup> I am with you and <sup>(I am glad that)</sup> you've been patient, so I thank you.

I want to talk to you tonight about matters of mutual concern. I've been with you so many times. I look out here and it's like a family reunion. I don't think I've missed many of the annual meetings of the GTA. I can recall traveling back <sup>(one time)</sup> from Latin America, <sup>(and another time)</sup> ~~I remember one time~~ <sup>had</sup> just finished a long talk with Mr. Khrushchev ~~over at~~ <sup>in</sup> the Soviet Union, and I rushed home via Moscow ~~London into Minneapolis and St. Paul International Airport so I could be here for this great gathering.~~ I consider this <sup>and</sup> one of the finest, if not the best, meetings of agriculturalists, ~~of~~ family farmers held anywhere in the world. And, dear friends, I have spoken to people in many parts of the world, ~~in many areas, of agricultural people~~ Japan, India, Korea, Egypt, Eastern Europe, Western Europe, Canada, and as far as Australia. I have talked to the great international conferences of our farmers and farm leaders, and every time I go to one of these meetings, I tell them about the GTA. I think this is the finest of ~~the~~ cooperatives, and I salute you for the tremendous achievement that you represent, ~~here in your success.~~ This has been a remarkable program of achievement.

This past week in Washington the governors of our 50 states have been meeting. I couldn't help but remember their meeting in February of 1975. The governors of the states of our Union took recognition of the great and basic needs of rural America, of our agriculture, and of our farm people. At long last this is beginning to happen in all levels of government. For a long period of time, as you know, there ~~was~~ <sup>were many</sup> generally just complaints about what farmers were getting from the government, rather than what farmers were doing for America and for the world.

In February of 1975, the 50 governors meeting in conference passed the following resolution:

We must develop a workable national policy that takes into account at least minimum protection for our farmers and their resources, upon whom we are calling for unlimited production.

Now, that resolution was preceded by a topic of interest on the subject of sharing the risk because everybody acquainted with agriculture knows that it is ~~a~~ great risk. No one ever knows what the crop is going to be. You can't really make safe predictions. And, surely, many a farmer has experienced disaster almost overnight. But our people, at long last, are beginning to understand that there needs to be some continuity of national policy.

Tonight, I want to talk with you about a balanced national food policy -- not just agricultural policy, but food policy -- a policy that relates to the producer, to the consumer, to the exporter, to the importer, because today agriculture is so basic to the national well-being of the American people and the world that we need to think about it in much broader terms than we have in the past. We can't just ~~now~~ talk about loans and ~~support some~~ target prices. Important and basic as those features are, we need to talk about a balanced national agricultural and food policy that satisfies the needs of the <sup>215</sup>~~250~~ million Americans who make up our population. And that food policy must help satisfy some of the requirements of a world that continues to face ~~and will for the~~ foreseeable future ~~a very tight food situation -- to put it simply,~~ a world food crisis. And don't let anyone tell you that we are not facing that reality. It is here. <sup>From one</sup> ~~One~~ year ~~to~~ another ~~year~~ it will be alleviated somewhat because of the abundance of a crop, ~~perhaps~~ in India, or by the good fortune of a big crop in China, or a bumper crop in the Soviet Union. But the long-term <sup>expectation</sup> ~~planning~~, unmistakably, is for a tight supply of agricultural products world-wide. It's a race between food and population. And as the countries of the world can,

hopefully, get themselves out of this recession which has gripped not only America but the whole world, consumption of food will rise, <sup>and</sup> the demand will rise. Therefore, we need to gear our policies as a major agricultural producing country to those projections and, indeed, those facts.

Now I have served on the Committee on Agriculture and the Congress, <sup>for</sup> ~~going~~ <sup>about</sup> ~~into my 18th~~ years, I am presently Chairman of the Foreign Agricultural Subcommittee. I am also the chairman of the <sup>Congressional</sup> ~~nation's~~ Joint Economic Committee, <sup>and</sup> for the first time that committee has been holding hearings, <sup>and</sup> making studies about the relationship of agriculture, food prices, and farm prices to the national economy.

Can you imagine a committee, established in 1946, that up until this last year had never had a real in-depth study of the relationship of ~~the agricultural section of~~ <sup>the economy?</sup> our economy to the rest of it? They're always talking about ~~the problems and we were studying~~ the problems of finance, ~~the problems of industry, the many problems that face~~ our urban centers, but with little or no attention to the basic needs of American agriculture. If something goes wrong in our automobile industry -- which is a great industry, ~~and thank goodness it's improved somewhat~~ -- and thousands of people are laid off, ~~automobile sales go down~~ and it is a headline story, not only for a day, but for weeks and months on end. Even tonight as I picked up the local paper, there is a story about <sup>that sales are better</sup> ~~what's happening~~ in the automobile industry. Thank goodness, ~~sales are better.~~

Today I talked with the president of the United Automobile Workers, Leonard Woodcock, on another matter and I said, "How is it Leonard?" "Well," he said, "fortunately somewhat better but still serious problems...." Now my point is ~~this~~ that the total assets of the automobile industry are \$72 billion. But, the assets of American agriculture are between \$550 and \$600 billion -- almost eight times as much. <sup>And</sup> ~~yet that great segment of this economy, which is~~ ~~fantastic~~, has been given very little consideration until the last two or three

<sup>and out</sup>  
years until the first Russian grain deal. ~~I tell you sometimes I wonder what we'd do without the Communists searing the living daylights out of us. It is true so many things that we've done have happened because we say if we don't do it they'll turn Communist.~~ ~~And~~ I can remember in Washington for years looking up in the press gallery, and the minute anybody would get up and make a speech on agriculture, every newspaper man would leave. They'd go out and get themselves a beer, or a cup of coffee, or smoke their favorite cigar. And then all at once it changed when the Soviet Union stepped into that market <sup>in 1972</sup> ~~three years ago~~ and bought up those huge supplies ~~stripping us of all of our reserves.~~ <sup>of grain and stripped most</sup> By the way, the farmer did not benefit at all that particular year. But the increase in the price of the grocery bills of Americans by \$10 billion then all at once caused somebody from New York and Philadelphia to say, "You know, there may be something to this agriculture business." They began to take interest.

I've told this many times, I remember speaking on the floor of the Senate and I looked up in the gallery and there were one or two left, and I said, "I want to give you a basic course in agricultural economics. The first thing we're going to do, gentlemen of the press, is we're going to learn how to spell 'farmer'," and I spelled it out like you would for a child -- F-A-R-M-E-R- -- and then I defined it. I said, "There are human beings who live in what we call the countryside. They till the soil, they plant the seed; they hopefully get a crop. ~~And then they do what they call harvest it and then they~~ <sup>next</sup> try to market it. And possibly some of you may remember it because it produces things like bread." Then I went into the dairy business and reminded them that milk did not come in bottles -- that it came out of cows -- and that somehow or ~~another~~ they had to get a better understanding.

Now you may say well that sounds almost childlike, but it's not, dear friends. It is the simple truth that so often there was <sup>A COMPLETE LACK OF</sup> ~~utter~~ ~~in what I call,~~ <sup>KNOWLEDGE</sup> public education ~~neglect~~ of rural America. The problems of our city today are in

large measure due to the neglect of rural America. 30 million Americans left their farms in 30 years and piled into the cities. Georgetown University has just completed a survey which shows that <sup>during</sup> in the last 50 years, <sup>in</sup> 39 of those years American farmers produced below the cost of production. <sup>For years</sup> 39 out of 50, no profits at all, just losses. And in only 11 have they ever broken even or made a profit.

Is it any wonder that farm people have been concerned as to whether anyone cared? Sometimes it was almost the fault of our own farmers themselves for the failure to unite on a common policy. How would you like to be a member of the Senate Committee on Agriculture and have several groups come down, all with a different program and going in different directions when you are supposed to represent the farmers' interests? I want to say here right now what I said many times <sup>to organizations such as</sup> that the National Farmers Union, <sup>the</sup> and this, GTA, ~~have been down there consistently over the years, and other organizations such as the Grange, the Farmers Union, and the NFO, in particular, have worked together to give us some semblance of a unity of purpose.~~ <sup>which</sup> But one of our great farm organizations, I regret to say, has been on the outside, and you, as a Senator or Congressman, have to make a choice. So just keep in mind that unity in your ranks, ~~for what is needed~~ is vital to your success.

I know what the recent talk is: get the government out of agriculture. Now dear friends, I've been around that government a long time and there's a lot of nonsense going on, <sup>Every</sup> candidate for any office today says <sup>that</sup> what we need is less government and the minute they get in <sup>we</sup> they get more government. I remember Franklin Roosevelt, in 1932, bless his memory, calling Hoover a spender, and saying that he was going to reduce the budget 25%. That was in his campaign speech in October in Pittsburgh, 1932. There hasn't been a candidate for president or ~~a candidate for governor that I can recall in any state or anywhere or any senator in Congress~~ <sup>who</sup> that didn't say government's too big, <sup>and</sup> that we've got to get it <sup>it should be</sup> cut <sup>back,</sup> ~~that~~

~~we've got to get fewer people, etc., etc., etc.~~ [What we need is government that is accountable, responsive, efficient, and ~~that~~ carries out ~~some of~~ its commitments. Government is not going <sup>get smaller.</sup> to be less. It's here. The question is -- does it represent you? Are those who are in government listening to you and trying to understand the problems of this country, and are they willing to be held accountable for the policies that they legislate and ~~that they~~ administer? [And I want to warn this audience, if I do nothing else tonight, that when you hear ~~about~~ that we're going to get the government out of this or that, you better ask yourself what does this mean. The Bank for Cooperatives was not established because somebody found it in a Dead Sea Scroll. It was a law passed by the Congress. The Rural Electric <sup>FICATION</sup> Administration didn't come out of the United Way fund, ~~it~~ came out of government and it's still there. The same <sup>is true of</sup> for the Rural Telephone program. [And freight rates, waterways, and truck rates are going to be regulated. I hope they will do a better job, ~~and we will do a better job than we have.~~ But, government is there, <sup>it</sup> and government needs to be there, not to interfere in the sense of impeding the growth, but <sup>to</sup> of helping where ~~help is~~ needed. ~~or assisting where assistance is required.~~ I think this is what the governors were talking about in 1975.

We know today, for example, that agricultural exports are of tremendous importance to this nation. Every day there is somebody getting up and talking about American power, or that the Russians got more bombs than we have, or they've got more submarines, or they have a bigger Navy than we have. ~~They may, I don't know, I don't think that's true. I think I've studied National Security as much as anybody else and I'm the only member of Congress who has ever served on the National Security Council, and I don't think the Russians have a bigger Navy and I don't think they have more missiles and I don't think they're more powerful than we, but even if it were the case we could obliterate each other. I don't know what that means, but I know <sup>(that they have a major weakness!)</sup> one thing, their agriculture doesn't function,~~

it's not reliable, ~~and~~ Napoleon Bonaparte once said <sup>that</sup> an army travels on its stomach. The Soviet Union today is in trouble because its economy doesn't work; its missiles may work, but its economy doesn't work. The Soviet Union's in trouble today despite the fact that it has a modern Navy, because its collective farms can't produce what is needed, ~~and~~ the Soviet Union's going to be in trouble for the foreseeable future because 90% of all the land in the Soviet Union that produces crops is north of Minneapolis and St. Paul. <sup>unpredictable</sup> Weather, short growing seasons, early frost, <sup>are typical,</sup> ~~unpredictability~~ -- God Almighty took care of that. ~~That didn't require any act of Congress or any wisdom on the part of any legislator, but I think it's time that we faced up to what the facts are.~~ The Indians in India are going to be in difficulty because of the uncertainty of the monsoons. ~~They are, I've been there, no need to read about it. I've walked~~ <sup>over</sup> ~~those lands.~~ The Chinese maybe will do better because much of their productive area is within our latitude. And they've put great efforts, by the way, ~~they put massive efforts~~ into improving their agriculture. Before they build a steel plant, they put in conservation measures for their land, <sup>land water,</sup> ~~Before they did anything of industrial capacity, they started in water conservancy.~~ They built experiment stations all over China for every possible kind of crop and every kind of climate. ~~This is China, and I visited there just a year ago, for 14 days, and I traveled over 3,000 miles in that country, and the one thing I came back with was the impression that the Chinese had made a basic, fundamental decision to try to be self-sufficient in food.~~ I might tell you all quickly that they're going to have an abundance of oil. They have a large oil deposit that is almost equal to what they have in Saudi Arabia. It's only a matter of time before they develop it, but they started out not <sup>to</sup> drilling for oil, <sup>but</sup> ~~They started out~~ to reclaim their land, which had been eroded ~~and which had been~~ <sup>and</sup> literally destroyed over centuries. ~~And that country~~ <sup>which</sup> has 850 million people with 70% of its land <sup>is</sup> mountains and deserts, with 10% of its <sup>composed of</sup> land water, and only 20% available to feed its people,

is today doing a rather, ~~may I say,~~ a rather effective job in meeting that goal.

But vast areas of the world are going to look to this nation, <sup>and</sup> to Canada, ~~to the countries in the North American Continent,~~ to help them with their food needs.

Now ~~my friend~~ the Secretary of Agriculture, ~~and I say friend because he's a neighbor, he only lives one story below me, I'm glad it's below me, in the apartment where Mrs. Humphrey and I live in Washington), Earl Butz and I went swimming here a Sunday or two ago together. I said, "Earl, are you washing away your sins or mine; what are we doing here?" But anyway, we had a nice friendly~~

~~chat.~~ Mr. Butz has talked about food as <sup>a</sup> our weapon. ~~My fellow Americans and my friends, we are~~ <sup>ought</sup> never to speak of food as a weapon. Food is a resource; weapons

take life; food gives life. Food is an instrument of power for good, and those people ~~in the lands that~~ <sup>who</sup> have produced this food ought to feel that they've been

a basic part of all that's good in this country. I've gone to grade schools and ~~little children,~~ and I've talked to <sup>children</sup> ~~them,~~ in the third and fourth grade, and I

said to them, "Now you go home and tell your daddy and your mamma that they are patriots." ~~Like~~ <sup>So</sup> the early days of this republic, it was the embattled farmers at

Lexington and Concord, you know, not the stock brokers, <sup>who made the</sup> and I said, "Now you go <sup>difference</sup> out and talk to them, because without what they do, on those farms where you live,

~~this country of yours and mine would not be the great country that it is today.~~

Our agriculture exports this year will approach about \$23 billion. And if prices were where they should be, they'd be substantially higher. Net agricultural sales over imports will be approximately \$13 billion -- \$12,700,000,000. The United States of America can pay for oil that we need for our factories, simply because farmers in America produce grain and other supplies that are needed around the world, and we sell it for cash. ~~We don't have any give-away credit programs, and when we give away we give it for humanitarian relief.~~ The Soviet Union, like anybody else, pays the price in the market. ~~All of those earlier mistakes are over.~~ But I <sup>great</sup> noted our Commissioner of Agriculture, over here, Jon Wefald, "Jon, I salute you,

You do a marvelous job here for us in Minnesota, and I know that you have many compatriots in the other states served by GTA." But I got some figures that I thought were ~~kind of~~ interesting. <sup>on</sup> This relates to some Minnesota figures, and you friends from other states will have to forgive me, for being a little parochial; ~~after all, I am from Minnesota:~~ <sup>crop prices</sup> Corn, in 1947, <sup>was on</sup> the average for the year ~~was~~ \$2.08 <sup>per</sup> bushel. It was \$2.46 in January of 1947. Today, it runs between \$2.35 and \$2.40. I wonder, how do you compare that with interest on money? I remember in 1947 you <sup>easy</sup> could get a <sup>5 percent</sup> housing loan ~~for 5% easy~~. Try it now; go to your bank; ~~buy~~ buy a gallon of gasoline. What did your tractor cost you in 1947 as compared to now? Wheat in January, 1948 <sup>was</sup> \$2.92 a bushel. It's running between \$3.00 and \$3.20 right now. <sup>other</sup> Now some Minnesota figures of interest since August: soybeans have dropped a \$1.35; corn has dropped between 50¢ and 60¢; wheat has dropped between 50¢ and 70¢. Now ladies and gentlemen, the average person in the public is led to believe that farm prices have been skyrocketing because they go to the super-market and see that some prices are up. Ladies and gentlemen, we've got to tell our story to a larger audience than just our farm neighbors. Now the facts in our state ~~here~~ are rather interesting. Net farm income in Minnesota in 1973 was \$2.2 billion, right Jon? <sup>in the</sup> 1974 <sup>for</sup> net farm income was \$1.7 billion. <sup>of</sup> 1975 net farm income <sup>of</sup> \$1.2 billion was the projection. This is a one billion dollar drop in the two-year period, ~~and it's~~ the largest drop in history, <sup>it</sup> and basically brings us back to prices in 1947.

Why do I <sup>tell</sup> give you this? Oh, I know that ~~some days prices are better than others, but~~ I point it out because we don't seem to have yet developed a national policy which gives some stability. Let me just lay it on the line. I'm the author of the Commodities Futures Exchange Commission Act. I introduced the legislation, ~~and~~ <sup>conducted</sup> <sup>with</sup> ~~held the~~ hearings <sup>and</sup> Senators Dick Clark, George McGovern, and Hubert Humphrey. We had our first report today from the head of that Commission. ~~Every time that somebody rumors that there's a big shortage somewhere, prices momentarily go up, as it~~

happened here not long ago <sup>W</sup> when the President puts ~~on~~ an embargo on sales of American grain and corn to the Soviet Union. <sup>it creates havoc.</sup> And it was a speculator's paradise. They made a killing. ~~In the meantime, the supermarket, the processors, have to look at the possibility that those prices will be up there. Everything is then figured from those high prices on out, so that a worker in the factory gets caught in a speculator's web, and the farmer who thought he was going to get \$5.50 for his wheat, when he didn't have it to sell, finds out he gets \$3.50.~~ <sup>While the high prices for a year may be</sup> ~~But the average citizen is led to believe for months and going on months and years that you're getting \$5.00 to \$6.00 a bushel. And if you don't believe it, you travel around with Hubert Humphrey. I answer questions all over this country about the farmer.~~ <sup>the farmer may</sup> ~~I was on "Capitol Cloakroom" today, a CBS radio program; there were questions put to me again about farm prices. I told those reporters, three of them, what the facts were, and they looked at me and afterwards they said, "Where'd you get that nonsense?" "Well," I said, "I know what I'm talking about; the trouble is you don't." And they said, "Why, we read not long ago wheat was over \$5.00 a bushel." "Well," I said, "you were reading what was a speculator's report for a limited period of time, and you were reading about those \$11 soybeans." They still think soybeans are \$11. I came away from a big conference up in New York City just two and a half weeks ago, <sup>where</sup> we had a joint economic committee <sup>hearing</sup> ~~meeting.~~ And I had witnesses <sup>thought that soy beans were at</sup> ~~testify there about the \$10 and \$11, soybeans.~~ They still believed them. Our job is to convince people of what the facts are, and that's government's job as well as yours. Farm prices go up and down like a child's fever. Export sales are uncertain.~~

We've been told all the time by the Administration that its policy is one of full production in the free market. Well, I like the idea of full production, and I'd like to have the market free, ~~But~~ I'm here to tell you that every government in the world controls its agriculture <sup>and</sup> ~~much~~ more than ours.

Most governments have purchasing agencies in their governments that make all the

purchases. There is no free trading, and I think that it's important for a Senator like myself who wants nothing more from you than your respect to come to you and tell you quite frankly that we are the one country in the world that still operates on the free market principle in agriculture. The Canadians have the Canadian Wheat Board. <sup>And</sup> When you sell to the Chinese or the Russians or the Poles, you don't go over there and make a deal with Mr. Stefinski, you make it with the government. ~~The French, the British, anybody.~~ Therefore, it is imperative, ~~that~~ if we're going to preserve our family farm system and as much of the free market as we possibly can, that at least our government recognize what the realities are and not try to kid you and ~~kid~~ other people, ~~fool other people~~ into believing something that is not true. So, that is why I think that we need more than just rhetoric or worshipping at the shrine of what is called the free market in a world in which the free market, for many of the people, has long ago disappeared. But yet every month there are two million more mouths to feed in the world, every month. To cripple food production with economic pressures that drive people from the farm is unacceptable as we watch the progression of world hunger. We cannot and we must not ignore this serious situation. The record of this country, our country, of feeding people in the world is a great record. We have ~~so few quantities in commercial exports, and we have~~ provided over \$27 billion of food assistance to help other countries develop, to feed their hungry, ~~to help their children,~~ <sup>And</sup> ladies and gentlemen, it may be the best thing that we've ever done in our foreign policy. That food assistance didn't cause any war. You can't shoot somebody with a kernel of wheat or a bushel of oats, ~~or a hundred pounds of corn,~~ or some powdered milk. This is helping people to live. This record of achievement didn't happen by accident; it's a record that was made possible by developing programs to assure the availability of credit to Farmers Home Administration, the Federal Land Bank, the Farm Credit Administration, the Bank for Cooperatives, the PCA's. It also is based on agricultural research, <sup>and great</sup> our ~~land grant colleges~~ <sup>universities</sup> ~~great institutions,~~

~~experimental stations.~~ It was based upon a transportation policy, and the availability of imports such as fuel and fertilizer; and it was encouraged by the tremendous growth in the ability of the farmer to market his own product to form cooperatives. But the programs we've fashioned over the years you and I know are not perfect; they've had many weaknesses, and you and I know that we did not provide adequate rewards, as I told you. ~~Fifty years, ladies and gentlemen, from 1925 to 1975, even the war years, only 11 of those 50 years did the American farmer produce at a break-even or a profit. That's why lots of young men and women didn't want to stay on the farm. And that's why we've had trouble in rural America.~~

But let's take a look now at what's happened in the years right after World War II. We were the breadbasket of the world. The American farmer, whether he's ~~the~~ <sup>a</sup> Louisiana rice producer or ~~the coal or wheat producer,~~ or a Minnesota soybean producer, or a livestock and dairy farmer, ~~whatever he may be,~~ can be proud of an amazing record; and don't forget <sup>(it)</sup> ~~to say it as often as you can.~~ The people of this country enjoy the best diet in the world; the greatest abundance and variety and quality of food that's ever been produced in the history of mankind. ~~And, listen well to this, despite the cost of food in America, And people, of course, are very conscious of that because every week, many times every day, people have to go to their supermarket or their grocery store. Despite that, the food budget in America for the average working family is the lowest food budget in the world; 17% of the take-home pay goes for food. No other country comes within 8-10% of that, even with subsidized food. Now, this isn't to tell people that it's easy; it isn't to tell the factory worker that when they step into their supermarket and see prices high that they should like it. I'm simply saying that relative to the rest of the world, that the average American family gets a greater variety of food, a higher quality, and a steady availability of food at lower prices and at a smaller percentage of his income than any other family in the world. Not bad, huh? And that's been made possible not because there was some big~~

General Motors of agriculture. It's been made possible because there were over five million family farmers who have increased their production beyond anything of any corporate institution in any part of the world. This is an amazing record, and government and farmers work together to make it possible. I submit that this is no time to be abandoning something that ~~may be needed in the future.~~ *has worked so well.*

And, Mr. ~~Farmer~~ and Mrs. Farmer, agricultural programs also must include food programs for <sup>ready</sup> ~~people, that need food.~~ I know that there's lots of talk about the abuse of the food stamps. And there are abuses. The committee on Agriculture and Forestry is conducting a massive investigation. We will remedy those abuses, but much of it takes place right out at your local county where the program is administered. I'm not blaming anybody; I'm just laying it on the line. But, for the little abuse in the food program, I ask you to take a look at what happens in a weapons program. Recently, there was one tank program that this government has abandoned because the tanks proved to be ineffective; the cost was \$1,200,000,000. The tanks never rolled, <sup>(and were)</sup> never used; one airplane engine that proved to be faulty cost the taxpayers \$500 million and it never was ~~ad~~joined to a plane. But, we say, "That's all in <sup>the</sup> experiments." You know, you can't always be sure; there are cost overruns. ~~The Trident submarine, a massive weapon system, estimated to cost \$900 million per sub; today, \$1,500,000,000. Why? Costs have gone up, they say; cost overruns.~~ But <sup>when</sup> it comes down to where somebody gets <sup>some</sup> ~~so little~~ food stamps, and they're not free, <sup>(we are concerned.)</sup> ~~it's by income. You get \$5.00 worth of food stamps for \$3.00 if you have a certain income; \$5.00 worth of food stamps for \$4.00 if your income is a little higher. Those food stamps, to be sure, there have been abuses, and we should get rid of them, and we will.~~

But, I want to tell you, there's been more skullduggery going on in the port of New Orleans than ever went on down in the food stamp office, and make no mistake about it. But be that as it may, we will also do our best to see that that's remedied. ~~The human element is there; we are dealing with people, not dogs;~~

~~mortals, not saints.~~ But, I want to warn you and tell you now that efforts have been made to do away with school lunches in the name of economy, efforts that are <sup>being</sup> made to do away with special milk programs for our kids in the name of economy, efforts <sup>have been</sup> ~~that are~~ made to do away with our supplemental feeding program for senior citizens and for the women, infants, and children in the name of economy <sup>which</sup> are ~~not~~ <sup>yes, And they</sup> ~~only~~ false economy ~~but~~ <sup>it</sup> will hurt you, the farm producers of this country.

Your government is a big purchaser of food. Why not? Your government purchases billions of dollars worth of munitions in the name of security. Don't you think that security is in the health of our people? <sup>Don't we now know that a child that is a victim of malnutrition and a mother, a pregnant woman, a victim of malnutrition, results in</sup> <sup>also</sup> ~~is definitely there?~~ <sup>development of</sup> Don't we understand that the lack of protein in the first four years of life cripples the mind? And the cost of taking care of people once that crippling has set in for the rest of their lives is phenomenal? But we've got people parading around this country and you're listening to them, some of you, coming around <sup>who are</sup> and <sup>that</sup> saying what we've got to do is economize on food. <sup>I'll give you some better ones if you want to economize. I have a bill in Congress right now that sees to it that we quit</sup> <sup>giving</sup> ~~shifting~~ millions of dollars worth of weapons all over the world -- we don't even know who's getting them. That's where you start to economize. <sup>to the tune</sup> Last year your government was an arms merchant in the role of \$12 billion; \$12 billion of arms under credit terms better than you can sell food. But somehow or another, when some little family gets ~~hold of~~ \$50 worth of food stamps, that gets the headline. ~~My dear friends, that isn't even a flyspeck on the budget compared with some of the things.~~ <sup>I've been in this government a long time. I make no apologies for my public service, but I am here to tell you</sup> <sup>not to</sup> ~~that don't you~~ get led off into the woods about the cost of food, ~~in agriculture. Before you buy that nonsense, you come and see me. I don't care whether his name is Reagan, or Fuller, or Joe Dokes, I'm prepared to take him on when it comes to agriculture and food policy.~~

~~I also want to point out the campaign which this administration has launched against cooperatives.~~  
Well, you've listened to me a long time now and I'm going to try and wind it up for you. Your cooperatives are under attack, too, you know. Isn't it interesting. The Justice Department, for some reason or another, <sup>is</sup> ~~it's~~ always issuing some kind of ~~a~~ little press release that it's going out to check into some big conglomerate or some huge multi-national, but it never gets around to it. But they've got to keep the lawyers busy <sup>working</sup> so they pick <sup>the</sup> on some cooperatives. Well, ~~now~~ I want to tell you something; there is a law called the Capper-Volstead Act, and until that law is repealed, I'm going to tell the Justice Department to tend to their knitting. Now, I happen to believe that laws ought to be respected. And I don't believe that some appointed official ought to decide he doesn't like the law. You elect Congressmen for laws. Mr. Volstead came from western Minnesota; Senator Capper came from Kansas. The Capper-Volstead Act <sup>is a</sup> ~~was passed as~~ public law. It's been reviewed <sup>many</sup> 101 times, <sup>it is</sup> and still is the law of this country and it says that a cooperative has a different standing in the economy than the so-called stock corporation. And until that law is changed, I'm going to tell the Attorney General, the FBI, and all the little junior prosecutors they have that they're going to keep their noses out of our business. They've been getting their noses in too many other businesses anyhow.

~~What I've been reading lately, it's interesting to me that the FBI can spend its time running around checking up on the co-op. They seem to have plenty of time checking up on things that have no right to be. Well, let's see what else we've got here.~~

~~Well, we sort of jumped the gun here. I wasn't going to tell you about co-ops right away; I wanted to mention one other thing. I heard the President of the United States praise the American farmer. They were responding to his call and our government's call for all-out production. He vetoed that emergency farm bill that we passed a year ago. It would have given a little better loan rate and~~  
<sup>Recently</sup>  
<sup>how</sup>  
<sup>However,</sup>  
<sup>which</sup>

a little higher target price. The Department of Agriculture provided a lot of misleading figures as to the cost of that bill. That bill wouldn't cost \$10 if the farm prices were above the target price; and by the way, farm prices today are just <sup>above</sup> ~~about~~ what the target prices were in that bill. And if you think that corn isn't worth <sup>more than</sup> two dollars a bushel, tell me. I think it is. ~~Isn't it interesting that the Government of the United States and the State of Minnesota sees that the company that makes these electric lights available has a profit. Yes, that's right. But I read a lot of ads that government must not interfere with free enterprise. In Washington, D. C., they just had a little ruling that came down from the Federal Communications Commission so when you stop at the airport to call, you pay 20¢ instead of 10¢. Now, how did that happen -- government? Somebody brought some pressure to bear?~~

Well, ~~here comes~~ <sup>T</sup> the President ~~and assures us~~ <sup>SAYS</sup> that the farmers have got to go all out now on production as a national duty. And then he says, and I quote him, "I pledge my personal support to maintain the farmers' access to world markets," and said that there would be no interference. The farmers have learned, however, of the value of that promise. As the Soviet Union's top estimates came in, dropping from <sup>200</sup> 250 to 160 <sup>and later to 140</sup> million metric tons, the demand ~~for our grain escalated;~~ <sup>escalated,</sup> ~~the demand for American grain shipments,~~ <sup>and</sup> ~~But the Administration,~~ in spite of its free market proclamations, <sup>and</sup> in spite of worshipping at the shrine of getting government out of agriculture, the President of the United States imposed an embargo which upset every market in the world. Despite the fact that we have the biggest wheat crop we've ever had; despite the fact that we've had the biggest corn crop we've ever had; <sup>and</sup> despite the fact that we've had the <sup>second</sup> biggest soybean crop, ~~we've ever had.~~ And ~~once that the embargo was imposed, as I told you, prices went up.~~ ~~When the embargo was taken off, believe it or not, prices went down.~~ <sup>THE ADMINISTRATION</sup> Now, I just want ~~them~~ to keep their word. I consider this embargo an outrageous interference in the market. And I want to say that again, because some <sup>one</sup> pipsqueak has been going

around saying that ~~Humphrey~~<sup>(2)</sup> was for the embargo. Not one bit. I even wrote to George Meany and told him that I was against the embargo. And I have also written to Kissinger and told him I was against the embargo. I want the Department of Agriculture to have something to say about American food policy. But if they're going to ~~sit over there and play Mickey Mouse,~~<sup>hang back</sup> you can rest assured that Henry Kissinger will take it over. ~~Just as surely as I know him and I know him well and think highly of him. But, after all, it becomes a matter of policy.~~ I hope that the recent agreement with the Soviet Union will put some sense into our policies. I was in the Soviet Union in 1972 after that election and again in 1973. I talked to Mr. Kosygin and Mr. Brezhnev. ~~I've talked to both of them.~~ I urged ~~upon~~<sup>to reach</sup> them long-term agreements on ~~purchases~~<sup>ing</sup> of American food. I stopped in Poland and did exactly the same thing. I took this message back to our government. ~~They showed us some interest.~~ Our Department of Agriculture said no, ~~not interested, in that.~~<sup>it was</sup> ~~We want the market. Now, what happens to the Soviet Union?~~ Nobody ever knows when ~~they're~~<sup>The Soviet Union is</sup> going to come into the market. They come in all at once and announce the purchase of six million tons, ten million tons and that means that only three or four companies in the United States of America can get into the business.

~~Barney,~~<sup>to all</sup> I want the cooperatives ~~to be able to get in~~<sup>to</sup> ~~this~~<sup>export</sup> business, of ~~export trade.~~ And you ought to be in. And I'll tell you how you can get in it -- when the purchases are regular and on a smaller term basis. The Japanese are a much bigger customer over the long period of time for the United States than the Soviets. <sup>Union</sup> They get a certain number of shiploads of beans and wheat every week so that you can do business with them. And we ~~have~~ told the Soviets, <sup>when</sup> and I was there this last summer, that we want them as a customer. I'm willing to sell the Russians anything they can't shoot back as long as they're willing to pay cash. We're selling them computers today without an embargo. They get those computers that can make those missiles more accurate. Selling them wheat will help their kids. ~~Selling them beans and corn will help their health. As long as they pay for it~~

~~and we've got it.~~ The first duty of our government is to see that we have enough for ourselves. From there on out, if they've got the money and we've got the goods, ~~if they can't shoot it back,~~ I'm for selling it. And that's the way it ought to be. And ~~Barney,~~ with that kind of a system, you'll be able, ~~my dear friend,~~ to do a lot more business ~~even~~ <sup>before</sup> than you've done. ~~And I want to say I know that you participated in this kind of policy formulation.~~

Now on this co-op business, I just want to <sup>ed</sup> ~~point out that~~ <sup>mention</sup> ~~the attack is~~ <sup>(that has</sup> ~~been launched on cooperatives by this Administration~~ underway; and if you don't think so, you be down in Washington for awhile. The big charge now is that the co-ops are monopolies. ~~Why,~~ <sup>And</sup> I understand that Earl Butz, who should know better, recently stated that the GTA "had gobbled up all the private elevators along the Milwaukee and Northwestern railroads." To make matters worse, these remarks were made up at the Harvard School of Business where there wasn't ~~even a farmer~~ <sup>or anyone else</sup> around to even refute it, charging that there was monopolistic practice.

Well, I want to say to Mr. Butz, Mr. Ford, to the Congress, and anybody else who ~~wants an argument,~~ <sup>wants to listen to the facts</sup> that the best thing that's happened to the farmers of this part of America is <sup>establishment and building of</sup> this great cooperative, ~~that we have right here tonight.~~ This has ~~been better than any government program; and I don't intend to let any government agent, any government bureaucrat, do anything to kill it.~~ Not as long as I'm in ~~the Senate.~~ <sup>Secretary Butz, make</sup> I couldn't help but think when I heard ~~my friend, Earl, say that,~~ <sup>statement</sup> about what Adlai Stevenson once said. He said that if the Republicans will stop telling lies about us, we'll stop telling the truth about them. ~~I shouldn't have thrown that in, but I always ... you know my politics ... and it wouldn't be fair for me to try to disguise myself.~~ Sure, I have a partisan point of view, but when it comes to agriculture, <sup>I work with</sup> Milt Young ~~and Hubert Humphrey and others have stood there like a rock.~~ <sup>or Bob Dole</sup> ~~Republicans owed the late Karl Mundt Hubert Humphrey, we disagreed on most every issue except when it came to agriculture.~~ Bob Dole of Kansas and Hubert Humphrey. Bob doesn't go as far as I want to, but I pray for him, and work for him, and coach him along a little bit. We try to work together on most of these things

because when you're broke it doesn't make any difference whether you're Republican or Democrat. You're broke, and the banker, even though he may be the Republican National Chairman, he wants the loan repaid. You can come in there and have your best credentials -- Democrat or Republican -- but the banker says where's the money and he has to; that's his job.

*it* Dear friends, when we get down to a basic agricultural policy I said, "You *he* needs to have it balanced, what do we need?" First of all, we need a ~~better~~ program. ~~A better program, or let me put it this way, we should develop a policy to provide an adequate system of loans and target prices or floored prices to protect the producers of food and fiber.~~ Just as it is important to have electricity, it's important to have food. Your government sees to it that you have electricity even if the rates have to go up and up and up. Your government ought to at least be willing to see to it that you don't go broke in the great gamble of American agriculture, if you're willing to put *your crops* on the line as collateral, ~~your crops~~. What's better collateral than that? A crop loan *level of* \$1.35 per bushel for wheat ~~that's~~ not a loan; ~~that's~~ *its* an insult. A \$1.08 a bushel for corn; that's not a loan; ~~somebody ought to go and examine people that think like that.~~ We need fair prices *And our producers need* and we need food supply stability for the consumer, adequate supplies of inputs. *Two years ago* We asked the farmers to open up 40 million acres of land and forgot to ~~talk~~ *think* about additional fertilizer. ~~Forty million acres.~~ *functioning* And we need a transportation system. I read ~~something here in~~ *your* the GTA Digest about what was going on down around Redwood Falls, ~~what was happening -- was it Thief River Falls or Redwood, somewhere in there.~~ ~~One of these places in Minnesota, I read in your GTA Digest, somebody said that the only time the roadbeds were solid was when it was filled with grass and weeds.~~ We've got a railroad bill up in Congress this week; we're going to try and see, ~~No. 1~~, that this railroad track abandonment is stopped. We ought to have a transportation system in this country that takes care of our needs. Every one of you ~~farm people out here~~ knows that the cost of transportation is a fundamental part of the cost of your production. We need waterways, we need highways, we need

farm-to-market roads, and we need a railroad system. ~~Good Lord,~~ <sup>W</sup> we've got millions of people unemployed in this country and ~~you'd think we didn't know how~~ <sup>ought</sup> to put them to work. ~~This whole nation needs~~ <sup>on</sup> many things <sup>which need</sup> to be done, and instead of just piling out and pouring out unemployment compensation, ~~I say~~ <sup>more</sup> I'd rather pay them twice as much and see people go to work and have them get something done in ~~this~~ <sup>^</sup> country that needs to be done. But Barney, I've come home kind of fiesty, I know it, but I live in the battleground. <sup>^</sup> I believe in the power of love, and I say it very sincerely, in the power of prayer. But in Washington, I ~~tell you~~ you've got <sup>to</sup> have that, plus. ~~There are a lot of forces that work down there.~~ The whole focal point of all the political and economic pressures is right in that Nation's Capitol, ~~and you've got to be organized.~~ <sup>and</sup> Your cooperatives are your organizations. ~~This is your house; this is your group.~~ <sup>on</sup> Protect it, and when you see somebody attack it, stand up and fight back. Talk to your Senators and your Congressmen <sup>and</sup> not only to them but to others. ~~You've got relatives in Pennsylvania, New York, California and Michigan, you have brothers and sisters and nephews and uncles in the great urban centers of America.~~ <sup>Talk to your relatives</sup> Tell them your story, quit talking to yourself, and let them know that we're not going to lie down and play dead. Let them know that you're not going to give up what you've built here in GTA just because ~~some~~ <sup>an</sup> attorney in the Justice Department wants to cut you to ribbons. <sup>^</sup> Let them know that you believe in exports, and you want a policy. Let them know that you're prepared to assure the consumer of this country an adequate supply of food, <sup>and</sup> if need be a food reserve. Let them know that you're willing to provide humanitarian assistance to a hungry world <sup>That</sup> and the farmers of America are prepared to do their share. Let them know that you want transportation that will take care of your needs, not just mass transportation for our cities, but farm-to-market roads, rural transportation, railroad transportation, <sup>and</sup> water transportation, ~~for your needs.~~ Let's build America. Let's not retreat; let's move ahead. We've gotten ~~some~~ <sup>La</sup> little start <sup>in</sup> now through the last two or three years, we're beginning to get rural America back on its feet. ~~Nothing better for Rural America than~~ <sup>and</sup> <sup>to make</sup> a profit. ~~Nothing better for~~ <sup>asks nothing more than a fair chance</sup>

rural development than a fair fight. Nothing <sup>is</sup> better for America than a rural  
America that is strong, <sup>Responsible</sup> productive, <sup>and</sup> constructive, forward-looking. Mark my word,  
you represent the balance of strength in this country. I know you won't let us  
down, and I promise you as one member of Congress <sup>that</sup> I won't let you down -- I've  
been there too long. Thank you very much.



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