

The People Saved the Day

Excerpts from an address by Sen. **HUBERT H. HUMPHREY** (D-Minn.)

One of the most encouraging signs of the times is the understanding between the representatives from rural America and the representatives from urban America. We've had a remarkable growth of cooperation. We saw it only recently in a dairy bill that was passed even though vetoed by the President. We had tremendous support from the people from the great urban areas of our nation. Urban America is beginning to understand that the best way to have a positive assurance of any abundance of food and fiber at reasonable prices is to have rural America able to produce with some assurance that they will receive a fair price in the market place for their production and for their labors. America's agriculture deserves no less and it must have at least that much.

While you're here in this bicentennial year, just think what it has meant over the years—your work, your co-ops. It's good to lift our voices in praise of those who pioneered. It's easy to get aboard, you know, when everything is going good. It's those who were the cutting edge in the early days that really were the heroes—they had to stand up and be counted. When we stop and think of the tremendous advance in these last 20 years in the REAs, we begin to understand why American agriculture is the wonder of the world and why it stands foremost of all enterprises in productivity in the use of modern technology.

I tell you dear friends, I take great joy in expressing all over this

land of ours and wherever I go in the world the wonders, the tremendous accomplishments of our farm families of America. We've done well but we've got more yet to do.

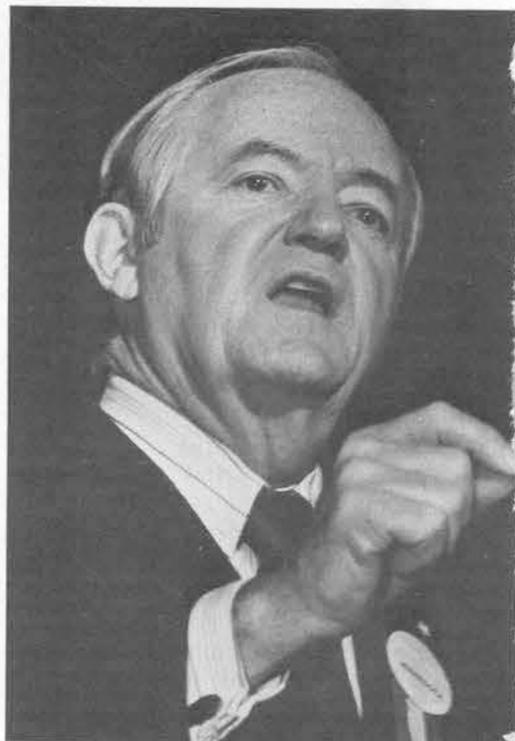
We're going to try to honor George Norris. I visited his home in Nebraska a few years ago when we were developing the Rural Development Act which is now the law of the land. You know we have, I think, 50 sponsors for legislation in the Senate to set aside George Norris' home as a national shrine so to speak. A way, may I say, to honor not only a man, but to honor his progressivism, his decency and to honor you. So you help us get this legislation passed; that one ought to go through just like that. You write to your congressman, you write to your senator and say, "Get With It." You heard Humphrey talk out here in Anaheim and you want that bill for George Norris passed promptly.

Now we've worked together a long time. Last night, talking with Jake Nordberg and Bob Partridge and others, we were reviewing some of those early fights. Do I remember? I remember when first we included rural electric cooperatives under the Atomic Energy Act and let me tell you that was an important battle.

I had the privilege of offering the first amendment on that in the United States Senate. I offered it through an appropriations bill. They tried to rule it out of order as being legislation on appropriation. But I want you to know that we had some bipartisan cooperation including a dear friend of mine,

Milt Young. He's on the other side of the political aisle but when it comes to agriculture, we never let that stand in the way. We joined together to get that adopted in the United States Senate.

And the possibilities of nuclear power as a bipartisan source of energy and power for our rural electric co-ops is unlimited. We have some problems; we have some deep concerns on environmental matters but I am confident that as the crunch comes on energy—and it's coming—that we will find a way to make sure that we can have pollution control, environmental protection and at the same time



RURAL ELECTRIFICATION

have the wonders of nuclear energy which is cheap, which is reliable and which this country is going to need as one of the many sources of energy for our developing land.

You'll remember when the battle was on, they were going to absorb REA into the general bureaucracy of the government. They were going to give the last and final word to a departmental secretary. Now I said, Bob it didn't seem to make any difference which administration was in power, there was always somebody that wanted to do away with the independence of and the autonomy of REA. I think it is some fellow buried down there in the office of the budget that has as his cause for life to see whether or not he can find a way to see to it that the REA loses its identity. Well, I hope that he thinks he's going to live longer than I do because as long as I'm there, he'll never succeed.

And you remember that the Humphrey-Price Amendment was adopted. You remember then that on financing we got into a big tangle. And somebody got the bright idea that we were going to do away with this kind of selective type of financing that was needed for REA. Well, we went to work again. And some of you were down there in the Mayflower Hotel when I came over to talk to you. We had a little gospel meeting, do you remember? We laid it on the line. And I told you to go up there on Capitol Hill and tell them what you were telling me.

I said "Charge! Go on up there and give the people up there your views," because no group in America is more respected than this audience and what you represent.

You've never asked for a special favor. You've never tried to corrupt anybody. You've never gone down there to buy your way in. You've talked for millions of people in rural America and you've had a program that made sense and I said you go up and tell them about it and you'll get response.

And out of all that came your new system of financing. And let me tell you while it has some problems, it saved the day. And the reason it saved the day is the people's representatives and the

people got together. Don't ever forget it.

Whenever you have a good cause, whenever you have a resolution that you adopt after due consideration in this assembly, you come to the Congress and I predict to you that without regard to partisan politics, you will find an overwhelming majority of the members of Congress that will stand with you regardless of what some so-called experts tell us ought to be done. So you stand there and fight it out.

We've got a lot to look back on but who wants to spend his time doing that. We're people of action. What we need to do in this bicentennial year, after we've paid our respects to George Washington and the founding fathers, is to get on with what we're going to do about the sons and daughters that are yet to come.

The future, that's what we need to be thinking about. You know these founding fathers, they were great folks, but just because they wore those white wigs doesn't mean that they were so old. They were young. They were daring. They were adventuresome. They were optimists. And believe me that's what the country needs today. If there are any characteristics that come out of the 200 years of America History, the first one is pioneering. Like a George Norris who said, why not have electricity? Why should farm people be doomed to carry a lantern?

People are concerned today about government. I had a member of the press corps today ask me a very pertinent question—about the cynicism and the disillusionment people have in government. And they do. And there are reasons for it. But may I say this is not the first time that this has happened? And I want you to believe that. You remember that picture of George Washington down on his knees at Valley Forge lifting his eyes to God Almighty asking in prayer for help, at that crucial hour of our war of independence.

Do you want to know why he was down on his knees? Because nobody else would listen to him. The Continental Congress was back there in Philadelphia arguing.

He was asking for horses, for food, for ammunition that never got to him. They had problems then. They had black markets, they had a few people that were on the take. Things were not going well. And I could go down through history and show you day after day and year after year where things didn't go well. You could read the newspapers of 1812. You could read the papers when Andrew Jackson became President. Read the papers when Abraham Lincoln was President. There always were those that said, "It's all over. We've lost our way. It's done. We'll never overcome it." It was cynicism. But ladies and gentlemen, there were always enough people that said, "Wait a minute. Get out of the way. We're ready to march."

Ours is a ceaseless struggle of trying to make the great experiment of democracy work. There's no guarantee that it will. But the greatest experiment, the greatest act of pioneering that the world has ever known in government was the act of the Constitution of the United States proclaiming self-government. Proclaiming government of the people. *We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.*

That's one of the greatest documents of all time, coupled with life, liberty and the pursuit of happiness. And we're still trying to see whether or not we can make it work as we want it. We've made progress. We've had some setbacks, but the main thing is that we have moved steadily ahead. So today, despite our problems, there are more people in America that enjoy the benefits of modern science and technology and good living and medical care and what have you than in any other nation in the world.

We're working at it, founding fathers. We haven't quit. Look out here—what's this? An expression of democracy. Cooperative is peo-

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cal and long-term disability and for your property and casualty programs. And we also had the requirements of the pension reform act to comply with. We expect that this year will be more nearly normal and we really need a steadily paced year, unlike 1975, to let us achieve the administrative servicing of these programs which both you and we want and need.

We have an increased emphasis in management services on member relations and well we might. In the year 1969, your systems reduced rates a net \$26.7-million. Then came 1970 and the big turnaround. In that year you increased rates by \$12.3-million. Since 1969, rural electric rates have jumped almost 116%. That, of course, was largely a consequence of higher fuel prices.

But do your members know that? Many of us were poorly prepared to get the full, true story before an angry membership in an effective way. If we can't get that story told and believed, we're in for a long run of wholesale board changes. And in the long run, that is not going to serve the interests of the electric consumer, but it can easily destroy the electric cooperatives.

Our member relations people have come up with some imaginative ideas for helping you train your people in dealing with your members. We recognize that for educational aids to be useful you must have somebody at the co-op who can receive them and translate them into programs as you see fit. In a time of trying in every way to hold costs down, some of our systems, I fear, have re-trenched to the point that they don't have the people to do a member or public relations job. The goal of keeping costs down is admirable, but I fear that we can easily grow so conservative in our operations that we can't do the job of informing our membership effectively. As long as we are a membership organization, there can be no more important job than to let our members in on all of our problems, all of our successes and all of the advantages of continuing to operate as cooperatives. The investment you make in member relations pays off in

survival. If the difference between you and the power companies and your potential for serving the consumer interest is not evident, then we're going to have a hard time convincing our friends and enemies why you should get 2% money, 5% money or even guaranteed money at market rates.

And you must convince your members who are part of a public which is disillusioned and abused by the leaders it trusted. You can't engineer away this distrust. A personal reaffirmation of purpose, an openness, honesty and unity are your only hopes in convincing your members that cooperatives can do a better job for them than a business whose obligation is to absentee owners.

A year of opportunity? Even if you accept the belief on the negative ground that we have no place to go but up, it is an opportunity. As a nation we have wounded ourselves grievously, but if the polls are correct, we are wearing a hair shirt too long and without justification. After all, it was men who committed the crimes. We did not commit them as a nation, and we have shown a willingness to correct our problems. But we are mortified that in America the unthinkable can happen. We can kill Presidents. We can kill civil rights leaders. We can be witnesses to corruption in government and business.

But the main thing is, we don't condone these things and we do have the means to right wrongs. And I think we have the will. One of the most eloquent statements I've ever seen was an editorial cartoon by Herblock which was a photographic-like rendering of the statute of Abraham Lincoln in his memorial on the banks of the Potomac. The Lincoln Memorial is the No. 1 attraction for foreign visitors to our Capital and this to me means millions of people find in his example what is good in America.

The cartoonist, on the day after Martin Luther King's death, added one thing: A tear to President Lincoln's cheek.

Yes, we are a nation of people who care and who can cry. And we have both governmental and private institutions which care and

have the resources to make sure that this nation remains one dedicated to the people. You are one of these. You do represent the people and the land. You have the strength of your numbers and the strength of your friends. You have—more than any other institution I know of—remained free of scandal. You are a family in the most admirable sense. And in our bicentennial year, I have every confidence that you will accept the opportunity to preserve for your members their heritage and to provide an example to all Americans of what they can do for themselves by being an active participant in their government.

HUMPHREY

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ple's democracy, and you've made it work. You're on time in your loan payments. Oh, I've heard all about these government programs that were no good. I'd like to mention one that was good. And that's the Rural Electrification Act. And when all these people are around trumpeting the evils of government, I want them also to point out the angels of government. Had it not been for the Rural Electrification Act, you would not have been here and America wouldn't be where it is. It was a government policy and it was an expression of faith and confidence in plain, ordinary people. Not all big shots, not all the highest educated, but rural people getting together to work out their own problems. And I'm here to tell the bankers, the politicians, the labor leaders, the professors, that there is no better record of faithful fulfillment of the obligations entered into than the fulfillment of the REA cooperatives to their government when they made a loan. No better example. They not only paid back the loan but they served the people.

I'm not for a no-growth policy. And I'm not for taking somebody else's pie and cutting it up either. That's another kind we have. Says, "Well, we ought to stop and just divide up what the other guy's got." Not a bit. I'm a very simple-minded man. I believe in work and I can believe in advancement. I believe in growth. And I think

you can all do it and still have a wholesome environment in which to live because I'm an environmentalist, too. They are not in contradiction. Balance, that's what we need. Not this pendulum swinging back and forth. We know how to work it out.

We've got new things to do—homes to build, transportation systems to modernize. Cities to reconstruct. Education to improve. Health care to extend. Hundreds of things to do and more importantly, learn to live with each other with a little respect. Everybody just can't do it his way. Liberty is not license.

My father was my best teacher. Dad told me, "Son, you do anything you want to do as long as it doesn't injure somebody else." I think that's a good definition of liberty. I believe in freedom. I believe in liberty, as long as it does not deny someone else their legitimate rights and their opportunities. But, I tell you if you can turn the lights off and on, you can have it both ways.

Now, the one instrument in the government that we have that tells us where we are and where we're going is the budget. We're going to make your budget. Now we accept the budget that comes down from the White House. The President presents those to us. I helped write those budgets when I was Vice President. And I told that budget fellow once, "did you ever meet an REAer? Have you ever been to a co-op meeting? Do you really know what this is all about?" And he frankly admitted he didn't and so I said, "Well, get back and get out of the way, cause I'm going to sic these REAers on you and you're going to wonder what hit you." And by the way, we got some results.

Bob was telling me that story last night. I had forgotten about it. But the Congress is going to set this budget. Now we're not going to go hog-wild. We know you're gonng to be watching. They always say about the Bureau of the Budget—it's made up of able distinguished people. I don't mean to downgrade them but they've got what they call a passion for anonymity. I'm always suspicious of anyone who is passionate and

anonymous at the same time. It worries me.

Now, let's face it. The most important document that comes to the Congress every year is the budget. That's the document. So, we felt that we would do a budget process ourselves. We put together the budget in a new format. And the Congress, your elected representatives, are going to set those goals, priorities and the amounts. Now, the President says it ought to be \$395-billion. First of all, that's a figure most people do not comprehend. Some Congressmen say it ought to be \$400-billion. Some of us say it ought to be \$410-billion, and I've got a staff of Joint Economic Committee, which is a professional staff which is not politicized, which figures the President's budget is too little. Well I'm not going to argue about that. The budget ought to be related to our needs and also to our ability to handle it. So it has to be dealt with very carefully. The amount in the budget is one thing but what it goes for is more important. Don't just get stuck on that figure. Take a look and see what's in the pie. Don't look at just the crust. Look at what's underneath. And that's what we're going to do.

I don't have a feeling that we'll go much higher in the budget, maybe a little, than the President's figure but we're going to change the priorities. And I'm going to talk to you a little about it because that budget determines where we're going. It's a tremendous figure and it ought to be looked at in terms of the objectives and the goals that we want to pursue in this economy. We have no mechanism today in government. No real mechanism to determine where we want to be two, three, five years from now. Had we had such a mechanism, we would've been in better control over our food situation. We would have had a better understanding of our transportation needs. We're always playing "catch up" and whenever you play "catch up" football, you're apt to make mistakes. And when you play "catch up" planning, you make mistakes and you waste.

We're going to examine every bill and it ought to be examined as we pass new legislation, not just

to pass it but what will be its impact? What will we see down the road? That's the way we ought to look at it, not only have environmental impact statements, but we need to have economic impact statements. For example, I put into law a provision today that when the Defense Department is going to spend money on a new weapon system I want an impact statement of what it's going to do to our foreign policy, to our economic policy and what it does to our economy. I want them to tell us, not only to say, "Hey, we've got something that will blow up" But I want to know, if you're going to spend \$30-billion for new weapons, what's it going to do to this country? What is it going to do to the economy? If you're going to cut it \$10-billion, what's it going to do to the economy? What's it going to do to our defense? We need to take a long look down the road. And believe me we do because every budget commits you for years to come.

I think the country wants us to do our job. I think what the people want is somebody to run the country instead of running *around* the country. I think they want us to tend to the people's business and that's what we're going to do. The cost of this recession, the unique situation where we faced inflation and recession at the same time, never before have we had it. Never before have we ever had to deal with such a phenomenon. Sometimes we had inflation, then another time we'd have recession but never together. Now we've got an awful lot of people today that are constantly worried about the prescription. In other words, they're worried about how much it's going to cost to get out of the sickness rather than worrying about the cost of the disease. And dear friends, that's a fact. People today are constantly saying that if we do this and do that, it costs too much. And no one has sat down to evaluate, or far too few I should say, have sat down to evaluate what it does cost to have this economic sickness, because we've had the longest recession, outside of the Great Depression, in our history.

And here are the facts: For every 1% of unemployment, it

costs the Treasury \$16-billion in lost income and increased social costs. If we could reduce unemployment by 4%, we'd have a budget surplus of \$15-billion dollars. You would eliminate the deficits. Twenty-five percent of all the tools of American industry is idle this morning, which raises unit costs. When you increase your production and productivity, you lower the cost of the price of the commodity, and that's the way to fight inflation.

The years 1974 and 1975 cost the American economy \$300-billion in lost production and revenues. The cost of this recession from 1974 to 1980 is estimated by the council of economic advisors at a trillion, five hundred billion dollars. Lost income, lost production, lost revenues—income that nobody ever will receive, revenues that never will come to the government, production that never will be made. Colossal waste!

What have we been doing about it? Well, we've had a constant struggle between the White House and the Congress. And in the meantime, what we've been doing is too little because every time somebody writes the prescription, somebody says we can't afford that medicine. And in the meantime, we go off and stay sick.

America's got to make up its mind whether its willing to pay the price of the prescription in order to get the country back to work. Or is all we're going to do is have the computer print out food stamps and unemployment compensation and welfare, which is what I call the checkbook way of easing the pain; but it doesn't get the job done. America has got to have work. We've got things to do in this country. We've got roads to build, cities to clean up, streets to repair, forests to plant, parks to make—and isn't it nuts to have people doing nothing when we have things we ought to do and we could pay them to do it?

As we look at this budget, we need to make you look at another thing. Here we are, a great food-producing country with no national food policy. What we've got is a policy supposedly the free market. What this country needs is the policy of a fair market. The American farmer is being lectured every

day by my old friend, Earl Butz. Well, I want to tell you, I'm for changing this thing with no ifs, ands, or buts. Every country that buys from us has a state trading system—everyone of them of any consequence. And we sit over here and say, "Well now Mr. Farmer, you've got to be there and we want you to be the living example of the free market." Jolly! Particularly sometimes when you get rubbed out.

Now, I don't think the government needs to go around and just hold you in loving arms but I want you to get the same kind of treatment that other people do. When the United States government gives contracts to General Motors to build new tanks, we keep the contract. We had to ask them to open up a tank line. They're producing more tanks. The government says, "You produce them, here's the price, we'll pay you for them. You're going to make a profit." If we can't take them, we settle out. We don't just say, "Your tough luck, old buddy." The government of the United States has come out and asked the American farmer to expand his production, as a matter of national policy. None other than the President of the United States and his cabinet have said food production is vital to our security, to our prosperity, to our economy. If that's the case, then I want the government to help share the risk. It's only fair.

Today we've got a farm bill that has low loan prices. And Mr. Farmer when you've got low loan prices on a product that is as valuable as wheat, corn, soybeans, small grains, rice and cotton, you're being cheated. Your government ought to give you at least a fair loan price so that you have the credit so you can manage your distribution. And we're going to do something about that. We're not going to lose any money on that; we're going to gain money. We need to have a system to make sure that we're a reliable exporter. We can't go around everytime somebody looks like he's going to make a buck and have somebody say wait a minute, blow the whistle, stop the game. And that's what happened in 1973, 1974 and 1975.

If we're short of supply, the first duty of government is to assure the American consumer and the American farm producer of livestock, dairy products, poultry and so forth, that there's ample feed here for us. That's the first duty. But, if we're not short of supply, we don't need somebody just stepping in using our food as the way to run things at the expense of the farmer unless he's going to bail him out.

It costs the American wheat producer a dollar a bushel in a drop in prices in one month to have somebody say something to Russia during the time of the Sinai agreement. Now we may have to do that, but if we're going to do that, I want my wheat farmers out home to get an extra buck. I don't think its the duty of Jake Nordberg to pay for our foreign policy, or the REAs.

I've listened to all this talk about we're going to get government out of agriculture. They put it more directly than ever before. Obviously the most we were doing was tickling you; this time somebody stabbed you. And believe me, it hurt.

The Brazilians planted a million acres of soybeans so that today they're the second largest producers of soybeans and my folks in Minnesota are suffering. Palm oil coming in at a time we ought to be exporting soybean oil. Millions of pounds of powdered milk coming in at a time when our dairy farmers needed a break. And we've got to have people that understand a national food policy—of production, of supply, of price, of inputs, transportation, fertilizer, credit and I happen to believe that we need some kind of reserve—most of which can be held on the farm. If the farmer gets the credit, he'll keep it. He'll have it there and he ought to get the advantage of that market.

Those are the facts. Now what about decline in farm income. Farm income in 1975, 73% parity. Farm income in 1974, 81% of parity. Farm income in 1973, 88% of parity. Now what does that simply mean? That means that parity dropped 15% in three years. That means that the cost of production went up faster than the price the

farmer is asking for. When his government says to him, you are a part of the national security of this country, and Mr. Farmer we ask you to plant from road to road, from fence to fence, we need all our production. And when Mr. Farmer does that he gets huge crops. If he gets huge crops and it has interfered within the market place, he has surpluses, and when he has surpluses he has lower prices, and when he has lower prices, he has trouble. That's the simple fact of it. And I ask you to help us in the days to come, not with some big extravagant, complicated business.

I ask you to do for agriculture what we do for the utilities. I'll guarantee you that the utilities get a rate increase when they start to lose money. It's as important for America and I think more important for the world that we have food and fiber for ourselves and the world. It's every bit as important as it is to have the telephone operate and to have electric lights. All I ask for is just a fair shake for the producers of food and fiber.

Now where does that farmer get some of his help? Right in the co-ops. Co-ops — we're familiar with them out my way. I saw where the Secretary of Agriculture picked on our Farmers Union Grain Terminal Association out there. Well who does he think he is? I know that organization and that's just one of many. We've got all kinds of co-ops out our way, and it's made for a better country and a better state. And when farmers join together in their cooperatives, it's one of the ways they have to help protect themselves. They can't rely on government all the time. But they ought to be able to rely on government not to stab their cooperatives in the back. And here they say, "Oh, they're monopolies!" My golly, they've got some fellows over there in that government that would like to have you believe that these farm co-ops are monopolizing everything.

I think it's interesting to note that only 28% of all farm output is marketed through cooperatives. The combined sales of cooperatives total \$19-billion—General Motors,

\$28-billion. Now, if they've got some extra lawyers over in the Justice Department that don't know what to do with their time, I suggest that they enforce the anti-trust laws, Sherman anti-trust law, the Clayton Act, and they've got work to do.

I want to tell you about that budget a little more. Under the proposed budget, rural conservation programs for this coming year are going to be reduced from \$220-million to \$90-million. Grants for rural water and sewer, self-help housing, rural fire protection, are to be cut from \$314-billion to nothing. Farm operation and ownership loans, under FmHA, are to be cut back to \$1,300,000, which is far too low.

We've got a blessing. Food is not a weapon. God Almighty didn't intend it to be. Food is a resource. Food is a treasure. Food is power. Weapons take life. Food gives life. I tell you that we are blessed in this country because of the work that you good people have put into it, in cooperation with your government, in research, in that county agent, in those land grant colleges, in our farm credit system. We are blessed in this country with production from our farms and it has saved us in two wars. Not only us, but our allies. And today it's saving us from bankruptcy. Today it's the most powerful thing we have in foreign policy. Today it's the most important thing we have in international trade. And yet, my fellow Americans, not a single farmer has ever been represented on the Federal Reserve Board which determines the credit policy of this country. That board is made up of five bankers and two professors. Not a single manufacturer is on that board. Not a single member of labor is on that board. Not a single farmer or representative of the farm organizations is on that board. And until the farmers of America have a chance to have representation in the Federal Tariff Commission, the Federal Trade Commission, the Reserve Banks, and in the other agencies of government, you're always going to be coming in on the slow freight. And that's what it means in poli-

tics—when you elect Presidents and congressmen, you're not just electing a man. You're electing a system. And the time has come for the farmers to have something to say about their life. Thank God you had it in REA.

I call upon you to take a look at the whole political spectrum. And don't you go around just looking at somebody and say, "You know, he's cute," or "He's got charisma." If that's all he is, let him go to Hollywood. That isn't what we need.

Oh, I hear somebody else say, "Oh, what a great image he has." An image is a cheap facsimile of the real thing. And then I hear somebody else say, "Oh, but his PR is good." I had somebody ask me today about my PR. What about my PR? I'll tell you what's important in this country—character. That's what they need—not charisma. We need substance, not image, and we need performance, not PR. And I'm here to tell you that you've got to examine everybody. I'm not going to tell you how to vote. You wouldn't take my advice anyway. I told you once before and you didn't. But I want you to know something. I have reporters ask me every day, "Humphrey, are you running?" Not one bit. I'm just working. That's where I start.

Number two, you need somebody around these precincts in politics that isn't running. You need somebody who will speak up. I don't say that I'm always right—but I'm loud, and I'm going to speak up. You need somebody who is the free spirit of '76. You need someone who isn't looking for something. And I want to say to my friends from Minnesota, if you reelect me to the Senate I'll be appreciative. If you don't, it'll be your fault. I just want to say this to you. I want nothing. I seek nothing. I've had much.

McGOVERN

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Our generation has the right to own and occupy our land during our lifetimes—but we also have the obligation to provide the

means to preserve those rights for our children.

In an effort to fulfill that obligation, I have introduced legislation which I call the Young Farmers' Homestead Act. Sixteen other senators have joined me as cosponsors and more than half a dozen members of the House have introduced the bill in substantially the same form.

The inspiration for my proposal comes from an experiment in Saskatchewan, a prairie province in Canada similar to many states in our own Great Plains.

My bill is refined substantially from the three-year-old Saskatchewan program. I believe that it is the most innovative and practical approach to helping young farmers that has been proposed in the last decade.

Permit me to outline it briefly.

The minimum start-up cost for an economic farm today is in the range of \$250,000. If we can temporarily relieve a young family of the most difficult problem—making the down payment and securing a loan for land purchase—it is likely that they can obtain operating credit from banks or other sources.

To fill that long-range need for land, I propose a small new agency in the Department of Agriculture. It would buy economic farm units at prices which will not add further to inflationary pressure.

After screening potential applicants, the government would award a lease for seven years. No down payment would be required. Cash rent would cover local and state property taxes and the cost of borrowing to the government.

Since land will increase in value over that seven-year lease term, the government could sell the unit to the young operator at the end of seven years for 75% of its appreciated value.

Three-fourths of the appreciated value likely would be greater than the land cost the government—so there would be no cost to the taxpayers. But it would give the young farmer 25% "sweat equity" for working the place for seven years. He could then arrange credit through commercial channels to buy the land.

Many of your long-time support-

ers are behind this new effort to improve opportunities for young farmers. We would welcome, with great enthusiasm, your support and that of your association.

These are but a few of the goals which many of us, and many of you, would like to achieve for rural America. Some of these will require legislation. Others will not.

Achieving these goals may not be as simple as it might have been in years past.

Agricultural and rural issues, in years past, were left largely to the people directly concerned—to farmers, rural leaders, and the industries associated with food and agriculture.

The consumer price of food was cheap enough, relative to other consumer goods, that little attention was paid to farm policy.

But things have changed. Consumers rightfully demand to participate in food policy decisions. The majority of nonfarmers who live in rural areas rightfully demand some say in the decisions which affect their lives.

Workers, environmentalists, church groups and others concerned about foreign policy all have legitimate concerns which must be expressed.

Recently, Dr. Don Paarlberg, a top official of the Department of Agriculture, outlined some of the new items on the farm policy agenda and counseled farmers about how to approach this new "bargaining table."

Frankly, we are no longer in a position to dictate to the rest of the nation—and that is not necessarily bad. Dr. Paarlberg points out wisely: "There is one thing worse than losing the ball, and that's losing the ball and thinking you have it."

Despite our small numbers, we have been able to achieve many goals in recent years. We have been able to do so by building coalitions.

We have been able to enact effective farm legislation, and effective programs for rural people, because we have built strong support from enlightened and sympathetic leaders from urban and suburban areas.

Your leaders have demonstrated

the spirit of cooperation—not confrontation—and have been able to build bridges to people outside rural areas.

Our founding fathers had a vision of a great land—a free land where the government would serve the people.

They have left us a wonderful heritage.

We must approach the next 200 years with a vision such as theirs and leave for our children an even better way of life.

There could be no better testimony to our bicentennial than to revitalize the rural fabric of the nation while rebuilding our deeply troubled cities. Only by understanding that farm and city are dependent upon each other and that the happiness of both depends upon peace among the nations can we sing with real meaning:

"America, America, God shed his grace on thee,

"And crown thy good with brotherhood

"From sea to shining sea." □

McCORMACK

(Continued from page 49)

burned up more than half of all the petroleum and natural gas we have ever discovered, or ever will discover, on this continent or off its shores, and that it will be gone, insofar as a significant supply of fuel is concerned, by about the end of this century, no matter what price—within reason—we pay for it today.

This will be happening while our demand for energy is doubling, even with a successful and spartan conservation program.

Today, we are consuming about six billion barrels a year, about four billion barrels of which come from domestic sources. Our domestic production peaked at about four billion barrels per year in 1973, we will lose 10% by 1977, and we will be down to about 1.5-billion barrels a year production by the year 2000.

The message should be as clear as the common sense behind it: We are running out of petroleum and natural gas. This is true for the entire world, including the Mid-

REMARKS OF SENATOR HUBERT H. HUMPHREY

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

Anaheim, California

February 1, 1976

I am honored to have been selected as the recipient of the Distinguished Service Award of the National Rural Electric Cooperative Association.

What a privilege to join the list of outstanding Americans who have received this award -- President Roosevelt and President Truman, Speaker Sam Rayburn, Jerry Voorhis and Bob Poage.

I also am pleased that one of the recipients of your Distinguished Service Award was Senator George Norris of Nebraska. Over the past year we have worked to secure 50 sponsors of legislation to have the Department of the Interior take over the George Norris Homestead and operate it as a national historic site.

We are near that point -- with 49 sponsors, and I predict that this bill soon will be passed by the Congress.

We have worked together over the years, shared many battles, and tasted victory on more than one occasion.

And while there is much to be proud of in terms of past accomplishments, much remains to be done as we celebrate our Bicentennial and look to the future.

We need to take a careful look at what government programs should be continued and which ones should be phased out. And we also need to develop a national planning mechanism so we can establish priorities and deal more effectively with today's urgent problems.

With the President's proposed budget of \$395 billion for the coming fiscal year -- and that figure is an arbitrary one -- we need to have a better sense of the impact of this budget on our economy and our lives. But I can tell you right now that this budget will hit our farmers and rural America hard!

I am particularly distressed that the Administration seems satisfied with a continuing unemployment rate of well over seven percent and an inflation rate of around six percent for the next fiscal year. When the Nixon regime came into power in 1969, the unemployment and inflation rates were about half the levels which we are being asked to accept today.

Americans are reaping a bitter harvest from the economic debacle of the 1970's. By the end of this decade, recession will have cost us \$1.5 trillion in goods never produced, services never rendered, and income never found in anyone's paycheck.

This represents a loss of over \$7,000 for every man, woman and child in America today.

What we need is a vigorous attack on this diet of waste and welfare. Americans want work rather than a handout.

We will be looking carefully at the implications of the President's budget as it relates to all aspects of our economy.

One major need to which we must give greater attention is the establishment of a national food policy. We have just conducted preliminary hearings on this in the Foreign Agricultural Policy Subcommittee.

I believe that a balanced national food policy should aim at the following specific objectives:

First. Price and income protection for producers of food and fiber;

Second. Food supply stability for consumers and at reasonable prices;

Third. Adequate supplies of inputs, credit and transportation for producers and at reasonable prices;

Fourth. Assuring the production of adequate supplies of dairy and livestock products for domestic and international needs;

Fifth. The establishment of a reserve program to: provide market stability during periods of shortage and surplus; maintain the reliability of the United States as an exporter; and continue the provision of food assistance to needy nations.

In developing a balanced national food policy, we need to relate the interests of both producers and consumers. In fact, we need to forge a link between farmers and workers to develop a policy beneficial to both. As Secretary Butz recently stated, "Some decisions have to be made on a broader basis than strictly agriculture."

And, we need a food policy that ends sporadic intervention by the Federal Government in the marketplace.

Producers, consumers, and other affected groups need to have a known set of ground rules for government involvement in the market. They need assurance that the left hand knows what the right hand is doing in Washington in the development and execution of foreign agricultural policy.

Our Agriculture Subcommittee is hammering away at these two points with Secretary Butz right now.

Basically, however, our policy must provide improved price protection for our farmers and their increased investments, since government has asked for all-out production. That need exists more than ever with wheat production up this year by 19.2 percent; corn, 22.5 percent, and soybeans, 19.5 percent.

I am deeply disturbed that the Administration's agriculture policies fail to address the serious decline in income for America's farmers.

Farm income in 1975 dropped to 73 percent of parity, down from 81 percent in 1974 and down from 88 percent in 1973.

Congress passed a modest one-year bill in 1975 which would have provided improved target and loan prices, but that measure was vetoed by the President as he defended a philosophy of the "free market" that is divorced from reality.

That free market has seen an increased food bill of over \$57 billion for our citizens in the last three years. This is more than the government paid to farmers in the way of price supports, conservation and other programs over the last 40 years!

And, of course, when consumer food prices go up, they rarely come down, even though prices paid to farmers may drop sharply. Last year at one point, wheat dropped by over a dollar a bushel, but the price of bread went up by 10 percent.

Rather than just talking about a "free market," it's time this government demanded a "fair market" -- a market that gives both consumers and farmers an even break for a change.

But there already is an effective way to promote a fair market -- I refer, of course, to our cooperatives.

Cooperatives play a very important role in bringing together the interests of producers and consumers.

There is a great deal of confusion and misinformation circulating regarding the role of the cooperative today. Secretary Butz recently made some inflammatory remarks at the Harvard Business School, noting that "coops have gotten pretty big."

Fortunately, Dr. Don Parlberg, U.S.D.A. Director of Agricultural Economics, recently indicated that it was the U.S.D.A.'s position to "defend the Capper-Volsted Act against those who would change it, either to reward or punish farmers."

I hope this position will prevail in spite of sniping from the Justice Department, the Federal Trade Commission, the Council of Economic Advisers, and the Office of Management and Budget.

The consumer should be made aware that the cooperative is a means to assure him a reliable food supply and a fair return for the producer.

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.

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.

Cooperatives can and must play an even larger role in the future.

Local cooperatives now handle about 40 percent of the grain marketed by farmers, but only half of this continues on to regional cooperatives. And cooperatives handle only about three percent of our total export marketings. This is an area in which cooperatives must play an increasingly important role in the future.

Another major area of great importance requiring increased attention in our long range planning is rural development. I am particularly concerned over the fact that the Administration appears to lack established goals other than saving money. We might well call it short changing rural America.

Under President Ford's proposed budget, rural conservation programs for fiscal year 1977 are to be reduced from \$220 million to \$90 million. And grants for rural water and sewerage, self-help housing and rural fire protection are to be cut from \$314 million to nothing, while farm operating and ownership loans are to be cut back by \$1.3 billion.

Every year we go through this battle.

The time has come to draw the line -- to say to this Administration: "No more cuts in these vital programs. You are being penny-wise and pound foolish. These programs are a bare minimum in protecting and developing the heartland of America. They are an investment in the future of our Nation. They mean jobs. They mean development."

In fact, we have not begun to do the job that need doing right now.

A concentrated and coordinated effort is needed to achieve the objectives of the Rural Development Act of 1972, an act which I am proud to have helped design.

In the proper hands, the Rural Development Act could have been used this year as a rural anti-recession act. Instead, the response of the Administration has been to go slow when decisive action was required.

We need to develop a shelf list of public service jobs which can help put our people back to work. There still are roads to be built and improved, railroad beds to be rebuilt, shelterbelts to be replanted, canals and rivers to be dredged, and forests to be replanted.

These projects will take our people off of unemployment and food stamps and make them proud taxpayers. And they are sound investments which benefit the nation.

Plentiful employment opportunities are an essential part of a sound rural development strategy.

A major shortcoming of the 1972 Rural Development Act was the failure to establish a separate rural credit institution. Such a financial institution is essential to spur the economic revival of rural America.

The 1971 Presidential Task Force on Rural Development recognized this need and recommended "a new credit institution to provide rural areas with greater access to private capital."

I have introduced legislation designed to carry through this recommendation, and I am hopeful that action will be taken on it. With your help, we can get that legislation moving!

We also should find ways to improve the quality of life in rural America. There is no reason to settle for substandard housing and for inferior medical care. Rural America has less than half the doctor coverage that is provided in urban areas. This situation must be corrected.

Another integral feature of a rural development program is a transportation policy. Such a policy must be concerned with total rural transportation needs rather than looking at just roads, waterways or railroads.

We seem unable to develop a concerted program which recognizes the central importance of the transportation system in rural development.

There are other aspects of a balanced rural economic development program, but as a first priority we need to develop a better mechanism for establishing priorities. This means looking at the resources available and allocating them according to a plan.

I know that this Administration cries out against planning ahead. But it is done -- and very successfully -- in the Defense Department where they have a whole host of long range plans.

We will be trying out this approach under the Forest and Rangeland Renewable Resources Act, an act which I initiated.

I see no reason why these principles should not apply, whether it's in budgeting, food policy, rural development or forestry. It's called good management.

But good management requires sound leadership. And you have to give these programs priority attention.

I share the view of the immortal Dante who stated: "Better the occasional faults of a government living in the spirit of charity than the consistent omissions of a government frozen in the ice of its own indifference."

We cannot accomplish all that we would like to accomplish. But we can do a great deal more than offer excuses and curse the darkness.

I prefer to dedicate my efforts to helping improve the process by which these important policy decisions are made. And I certainly will continue to work with your progressive organization in helping develop new directions for America.

REMARKS OF SENATOR HUBERT H. HUMPHREY

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

ANAHEIM, CALIFORNIA

FEBRUARY 2, 1976

Phil Burton

*Ch. House
Majesty
Conference*

✓ *Jake Nordberg.*

Mum ~~for~~ Orville Sundell

*Bob Partridge
Rick Dale*

John Wallinger - Nat Pres.

Insert

You may want to
use on P. 2 or
at the start

I'm glad to hear that you're are going to have a chance to visit Disneyland. That used to be thought of as a land of fantasy and funny characters. But nowadays, you can't be sure which is the real world -- inside Disneyland or outside. The Nixon and Ford administrations have dreamed up more fiction and odd characters than Walt Disney ever did.

There ^{also} is a rumor circulating that Bob Haldeman and Ron Ziegler -- who handled the J. Walter Thompson account for Disneyland before gaining fame under the Nixon regime -- have offered to be your guides. I'd be careful about accepting that offer.

Award

I AM HONORED TO HAVE BEEN SELECTED AS THE RECIPIENT OF THE
DISTINGUISHED SERVICE AWARD OF THE NATIONAL RURAL ELECTRIC COOPERATIVE
ASSOCIATION.!

WHAT A PRIVILEGE TO JOIN THE LIST OF OUTSTANDING AMERICANS WHO
HAVE RECEIVED THIS AWARD -- PRESIDENT ROOSEVELT AND PRESIDENT TRUMAN,
SPEAKER SAM RAYBURN, JERRY VOORHIS AND BOB POAGE. *Good Company*

I ALSO AM PLEASED THAT ONE OF THE RECIPIENTS OF YOUR
DISTINGUISHED SERVICE AWARD WAS SENATOR GEORGE NORRIS OF NEBRASKA.

OVER THE PAST YEAR WE HAVE WORKED TO SECURE 50 SPONSORS OF LEGISLATION
TO HAVE THE DEPARTMENT OF THE INTERIOR TAKE OVER THE GEORGE NORRIS
HOMESTEAD AND OPERATE IT AS A NATIONAL HISTORIC SITE.

WE ARE NEAR THAT POINT -- WITH 49 SPONSORS, AND I PREDICT THAT
THIS BILL SOON WILL BE PASSED BY THE CONGRESS.

#

well,

WE HAVE WORKED TOGETHER OVER THE YEARS, SHARED MANY BATTLES,
AND TASTED VICTORY ON MORE THAN ONE OCCASION.

AND WHILE THERE IS MUCH TO BE PROUD OF IN TERMS OF PAST
ACCOMPLISHMENTS, MUCH REMAINS TO BE DONE AS WE CELEBRATE OUR
BICENTENNIAL AND LOOK TO THE FUTURE.

Look ahead!

WE NEED TO TAKE A CAREFUL LOOK AT WHAT GOVERNMENT PROGRAMS

SHOULD BE CONTINUED AND WHICH ONES SHOULD BE PHASED OUT. AND WE ALSO

NEED TO DEVELOP A *method so that* ~~NATIONAL PLANNING MECHANISM~~ SO WE CAN ESTABLISH

PRIORITIES AND DEAL MORE EFFECTIVELY WITH TODAY'S ^{*+ tomorrow*} URGENT PROBLEMS.

Budget

WITH THE PRESIDENT'S PROPOSED BUDGET OF \$395 BILLION FOR THE

COMING FISCAL YEAR ~~AND THAT FIGURE IS AN ARBITRARY ONE~~ -- WE NEED

TO HAVE A BETTER SENSE OF THE IMPACT OF THIS BUDGET ON OUR ECONOMY

AND OUR LIVES. BUT I CAN TELL YOU RIGHT NOW THAT THIS BUDGET WILL

HIT OUR FARMERS AND RURAL AMERICA HARD!

I AM PARTICULARLY DISTRESSED THAT THE ADMINISTRATION SEEMS SATISFIED WITH A CONTINUING UNEMPLOYMENT RATE OF WELL OVER SEVEN PERCENT AND AN INFLATION RATE OF AROUND SIX PERCENT FOR THE NEXT

FISCAL YEAR. ~~WHEN THE NIXON REGIME CAME INTO POWER~~ IN 1969, THE

UNEMPLOYMENT AND INFLATION RATES WERE ABOUT HALF THE LEVELS WHICH WE ARE BEING ASKED TO ACCEPT TODAY.

Cost of Recession

AMERICANS ARE REAPING A BITTER HARVEST FROM THE ECONOMIC DEBACLE OF THE 1970'S. BY THE END OF THIS DECADE, RECESSION WILL

HAVE COST US \$1.5 TRILLION IN GOODS NEVER PRODUCED, SERVICES NEVER RENDERED, AND INCOME NEVER FOUND IN ANYONE'S PAYCHECK.

THIS REPRESENTS A LOSS OF OVER \$7,000 FOR EVERY MAN, WOMAN AND CHILD IN AMERICA TODAY.

waste of Recession
to unemployment
inflation

WHAT WE NEED IS A VIGOROUS ATTACK ON THIS DIET OF WASTE AND WELFARE. AMERICANS WANT WORK RATHER THAN A HANDOUT.

work not waste

75%
PlanCap

L WE WILL BE LOOKING CAREFULLY AT THE IMPLICATIONS OF THE PRESIDENT'S BUDGET AS IT RELATES TO ALL ASPECTS OF OUR ECONOMY.

L ① NATIONAL ~~AA~~ FOOD Policy
ONE MAJOR NEED TO WHICH WE MUST GIVE GREATER ATTENTION IS

THE ESTABLISHMENT OF A NATIONAL FOOD POLICY. WE HAVE JUST CONDUCTED

PRELIMINARY HEARINGS ON THIS IN THE FOREIGN AGRICULTURAL POLICY

SUBCOMMITTEE.

L I BELIEVE THAT A BALANCED NATIONAL FOOD POLICY SHOULD AIM AT
THE FOLLOWING SPECIFIC OBJECTIVES:

L FIRST. PRICE AND INCOME PROTECTION FOR PRODUCERS OF FOOD
AND FIBER;
Share the Risk

L SECOND. FOOD SUPPLY STABILITY FOR CONSUMERS AND AT REASONABLE
PRICES;
Supply

L THIRD. ADEQUATE SUPPLIES OF INPUTS, CREDIT AND TRANSPORTATION
FOR PRODUCERS AND AT REASONABLE PRICES;
inputs

FOURTH, ASSURING THE PRODUCTION OF ADEQUATE SUPPLIES OF DAIRY

AND LIVESTOCK PRODUCTS FOR DOMESTIC AND INTERNATIONAL NEEDS;

Reserves
L FIFTH, THE ESTABLISHMENT OF A RESERVE PROGRAM TO: PROVIDE

MARKET STABILITY DURING PERIODS OF SHORTAGE AND SURPLUS; MAINTAIN

THE RELIABILITY OF THE UNITED STATES AS AN EXPORTER; AND CONTINUE

THE PROVISION OF FOOD ASSISTANCE TO NEEDY NATIONS.

L IN DEVELOPING A BALANCED NATIONAL FOOD POLICY, WE NEED TO
RELATE THE INTERESTS OF BOTH PRODUCERS AND CONSUMERS. IN FACT,

WE NEED TO FORGE A LINK BETWEEN FARMERS AND WORKERS TO DEVELOP

A POLICY BENEFICIAL TO BOTH. *AS SECRETARY BUTZ RECENTLY STATED,*

"SOME DECISIONS HAVE TO BE MADE ON A BROADER BASIS THAN STRICTLY
AGRICULTURE."

L AND, WE NEED A FOOD POLICY THAT ENDS SPORADIC INTERVENTION
BY THE FEDERAL GOVERNMENT IN THE MARKETPLACE. (*Exports*)

L PRODUCERS, CONSUMERS, AND OTHER AFFECTED GROUPS NEED TO HAVE

A KNOWN SET OF GROUND RULES FOR GOVERNMENT INVOLVEMENT IN THE

MARKET. THEY NEED ASSURANCE THAT THE LEFT HAND KNOWS WHAT THE RIGHT

HAND IS DOING IN WASHINGTON IN THE DEVELOPMENT AND EXECUTION OF

FOREIGN AGRICULTURAL POLICY.

L OUR AGRICULTURE SUBCOMMITTEE IS HAMMERING AWAY AT THESE
TWO POINTS WITH SECRETARY BUTZ RIGHT NOW.

L BASICALLY, HOWEVER, OUR POLICY MUST PROVIDE IMPROVED PRICE
PROTECTION FOR OUR FARMERS AND THEIR INCREASED INVESTMENTS, SINCE
GOVERNMENT HAS ASKED FOR ALL-OUT PRODUCTION. THAT NEED EXISTS MORE
THAN EVER WITH WHEAT PRODUCTION, UP THIS YEAR BY 19.2 PERCENT;
CORN, 22.5 PERCENT, AND SOYBEANS, 19.5 PERCENT.

L I AM DEEPLY DISTURBED THAT THE ADMINISTRATION'S AGRICULTURE
POLICIES FAIL TO ADDRESS THE SERIOUS DECLINE IN INCOME FOR AMERICA'S
FARMERS.

Decline in Farm Income

L FARM INCOME IN 1975 DROPPED TO 73 PERCENT OF PARITY, DOWN FROM 81 PERCENT IN 1974 AND DOWN FROM 88 PERCENT IN 1973.

L CONGRESS PASSED A MODEST ONE-YEAR BILL IN 1975 WHICH WOULD HAVE PROVIDED IMPROVED TARGET AND LOAN PRICES, BUT THAT MEASURE WAS VETOED BY THE PRESIDENT AS HE DEFENDED A PHILOSOPHY OF THE "FREE MARKET" THAT IS DIVORCED FROM REALITY.

L ~~THAT FREE MARKET HAS SEEN AN INCREASED FOOD BILL OF OVER \$57 BILLION FOR OUR CITIZENS IN THE LAST THREE YEARS. THIS IS MORE THAN THE GOVERNMENT PAID TO FARMERS IN THE WAY OF PRICE SUPPORTS, CONSERVATION AND OTHER PROGRAMS OVER THE LAST 40 YEARS!~~

L ~~AND, OF COURSE, WHEN CONSUMER FOOD PRICES GO UP, THEY RARELY COME DOWN, EVEN THOUGH PRICES PAID TO FARMERS MAY DROP SHARPLY.~~

FAIR MARKET

L LAST YEAR AT ONE POINT, WHEAT DROPPED BY OVER A DOLLAR A BUSHEL,

BUT THE PRICE OF BREAD WENT UP BY 10 PERCENT,

L RATHER THAN JUST TALKING ABOUT A "FREE MARKET," IT'S TIME

THIS GOVERNMENT DEMANDED A "FAIR MARKET" -- A MARKET THAT GIVES

BOTH CONSUMERS AND FARMERS AN EVEN BREAK FOR A CHANGE,

COOPS

L BUT THERE ALREADY IS AN EFFECTIVE WAY TO PROMOTE A FAIR

MARKET -- I REFER, OF COURSE, TO OUR COOPERATIVES,

L COOPERATIVES PLAY A VERY IMPORTANT ROLE IN BRINGING TOGETHER

THE INTERESTS OF PRODUCERS AND CONSUMERS,

COOPS

L THERE IS A GREAT DEAL OF CONFUSION AND MISINFORMATION CIRCULATING

REGARDING THE ROLE OF THE COOPERATIVE TODAY. SECRETARY BUTZ

RECENTLY MADE SOME INFLAMMATORY REMARKS AT THE HARVARD BUSINESS

SCHOOL, NOTING THAT "COOPS HAVE GOTTEN PRETTY BIG."

Copies

L FORTUNATELY, DR. DON PARLBERG, U.S.D.A. DIRECTOR OF AGRICULTURAL ECONOMICS, RECENTLY INDICATED THAT IT WAS THE U.S.D.A.'S POSITION TO TO "DEFEND THE CAPPER-VOLSTED ACT AGAINST THOSE WHO WOULD CHANGE IT, EITHER TO REWARD OR PUNISH FARMERS."

L I HOPE THIS POSITION WILL PREVAIL IN SPITE OF SNIPING FROM THE JUSTICE DEPARTMENT, THE FEDERAL TRADE COMMISSION, THE COUNCIL OF ECONOMIC ADVISERS, AND THE OFFICE OF MANAGEMENT AND BUDGET.

L THE CONSUMER SHOULD BE MADE AWARE THAT THE COOPERATIVE IS A MEANS TO ASSURE HIM A RELIABLE FOOD SUPPLY AND A FAIR RETURN FOR THE PRODUCER.

L TALK ABOUT LIMITING COOPERATIVES REALLY IS A DISCUSSION OF HOW WE CAN LIMIT THE FARMER IN THE MARKET PLACE.

1 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,

2 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,

3 COOPERATIVES CAN AND MUST PLAY AN EVEN LARGER ROLE IN THE FUTURE.

4 LOCAL COOPERATIVES NOW HANDLE ABOUT 40 PERCENT OF THE GRAIN
MARKETED BY FARMERS, BUT ONLY HALF OF THIS CONTINUES ON TO REGIONAL
COOPERATIVES, AND COOPERATIVES HANDLE ONLY ABOUT THREE PERCENT OF
OUR TOTAL EXPORT MARKETINGS. THIS IS AN AREA IN WHICH COOPERATIVES
MUST PLAY AN INCREASINGLY IMPORTANT ROLE IN THE FUTURE.

Rural Development

L ANOTHER MAJOR AREA OF GREAT IMPORTANCE REQUIRING INCREASED ATTENTION IN OUR LONG RANGE PLANNING IS RURAL DEVELOPMENT. I AM

PARTICULARLY CONCERNED OVER THE FACT THAT THE ADMINISTRATION APPEARS

TO LACK ESTABLISHED GOALS OTHER THAN ^{its Budget} ~~SAVING MONEY~~. WE MIGHT WELL

CALL IT SHORT CHANGING RURAL AMERICA.

Budget 79

L UNDER PRESIDENT FORD'S PROPOSED BUDGET, RURAL CONSERVATION PROGRAMS FOR FISCAL YEAR 1977 ARE TO BE REDUCED FROM \$220 MILLION TO \$90 MILLION. AND GRANTS FOR RURAL WATER AND SEWERAGE, SELF-HELP HOUSING AND RURAL FIRE PROTECTION ARE TO BE CUT FROM \$314 MILLION TO NOTHING, WHILE FARM OPERATING AND OWNERSHIP LOANS ARE TO BE CUT BACK BY \$1.3 BILLION.

L EVERY YEAR WE GO THROUGH THIS BATTLE.

(X)

THE TIME HAS COME TO DRAW THE LINE -- TO SAY TO THIS

ADMINISTRATION: "NO MORE CUTS IN THESE VITAL PROGRAMS." YOU ARE

BEING PENNY-WISE AND ~~FOOLISH~~ ^{People} FOOLISH. THESE PROGRAMS ARE A BARE

MINIMUM IN PROTECTING AND DEVELOPING THE HEARTLAND OF AMERICA,

THEY ARE AN INVESTMENT IN THE FUTURE OF OUR NATION. THEY MEAN

JOB. THEY MEAN DEVELOPMENT."

Agric Vital

IN FACT, WE HAVE NOT BEGUN TO DO THE JOB THAT NEEDS DOING

RIGHT NOW

to Recovery - to an Security

A CONCENTRATED AND COORDINATED EFFORT IS NEEDED TO ACHIEVE

THE OBJECTIVES OF THE RURAL DEVELOPMENT ACT OF 1972, AN ACT WHICH

I AM PROUD TO HAVE HELPED DESIGN.

*Fed. Reserve
Fed Trade etc*

IN THE PROPER HANDS, THE RURAL DEVELOPMENT ACT COULD HAVE BEEN

USED THIS YEAR AS A RURAL ANTI-RECESSION ACT. INSTEAD, THE RESPONSE

OF THE ADMINISTRATION HAS BEEN TO GO SLOW WHEN DECISIVE ACTION WAS REQUIRED.

WE NEED TO DEVELOP A SHELF LIST OF PUBLIC SERVICE JOBS WHICH
CAN HELP PUT OUR PEOPLE BACK TO WORK. THERE STILL ARE ROADS TO BE
BUILT AND IMPROVED, RAILROAD BEDS TO BE REBUILT, SHELTERBELTS TO BE
REPLANTED, CANALS AND RIVERS TO BE DREDGED, AND FORESTS TO BE
REPLANTED.

Sweetmeats

THESE PROJECTS WILL TAKE OUR PEOPLE OFF OF UNEMPLOYMENT AND
FOOD STAMPS AND MAKE THEM PROUD TAXPAYERS AND THEY ARE SOUND
INVESTMENTS WHICH BENEFIT THE NATION.

PLENTIFUL EMPLOYMENT OPPORTUNITIES ARE AN ESSENTIAL PART OF A
SOUND RURAL DEVELOPMENT STRATEGY.

Rural credit

A MAJOR SHORTCOMING OF THE 1972 RURAL DEVELOPMENT ACT WAS THE
FAILURE TO ESTABLISH A SEPARATE RURAL CREDIT INSTITUTION SUCH A
FINANCIAL INSTITUTION IS ESSENTIAL TO SPUR THE ECONOMIC REVIVAL OF
RURAL AMERICA.

L THE 1971 PRESIDENTIAL TASK FORCE ON RURAL DEVELOPMENT

RECOGNIZED THIS NEED AND RECOMMENDED "A NEW CREDIT INSTITUTION
TO PROVIDE RURAL AREAS WITH GREATER ACCESS TO PRIVATE CAPITAL."

L I HAVE INTRODUCED LEGISLATION DESIGNED TO CARRY THROUGH

THIS RECOMMENDATION, AND I AM HOPEFUL THAT ACTION WILL BE TAKEN

can L WITH YOUR HELP, WE CAN GET THAT LEGISLATION MOVING!

L WE ~~ALSO SHOULD~~ ^{must} FIND WAYS TO IMPROVE THE QUALITY OF LIFE

IN RURAL AMERICA. Quality of life -
Housing, medical THERE IS NO REASON TO SETTLE FOR SUBSTANDARD

can - HOUSING AND FOR INFERIOR MEDICAL CARE. L RURAL AMERICA HAS

LESS THEN HALF THE DOCTOR COVERAGE THAT IS PROVIDED IN URBAN AREAS.

THIS SITUATION MUST BE CORRECTED. |

(Transportation

L ANOTHER INTEGRAL FEATURE OF A RURAL DEVELOPMENT PROGRAM IS

A TRANSPORTATION POLICY. L SUCH A POLICY MUST BE CONCERNED WITH

TOTAL RURAL TRANSPORTATION NEEDS RATHER THAN LOOKING AT JUST ROADS,
WATERWAYS OR RAILROADS,

L WE SEEM UNABLE TO DEVELOP A CONCERTED PROGRAM WHICH
RECOGNIZES THE CENTRAL IMPORTANCE OF THE TRANSPORTATION SYSTEM
IN RURAL DEVELOPMENT.

THERE ARE OTHER ASPECTS OF A BALANCED RURAL ECONOMIC
DEVELOPMENT PROGRAM, BUT AS A FIRST PRIORITY WE NEED TO DEVELOP
A BETTER MECHANISM FOR ESTABLISHING PRIORITIES. THIS MEANS LOOKING
AT THE RESOURCES AVAILABLE AND ALLOCATING THEM ACCORDING TO A PLAN.

I KNOW THAT THIS ADMINISTRATION CRIES OUT AGAINST PLANNING
AHEAD. BUT IT IS DONE -- AND VERY SUCCESSFULLY -- IN THE DEFENSE
DEPARTMENT WHERE THEY HAVE A WHOLE HOST OF LONG RANGE PLANS.

L WE WILL BE TRYING OUT THIS APPROACH UNDER THE FOREST AND
RANGELAND RENEWABLE RESOURCES ACT, AN ACT WHICH I INITIATED.

h I SEE NO REASON WHY THESE PRINCIPLES SHOULD NOT APPLY,
WHETHER IT'S IN BUDGETING, FOOD POLICY, RURAL DEVELOPMENT OR
FORESTRY. IT'S CALLED GOOD-MANAGEMENT. |

h BUT GOOD MANAGEMENT REQUIRES SOUND LEADERSHIP. AND YOU HAVE
TO GIVE THESE PROGRAMS PRIORITY ATTENTION.

I SHARE THE VIEW OF THE IMMORTAL DANTE WHO STATED: "BETTER
THE OCCASIONAL FAULTS OF A GOVERNMENT LIVING IN THE SPIRIT OF
CHARITY THAN THE CONSISTENT OMISSIONS OF A GOVERNMENT FROZEN IN
THE ICE OF ITS OWN INDIFFERENCE,"

WE CANNOT ACCOMPLISH ALL THAT WE WOULD LIKE TO ACCOMPLISH,
BUT WE CAN DO A GREAT DEAL MORE THAN OFFER EXCUSES AND CURSE
THE DARKNESS,

I PREFER TO DEDICATE MY EFFORTS TO HELPING IMPROVE THE
PROCESS BY WHICH THESE IMPORTANT POLICY DECISIONS ARE MADE,
AND I CERTAINLY WILL CONTINUE TO WORK WITH YOUR PROGRESSIVE
ORGANIZATION IN HELPING DEVELOP NEW DIRECTIONS FOR AMERICA.

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