

Senator has approved

DRAFT PRESS RELEASE FOR BASIC RURAL DEVELOPMENT SPEECH

Mondale calls for Rural Programs based on Community Spirit

Senator Walter F. Mondale (D.-Minn.) today called for development programs to compliment the strong spirit of community which exists in rural areas.

"Rural development programs should be geared to enhancement of basic resources available in rural America," Mondale told _____. "Probably the greatest resource small communities have is the spirit of pitching in, working hard and getting things done".

"The rural development bill which passed this year provides increased authority for grant and loan funds to help build fire houses, community centers, industrial parks, recreational areas, water and sewer systems," Mondale said. But he noted, "much more is needed to revitalize rural America".

"The next Congress must give top priority to a stronger farm program and establishment of a national program of rural development credit, as my colleague, Senator Humphrey, and I have proposed. "We must build a foundation for an expanding rural development bank to enable rural communities to build needed facilities without competing for much-needed farm credit funds".

Mondale calls for Rural Programs - continued

"We must maintain, not diminish, the U.S. Department of Agriculture," Mondale said. "That Department's primary role should be to keep farm income in line with the rest of the economy and stabilize agriculture. To achieve that, the farm program must be strengthened and improved".

"Beyond that, it must help rural residents build community services equal to those of their city counterparts," he continued. "We must strengthen successful rural electric and rural telephone credit programs. And, increased attention must be directed toward rural transportation problems".

"We can't stop the crisis in large cities, unless we first make it easier for people to stay in rural America and for their children to stay there and achieve a reasonable standard of living there," the Senator concluded.

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BASIC RURAL DEVELOPMENT SPEECH FOR
CAMPAIGN

You have a lot to be proud of in this rural Community. And probably the greatest thing you have going for you is community--a spirit of pitching in, working hard and working together to get things done. Don't ever let anything happen to diminish that spirit.

Not all rural communities have done as well. Too many communities are sadly, quietly dying. Many of them were very prosperous not long ago. But their prosperity declined as some farmers were forced off the farm, and the remaining farms got bigger. I saw a frightening statistic the other day. It showed that our nation loses almost 45,000 farmers annually--123 farm families every day. Some people argue that those farm families are tired of farming--that they are simply choosing a different way of life.

But that is not the case. Many of these families like living in small communities--and they like living in rural areas. But they are being forced to move by rising taxes, low

farm income and other economic factors that favor bigness.

Many farmers who sell out do so--not because of failure or bankruptcy, but because they know they can achieve a better standard of living elsewhere. And as a result, we lose some of our best farmers.

The loss of these farmers leads to the loss of small town businesses and to the death of the towns themselves.

In America today we face a situation similar to that faced by our forefathers over a century ago when most of the population was crowded along the East Coast. ____% of our population was crammed into ____% of the land.

The answer then was to open up the frontiers, to grant homesteads to anyone willing to work the land, to give land to the railroads and land to communities for schools. Those actions by our national leadership gave rise to the building of the towns and villages of rural America.

But rural America has been threatened with a slow death during the past two or three decades. Farm income has diminished forcing many farmers off the land. With fewer farmers to do business, small town businessmen and bankers suffer. Entire rural communities decline.

Because of the social problems it causes in the cities, this exodus from rural areas would be a cause for concern even if people moved by choice.

Thus the real tragedy is that most people living in rural areas today would like to stay there, and can't afford to.

During the great depression, hundreds of farms were abandoned in marginal farming areas. Now, a drivethrough the countryside of some of our agriculturally rich areas shows the same thing -- farmsteads deserted, small town businesses boarded up.

Earlier this year I attended a conference called "Crisis in the Cornbelt" at Worthington, Minnesota.

The conference was organized by concerned residents of several prosperous communities in Southwestern Minnesota and Northeastern Iowa. Although their own towns are not dying, these people are concerned that they may be next. They are concerned because of the figures from the 1970 census which showed a severe dip in population for their area. And they are concerned by the information in a comprehensive study completed last fall.

That study showed that 18 counties of Southwestern Minnesota are facing grave population and economic problems. The study was done by Gerald Heil, then a researcher for Southwest Planning, a project of the Minnesota State Governor's Office of Economic Opportunity.

The Southwest Minnesota Population Study also showed that one in four families in that area live in poverty.

And it pointed out that population of the area reached its peak in 1950. The State of Minnesota has grown steadily in the last three decades. But rural areas have declined in population. The Southwest area, where the population study was done, had over 11% of the state's population in 1940. In 1970 only less than 8% of the population lived there. And about 9% of the decline took place between 1960 and 1970.

Rural Americans don't demonstrate or carry signs to protest the death of their communities. They keep on with their work seriously and silently. Some have to leave or get off-farm jobs. Others manage to stay. But more and more of their children leave rural America early in adulthood, never to live there again.

Our rural population is top-heavy with older citizens. Yet every poll I have seen shows that 50 to 60 percent of the people living in the cities want to live in the country. But they can't earn a living out there.

A farmer told me recently:

"We would love to have our kids stay in the home town areas, and a lot of them would like to stay. But what would they do here? There's less and less chance in farming. Small businessmen have all they can do to make a living for themselves, so they can't pay much. Smart kids go on to school. They'd like to come back to their own community or some other small community. But there aren't enough good jobs there. Out of 110 kids that graduated from high school with my boys six years ago, only seven stayed here. Four others are in other small communities. The rest all went to the big city -- quite a few left the state for even bigger cities."

Rural residents know they have something worth building on. They have good communities, fresh air, beautiful scenery. These fine communities can be used to build foundations for balanced national growth.

By the year 2000 we will have 75 million more people in the United States. We have room for these people, but we'll have some terrible problems if we don't get going with the revitalization of rural America.

The Minnesota Department of Health recently projected population trends for the rest of this century. If nothing happens to change the current situation, rural areas will lose a third to a half of their population by the year 2000. We can't let movement from rural areas continue while an expanding population is forced to crowd into and around the already crowded cities. We must have balanced growth; and to get that kind of balance, we must build foundations for business, employment and living in rural America.

Rural communities and the people who live in them need jobs. Employment opportunities must be expanded in rural America so more young people can stay there where they have family and friends -- where they have a community spirit.

And if more people could stay in rural communities, earn incomes there, and spend their money there, new vitality would come to the rural economy. This would become self-intensifying and self-sustaining.

During the 1960's the population of Minnesota increased by 11% -- roughly the same as the nation as a whole. But 95% of that growth occurred in metropolitan St. Paul, Minneapolis and the surrounding area. Meanwhile, rural Minnesota lost people. While the state grew, over half the counties continued to decline in population.

Growth is fine, but we need balanced growth across Minnesota and across the nation.

When we talk about rural development, I think there are two questions that must be raised:

-- Is rural America really worth saving or are we on some sort of romantic escapade when we talk about revitalizing the countryside?

-- Second, even if rural America is worth saving, can it be saved now ... or is migration to big central cities inevitable?

Everyone has to face these questions. My answer to the first one is that rural America is definitely worth saving. I can think of nothing that would injure the American system more than the death of our magnificent system of family farms, independent businesses, small town banks, rural churches, community schools -- essentially, communities that can still be communities.

William Jennings Bryan, a historic champion of rural America once said:

"If our cities all were reduced to ashes, they would spring to life and grow again as wheat in the spring. But if we wever lose our farms, the cities will wither and die as blighted fruit."

During my career, I have had the opportunity to travel over most of this country and to work with people from every area and every background.

One of my greatest concerns is the way in which central cities are increasingly unable to deal with their own problems.

Just read the newspaper any day. If you live in New York City, you can't be sure of your electricity. You can't be sure of your water. You pay forty dollars a person for law enforcement and still you can't be sure you're safe on the streets. Every additional parking space for a car in New York City costs about \$25,000. The city of New York spends \$1,380 a person for education compared to about \$800 here in Minnesota. And I am convinced that the education here is better than there. It is that way because small communities are more manageable.

My point is that one of the most exciting features of rural America is community spirit. People working together sincerely, taking on responsibilities for the common good -- this is really democracy in action. In these communities we know each other; we respect each other; we have a common set of values, and we want our communities to function for the betterment of people. Rural America is definitely worth saving.

Every time we throw away a rural community, America suffers an irretrievable loss. I want to fight for these communities and make certain this nation fights for these communities. If we don't, we are not going to be the country we should be.

Can rural America be saved? I think the answer is "Yes."

Successful communities like this prove what can be done.

We need to encourage programs which will help more people enjoy our nation's prosperity. I see a need for expansion of programs which coordinate rural resources; programs which provide for needed community services and for foundations upon which to build new prosperity in the countryside.

There are already programs which have a fantastic record of accomplishment. The Rural Electrification program is an example. Some forty years ago when rural electrification was first proposed, skeptics said it wouldn't work.

"Farmers don't need electricity," they said.

"If they had it, they couldn't pay for it."

Today, rural America has electric power. All the bills get paid and all loan funds are ultimately returned to the Federal Treasury. How fortunate we would be if the same could be said about all government programs.

But there are great unmet needs. Thousands of rural communities are without adequate water and sewer facilities. Housing, transportation, and communication need improvement.

I think we must try to model new programs along the lines of the Homestead Laws, the REA and other past successes.

We passed a rural development bill in the Senate that sought to do that. It started out as a very comprehensive measure authorizing within the Department of Agriculture a new rural development credit system. Unfortunately, major parts of the bill were lost in a House-Senate compromise.

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But the measure is a step in the right direction. It expands present loan authority and provides 500 million dollars in new grant authority for rural development projects in communities of less than 10,000 population.

This will help build fire houses, community centers, industrial parks, water and sewer systems.

We must go further with rural areas development...further than just this initial authority. Development programs must be supported with adequate staffing and funding.

We need to revitalize, not diminish, the Department of Agriculture. And the Department's primary goal must be to increase family famr income. Strong family farms will provide a strong base for the rural economy.

Beyond that, rural residents need community services equal to those of their city counterparts...

We must continue rural electric and rural telephone credit programs...

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We must pay increased attention to successful soil and water conservation efforts, resource, conservation and development programs...new attention to mounting problems of transportation within and between communities, and into market terminals and urban centers.

Recently the mayors of eleven major U. S. cities met to discuss their problems. They described their situation as: "disastrous, blighted, bankrupt."

A man representing the Bronx area of New York said:

I'm here today because the cities of America have a definite stake in a healthy farm economy. It's obvious that when one segment of our economy suffers, the rest inevitably suffer as well.

Rural and urban Americans must join together in an overall effort to revitalize the countryside and build new prosperity.

Can we do it? My answer is we have done it before. Wouldn't it be marvelous if today, with all of our wealth, we had the same courage to attack rural problems that this nation had more than 100 years ago.

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We sometimes forget the deep commitment and the tremendous investment that was made to encourage your grandfather and mine to come out here and settle in the first place.

To encourage settlement, the government gave everyone who came out here a farm.

Then, in each township a section was set aside for the education of the children in that area.

Land grant colleges were founded. Agricultural research stations were established to help farmers adapt their production methods to the area.

Railroads were given land. The Corps of Engineers was dispatched to help design the roads.

The Army was sent to maintain law and order.

It was a top priority of this nation to have even settlement and a strong rural development. The wisdom and the courage and the investment of those days over a hundred years ago created rural America, and that is why your grandfather and my grandfather and those who preceded us came out here and set up this wonderful system.

Yet 40 or 50 years ago, our national commitment to rural development was lost, and the very people that we encouraged to move into rural America were discouraged from staying there.

It makes no economic sense; it makes no social sense; and it will cost this nation increasingly unless we restore our priorities.

I believe that the happiest times of my life were spent while I was growing up in small towns in southern Minnesota. Not that we had any money, but I think we had the greatest wealth that anybody could be given. We had strong families, strong ties to our church, a strong pride in the use of our own resources, a strong respect for each other, a sense of neighborliness, of helpfulness, of compassion, of charity, and of justice.

Those are the precious attributes of rural America. We all must work vigorously to preserve them...and to restore them where they have been lost...so more people can share them.

I think this goal should rank equal to any other in American society. I want to continue working with you to achieve it.

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Senator has approved

DRAFT PRESS RELEASE - FARM PROGRAM

Mondale calls for overhaul of Farm Program

Senator Walter F. Mondale (D.-Minn.) urged farmers tonight to start working toward strengthening and improving the government farm program.

"The Agricultural Act of 1970 will expire next year. We, therefore, must begin work now on a totally new, more effective farm program," the Minnesota Senator said at _____.

"Stability must be restored to the farm marketing system to allow farm income to keep up with cost increases," he continued. "That's the job of the government farm program and it is a job that isn't being done under the Administration's set-aside farm program".

The Senator called for a more adequate supply management program --such as existed under the 1965 Farm Bill. "The system of advance payments should be reinstated," he said. "A strategic commodity reserve is needed, price support loan rates must be increased and a farm bargaining system encouraged.

"These factors would eliminate uncertainties for farmers and raise their income to a reasonable level while assuring

Mondale calls for overhaul of Farm Program - continued

consumers of good food at stable prices," he said. "Stability of U.S. agriculture would also help in development of healthy foreign trade.

"I have always favored expanded foreign sales of farm products, but I am concerned about the insecurity and secrecy surrounding recent grain sales to the Soviet Union," Mondale concluded.

"Although I am very pleased that farmers are receiving higher prices this year, crop failures in other parts of the world certainly are no promise of consistent trade development or stable farm income".

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BASIC FARM POLICY SPEECH FOR CAMPAIGN PACKAGE

Recently a group of 11 mayors of major U.S. cities met to discuss the crises they face.

They called the urban centers "disaster areas ... decaying, blighted, bankrupt."

The man representing New York's Bronx Borough, commented on the interrelationship between rural and urban interests:

I'm here," he said, "because the cities of America have a definite stake in a healthy farm economy... When one segment of our economy suffers, the rest inevitably suffer as well.

And he went on to say:

We don't need a Secretary of Agriculture who says that there are too many farmers and that they would be better off in the cities. I can tell you that we have enough people in the cities now and the last thing we want is an influx of persons from rural areas looking for jobs that don't exist.

That is the best possible argument against this administration's long-term farm policy.

Since the end of World War II, the United States has witnessed a rural-urban migration greater than the migration from the Old World to the New at its height; greater even than the exodus of people from Eastern Europe in 1945-46.

More than fifteen million people from the farms and from rural communities have moved into the cities since the early 1950's to compete for jobs and facilities. It is estimated that almost three million rural business firms disappeared in the process of the mass migration.

Nationally we lose almost 45,000 family farms a year. That means 123 farm families leave the land every day -- never to return..

These statistics are heartbreaking. Thomas Jefferson's dream of a continent populated from coast to coast by prosperous family farmers, independent artisans, and small businessmen ... is hardly a memory. And the spirit of our nation is suffering as a result.

In rural America we have fresh air, good schools, and a real sense of community.

But under the cruel, and often unnecessary incentive of modern life, rural America can support fewer and fewer families each year.

How can young people stay in rural communities today?

It is more and more difficult to buy and equip a farm.

Ninety percent of the young people still left on the farms have no future as farmers. Some of those who do stay will be successful on their own. But most will end up as hired managers, waiting for the company truck to deliver their feed, the company combine to bring in their wheat, and the company truck to take it away ... not a pretty picture, either in social terms or in terms of America's long-run economic health. It wouldn't benefit either the farmer or the consumer.

I think farmers and consumers should join forces to build a strong coalition and bring about needed changes in the government farm program. Farmers and consumers should not allow anyone to polarize them into hostile camps. Family farmers, consumers, workers and conservationists must join together to hold their own against increasing corporate power.

The handling of the Soviet grain sales, activities of the crop reporting services and land grant college research all smack of increasingly closer ties between USDA and a few large private interests. While corporate interests gain favors from the USDA, family farmers and consumers only get a lot of talk.

Recent beef price activity is a paramount example of where neither the farmer or the consumer has been treated fairly.

Since July cattle prices to farmers have continually dropped, but retail meat prices have not. In fact, according to U.S. Department of Agriculture figures, the farm-to-retail price spread on beef is now at an historic high. It is very disturbing this could happen during Phase II price controls.

When beef prices started increasing last spring, Secretary of Agriculture Earl Butz delighted in turning consumers against farmers with great fanfare. But at the same time the Department of Agriculture was building a cozier relationship with a handful of private companies, juggling import and export quotas.

Then Butz tells us that even greater off-farm migration is inevitable, that this is a fact we must live with. Butz is famous for his advice to farmers: "Adapt or die, resist and perish," Butz said. And to make his point perfectly clear, he added that "agriculture is big business. Too many people are trying to stay in agriculture that would do better someplace else."

Those are Butz's own words. Maybe it's true that some farmers should adapt -- but adapt to what? ITT, Continental and Tennaco?

During his term in office, Earl Butz has convinced a lot of city people that he is the farmer's champion. But to farmers and rural leaders, it must be clear whose side he's on:

-- He supported an embargo on cattle hides which hurt farmers and helped big companies.

-- When Nixon lifted the beef import quota, Butz supported and defended that move.

-- This Secretary, who says he is working for farmers, fought a good farm bill -- the Bergland-Smith-Melcher bill -- which would have been a positive step to improve farm income. And he didn't even fight clean. Here's what he told reporters about influencing a Senator's vote to kill the bill:

"Find his financial angel. That's the way
I worked to beat a bill to raise price supports
by 25 percent ..."

Butz couldn't stand for a measure that would give farmers price and income protection. But he did not hesitate this summer to spend over \$100 million to subsidize exports of grain by a few large companies.

I don't know how he can make it any more clear whose team he is on.

If Butz stays in office, more farm families will be forced to sell out.

The Department of Agriculture's Young Executives Report will become reality -- it will be the Rural Destruction Plan of 1973. This Administration which continually calls for workfare has only welfare in its plans for rural America.

-- Four years ago there was a "secret plan" to end the war ... a war which continues to consume our national spirit and waste our public resources.

-- Now they have a "secret plan" to reform the tax system. That plan appears to have two parts -- a national sales tax ... which will strike hardest at moderate income families and the poor. And on top of that ... expansion ... as the President has promised ... of the oil depletion allowance and super-accelerated depreciation for big business.

That's tax reform all right ... tax reform for the rich.

-- And most recently we have discovered the so-called "Young Executives' Report" -- a "secret plan" for farmers ...

I am alarmed that this Department of Agriculture report recommends a 5-year phaseout of all farm programs.

I am deeply concerned that the Report calls for a drop in both farm land value and farm income.

I am shocked and angered that these young executives ... in their wisdom ... believe we have hundreds of thousands too many farmers.

And what do they recommend for farm families who go broke under their "new agriculture"?

They have the gall to recommend the Family Assistance Plan ... that's Nixon's welfare plan to give \$2,400 a year to a family of four.

-- I refuse to believe that off-farm migration is inevitable. I won't ever believe that farmers enjoy auctioning off their livestock and machinery and selling their farms.

-- I am convinced that family and community ties are stronger and healthier in rural America than in crowded cities. Every opinion poll I have seen shows that more than half of all city people would rather live in rural America ... but they can't afford it.

I believe it's time for a change in the Department of Agriculture.

The handling of the Soviet grain sales, the concealment of information by the crop reporting service, the "Young Executive Report," and increased preoccupation with commercialism by land grant colleges in recent years all smack of an increasingly cozy relationship between the Department of Agriculture and the large conglomerates.

We've had enough of Butz and his crew resurrected from the Benson era ... and we've had enough of so-called young executives who got their farm training in computer institutes.

What we need is new blood and a fresh, bold approach to the problems of rural areas and the needs of farmers.

We must develop a positive plan for the survival and revitalization of rural America.

We must start with better farm income. The family farm is the foundation of our economy, and the origin of most of our nation's new wealth. We cannot have a healthy economy unless we have a healthy agriculture.

And we can't have a healthy agriculture if farmers are continually paid less for their increasing productivity.

The elements of a strong farm program are clear enough.

First, we need a more adequate supply management program -- such as existed under the 1965 farm bill. The system of advance payments must be reinstated and price support loan rates should be increased to keep farm income in line with the increases in the rest of the economy.

Second, we must adopt a strong program of farm price supports as proposed in the Bergland Bill. Farmers don't benefit from the wild fluctuations in farm prices which result from an ineffective farm program. Sudden short term improvements don't make up for the losses suffered last year ... and they won't carry farmers through several more years of unstable markets brought on by the Administration's weak set-aside program.

Third, a strategic reserve must be established to meet unusual demand, protect consumers from food shortages, and absorb excess production in bumper crop years. And that reserve should be adequately safeguarded by laws preventing dumping in the marketplace to depress prices.

It's time for consumers and farmers to join forces. The old ploy which polarizes farmers, workers and consumers into hostile camps is a most convenient way for the large private special interest to dominate farm policy.

And in addition to a strong farm program, it is time for this nation to renew its commitment to rural development.

Tax policies and government programs must be redirected to make it easier for real farmers to own their farms. We have to amend and revise our laws to make it less easy for corporations, big city executives and movie stars to grab up all the farmland. We must adopt Senator Metcalfe's bill to take the tax break away from "tax-loss farmers." The government must stop subsidizing corporate takeover of agriculture. That's what tax reform is all about.

In the place of tax loopholes for absentee investors, we must encourage expanded credit through local banks so young farmers can buy farms and present farmers can meet their own capital requirements.

Farmers should have equality. That's what parity is all about. Parity means equality.

Parity in credit. Parity in community facilities. Parity in health facilities. Parity in education. Parity in living conditions and housing. And certainly parity in income.

You can expect a drastic overhaul of farm policy during the next few years ... no matter what the outcome of the coming election.

But both farmers and consumers should be very concerned over which direction the overhaul might take. Either government programs will be designed to benefit the family farmer, the consumer, the small business, the worker together ... or the government will continue to move closer to powerful, special interest.

Rural America has much at stake in the next Congress. There will be at least 100 new Congressmen -- most of them from cities. It is all the more important that you elect the best possible representatives to represent rural interest, and the national interest in rural development.

It was a top priority of this nation to have even settlement and a strong rural component. The wisdom and the courage and the investment of those days over a hundred years ago created rural America, and that is why your grandfather and my grandfather and those who preceded us came out here and set up this wonderful system.

If that vision and courage were applied again, we would be able to do something just like that. Instead, forty or fifty years ago somehow that policy was given up and the very people that we encouraged to move into rural America were discouraged from staying there. It makes no economic sense; it makes no social sense; and it will cost this nation increasingly unless we change it.

I believe that the happiest times of my life were spent while I was growing up in small towns in southern Minnesota. Not that we had any money, but I think we had the greatest wealth that anybody could be given. We had strong families, strong ties to our church, a strong pride in the use of our own resources, a strong respect for each other, a sense of neighborliness, of helpfulness, of compassion, of charity and of justice. Those are the precious attributes of rural America at its best. We all must work vigorously to preserve these values ... and to restore them where they have been lost ... so that more Americans can share them.

I think this goal should rank equal to any other in American society. And I want to continue working with you to achieve it.



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