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Congressman Bob Dole (R-Kans), speaking at the Fortyfifth Annual Stockholders' Meeting of the Central Livestock Association, Inc., in St. Paul, Minnesota, Wednesday evening, February 9, warned his audience about the dangers of a bill pending in the House Committee on Agriculture, H. R. 11788, which would amend the Commodity Exchange Act. In commenting on this measure, Dole stated:

"Here in one of the world's greatest agricultural marketing centers, it would seem appropriate to make mention of some newly-introduced legislation which could have far-reaching effects on everyone connected with the grain business, including the farmer.

I refer to H. R. 11788 which carries the rather innocent sounding title: "A Bill to Amend the Commodity Exchange Act." It was drafted in the U. S. Department of Agriculture and transmitted to the Congress by Secretary of Agriculture Orville L. Freeman with his endorsement.

It would give Mr. Freeman broad, unprecedented powers which no previous Secretary ever sought or, in my opinion, should ever have. It would make the Secretary a virtual czar over the Nation's futures and cash markets. It is written so as to encompass all agricultural commodities, including many which are not now subject to CEA regulation. The bill would give the Secretary of Agriculture more sweeping authority than even the courts have by vesting him with the power to crack down on any individual whom he suspects is preparing to violate a CEA order or regulation.

This is not unlike giving the policemen on the corner authority to confront any citizen on the street and say, "Mister, I don't like your looks. I think you might have it in mind to rob a bank or something and I'm taking you in."

Ridiculous, you say. But it was only a few short years ago that Mr. Freeman came charging up Capitol Hill waving a so-called supply-management bill which provided fines, jail terms and even prison sentences for farmers who failed to keep proper books and records or who refused to comply with certain directives set forth in the proposed legislation.

The basic question raised by his bill to amend the Commodity Exchange Act is this: Can the Secretary of Agriculture and his appointed administrators do a better job of running and regulating the Nation's commodity exchanges than the people who have spent a lifetime in the business?

The bill would give the Secretary authority to set margin requirements in virtually every conceivable situation. By way of comparison, it might be noted that no single individual is empowered to make such a decision with respect to stock margins. It requires board action. Mr. Freeman seeks absolute authority.

The Secretary alone would be authorized to "prescribe contract market rules."

The bill would place entirely in his hands authority now vested in the CEA, the Secretary of Agriculture, the Attorney General and the Secretary of Commerce to establish speculative trading limits, suspend or revoke the designation of a contract market and to hold hearings on such matters. It would be strictly a one-man show.

The bill would provide for the issuance of injunctions, restraining orders and complaints, in some cases where there would need to be only a suspicion in the Secretary's mind that a violation might occur.

"Recordkeeping requirements would be expanded," in the language of the bill, "to include a requirement with respect to records pertaining to spot or cash transactions and inventories." This is a step toward further federal regulation of the cash markets as well as futures markets.

These are only a few of the highlights of the proposed legislation. But they will give you an idea of what Mr. Freeman has in store for the trade.

I don't believe the Nation's commodity exchanges could carry out their historic functions or even continue to exist for very long under the Freeman plan. Futures trading would all but dry up. Hedging would become next to impossible. The effects would be felt down to the country elevator and farm levels. I don't see how the pricing mechanism could function without bidders -- and bidders would be few and timid, at best.

I view the Freeman proposal as the gravest threat which has ever confronted the freedom and the future of the country's private agricultural marketing system. It represents a threat not only to the exchanges themselves but to the central markets, the small town markets and the 13 million people who live on our farms. I am sure that if everyone involved realized fully the implications of the Freeman proposal, there would be as great an outcry against it as greeted his supply-management plans of a few years ago."