

REMARKS OF SENATOR BOB DOLE

PENNSYLVANIA HORTICULTURE ASSOCIATION

HERSHEY, PENNSYLVANIA

FEBRUARY 7, 1979

Let me begin this morning by telling you how honored I am by your kind invitation and the opportunity it presents for me to share with you some ideas about the state of American agriculture in 1979. The chief crops of the Middle West may differ from those of the Keystone State. You may depend for your economic sustenance upon fruit and vegetables, unlike the farmers of my native state of Kansas, who derive their livelihood from wheat, corn, feedgrains, cattle and hogs.

But the differences are outweighed by common needs. We grow different staples, but we share a reliance upon government for the atmosphere in which we seek prosperity. We share a common vulnerability to government that is ignorant of, or hostile to, the legitimate needs of America's growers. Such a government can do untold harm, by regulating production downward, through contradictory or self-defeating efforts to protect the public from one perceived danger or another.

THE FARMERS IN WASHINGTON

This morning, like the last two, the streets of the nation's capitol are crowded with the strange sight of farm machinery converging slowly on the halls of Congress. The corridors of power resound to unusual accents, of the sad, angry voices of men whose lives seem to have escaped beyond their personal control. They come to seek assistance from their nation's leaders, and their tactics are no rougher than the lives of quiet desperation that inflation and an insensitive government have combined to foster. We are, after all, talking about the human beings who run the tractors and rigs. We are talking about their wives and families and aspirations for the independence that most Americans take for granted.

The year just past has seen some improvements in the farmer's lot, but not enough to wipe clean the memory of the old agricultural lament...

"Some people tell us that there ain't no hell,
But they never farmed, so how can they tell?"

For growers as other Americans, purchasing power remains the bottom line on personal prosperity. And farmer purchasing power remains far short of parity. As of December 15, farm prices averaged almost 30 percent below that magic level. But the problem supercedes a single growing season. We find ourselves face to face with an agricultural crisis which poses serious threats to the family farm.

What can you and your colleagues, here and throughout the nation, expect in 1979?

--1. You can expect the probability of double digit inflation, which will continue to pump up the prices of production.

--2. At the same time, the possibility of recession looms on the economic horizon, with a concurrent falloff in demand for farm products and decrease in farm prices.

--3. Then we come to the 15 percent OPEC price hike, which is bound to cause a sharp rise in energy costs for farmers as all Americans. To give you one example: Gasoline in my state of Kansas has skyrocketed from 52¢ in May of 1977 to 63.1¢ last month. And the spiral shows no signs of tapering off.

--4. Finally, interest costs to farmers are at record high levels. In the current economic climate, they are punished coming and going. They are forced to borrow record amounts of capital, while paying record rates of interest. Together, America's farmers begin this new year with an accumulated debt of \$130 billion; debt service on that amount will consume \$11 billion before next December 31--a terrible drain of cash at a time when cash is not easy to come by.

So it comes as no wonder that the farmers are in Washington. All their adult lives, they have been taught to look to Capitol Hill and the White House as the bases of their prosperity. When that prosperity threatens to crumble, should we tell them to avert their eyes, to choose a more convenient target for their outrage?

You, no less than they, must cope with remote yet insistent officialdom.

I need hardly remind apple growers of that fact. An apple a day may keep the doctor away; it certainly does no such thing to the government inspector. In the name of local employment, the federal government has in the past failed to see the economic forest for the trees. The Labor Department has its job to do, and you have yours. The Department's job does not include frustrating regulation of hiring practices, so long as every effort has been made to employ local laborers in harvesting the crop. It is just such rigidity that has contributed to a growing district of all regulation.

AN OVERREGULATED INDUSTRY

One such brand of regulation which has hampered the economic development efforts of many fruit and vegetable growers concerns the use of pesticides. Regulation of such chemicals is nothing new; in one form or another, it dates back to the 1940's. And no one who has studied this problem as I have would label it either simple or subject to ideological solution. We are talking about scientific fact, and the lives, physical and commercial, which are related to the safe use of pesticides.

Last year, as you will recall, the Congress voted a one year extension of the existing Pesticide Control Act. Included were amendments which will make EPA less arbitrary in their treatment of pesticide registration.

Until recently, minor use registrations were required for each and every imaginable crop. Thus highly specialized crops became less commercially viable, as chemical firms were less likely to go to the expense of registering the use of pesticides for them. The amendments adopted last year would have the effect of opening up and simplifying the registration process. Moreover, conditional registration would be permitted, allowing pesticide use prior to the completion of all tests and paperwork. Equally important, ERA would be required to adopt a generic approach to minor use registration, developing standards for chemical classes and thereby developing a capacity for quicker and simpler analysis.

Such developments are encouraging. Yet even this is but the tip of a much larger iceberg.

A CHANCE FOR REFORM

The time has come to remind Washington that liberty does not come wrapped in red tape. The time has come to remind government that we do not grow to feed the federal monster. We cannot submit to the principle that says, we work and toil and earn bread, and government eats it.

All across America, people are questioning their government. They ask if it has grown too arrogant, too remote, too isolated, or simply too big. They want more than their taxes cut; they want their government reformed. They want less intrusion by it in their private lives, and more respect from it for their economic aspirations.

Such an opportunity for fundamental reform may not come again for many years. And we can't afford to let it slip between our fingers. That's why I'm so pleased at the nearly unanimous support from American agriculture for the Forum on Regulation, a massive grassroots effort to survey the public on the effects of regulation on their personal and professional lives. It is our hope to induce the Congress and the Administration to take these feelings into account, and undertake a systematic reform of the regulatory tangle. Such reforms could have potentially major impact upon the way government oversees agricultural production.

I do not wish to leave the impressions that Washington can or should do nothing positive within the field of agriculture. To the contrary, a sympathetic and perceptive federal government could do as much that is beneficial to the nation's growers as the current Administration does in the way of harm. Let me provide you with one such idea which I have introduced on the floor of the Senate and am hopeful of seeing enacted into law.

THE RURAL ECONOMIC DEVELOPMENT BANK

There are in this nation great disparities in wealth. Such disparities go beyond the conventional images of wealth and poverty. They exist as well in the capital market, that critical mass of investment dollars without which no free enterprise system can hope to turn barren wastes into blossoming gardens. Parts of America are virtually starved for capital investment. And millions of people suffer greatly as a result.

Worst off is rural America. 87 percent of the national territory, it contains 27 percent of our population. It is a hothouse for food and fiber, enough for over 200 million and more persons, produced by just over six million.

Rural America counts over 40 percent of the nation's poverty line families, and over half the nation's substandard housing. A major reason for this economic disparity is the relative scarcity of capital. You know all too well of growers who would like to expand, to hire more people, to plant more crops, yet who are stymied in their ambitions by the capital drought.

It is to correct that shortage that I have introduced S. 225, which would seek to create and fund a Rural Economic Development Bank. Such a bank would not be in competition to already existing, private institutions. It would provide supplementary assistance in those cases when other public or private financing could not be obtained on reasonable terms and conditions.

The bank would work as follows: It would be capitalized through the sale of \$3 billion in non-voting stock from the U.S. treasury. Initially, the treasury would purchase 20 percent of this amount, and would, as the bank's business develops, be authorized to make additional purchases of bank stock. These startup monies would be financed through the sale of treasury obligations to the public. As a result, no direct appropriations from the treasury would be involved.

Bonds sold through the private sector would produce money for loans, loan guarantees and other financial assistance. Recipients of bank assistance would have a substantial say over its policies, through representation on a 17 member board of directors.

Who would such a bank benefit? It could certainly be expected to make loans to new or expanding enterprises, many of them located in communities like Hershey, outside the sphere of metropolitan influence. In addition, the bank could provide assistance to both public and quasi-public entities with the goal of improving a community's development and economic base.

A RURAL REBIRTH

In short, I want to see the federal government replace regulation with stimulation. We have it in our power, for the first time in history, to place the American government foursquare behind the efforts of growers and other entrepreneurs to strengthen the rural economy without resorting to heavyhanded bureaucratic dictation or an unending stream of paperwork.

I hope that you and your colleagues who earn your living from the soil of Pennsylvania will join with me in urging the passage of my bill. I think it holds promise of a rural rebirth, in this and other states, and I present it to you as an alternative of traditional big government.

We live in a time and a place of diverse public and private interests. What is good for one segment of the population may be adverse to another. Out of all this has emerged the politics of confrontation, of division along economic and class lines. Rich versus poor, farmer versus industrialist, white collar versus blue collar.

For nearly a half century, ever since the Great Depression shattered our old certainties, such politics have been used to cement in power a theory of government big enough to mediate between warring parties. Our economy has been artificialized almost beyond recognition. And with the layer after layer of control and deficit spending and boondoggle has come an almost permanent furnace to fuel inflation. Until that furnace is cooled, the farmer and grower will feel its cruel effects, perhaps more harshly than any other group of Americans.

1979 could be the year when public outrage turns into public action, when a taxpayer revolt is translated into a new economics, less dependent upon government stimulation than upon individual initiative. The advice of the young to simplify and embrace the ways of nature may yet be the foundation for national renewal.

You live close to the soil, in constant communion with the cycles of nature. We who legislate and regulate the public life of 220 million Americans would do well to take your lessons to heart. What works best is the natural, the unregulated. That is the message I will take with me back to Washington. It is a message I intend to write into law. I call upon each of you for help in doing just that.

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HERSHEY, PENNSYLVANIA

FEBRUARY 7, 1979

*did not give
speech -- bad
weather prevented
trip to Pa.*

LET ME BEGIN THIS MORNING BY TELLING YOU HOW HONORED I AM BY YOUR KIND INVITATION AND THE OPPORTUNITY IT PRESENTS FOR ME TO SHARE WITH YOU SOME IDEAS ABOUT THE STATE OF AMERICAN AGRICULTURE IN 1979. THE CHIEF CROPS OF THE MIDDLE WEST MAY DIFFER FROM THOSE OF THE KEYSTONE STATE. YOU MAY DEPEND FOR YOUR ECONOMIC SUSTENANCE UPON FRUIT AND VEGETABLES, UNLIKE THE FARMERS OF MY NATIVE STATE OF KANSAS, WHO DERIVE THEIR LIVELIHOOD FROM WHEAT, CORN, FEEDGRAINS, CATTLE AND HOGS.

BUT THE DIFFERENCES ARE OUTWEIGHED BY COMMON NEEDS. WE GROW DIFFERENT STAPLES, BUT WE SHARE A RELIANCE UPON GOVERNMENT FOR THE ATMOSPHERE IN WHICH WE SEEK PROSPERITY. WE SHARE A COMMON VULNERABILITY TO GOVERNMENT THAT IS IGNORANT OF, OR HOSTILE TO, THE LEGITIMATE NEEDS OF AMERICA'S GROWERS. SUCH A GOVERNMENT CAN DO UNTOLD HARM, BY REGULATING PRODUCTION DOWNWARD, THROUGH CONTRADICTIONARY OR SELF-DEFEATING EFFORTS TO PROTECT THE PUBLIC FROM ONE PERCEIVED DANGER OR ANOTHER.

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THE FARMERS IN WASHINGTON

THIS MORNING, LIKE THE LAST TWO, THE STREETS OF THE NATION'S CAPITOL ARE CROWDED WITH THE STRANGE SIGHT OF FARM MACHINERY CONVERGING SLOWLY ON THE HALLS OF CONGRESS. THE CORRIDORS OF POWER RESOUND TO UNUSUAL ACCENTS, OF THE SAD, ANGRY VOICES OF MEN WHOSE LIVES SEEM TO HAVE ESCAPED BEYOND THEIR PERSONAL CONTROL. THEY COME TO SEEK ASSISTANCE FROM THEIR NATION'S LEADERS, AND THEIR TACTICS ARE NO ROUGHER THAN THE LIVES OF QUIET DESPERATION THAT INFLATION AND AN INSENSITIVE GOVERNMENT HAVE COMBINED TO FOSTER. WE ARE, AFTER ALL, TALKING ABOUT THE HUMAN BEINGS WHO RUN THE TRACTORS AND RIGS. WE ARE TALKING ABOUT THEIR WIVES AND FAMILIES AND ASPIRATIONS FOR THE INDEPENDENCE THAT MOST AMERICANS TAKE FOR GRANTED.

THE YEAR JUST PAST HAS SEEN SOME IMPROVEMENTS IN THE FARMER'S LOT, BUT NOT ENOUGH TO WIPE CLEAN THE MEMORY OF THE OLD AGRICULTURAL LAMENT...

"SOME PEOPLE TELL US THAT THERE AIN'T NO HELL,
BUT THEY NEVER FARMED, SO HOW CAN THEY TELL?"

FOR GROWERS AS OTHER AMERICANS, PURCHASING POWER REMAINS
THE BOTTOM LINE ON PERSONAL PROSPERITY. AND FARMER
PURCHASING POWER REMAINS FAR SHORT OF PARITY. AS OF DEC.
15, FARM PRICES AVERAGED ALMOST 30 PERCENT BELOW THAT MAGIC
LEVEL. BUT THE PROBLEM SUPERCEDES A SINGLE GROWING SEASON.
WE FIND OURSELVES FACE TO FACE WITH AN AGRICULTURAL CRISIS
WHICH POSES SERIOUS THREATS TO THE FAMILY FARM.

WHAT CAN YOU AND YOUR COLLEAGUES, HERE AND THROUGHOUT THE
NATION, EXPECT IN 1979?

- 1. YOU CAN EXPECT THE PROBABILITY OF DOUBLE DIGIT
INFLATION, WHICH WILL CONTINUE TO PUMP UP THE
PRICES OF PRODUCTION.
- 2. AT THE SAME TIME, THE POSSIBILITY OF RECESSION
LOOMS ON THE ECONOMIC HORIZON, WITH A CONCURRENT
FALLOFF IN DEMAND FOR FARM PRODUCTS AND DECREASE
IN FARM PRICES.

- 3. THEN WE COME TO THE 15 PERCENT OPEC PRICE HIKE, WHICH IS BOUND TO CAUSE A SHARP RISE IN ENERGY COSTS FOR FARMERS AS ALL AMERICANS. TO GIVE YOU ONE EXAMPLE: GASOLINE IN MY STATE OF KANSAS HAS SKYROCKETED FROM 52 CENTS IN MAY OF 1977 TO 63.1 CENTS LAST MONTH. AND THE SPIRAL SHOWS NO SIGNS OF TAPERING OFF.
- 4. FINALLY, INTEREST COSTS TO FARMERS ARE AT RECORD HIGH LEVELS. IN THE CURRENT ECONOMIC CLIMATE, THEY ARE PUNISHED COMING AND GOING. THEY ARE FORCED TO BORROW RECORD AMOUNTS OF CAPITAL, WHILE PAYING RECORD RATES OF INTEREST. TOGETHER, AMERICA'S FARMERS BEGIN THIS NEW YEAR WITH AN ACCUMULATED DEBT OF \$130 BILLION; DEBT SERVICE ON THAT AMOUNT WILL CONSUME \$11 BILLION BEFORE NEXT DECEMBER 31-- A TERRIBLE DRAIN OF CASH AT A TIME WHEN CASH IS NOT EASY TO COME BY.

SO IT COMES AS NO WONDER THAT THE FARMERS ARE IN WASHINGTON. ALL THEIR ADULT LIVES, THEY HAVE BEEN TAUGHT TO LOOK TO CAPITOL HILL AND THE WHITE HOUSE AS THE BASES OF THEIR PROSPERITY. WHEN THAT PROSPERITY THREATENS TO CRUMBLE, SHOULD WE TELL THEM TO AVERT THEIR EYES, TO CHOOSE A MORE CONVENIENT TARGET FOR THEIR OUTRAGE?

YOU, NO LESS THAN THEY, MUST COPE WITH REMOTE YET INSISTENT OFFICIALDOM.

I NEED HARDLY REMIND APPLE GROWERS OF THAT FACT. AN APPLE A DAY MAY KEEP THE DOCTOR AWAY; IT CERTAINLY DOES NO SUCH THING TO THE GOVERNMENT INSPECTOR. IN THE NAME OF LOCAL EMPLOYMENT, THE FEDERAL GOVERNMENT HAS IN THE PAST FAILED TO SEE THE ECONOMIC FOREST FOR THE TREES. THE LABOR DEPARTMENT HAS ITS JOB TO DO, AND YOU HAVE YOURS. THE DEPARTMENT'S JOB DOES NOT INCLUDE FRUSTRATING REGULATION OF HIRING PRACTICES, SO LONG AS EVERY EFFORT HAS BEEN MADE TO EMPLOY LOCAL LABORERS IN HARVESTING THE CROP. IT IS JUST SUCH RIGIDITY THAT HAS CONTRIBUTED TO A GROWING DISTRICT OF ALL REGULATION.

AN OVERREGULATED INDUSTRY

ONE SUCH BRAND OF REGULATION WHICH HAS HAMPERED THE ECONOMIC DEVELOPMENT EFFORTS OF MANY FRUIT AND VEGETABLE GROWERS CONCERNS THE USE OF PESTICIDES. REGULATION OF SUCH CHEMICALS IS NOTHING NEW; IN ONE FORM OR ANOTHER, IT DATES BACK TO THE 1940'S. AND NO ONE WHO HAS STUDIED THIS PROBLEM AS I HAVE WOULD LABEL IT EITHER SIMPLE OR SUBJECT TO IDEOLOGICAL SOLUTION. WE ARE TALKING ABOUT SCIENTIFIC FACT, AND THE LIVES, PHYSICAL AND COMMERCIAL, WHICH ARE RELATED TO THE SAFE USE OF PESTICIDES.

LAST YEAR, AS YOU WILL RECALL, THE CONGRESS VOTED A ONE YEAR EXTENSION OF THE EXISTING PESTICIDE CONTROL ACT. INCLUDED WERE AMENDMENTS WHICH WILL MAKE EPA LESS ARBITRARY IN THEIR TREATMENT OF PESTICIDE REGISTRATION.

UNTIL RECENTLY, MINOR USE REGISTRATIONS WERE REQUIRED FOR EACH AND EVERY IMAGINABLE CROP. THUS HIGHLY SPECIALIZED CROPS BECAME LESS COMMERCIALY VIABLE, AS CHEMICAL FIRMS WERE LESS LIKELY TO GO TO THE EXPENSE OF REGISTERING THE USE OF PESTICIDES FOR THEM. THE AMENDMENTS ADOPTED LAST YEAR WOULD HAVE THE EFFECT OF OPENING UP AND SIMPLIFYING THE REGISTRATION PROCESS. MOREOVER, CONDITIONAL REGISTRATION WOULD BE PERMITTED, ALLOWING PESTICIDE USE PRIOR TO THE COMPLETION OF ALL TESTS AND PAPERWORK. EQUALLY IMPORTANT, EPA WOULD BE REQUIRED TO ADOPT A GENERIC APPROACH TO MINOR USE REGISTRATION, DEVELOPING STANDARDS FOR CHEMICAL CLASSES AND THEREBY DEVELOPING A CAPACITY FOR QUICKER AND SIMPLER ANALYSIS.

SUCH DEVELOPMENTS ARE ENCOURAGING. YET EVEN THIS IS BUT THE TIP OF A MUCH LARGER ICEBERG.

A CHANCE FOR REFORM

THE TIME HAS COME TO REMIND WASHINGTON THAT LIBERTY DOES NOT COME WRAPPED IN RED TAPE. THE TIME HAS COME TO REMIND GOVERNMENT THAT WE DO NOT GROW TO FEED THE FEDERAL MONSTER. WE CANNOT SUBMIT TO THE PRINCIPLE THAT SAYS, WE WORK AND TOIL AND EARN BREAD, AND GOVERNMENT EATS IT.

ALL ACROSS AMERICA, PEOPLE ARE QUESTIONING THEIR GOVERNMENT. THEY ASK IF IT HAS GROWN TOO ARROGANT, TOO REMOTE, TOO ISOLATED, OR SIMPLY TOO BIG. THEY WANT MORE THAN THEIR TAXES CUT; THEY WANT THEIR GOVERNMENT REFORMED. THEY WANT LESS INTRUSION BY IT IN THEIR PRIVATE LIVES, AND MORE RESPECT FROM IT FOR THEIR ECONOMIC ASPIRATIONS.

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SUCH AN OPPORTUNITY FOR FUNDAMENTAL REFORM MAY NOT COME AGAIN FOR MANY YEARS. AND WE CAN'T AFFORD TO LET IT SLIP BETWEEN OUR FINGERS. THAT'S WHY I'M SO PLEASED AT THE NEARLY UNANIMOUS SUPPORT FROM AMERICAN AGRICULTURE FOR THE FORUM ON REGULATION, A MASSIVE GRASSROOTS EFFORT TO SURVEY THE PUBLIC ON THE EFFECTS OF REGULATION ON THEIR PERSONAL AND PROFESSIONAL LIVES. IT IS OUR HOPE TO INDUCE THE CONGRESS AND THE ADMINISTRATION TO TAKE THESE FEELINGS INTO ACCOUNT, AND UNDERTAKE A SYSTEMATIC REFORM OF THE REGULATORY TANGLE. SUCH REFORMS COULD HAVE POTENTIALLY MAJOR IMPACT UPON THE WAY GOVERNMENT OVERSEES AGRICULTURAL PRODUCTION.

I DO NOT WISH TO LEAVE THE IMPRESSIONS THAT WASHINGTON CAN OR SHOULD DO NOTHING POSITIVE WITHIN THE FIELD OF AGRICULTURE. TO THE CONTRARY, A SYMPATHETIC AND PERCEPTIVE FEDERAL GOVERNMENT COULD DO AS MUCH THAT IS BENEFICIAL TO THE NATION'S GROWERS AS THE CURRENT ADMINISTRATION DOES IN THE WAY OF HARM. LET ME PROVIDE YOU WITH ONE SUCH IDEA WHICH I HAVE INTRODUCED ON THE FLOOR OF THE SENATE AND AM HOPEFUL OF SEEING ENACTED INTO LAW.

THE RURAL ECONOMIC DEVELOPMENT BANK

THERE ARE IN THIS NATION GREAT DISPARITIES IN WEALTH. SUCH DISPARITIES GO BEYOND THE CONVENTIONAL IMAGES OF WEALTH AND POVERTY. THEY EXIST AS WELL IN THE CAPITAL MARKET, THAT CRITICAL MASS OF INVESTMENT DOLLARS WITHOUT WHICH NO FREE ENTERPRISE SYSTEM CAN HOPE TO TURN BARREN WASTES INTO BLOSSOMING GARDENS. PARTS OF AMERICA ARE VIRTUALLY STARVED FOR CAPITAL INVESTMENT. AND MILLIONS OF PEOPLE SUFFER GREATLY AS A RESULT.

WORST OFF IS RURAL AMERICA. 87 PERCENT OF THE NATIONAL TERRITORY, IT CONTAINS 27 PERCENT OF OUR POPULATION. IT IS A HOTHOUSE FOR FOOD AND FIBER, ENOUGH FOR OVER 200 MILLION AND MORE PERSONS, PRODUCED BY JUST OVER SIX MILLION.

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RURAL AMERICA COUNTS OVER 40 PERCENT OF THE NATION'S POVERTY LINE FAMILIES, AND OVER HALF THE NATION'S SUBSTANDARD HOUSING. A MAJOR REASON FOR THIS ECONOMIC DISPARITY IS THE RELATIVE SCARCITY OF CAPITAL. YOU KNOW ALL TOO WELL OF GROWERS WHO WOULD LIKE TO EXPAND, TO HIRE MORE PEOPLE, TO PLANT MORE CROPS, YET WHO ARE STIMIED IN THEIR AMBITIONS BY THE CAPITAL DROUGHT.

IT IS TO CORRECT THAT SHORTAGE THAT I HAVE INTRODUCED S. 225, WHICH WOULD SEEK TO CREATE AND FUND A RURAL ECONOMIC DEVELOPMENT BANK. SUCH A BANK WOULD NOT BE IN COMPETITION TO ALREADY EXISTING, PRIVATE INSTITUTIONS. IT WOULD PROVIDE SUPPLEMENTARY ASSISTANCE IN THOSE CASES WHEN OTHER PUBLIC OR PRIVATE FINANCING COULD NOT BE OBTAINED ON REASONABLE TERMS AND CONDITIONS.

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THE BANK WOULD WORK AS FOLLOWS: IT WOULD BE CAPITALIZED THROUGH THE SALE OF \$3 BILLION IN NON-VOTING STOCK FROM THE U.S. TREASURY. INITIALLY, THE TREASURY WOULD PURCHASE 20 PERCENT OF THIS AMOUNT, AND WOULD, AS THE BANK'S BUSINESS DEVELOPS, BE AUTHORIZED TO MAKE ADDITIONAL PURCHASES OF BANK STOCK. THESE STARTUP MONIES WOULD BE FINANCED THROUGH THE SALE OF TREASURY OBLIGATIONS TO THE PUBLIC. AS A RESULT, NO DIRECT APPROPRIATIONS FROM THE TREASURY WOULD BE INVOLVED.

BONDS SOLD THROUGH THE PRIVATE SECTOR WOULD PRODUCE MONEY FOR LOANS, LOAN GUARANTEES AND OTHER FINANCIAL ASSISTANCE. RECIPIENTS OF BANK ASSISTANCE WOULD HAVE A SUBSTANTIAL SAY OVER ITS POLICIES, THROUGH REPRESENTATION ON A 17 MEMBER BOARD OF DIRECTORS.

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WHO WOULD SUCH A BANK BENEFIT? IT COULD CERTAINLY BE EXPECTED TO MAKE LOANS TO NEW OR EXPANDING ENTERPRISES, MANY OF THEM LOCATED IN COMMUNITIES LIKE HERSHEY, OUTSIDE THE SPHERE OF METROPOLITAN INFLUENCE. IN ADDITION, THE BANK COULD PROVIDE ASSISTANCE TO BOTH PUBLIC AND QUASI-PUBLIC ENTITIES WITH THE GOAL OF IMPROVING A COMMUNITY'S DEVELOPMENT AND ECONOMIC BASE.

A RURAL REBIRTH

IN SHORT, I WANT TO SEE THE FEDERAL GOVERNMENT REPLACE REGULATION WITH STIMULATION. WE HAVE IT IN OUR POWER, FOR THE FIRST TIME IN HISTORY, TO PLACE THE AMERICAN GOVERNMENT FOURSQUARE BEHIND THE EFFORTS OF GROWERS AND OTHER ENTREPRENEURS TO STRENGTHEN THE RURAL ECONOMY WITHOUT RESORTING TO HEAVYHANDED BUREAUCRATIC DICTATION OR AN UNENDING STREAM OF PAPERWORK.

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I HOPE THAT YOU AND YOUR COLLEAGUES WHO EARN YOUR LIVING FROM THE SOIL OF PENNSYLVANIA WILL JOIN WITH ME IN URGING THE PASSAGE OF MY BILL. I THINK IT HOLDS PROMISE OF A RURAL REBIRTH, IN THIS AND OTHER STATES, AND I PRESENT IT TO YOU AS AN ALTERNATIVE OF TRADITIONAL BIG GOVERNMENT.

WE LIVE IN A TIME AND A PLACE OF DIVERSE PUBLIC AND PRIVATE INTERESTS. WHAT IS GOOD FOR ONE SEGMENT OF THE POPULATION MAY BE ADVERSE TO ANOTHER. OUT OF ALL THIS HAS EMERGED THE POLITICS OF CONFRONTATION, OF DIVISION ALONG ECONOMIC AND CLASS LINES. RICH VERSUS POOR, FARMER VERSUS INDUSTRIALIST, WHITE COLLAR VERSUS BLUE COLLAR.

FOR NEARLY A HALF CENTURY, EVER SINCE THE GREAT DEPRESSION SHATTERED OUR OLD CERTAINTIES, SUCH POLITICS HAVE BEEN USED TO CEMENT IN POWER A THEORY OF GOVERNMENT BIG ENOUGH TO MEDIATE BETWEEN WARRING PARTIES. OUR ECONOMY HAS BEEN ARTIFICIALIZED ALMOST BEYOND RECOGNITION. AND WITH THE LAYER AFTER LAYER OF CONTROL AND DEFICIT SPENDING AND BOONDOGLE HAS COME AN ALMOST PERMANENT FURNACE TO FUEL INFLATION. UNTIL THAT FURNACE IS COOLED, THE FARMERS AND GROWER WILL FEEL ITS CRUEL EFFECTS, PERHAPS MORE HARSHLY THAN ANY OTHER GROUP OF AMERICANS.

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1979 COULD BE THE YEAR WHEN PUBLIC OUTRAGE TURNS INTO PUBLIC ACTION, WHEN A TAXPAYER REVOLT IS TRANSLATED INTO A NEW ECONOMICS, LESS DEPENDENT UPON GOVERNMENT STIMULATION THAN UPON INDIVIDUAL INITIATIVE. THE ADVICE OF THE YOUNG TO SIMPLIFY AND EMBRACE THE WAYS OF NATURE MAY YET BE THE FOUNDATION FOR NATIONAL RENEWAL.

YOU LIVE CLOSE TO THE SOIL, IN CONSTANT COMMUNION WITH THE CYCLES OF NATURE. WE WHO LEGISLATE AND REGULATE THE PUBLIC LIFE OF 220 MILLION AMERICANS WOULD DO WELL TO TAKE YOUR LESSONS TO HEART. WHAT WORKS BEST IS THE NATURAL, THE UNREGULATED. THAT IS THE MESSAGE I WILL TAKE WITH ME BACK TO WASHINGTON. IT IS A MESSAGE I INTEND TO WRITE INTO LAW. I CALL UPON EACH OF YOU FOR HELP IN DOING JUST THAT.