

Carol Smullen

REMARKS OF SENATOR BOB DOLE

ANNUAL BANQUET
NEWSPAPER FARM EDITORS OF AMERICA
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"One Way Ticket - Kansas"

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I WISH TO THANK THE NEWSPAPER FARM EDITORS OF AMERICA FOR THE INVITATION TO SPEAK THIS EVENING ABOUT FARM ISSUES AND THE NIXON ADMINISTRATION.

IT SEEMED SIGNIFICANT TO ME THAT WHEN YOUR VICE PRESIDENT AND MY GOOD FRIEND DON KENDALL WROTE ME ABOUT THE BANQUET, HE ADDRESSED THE LETTER TO THE REPUBLICAN NATIONAL CHAIRMAN. I HAVE TO ASSUME FROM THIS THAT HE EXPECTS ME TO BE AT LEAST PARTIALLY PARTISAN IN MY REMARKS.

THE FACT THAT PRESIDENT NIXON CHOSE FOR THE TOP GOP POST A MAN FROM A WESTERN KANSAS WHEAT TOWN WITH TEN YEARS IN CONGRESS AND MEMBERSHIP ON BOTH THE SENATE COMMITTEE ON AGRICULTURE AND FORESTRY AND THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS, IS A STRONG INDICATION OF HIS INTEREST IN AMERICAN AGRICULTURE.

IT HAS BEEN MANY YEARS SINCE THE CHAIRMAN OF EITHER THE REPUBLICAN OR DEMOCRAT PARTY HAS HAD SUCH CLEAR AGRICULTURAL CREDENTIALS. IT SHOULD BE OBVIOUS THAT THE REPUBLICAN PARTY AND PRESIDENT NIXON CARE ABOUT THE FARMER---- AND NOT JUST AT ELECTION TIME.

"Diff -- Agnes -- V. Prout"

1. Per: Tom A. M.
2. Malin
3. Tate

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AND JUST AS SECRETARY OF AGRICULTURE CLIFFORD HARDIN REPRESENTS OUR FARMERS IN THE COUNCILS OF GOVERNMENT, THIS GOP CHAIRMAN IS PREPARED TO FIGHT FOR FARMING INTERESTS BOTH ON THE SENATE FLOOR AND IN THE POLITICAL ARENA.

AGRICULTURE'S CONSUMER STORY

ON SEVERAL OCCASIONS YOU HAVE BEEN EXHORTED BY SECRETARIES OF AGRICULTURE THAT FOOD IS A GOOD BUY--- THANKS TO THE PRODUCTIVE GENIUS OF THE AMERICAN FARMER WEDDED TO A SUPERLATIVE PROCESSING AND DISTRIBUTIVE SYSTEM. YOU HAVE BEEN TOLD THAT AMERICANS PAY A SMALLER SHARE OF THEIR INCOME FOR FOOD THAN ANYONE ELSE: ABOUT 16.5 PERCENT OF OUR DISPOSAL INCOME IS USED FOR FOOD. (IN CANADA, THE FIGURE IS ABOUT 20 PERCENT; WESTERN EUROPE AND JAPAN, ABOUT 37 PERCENT; RUSSIA, UP TO 50 PERCENT, AND NOT TO MENTION THE DEVELOPING COUNTRIES.)

SPEAKING IN TERMS OF PER CAPITA INCOMES, BETWEEN 1960 AND 1970, PER CAPITA DISPOSABLE INCOMES INCREASED FROM \$1,937 TO \$3,333, WHILE PER CAPITA FOOD EXPENDITURES ROSE ONLY FROM \$388 to \$588. IN OTHER WORDS PER CAPITA FOOD EXPENDITURES INCREASED ONLY ABOUT ONE-EIGHTH AS MUCH AS PER CAPITA INCOME, AND NOTABLY, DURING A DECADE WHEN MEAT CONSUMPTION SHOWED A MARKED INCREASE.

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THIS IS TRULY A REMARKABLE RECORD OF PRODUCTION, ESPECIALLY CONSIDERING THE SHRINKING NUMBER OF FARM MEN AND WOMEN --- A STORY THAT I HOPE THE PRESS WILL HELP TO MAKE CLEAR TO ALL AMERICANS.

WE KNOW THAT IN TERMS OF INCOME, WORKING TIME, AND IN COMPARISON WITH OTHER COUNTRIES, FOOD IN AMERICA IS A GREAT BUY, BUT NOT ALL OF THE 95 PER CENT OF THE AMERICAN PEOPLE WHO DO NOT LIVE ON FARMS KNOW AGRICULTURE'S CONSUMER STORY. PERHAPS YOU AND I, AND YOUR EDITORS, NEED TO DO A BETTER JOB OF CONVEYING BOTH SIDES OF THE FARM PICTURE TO THE GENERAL PUBLIC.

I HOPE MY REMARKS THIS EVENING, TELL A LITTLE OF BOTH THE CONSUMER AND PRODUCER STORIES OF AGRICULTURE.

PAST AND NET FARM INCOME

FIRST, I WILL REVIEW BRIEFLY THE PAST. FROM 1961 TO 1968 (DURING DEMOCRAT ADMINISTRATIONS), AMERICAN FARMERS POSTED A REALIZED NET FARM INCOME LEVEL THAT AVERAGED \$13.8 BILLION. FROM 1969 TO 1970, HOWEVER, DURING THE NIXON-HARDIN PERIOD, FARM INCOME AVERAGED \$16.0 BILLION --- UP 16 PER CENT (FOR A CUMULATIVE TOTAL INCREASE OF \$4.4 BILLION.)

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FARMERS MUST GET INCOMES COMMENSURATE TO THEIR WORK, AS DO MOST WORKERS IN OTHER SEGMENTS OF THE ECONOMY. SECRETARY HARDIN HAS TOLD PRESIDENT NIXON HE WILL DO EVERYTHING ECONOMICALLY FEASIBLE TO MEET THIS NEED. WE INTEND TO DO EVEN BETTER WITH THE NEW FARM PROGRAMS.

LAST YEAR FARMERS RECEIVED ONLY 78 PER CENT AS MUCH PER CAPITA INCOME AS THE NON-FARM PEOPLE. THAT WAS AN INCREASE COMPARED WITH THE 55 PER CENT LEVEL IN 1960, BUT FAR FROM OUR PLANS FOR FURTHER INCREASE BY 1976.

THE REPUBLICAN PARTY KNOWS THAT IN 1972 IT WILL HAVE TO RUN ON ITS RECORD. WE WILL HAVE A SUCCESSFUL STORY TO TELL ABOUT THIS ADMINISTRATION'S WORK FOR AMERICAN AGRICULTURE. I KNOW THAT YOU GOOD PEOPLE WILL TELL IT LIKE IT IS --- BOTH ITS STRENGTHS AND WEAKNESSES.

NEW FARM PROGRAM

NEVER BEFORE IN HISTORY HAS A NEW DEPARTURE IN FARM PROGRAMS BEEN DEVELOPED WITH SUCH A TRULY BIPARTISAN APPROACH. YOU ARE FAMILIAR WITH THE NIGHT SESSIONS THAT SECRETARY HARDIN AND HIS STAFF SPENT WITH CHAIRMAN POAGE TRYING TO HAMMER OUT AN ACCEPTABLE PROGRAM. I THINK IT CAN BE HONESTLY STATED THAT A TRUE SPIRIT OF COMPROMISE CARRIED THIS MATTER TO LEGISLATIVE VICTORY.

THE AGRICULTURAL ACT OF 1970 IS A BREAK WITH THE PAST BY ENABLING FARMERS TO EMPLOY THEIR LAND AND CAPITAL RESOURCES IN PLANTING THE CROPS THEY CAN BEST PRODUCE. AT THE SAME TIME, THE ACT CONTINUES THE PROTECTION OF FARM INCOME THROUGH PAYMENTS AND LOANS. THE 1971 PROGRAMS GIVE FARMERS A MUCH WIDER CHOICE IN USING THEIR ACREAGE WITHOUT LOSING PROGRAM BENEFITS.

THE NEW PROVISIONS PLACE GREATER EMPHASIS ON MARKET NEEDS AS THE GUIDE FOR PRODUCERS' PLANTING DECISIONS. THE ACREAGE PROVISIONS ARE DESIGNED PRIMARILY TO KEEP THE OVERALL EXCESS OF PRODUCTIVE CAPACITY IN CHECK TO PREVENT SURPLUSES.

THE ACT IS ENCOURAGING SHIFTS IN CROP ACREAGES FROM FARM TO FARM THAT WILL MAKE EACH A MORE SUCCESSFUL FINANCIAL OPERATION.

THE BASIC FACTOR IN THE NEW APPROACH IS THAT IT ENABLES FARMERS TO DEVOTE A MUCH LARGER PORTION OF THEIR ACREAGE TO THE MARKET AS THEY DETERMINE AND CONTINUE TO PARTICIPATE. AS A RESULT, THE INTERPLAY OF MARKET NEEDS AND FARMERS' PLANS WILL PLAY A MUCH GREATER ROLE IN PRICE DETERMINATION THAN FOR SOME TIME.

NOW THERE ARE STILL A FEW -- ALBEIT A FEW -- SNIPERS AT THIS PROGRAM. BUT LET NONE OF THE POLITICAL CARPERS OVERLOOK THE FACT THAT THIS PROGRAM IS MORE POPULAR THAN ANY PROGRAM IN YEARS --- AS DEMONSTRATED BY THE NUMBER OF GRAIN FARMERS ENROLLING IN THE PROGRAM DURING THE CURRENT SIGNUP PERIOD.

AGRICULTURAL EXPORTS

WE ARE ON THE THRESHOLD OF A "TRIPLE" RECORD FOR U.S. AGRICULTURAL EXPORTS IN THE CURRENT FISCAL YEAR.

FIRST: THE VALUE OF TOTAL SHIPMENTS WILL APPROXIMATE \$7.5 BILLION -- AN ALL-TIME HIGH RECORD BY A MARGIN OF \$700 MILLION.

SECOND: SALES FOR DOLLARS WILL BE A RECORD \$6.5 BILLION. THIS MEANS THAT AGRICULTURE, ON THE DOLLAR ACCOUNT, COULD EARN A FAVORABLE BALANCE OF ABOUT \$800 MILLION. THAT'S THE AMOUNT BY WHICH SALES FOR DOLLARS SHOULD EXCEED THE VALUE OF AGRICULTURAL IMPORTS.

THIRD: THE VOLUME OF THESE EXPORTS WILL BE ABOUT 6 PER CENT ABOVE THE VOLUME OF THE PREVIOUS RECORD EXPORT YEAR.

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IN THE 1970 CROP YEAR, ALMOST ONE CROPLAND ACRE OUT OF EVERY FOUR IS PRODUCED FOR THE EXPORT MARKET. IN SOYBEANS, WE ARE EXPORTING WELL OVER ONE-HALF THE 1970 CROP. WE ARE EXPORTING WELL OVER ONE-HALF OF OUR WHEAT-CROP, TWO-THIRDS OF THE RICE CROP, AND ONE-THIRD OF THE COTTON CROP.

THE GROWTH IN FARM EXPORTS THIS YEAR CAME BECAUSE THE MARKET IS WORKING. AN UNFETTERED MARKET CAN MOVE FARM PRODUCTS FROM THE PEOPLE WHO PRODUCE TO THE PEOPLE WHO CONSUME. THAT IS THE REAL UNDERLYING MEANING OF THIS YEAR'S TRADE FIGURES: THE INTERNATIONAL MARKET -- WHILE NOT OBSTACLE FREE -- IS WORKING. IT IS WORKING TO THE BENEFIT OF OUR FARMERS.

AMERICAN PRODUCERS OF GRAINS AND OTHER FEEDSTUFFS ARE RETURNING AS A PART OF THE WORLD ECONOMY --- WHERE THE MARKET WORKS TO FAVOR THE EFFICIENT PRODUCER AND REWARD THE HOLDER OF COMPARATIVE ECONOMIC ADVANTAGE.

THE REPUBLICAN ADMINISTRATION IS ALERT TO DEFEND AGRICULTURE'S TRADING RIGHTS. WE HAVE BEEN CONCERNED ABOUT THE GROWTH OF RESTRICTIONIST THINKING IN MANY COUNTRIES IN RECENT YEARS. WE HAVE BEEN PARTICULARLY UNEASY ABOUT THE GROWTH OF TRADE-RESTRICTIVE POLICIES OF THE EUROPEAN COMMUNITY -- AND CONCERNED THAT THESE POLICIES MIGHT BE EXTENDED AT SUCH TIMES AS THE COMMUNITY MAY BE ENLARGED.

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ASSISTANT SECRETARY PALMBY SAID RECENTLY:

"WE HAVE MADE IT PLAIN BOTH TO THE UNITED KINGDOM AND THE COMMUNITY THAT WE ARE DETERMINED TO USE ALL APPROPRIATE MEANS TO SAFEGUARD OUR TRADE RIGHTS AND INTERESTS IN GRAINS, SOYBEANS, AND OTHER AGRICULTURAL COMMODITIES. WITH THIS IN MIND, WE INTEND TO EXERCISE FULLY OUR RIGHTS UNDER THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT), INCLUDING RETALIATORY TRADE MEASURES SHOULD THAT BE NECESSARY. THIS APPLIES BOTH DURING DURING AND AFTER THE PERIOD OF U.K. NEGOTIATION WITH THE COMMUNITY, WHETHER OR NOT THE UNITED KINGDOM BECOMES A MEMBER OF THE COMMUNITY."

OUR PROGRAMS LOOK TO OVERSEAS MARKETS, AND WE INTEND TO COMPETE FOR MAXIMUM UTILIZATION OF OUR PRODUCTS THROUGHOUT THE WORLD.

IF U. S. FARM EXPORTS ARE TO REACH OUR \$10 BILLION GOAL BY THE NEXT DECADE -- A NECESSARY OBJECTIVE -- THEY MUST MOVE COMPETITIVELY IN THE WORLD MARKETS. IT WILL BE OUR POLICY TO DO EVERYTHING FEASIBLE IN OUR DISCUSSIONS WITH FOREIGN GOVERNMENTS TO STIMULATE EXPORT MARKETS FOR U.S. FARM FAMILIES. WE ARE NOT SATISFIED WITH THE RESULTS OF THE KENNEDY ROUND OF TRADE NEGOTIATIONS. WE KNOW NOW THAT IN THAT ROUND AGRICULTURE WAS TREATED AS A POOR RELATIVE.

FOR EXAMPLE, THE INTERNATIONAL GRAINS ARRANGEMENT WAS AN INTERNATIONAL ECONOMIC DISASTER ESPECIALLY TO U.S. WHEAT GROWERS. IT IS REGRETTABLE THAT THE THEN PRESIDENT JOHNSON IN THE SIGNING ON BEHALF OF THE UNITED STATES, SHOULD STATE:

"THE NEW ARRANGEMENT THUS WILL PROVE NEW PRICE INSURANCE TO U. S. WHEAT FARMERS."

IT PROVED TO BE LOW PRICE INSURANCE AND LOSING MARKET INSURANCE.
OTHER COUNTRIES UNDERSOLD US AND WE WERE LEFT "HOLDING THE BAG" FULL OF
UNEXPORTED WHEAT.

AUSTRALIAN MINISTER FOR PRIMARY INDUSTRY, THE HONORABLE J.D. ANTHONY,
EXPRESSED IT PERFECTLY WHEN HE SAID:

"WHAT HAS HAPPENED IS THAT FRANCE HAS INCREASED HER
SALES AT THE EXPENSE OF CANADA AND THE UNITED STATES.
AT THE SAME TIME, THE AUSTRALIAN WHEAT BOARD HAS TAKEN
FULL ADVANTAGE OF ITS FAVORABLE POSITION UNDER THE
I.G.A. AND HAS BEEN VERY VIGOROUS AND SUCCESSFUL
IN ITS MARKETING. AS A RESULT -- AND THERE IS NO DOUBT ABOUT THIS -- AUSTRALIA HAS GAINED MORE THAN
HER TRADITIONAL SHARE OF THE WORLD MARKET. WHILE
THIS HAS BEEN HAPPENING, COUNTRIES WHO ARE NOT
PARTIES TO THE I.G.A. -- PARTICULARLY THE SOVIET
UNION AND EAST EUROPEAN COUNTRIES -- HAVE BEEN EXPANDING
THEIR SALES AT PRICES OUT OF LINE WITH I.G.A. PRICES."

A NEW AGREEMENT HAS BEEN NEGOTIATED WHICH ENABLES U.S. WHEAT GROWERS
TO PROSPER FROM EXPANDING MARKETS. THE MACHINERY OF THE INTERNATIONAL
WHEAT COUNCIL FOR CONSULTATION AND THE COLLECTION OF DETAILED
INFORMATION ABOUT PRICES, COMMERCIAL AND CONCESSIONAL SALES AND FREIGHT
RATES WILL BE MAINTAINED. DURING THE LIFE OF THE NEW AGREEMENT, WHEAT
TRADING PRICES ARE DETERMINED BY THE ORDINARY PLAY OF MARKET FORCES.

IT IS THE INTENTION OF THIS ADMINISTRATION TO OBTAIN OUR FAIR
SHARE OF THE WORLD WHEAT MARKETS. WHEAT GROWERS DESERVE EVERY
CONSIDERATION, AND WE INTEND TO SEE THAT THEY GET IT.

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RESPONSIVE TO FARMERS

PERFECTION IS SELDOM SEEN IN GOVERNMENT OR ANY ORGANIZATION OR INDIVIDUAL. THIS ADMINISTRATION HAS, ON OCCASION, DEMONSTRATED ITS HUMAN FRAILITY, BUT MORE IMPORTANT, IT HAS PROVED ITSELF RESPONSIVE TO THE CITIZENS OF THIS NATION.

FOR INSTANCE, THERE WAS THE ASCS REGULATION REQUIRING PRODUCTION FROM ALL SET-ASIDE ACREAGE IN ONE OF THE PAST THREE YEARS. IT DIDN'T TAKE LONG TO LEARN THAT WHILE THIS MIGHT ACCOMPLISH THE ASCS' DESIRE TO MAKE HISTORICAL YIELDS MORE ACCURATE, IT WAS UNDESIRABLE TO REQUIRE FARMERS TO PLOW UP LAND THAT HAS BEEN OUT OF PRODUCTION FOR 10 YEARS OR MORE, JUST TO MAINTAIN THE LAND'S PROVEN YEILD RECORD. THE YEARS OF GOOD CONSERVATION PRACTICES WOULD HAVE^{BEEN}/DESTROYED WITH THE TURNING OF THE EARTH BY THE PLOW.

THE ADMINISTRATION PROMPTLY RESCINDED THE REGULATION.

OVER THE PAST FEW YEARS, HOG PRICES STABILIZED FAIRLY WELL, AND WE SAW THE GROWTH OF SOPHISTICATED HOG FEEDING OPERATIONS. I USE THE WORD SOPHISTICATED TO EMPHASIZE THE CHANGE IN WELL DESIGNED FEEDLOTS FROM WHAT WE KNEW AS HOG PENS A FEW YEARS BACK. THE IMPROVEMENTS AND EFFICIENCIES GAINED BY THESE NEW METHODS SPREAD RAPIDLY UNTIL LAST OCTOBER

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WHEN THE USDA'S HOG POPULATION FIGURES INDICATED AN INCREASE IN HOG POPULATION OF 18% OVER THE YEAR EARLIER. HOG PRICES PLUMMETED. THIS WAS NOT THE RESULT OF ANY USDA ACTION, BUT THE DEPARTMENT TOOK POSITIVE STEPS TO RESPOND IN BEHALF OF THE FARMER, BY PURCHASING PORK FOR THE DEPARTMENT'S FOOD DISTRIBUTION AND SCHOOL LUNCH PROGRAMS TO HELP STABILIZE FALLING PORK PRICES. SO FAR THIS FISCAL YEAR, USDA HAS PURCHASED OVER 145 MILLION POUNDS OF PORK -- THE HIGHEST LEVEL OF PORK PURCHASES BY THE DEPARTMENT SINCE 1956.

THE ADMINISTRATION IS RESPONSIVE TO THE NEEDS OF THE FARMERS. FARMERS HAVE RESPONDED ALSO, BY INDICATING A SHARP DOWNTURN IN THEIR INTENDED FARROWINGS.

PROPOSED LEGISLATION

(A) FARM LABOR

YOU HAVE HEARD THE RUMORS ABOUT THE BILL THE DEPARTMENT OF LABOR PLANS TO RECOMMEND TO PLACE AGRICULTURAL WORKERS UNDER THE NATIONAL LABOR RELATIONS ACT.

AS FAR AS I KNOW, THIS LEGISLATION IS NOT IN FINAL FORM, AND I ASSURE YOU THIS ADMINISTRATION WILL CONSIDER THE NEED FURTHER BEFORE IT RECOMMENDS FARM LABOR LEGISLATION.

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AS YOU KNOW, UNDER PRESENT LABOR LAW, AGRICULTURAL WORKERS ARE EXEMPT FROM NLRB REGULATIONS. WITH THIS EXEMPTION, CESAR CHAVEZ STARTED THE UNITED FARM WORKERS ORGANIZING COMMITTEE (UFWOC) IN SOUTHERN CALIFORNIA. THE FARMERS WHO PRODUCED GRAPES IN THAT AREA HAD NO CHOICE. IF THEY WANTED TO SELL THEIR GRAPES, THEY HAD TO SIGN THE UFWOC CONTRACT. THE FARM WORKERS DID NOT EVEN GET TO VOTE. THE FARMER JUST STARTED DEDUCTING DUES FROM THEIR PAY FOR THE UFWOC.

IN THIS REGARD, I HAVE WRITTEN SECRETARY HODGSON URGING THAT ANY FARM LABOR LEGISLATION PROVIDES FOR:

- 1) SECRET VOTE BY THE WORKER
- 2) PROHIBITION OF RETAIL BOYCOTT TACTICS
- 3) PREVENTION OF STRIKE AT HARVEST TIME
- 4) A SEPARATE ADMINISTRATIVE ENTITY ESTABLISHED TO ARBITRATE DISPUTES AND ADMINISTER THE PROGRAM, COMPLETELY SEPARATE OF THE NATIONAL LABOR RELATIONS BOARD.

WITH THESE KEY ELEMENTS I FEEL WE COULD MOVE TOWARD ESTABLISHING THE MACHINERY NECESSARY TO RECONCILE THE DIFFERENCES BETWEEN FARMERS AND THEIR EMPLOYEES IN AN EFFECTIVE AND JUST MANNER.

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(B) PESTICIDE

LEGISLATIVE HEARINGS ON THE USE OF PESTICIDES HAVE BEEN CONDUCTED BY THE AGRICULTURE COMMITTEES OF BOTH HOUSES OF CONGRESS.

AS A RESULT OF THESE HEARINGS IT BECOMES APPARENT:

- 1) SOME FORM OF REGULATORY AGRICULTURAL CHEMICAL LEGISLATION WILL BE PASSED BY THIS CONGRESS.
- 2) AGRICULTURAL CHEMICALS ARE BASICALLY VERY IMPORTANT AND USEFUL BOTH TO FARMERS AND TO CITY DWELLERS. REASON -- NOT EMOTION, MUST BECOME THE MEANS TO COMPARE AND EVALUATE THE RISKS AND BENEFITS OF USING THESE CHEMICALS.

PROPOSED LEGISLATION IS TOO BROAD WITHOUT SOME MEANS TO EVALUATE AND COMPARE DIFFERENT CHEMICALS AS TO THEIR TOXICITY AND POLLUTIVE CAPACITY. SOME COMMON STANDARD MUST BE ESTABLISHED BEFORE SUCH JUDGMENTS CAN BE MADE.

WITH SUCH A STANDARD, IT SEEMS REASONABLE THAT REGULATIONS FOR THESE VALUABLE "TOOLS" CAN BE WRITTEN THAT WOULD ASSURE A CLEAN HEALTHY ENVIRONMENT.

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(C) FARM CREDIT

THE FEDERAL FARM CREDIT BOARD HAS PLANNED LEGISLATION THAT WOULD EXTENSIVELY REVISE AND EXPAND THE SERVICE OF THE FARM CREDIT BANKS.

THIS AGRICULTURAL CREDIT SYSTEM IS OVER 50 YEARS OLD. AS YOU KNOW, IT WAS STARTED TO ASSIST AND MAINTAIN FARM CREDIT IN A TIME WHEN FARMERS COULD NOT OBTAIN CREDIT FROM OTHER SOURCES. THE SYSTEM HAS BEEN SO SUCCESSFUL THAT THE "SEED" MONEY FROM THE FEDERAL GOVERNMENT HAS BEEN REPAID AND THE SYSTEM OPERATES INDEPENDENT OF GOVERNMENT SUPERVISION WITHIN THE PROVISIONS OF THE FARM CREDIT LEGISLATION.

THE PROPOSED CREDIT LEGISLATION HAS NOT BEEN APPRAISED BY THE EXECUTIVE BRANCH OF GOVERNMENT. IT IS GENERALLY BELIEVED THAT THE BILL CONTAINS SOME PROVISIONS THE FARM CREDIT SYSTEM DOES NOT HOPE TO ATTAIN, BUT WERE INCLUDED TO SERVE AS "TRADING STOCK" WHEN THE BILL IS CONSIDERED BY CONGRESS. (HOUSING ~~LAWS~~ ^{LOANS} BY PCA's AND FLBA's, etc.)

I CAN ASSURE YOU THIS ADMINISTRATION IS AWARE OF THE IMPORTANCE OF CREDIT TO THE OPERATION OF A FARM IN TODAY'S ECONOMY. AS AGRICULTURE CHANGES, ITS FINANCIAL SOURCES SHOULD ALSO CHANGE, AND THIS WILL BE THE BASIS ON WHICH THIS LEGISLATION WILL BE CONSIDERED.

(D) RURAL DEVELOPMENT

RURAL DEVELOPMENT LEGISLATION WILL BE IMPLEMENTED IN THIS SESSION OF CONGRESS AND IN THE NEXT. THE RURAL DEVELOPMENT SUBCOMMITTEE OF THE SENATE AGRICULTURE AND FORESTRY COMMITTEE, OF WHICH I AM A MEMBER, WILL BE CONDUCTING HEARINGS THROUGHOUT THE NATION. THE FIRST OF THESE WILL BE IN SIOUX CITY, IOWA ON MAY 3 AND 4. THE SUBCOMMITTEE PLANS TO CALL IN FARMERS AND SMALL BUSINESSMEN FROM RURAL COMMUNITIES IN THE FOUR-STATE AREA AROUND SIOUX CITY (IOWA, SOUTH DAKOTA, MINNESOTA AND NEBRASKA) THE FIRST DAY. THE SECOND DAY WILL BE DEVOTED TO FIELD TRIPS THROUGHOUT THE AREA TALKING WITH THE PEOPLE IN THEIR RURAL ENVIRONMENT.

BY THESE HEARINGS, WE HOPE TO GET SOME NEW IDEAS FROM WHICH TO DEVELOP LEGISLATION TO AID RURAL AMERICA. IT MAY REQUIRE REVENUE SHARING, IT MAY REQUIRE GOVERNMENT REORGANIZATION.

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GOVERNMENT REORGANIZATION

I DO NOT BELIEVE ANY OF YOU WOULD DISAGREE THAT A DRASTIC REFORM OF OUR FEDERAL GOVERNMENT STRUCTURE IS LONG OVERDUE. YOUR IDEAS OF WHERE THE REVAMPING SHOULD BEGIN, HOWEVER, PROBABLY DIFFER GREATLY FROM THOSE OF YOUR FINANCIAL AND MANAGING EDITORS, AND WITH OFFICIALS FACED WITH EXCRUCIATING PROBLEMS IN THE CITIES. BUT, IF WE ARE TO ACHIEVE PROGRESS, ALL OF US MUST BE WILLING TO SEE THE OTHER GUY'S SIDE, AND GIVE A LITTLE TO GAIN A LOT.

WHEN THE PRESIDENT ASSESSED OUR PRESENT POSITION IN HIS STATE OF THE UNION MESSAGE, I THINK HE STATED THE CASE FOR ALL OF US. HE SAID, "MOST AMERICANS TODAY ARE SIMPLY FED UP WITH GOVERNMENT AT ALL LEVELS." THE PRESIDENT FOLLOWED THIS WITH A FURTHER EXPANSION OF THE IDEA IN HIS MESSAGE TO THE CONGRESS MARCH 25 WHEN HE RECALLED, "THERE WAS SOME SURPRISE THAT SUCH A SWEEPING INDICTMENT OF GOVERNMENT WOULD COME FROM WITHIN THE GOVERNMENT ITSELF . YET IT IS PRECISELY THERE, WITHIN THE GOVERNMENT ITSELF, THAT FRUSTRATION WITH GOVERNMENT IS OFTEN MOST DEEPLY EXPERIENCED. A PRESIDENT AND HIS ASSOCIATES OFTEN FEEL THAT FRUSTRATION AS THEY TRY TO FULFILL THEIR PROMISES TO THE PEOPLE. LEGISLATORS FEEL THAT FRUSTRATION AS THEY WORK TO CARRY OUT THE HOPES OF THEIR CONSTITUENTS. AND DEDICATED CIVIL SERVANTS FEEL THAT FRUSTRATION AS THEY STRIVE TO ACHIEVE IN ACTION THE GOALS WHICH HAVE BEEN ESTABLISHED IN LAW."

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THE PRESIDENT SUMMED UP SUCCINCTLY A REAL PROBLEM OF AGRICULTURE -- THAT OF FRUSTRATION ALL THE WAY FROM THE FARM LEVEL TO THE HIGHEST ADMINISTRATIVE OFFICES.

IT IS NECESSARY AT THIS POINT IN TIME THAT ALL OF US ACKNOWLEDGE THAT ~~GOVERNMENT~~ BUREAUCRACY HAS BECOME TOO HEAVY AND FAR REMOVED FROM THE PEOPLE.

I AM NOT INFERRING THAT REORGANIZATION IS THE ULTIMATE SOLUTION TO ALL FARM PROBLEMS; BUT PROPER REORGANIZATION OF THE FEDERAL GOVERNMENT COULD GO A LONG WAY IN REMOVING AGRICULTURE AS A WHIPPING BOY OF URBAN INFLUENCES.

PAST ADMINISTRATIONS HAVE STRUGGLED UNDER THE EXISTING MAZE OF UNCOORDINATED DEPARTMENTS AND AGENCIES OF GOVERNMENT, EACH ADDING PATCH UPON PATCH AND PROVIDING ONLY TEMPORARY OR NEGLIGIBLE REGIONAL ACHIEVEMENT. THIS ADMINISTRATION HAS VALIENTLY ATTEMPTED TO TIGHTEN UP PROCEDURES; TO COORDINATE DEPARTMENTS AND AGENCIES.

OUT OF ALL THIS EFFORT, I HAVE REACHED BUT ONE CONCLUSION: FUTURE OPPORTUNITY FOR AMERICA CAN AND MUST BE MET WITH CHANGES THAT WILL PERMIT MORE RAPID AND FLEXIBLE INTER-AGENCY ACTION, PLUS MORE FREEDOM FOR INDIVIDUAL INITIATIVE. THIS CAN ONLY BE BROUGHT ABOUT BY GROUPING AREAS OF RESPONSIBILITY HAVING COMMON CHARACTERISTICS.

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THE TIME IS HERE FOR A THOROUGH EVALUATION OF AGRICULTURAL TRENDS AND PRACTICES, TO ATTEMPT TO PROJECT FARM NEEDS FOR THE FUTURE. WE HAVE NOT ALWAYS DONE THIS SUCCESSFULLY IN THE PAST. THE FACT UP TO 100,000 FARMERS ARE DROPPING OFF THE FAMILY FARM SYSTEM EACH YEAR, OUGHT TO BE A PROOF ENOUGH OF OUR PRESENT INADEQUACY IN RETAINING THE FAMILY FARM SYSTEM. WHAT WE ALL THOUGHT WERE GOOD FARM PROGRAMS FROM TIME TO TIME, PROVIDED ONLY A PRECARIOUS PARTIAL SECURITY FOR ABOUT 40 PERCENT OF OUR AGRICULTURAL PEOPLE; AND THESE PROGRAMS HAVE FAILED DISMALLY TO KEEP OUR FARMERS AND THEIR SONS IN THE FARMING BUSINESS. I KNOW WE AGREE ON THAT POINT.

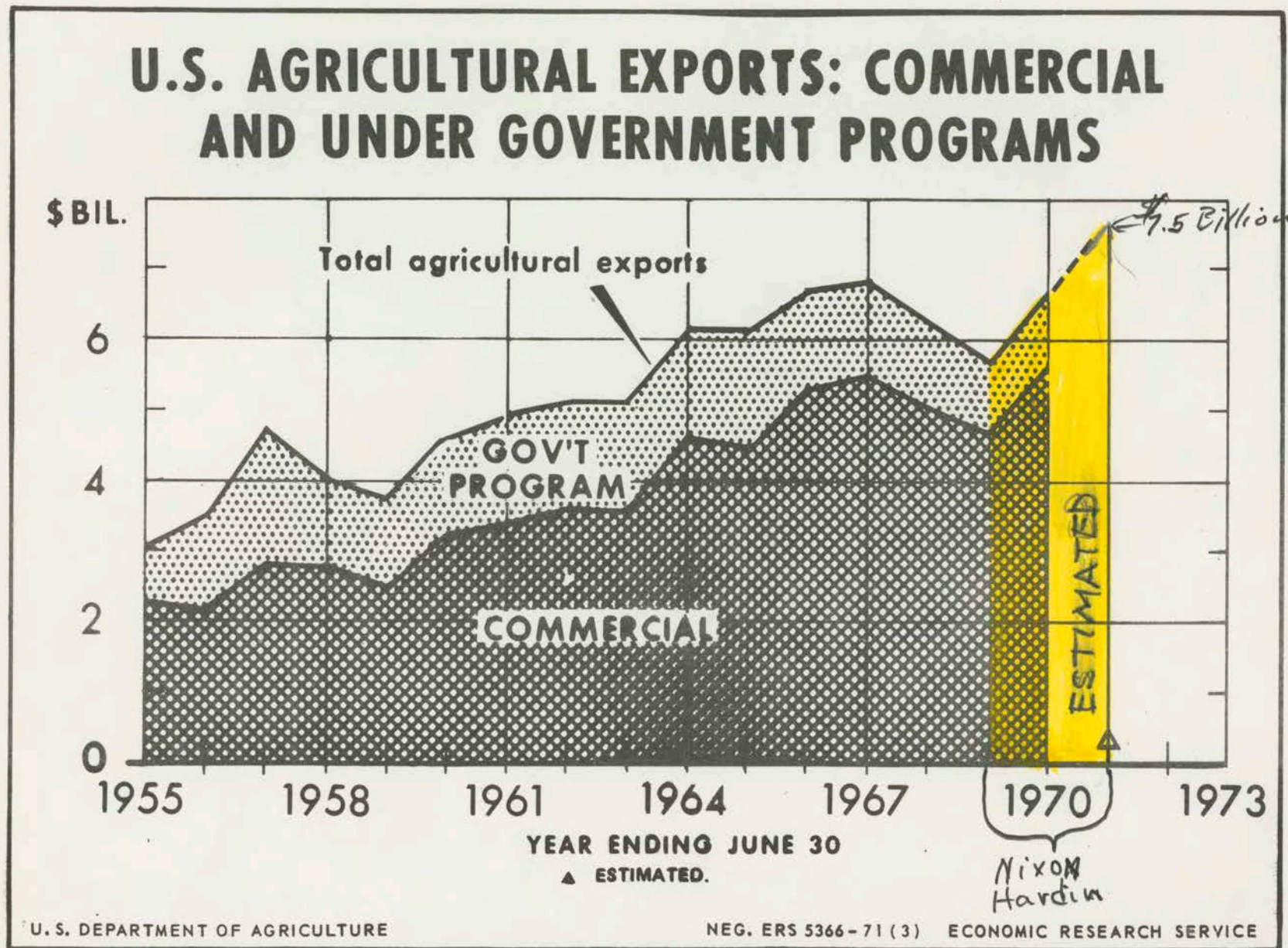
CONGRESS AND THE EXECUTIVE BRANCH NEED TO LOOK IN THE FUTURE TOWARD PERMANENT SOLUTIONS -- WAYS TO ESTABLISH A NOW DECLINING FARM POPULATION, AND TO IMPROVE THE INCOME FOR THOSE REMAINING FARMERS. I AM HOPEFUL THAT RURAL DEVELOPMENT LEGISLATION WILL BE PASSED THIS SESSION AND BEGIN TO ALLEVIATE THESE PROBLEMS.

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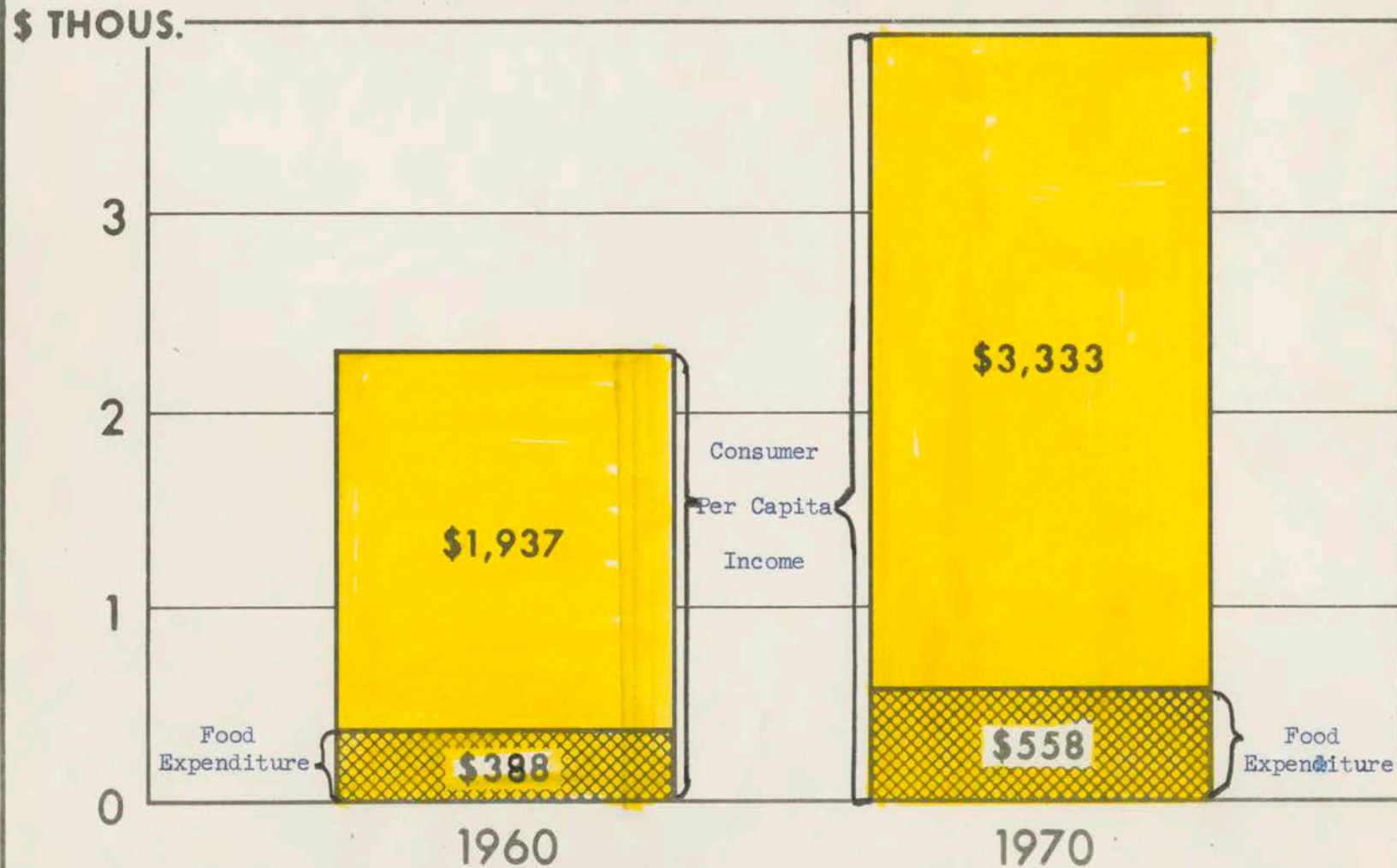
IN SOME AREAS, FARMERS ARE MAKING GREAT STRIDES IN HELPING THEMSELVES. THIS IS GOOD. FARMERS HAVE FOUND THAT THEY CAN OFTEN HELP THEMSELVES THROUGH BARGAINING AND COMMODITY GROUPS. BUT THEY CANNOT DO IT ALL ALONE.

WE NEED YOUR HELP IN GENERATING THE KIND OF PUBLIC SUPPORT THAT IS ABSOLUTELY ESSENTIAL TO OBTAIN AND IMPLEMENT THE KINDS OF PROGRAMS NEEDED BY FARMERS. IN PAST YEARS, WE HAVE NOT SOLD THE TRUE IMAGE OF AGRICULTURE TO CITY DWELLERS AND THEIR REPRESENTATIVES IN CONGRESS. THIS PARTICULAR FAILURE IS PART OF THE REASON UNSATISFACTORY FARM PROGRAMS HAVE BEEN COMPROMISED IN THE PAST.

THE FARMER MUST BE GIVEN THE MEANS TO HELP HIMSELF TOWARD A BETTER LIFE. SUCH MEANS WOULD REQUIRE EQUITABLE PROGRAMS PASSED BY AN AGRICULTURALLY-ATTUNED CONGRESS, ENCOURAGED AND SUPPORTED BY INFORMED CONSTITUENCIES. AS AGRICULTURAL WRITERS, YOUR ROLE IN ASSISTING THE NATION'S BACKBONE INDUSTRY IS SELF-EVIDENT -- AND UNQUESTIONABLY, AN IMPORTANT ONE --FOR COMMUNICATING THE NEEDS OF THE FARMER IS COMMUNICATING THE NEEDS OF THE COUNTRY.



FOOD EXPENDITURES – INCOME TRENDS



BASED ON DATA OF DEPARTMENT OF COMMERCE AND THE ECONOMIC
REPORT OF THE PRESIDENT