

Fall

Ag. HHH Speeches

SPEECH OF SENATOR HUBERT H. HUMPHREY
GRAIN AND FEED DEALERS NATIONAL ASSOCIATION

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Your Business Is The Business Of All Of Us

I am especially pleased that the Grain and Feed Dealers National Association saw fit to honor me by asking me to speak here today. It occurred to me that my first words should be about the people who made this meeting possible--the American farmer.

I think it is time that all the American people, particularly in these great metropolitan centers, take note of the contribution that American agriculture has made to this Nation and not only to this Nation, but to the rest of the world as well. We have taken this American miracle of agriculture for granted, and we often consider it commonplace. We need to study, and we need

to know better the contributions of agriculture to the growth of our economy. We need to study and to know better the extent of the dependence of the rest of this economy on the gallant eight per cent of our population who take the risks of drought and flood, hail and early frost, insects and markets and all the uncertainties of the marketplace.

We need to study and we need to know how we can improve the lot of this numerically and proportionately shrinking group, in a constructive bipartisan spirit. We need to do these things if for no other reason than the matter of simple justice, and we need to do these things because there are many others in our society who are primarily dependent upon the production of this great basic source of food and fiber.

Right now we are in the midst of a great technological revolution in agriculture, in fact, in every aspect of society, that not only is irreversible but is accelerating at jet age speed. The American consumer now is enjoying food at the lowest cost of any people in the world in terms of human effort expended. The American consumer not only has the world's richest diet, but also has the world's most nutritious and varied diet.

The American consumer of food receives his food or receives the family food basket at a smaller percentage of earned income than any other consumer in the world. The best bargain in the world today is the food basket for the American family, and the American farmer has made that possible.

At the same time as we give recognition to the producers, we must associate with this the miraculously efficient system which free enterprise has developed for the marketing, distribution and processing of food. This is a real tribute to what free men in a free society can do. You in this room are an essential part of this distributive process. You should be proud of your accomplishments.

The second by second adjustments of the free market provide us the primary means to advancement at the maximum pace. How else can the individual be preserved as a whole human being to use his intellectual and physical faculties to the optimum?

In the material world of economics under the aegis of capitalism, commodity markets for important

commodities have been established to meet an economic need. The hopes, fears, beliefs, knowledge and needs pour into these markets. There emerges the most nearly perfect mechanism in the economic world. In a single price--visible to all who would see--there is measured every single factor that exists and is communicable.

There is another, and perhaps more penetrating, part of the story which should not be lost from view.

It is that the futures trading system, notwithstanding speculative excesses and imperfections, maintains equitable principles of trade. Futures trading on commodity exchanges developed as a highly effective form of free market trading and competitive pricing because it grew up with, and proved adaptable to, our other free institutions. It became an integral part of agricultural marketing

because it focused supply and demand forces into a central price picture for one and all to see, because trading was conducted openly, and because anyone with the desire to trade could participate in the market, and in the price-making process.

It is against this conceptual background that I have expressed some concern regarding the activities of the Commodity Credit Corporation. The Commodity Credit Corporation was established, and I quote from its charter: "For the purpose of stabilizing, supporting, and protecting farm income and prices, of assisting in the maintenance of balanced and adequate supplies of agricultural commodities, products thereof, foods, feeds, and fibers, and of facilitating the orderly distribution of agricultural commodities."

It may be true that the Commodity Credit Cor-

poration is getting too large, has too many assets, too many personnel, and too many far-flung operations. At least it needs to be carefully reexamined. It has an important and significant role to play, that I know.

I do not want my remarks to be interpreted as indicating that I am opposed to the Commodity Credit Corporation, for I do not know what the American farmer would do without it. But the Commodity Credit Corporation was established with limited responsibilities. It was established to supplement farm income, not depress it. It was established to put a floor under prices, not a ceiling. It was established to aid the farm producer, to supplement the normal channels of trade and not to supplant them.

At times I've had disturbing indications that the

mandate of the Commodity Credit Corporation charter has not always been followed. There is a tendency on the part of some to want to make it a going business concern. The Commodity Credit Corporation was not organized to do the business of the grain trade or of the farm cooperatives. It was established to make the market place more orderly, not more disorderly. It was created to help improve the price structure for the farm producer and not to lower it. It was established to promote orderly marketing and not to engage in dumping.

Therefore, it is the responsibility of the Congress to see that the Commodity Credit Corporation operates within the framework under which it was designed. Here today, I give you my pledge that it will be my purpose through whatever means I have to see to it that the purpose

of the Commodity Credit Corporation are adhered to and that it operate within the framework of the law that designed it and established it, and not to wander into other fields.

Incidentally, I believe that these open expressions of concern already have done some good. I note the sharp reduction in CCC corn sales.

In furtherance of this concept of expanding the potential of the free market, and to improve farm income, I introduced an amendment to the farm bill now under consideration in the Senate providing that CCC not sell wheat for unrestricted use at less than 115 per cent of the loan. This would give the free market an opportunity to really function and help farmers in the process.

As another phase of my thinking, I have felt that

the objective of any administration, understanding our agricultural potential, should be how to make it work for the good of all. That is why I have worked so enthusiastically for the Food for Peace program. It is bipartisan.

It has the support of the responsible leadership of both parties and of all segments in the Congress. It ought to have this support, and I hope that you'll insist that it be maintained on that basis.

I believe that when the history of the 20th century is written, the development of the Food for Peace program will be looked upon as one of the most constructive steps ever taken by any nation. We ought to be thinking not of how to stop it, but how to improve it; and we ought to rid ourselves of this idea of surplus disposal--

as if human beings ever can be considered built-in disposal units.

No government program has contributed so much to so many people and to so many diverse interests. It serves all of the people in the United States by promoting greater economic well-being at home and greater security in our relations with the rest of the world. It enables this nation to advance the interests of its own citizens as they seek to meet their responsibilities to less favored peoples.

It effectively serves the foreign interests of the United States while it helps to expand our export trade. It contributes to domestic economic well-being for both agriculture and commerce while it has been a major factor in helping to end famine in the free world.

It relieves hunger and suffering and promotes education among men, women and children in underdeveloped parts of the world; and at the same time it helps those nations to an accelerated take-off in economic growth that will speed the day when they will become partners with us in commercial trade--opening to us and to our children the last, vast underdeveloped market in the world.

In addition to its history of developing commercial markets, the Food for Peace program has a net favorable impact on our balance of payments position. By promoting higher standards of living for people going through the revolution of rising expectations, it promotes free institutions among those people, and thus contributes materially to American hopes for security and peace.

Under Food for Peace we have developed programs that are particularly appropriate to meeting needs that arise out of the revolutionary changes that characterize this period of history.

Now let me say a word or two about wheat. Wheat is bread, and I think it is fair to say that we have arrived at the time in history when literally we can banish hunger from the face of the earth. I don't mind telling this audience that I'd rather have America known as the Nation that healed the sick, fed the hungry, taught the illiterate, and helped the weak, than to have it known as having the most powerful military establishment the world has ever created. I'm not so foolish as not to know that we need defense, but I think there's something else needed in this world besides armaments.

Wheat has played the largest commodity role in this Food for Peace program, and I noted as I checked material for this message that we have exported under Public Law 480 since July, 1954, about 3 billion bushels. This represents about 63 per cent total of wheat exports during this period. It would be well to stop for a moment and think about the economic chaos or explosion which would have occurred in U.S. agriculture if these markets had not been available.

You know, I am sure, that hundred of millions of bushels of feed grains and the oil equivalent of soybeans have moved through commercial channels to export outlets. You have helped that movement. You have used the hedging facilities of commodity markets to expedite those

shipments. You have shared in the profits attendant to your functions. But how many of you honestly can state that you have gone all out to explain this program to other citizens? How many of you in visiting with your Congressmen have expressed your approval of this excellent program? You can make it easier for us if you would do this. Become a missionary for Food for Peace.

In addition to Food for Peace exports it should be noted that more than 70 per cent of the U. S. agricultural exports are normal commercial exports, and we have built many new markets by the use of Food for Peace. In a sense, these commercial exports constitute Food for Peace at its best--mutually beneficial, multilateral trade using the efficiency of commercial trade channels. The soundest and the simplest way to maintain our balance

of payments would be to utilize to the maximum the productive efficiency of our farmers by finding ways to increase our agricultural exports even more.

The American farmer and the members of this organization have a tremendous stake and a tremendous interest in the policies that are being developed in the European Economic Community--the Western European nations--because these discussions will have an important bearing on what may happen to the exports of American grain to the Common Market. It is essential, therefore, that our government make sure that American farm exports are in no way handicapped by European Economic Community agricultural policy. The opportunity to expand our farm exports is possible only if we bargain hard and from strength.

The President has been given the authority by the Congress to negotiate for opening of greater trade opportunities through the Trade Expansion Act, and I can assure you this authority given to the President will be used, and it will be used to gain tariff concessions and other concessions in favor of our agricultural exports.

I want to make this personal promise to you: I will do whatever I can individually to back up that presidential determination.

If we are going to maximixe our exports--and that is a matter of interest to this organization, to our country, to the Common Market and to the other areas of the world--I think we must offer, as I have said, the best quality at competitive prices. There is no substitute

for price and quality when it comes to competing for commercial markets abroad. Therefore, every policy we pursue must be to try to strengthen what we call the operation of the market--including the market price.

I want to make my position clear: I do not believe Government programs ought to supersede the operation of our normal markets. Government programs should be designed not to supplant but to supplement; not to take over but to assist; not to move in as a competitive force, but to make competition more just and to make it more effective for the farm producer and for the Nation.

The Trade Expansion Act of 1962 equips the President with a formidable armory of negotiating powers. The objective of the United States is to halt and if possible

to roll back the trend toward more agricultural protectionism in these markets. The United States has declared plainly and repeatedly--and it has done this through the President, through Secretary Freeman, and through the Secretary of State--that it cannot conclude another round of trade agreements unless its major agricultural export commodities are included in a fair and significant way. To put it in simple language, these negotiations must benefit our farms as well as our factories or we're not going to sign on the dotted line.

I'm confident of our ultimate success. Norcountry, however prosperous, can indefinitely afford to keep valuable human and material resources locked up in obsolete and inefficient forms of agriculture. As we

push for better trade agreements, we actually help our European friends who today are the victims of their own self-imposed obsolescence. We must, therefore, make sure that we have access to reasonably price, efficiently produced food and fiber. For industrial nations this is an essential factor in maintaining vigorous economic growth and national strength.

I wish to make clear that no agreement should be signed which does not follow the clear intent of the Trade Expansion Act. This emphasises expansion for agricultural commodities, too. It does not mean haggling again over agricultural tariff bindings for which we already have paid. It means equity to our farmers through opening new markets for which they can compete.

To the extent that it benefits our farmers, it is

good for you. I urge you to get behind this major governmental effort. Lend your assistance to the maintenance and expansion of these export outlets.

Jobs, profits and a way of life are at stake.

Agricultural exports filled more than a million freight cars in 1963. Imagine in your mind's eye 4,500 cargo ships--an average of 12 every day--leaving United States ports. Work in transportation--work in storing--work in processing--work in marketing, and undoubtedly some margin of profit. On top of all this is the need to earn hard foreign exchange. This we must do if we are to maintain our defense establishment and live up to our many commitments.

In a desire to be frank with you, I wish to share with you another facet of my thinking.

I have recommended to the Congress the establishment of a National Commission on Agricultural Policy and Rural Life. It would be composed not only of public officials, but also of leading economists, farmers, agricultural leaders, representatives of financial institutions and the consumer. We need to take a good look at where we have been and where we are going.

The purpose of this commission would be to examine our past agricultural policies, their adequacy or inadequacy, their effectiveness or ineffectiveness and their relevancy to the present situation. It also would be the purpose of the commission, under any proposal, to look ahead, to go into consideration of the technological revolution in agriculture, the shift in farm population from the rural areas to the cities--this is a

tremendous factor today--and what types of programs the Government should engage in relating to the price of agricultural products, in marketing, distribution, and agricultural credit.

I am not seeking to build a Frankenstein of government. I am seeking to release the power of agriculture, and as I said here earlier, to have government help and supplement, not take over.

Rural America is changing. As a matter of fact, all of America is changing. We need to take a long look to the future.

I think we had better take a good look ahead instead of going around putting band-aids on old sores. This generation of farmers knows that the winds of change are blowing. There is the leadership in your great farm organization, with the assistance of your elected

officials, to help shape these forces. This is a continuing challenge to your leadership to accommodate to an orderly change in our domestic society.

A fundamental function of this Commission should be the concept of assistance to making the free markets function. The Government can help in many ways, including but not limited to the stimulation of demand, preventing loss of markets and developing new uses, supervising the fair operation of markets, research, and other ways.

Effective freedom of exchange is the essence of political freedom. Concentration of power in the hands of a relatively few individuals with the power of the state behind it is a fundamental danger to political freedom. The market system is one under which economic power becomes part of a broader system of checks and

balances--economic power thus is a check to political power instead of in addition to it.

In recognition of this fact,,in a recent letter to our largest farm organization--the American Farm Bureau Federation--President Johnson said, and I quote:

"If our democratic society is to thrive, it has a basic underlying need for free expression by its people. Those citizens whose roots are in the soil have a special responsibility to participate in policy discussion and make recommendations to their government. They are the source of the finest agriculture in all the world.

"We need to search for better ways ever responsive to changing conditions--to enable our farmers and ranchers to share more fully in the bounty which they help create.

In this endeavor, how can we use the pricing mechanism of the free market with more vitality than presently?

In this endeavor, how can we better coordinate the role of government with the area of the private sector, including farmers' own institutions, in the marketing of farm products? In this endeavor, how can our efficiency in producing and marketing be reflected in fair and open competition in the world's markets? In this endeavor, what should we do to assure ourselves of adequate reserves?"

We live in times that would have confounded Rome's soothsayers and astrologers; times that by the unpredictability with which history unfolds would have condemned alike those seeking its mysteries in the set of the stars or the entrails of fowl. They are bad times for prophets. All that we can expect with certainty is

uncertainty.

The signs that old landmarks are moving, that tides are changing and moorings shifting are not necessarily ominous signs. These alterations may signify good things, if we act with the stream of events. They furnish to the agile, the nimble and the swift, as well as to the strong, a change to exert an influence that sometimes cannot be brought to bear effectively when all is rigid, unalterable and inflexible. The first requirement in such times is a willingness to look quickly into all our policies, to inquire searchingly into all our premises.

The contributions which the wisdom of such organizations as this can make to the future benefit of our nation are manifold. As free men, upholding the best

traditions of a free society, you can mold a mighty force. Help us to use the beneficial forces of the free market to its optimum. The intellectual and moral forces which thus will be unleashed will serve society well.



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