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December 8, 1971

SENATOR HUBERT HUMPHREY

Anaheim, Calif.

WORLD FARM FOUNDATION TRUSTEES:

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VICE PRES. MARSHBURN FARMS
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HUGH BOUSLOG, UNITED CALIF. BANK AGRI REP.
TRUSTEE WORLD FARM FOUNDATION

000603

*Ralph
Sen
Chet Holifield*

Mr. CHAIRMAN, DISTINGUISHED GUESTS, LADIES AND GENTLEMEN. IT IS
INDEED A PLEASURE FOR ME TO BE HERE AND TO HAVE THIS OPPORTUNITY TO
SPEAK TO YOU ABOUT AGRICULTURAL PROGRESS AND THE HUMAN AND ECONOMIC
ADJUSTMENT IT REQUIRES. *(Agn) 10gn*

AMERICAN AGRICULTURE RANKS AS ONE OF MANKIND'S GREATEST ACHIEVE-
MENTS. IT HAS ADVANCED MORE IN THE PAST 50 YEARS THAN IN ALL PRIOR
YEARS OF OUR NATION'S HISTORY.

LET US TAKE A LOOK AT SOME INDICATORS OF THIS PROGRESS:

- THE AVERAGE U. S. FARMER CAN NOW PRODUCE AS MUCH BEFORE BREAK-
FAST AS HE DID IN A FULL DAY 30 YEARS AGO. *He* SUPPLIES
ABUNDANTLY THE FOOD AND FIBER NEEDS OF 45 PEOPLE COMPARED
WITH 26 PEOPLE IN 1960 AND 10 PEOPLE 30 YEARS AGO.
- U. S. CONSUMERS LAST YEAR PAID OUT ONLY 16.7 PERCENT OF THEIR
DISPOSABLE INCOME FOR FOOD--AND MOST OF THAT WENT FOR MARKETING
AND OTHER SERVICES. *If* WE HAD PAID FOR FOOD IN 1970 THE SAME
PROPORTION OF INCOME AS IN 1960, WE WOULD HAVE ABOUT \$20
BILLION LESS TO SPEND ON OTHER THINGS.

57.9
Consumer

-- DESPITE THE CONTINUED DROP IN FARM POPULATION, AGRICULTURE CONTINUES TO CONTRIBUTE SUBSTANTIALLY TO THE NATIONAL ECONOMY. THE FARMER SPENDS OVER \$40 BILLION A YEAR FOR GOODS AND SERVICES TO PRODUCE CROPS AND LIVESTOCK AND ANOTHER \$16 BILLION A YEAR FOR THE SAME THINGS THAT CITY PEOPLE BUY -- FOOD, CLOTHING, APPLIANCES AND OTHER CONSUMER PRODUCTS AND SERVICES.

-- THREE OUT OF EVERY 10 JOBS IN U. S. PRIVATE INDUSTRY TODAY ARE RELATED TO AGRICULTURE. (N. Econ. Prosp)

-- THE UNITED STATES IS THE WORLD'S LARGEST EXPORTER OF AGRICULTURAL PRODUCTS. \$7.2 BILLION IN FARM PRODUCTS WERE EXPORTED IN 1970. ABOUT 60 MILLION OF THE 300 MILLION HARVESTED ACRES PRODUCED WERE FOR EXPORT. (THE VALUE OF U. S. FARM EXPORTS SINCE WORLD WAR II EXCEEDS \$100 BILLION.)

BUT WHEN WE TALK ABOUT THE PHENOMENAL SUCCESS OF AMERICAN AGRICULTURE, WE MUST ALSO REMEMBER THAT A PRICE HAS BEEN PAID FOR THAT PROGRESS, A PRICE WHICH HAS AND STILL IS BEING PAID BY MANY MILLIONS OF AMERICANS. (IN THE LAST 30 YEARS ALONE, ALMOST 30 MILLION PEOPLE HAVE LEFT OUR NATION'S FARMS FOR OUR LARGE CITIES...AND COUNTLESS MORE HAVE BEEN

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FORCED TO LEAVE OUR SMALLER RURAL TOWNS DUE TO THIS LOSS OF FARM POPULATION.

WITH LESS THAN HALF AS MUCH LABOR, AGRICULTURE PRODUCES A GOOD 50 PERCENT MORE THAN IT DID 25 YEARS AGO. THE EXPERIENCE WE HAD WITH THE 1971 WHEAT AND FEED GRAIN CROPS DEMONSTRATES HOW EASY IT IS TO EXCEED UTILIZATION DEMAND LEVELS WHEN GOOD GROWING CONDITIONS ARE COMBINED WITH TOO MANY ACRES IN PRODUCTION.

THE IMPORTANCE OF HAVING AN EFFECTIVE SUPPLY-MANAGEMENT PROGRAM FOR THESE CROPS CANNOT BE OVERSTRESSED.

IN ADDITION, I BELIEVE IN THE "EVER-NORMAL-GRANARY" CONCEPT.

GIVEN THE UNPREDICTABILITY OF THE WEATHER CONDITIONS AND THE NECESSITY OF HAVING SOME CONTROL OR LIMITS ON PRODUCTION OF MANY OF THESE CROPS, I BELIEVE IT TO BE OF INTEREST TO THE FARMER, THE COUNTRY AND THE WORLD THAT WE ESTABLISH IN THIS COUNTRY STRATEGIC RESERVE INVENTORIES OF BASIC FOOD AND FEED GRAINS CROPS.

THIS RESERVE INVENTORY SYSTEM WOULD PROVIDE FOR REMOVING CROPS FROM THE MARKETPLACE DURING PERIODS OF OVERPRODUCTION AND FOR SUPPLYING THE MARKET WHEN A CROP FAILURE OCCURS AND PRODUCTION FALLS BELOW UTILIZATION DEMAND LEVELS.

OF COURSE, THE MECHANISM EMPLOYED TO ACCOMPLISH THESE OBJECTIVES
WOULD HAVE TO INSURE FARMERS THAT BOTH ^{the} PURCHASE AND RESALE PRICE OF
THESE COMMODITIES WOULD BE SUCH AS NOT TO ADVERSELY AFFECT FARM MARKET
PRICES.

✓ I HAVE INTRODUCED LEGISLATION (S.2729) IN THE SENATE TO ACCOMPLISH
THESE OBJECTIVES. A SIMILAR BILL IS PENDING BEFORE THE HOUSE,

✓ ALTHOUGH SUCH LEGISLATION IS NOT REQUIRED NOW IN ORDER TO PERMIT
USDA TO BUY SURPLUS GRAINS IN THE OPEN MARKET, IT WOULD BE REQUIRED TO
ESTABLISH THE HIGHER PURCHASE PRICES NEEDED TODAY TO BRING PRICES UP TO
WHERE THEY BELONG. IT ALSO WOULD SET A HIGHER RESALE PRICE LEVEL THAN
IS NOW REQUIRED UNDER THE LAW.

✓ BOTH FARMERS AND CONSUMERS WOULD BENEFIT. IT OFFERS FARMERS SOME
PROTECTION FROM OVERPRODUCTION AND IT PROTECTS CONSUMERS AGAINST CROP
FAILURES.

✓ AND GIVEN THE DEPENDENCE OF THE LIVESTOCK AND POULTRY INDUSTRIES
on FEED GRAIN PRODUCTION, I NEEDN'T TELL YOU WHAT WOULD HAPPEN TO THE
PRICE OF THESE PRODUCTS BY THE TIME THEY REACHED THE SUPERMARKET IF
FEED GRAIN SUPPLIES WERE ALLOWED TO FALL SHORT OF MARKET DEMAND,

Part of our National Defense

WE SHOULD ALSO REMEMBER THAT MUCH OF THE WORLD STILL DEPENDS UPON US FOR MUCH OF THEIR SUPPLY OF FOOD. AND WHEN FAMINE OR MAJOR CROP FAILURES OCCUR IN VARIOUS PARTS OF THE WORLD, THE UNITED STATES AGAIN IS LOOKED TO FOR HELP. We are the Strategic Reserve

NOW I WOULD LIKE TO TURN TO THE "BODY-AGRICULTURE" IN THIS COUNTRY TODAY AND WHAT MIGHT BE DONE TO STRENGTHEN THAT PORTION OF IT THAT MANY OF US OFTEN TALK ABOUT BUT DO LITTLE TO HELP -- NAMELY THE SMALL FAMILY FARM ENTERPRISE.

TODAY ABOUT 1 MILLION FARMS ARE PRODUCING AND MARKETING ALMOST 85 PERCENT OF OUR NATION'S TOTAL FARM PRODUCTS. ABOUT 300,000 FARMERS ACCOUNT FOR NEARLY TWO-THIRDS OF ALL MARKETINGS AND 200,000 ACCOUNT FOR FULLY ONE-HALF.

ON THE OTHER HAND, WE HAVE ABOUT 2 MILLION FARMS (OVER TWO-THIRDS OF THE TOTAL) THAT ARE PRODUCING AND MARKETING ONLY 15 PERCENT OF ALL FARM PRODUCTS.

PEOPLE LIVING ON THESE SMALLER UNITS ARE HELPED ONLY marginally BY BALANCED PRODUCTION AND HIGHER PRICES. THEY PRODUCE SO LITTLE FOR THE MARKET THAT ANY GAINS IN FARM INCOME STILL LEAVE THEM FAR SHORT OF

OBTAINING AN ADEQUATE INCOME.

IT IS ALSO AMONG THIS GROUP OF SMALLER FARMERS THAT WE FIND THE
HEAVIEST CONCENTRATIONS OF OLDER FARMERS. (*Elderly*)

WE FIND SOME 400,000 SMALL FARMS WHERE THE OPERATORS ARE 45 YEARS
OF AGE AND OVER, WITH LESS THAN A 9TH GRADE EDUCATION, AND FAMILY INCOMES
FROM ALL SOURCES BELOW THE POVERTY LEVEL.

THREE-QUARTERS OF THE TOTAL INCOME OF THESE SMALLER HOUSEHOLDS NOW
COMES FROM NONFARM SOURCES. FAMILIES ON THE SMALLEST FARMS, WITH LESS
THAN \$2,500 ANNUAL FARM SALES, RECEIVE 85 PERCENT OF THEIR INCOME FROM
OFF-FARM SOURCES.

AS A MATTER OF NATIONAL POLICY, I BELIEVE WE MUST PLACE GREATER
EMPHASIS ON PROGRAMS TO ASSIST THESE SMALLER FARMERS. ALTHOUGH I
BELIEVE WE WILL CONTINUE TO NEED GOVERNMENT SUPPLY-MANAGEMENT AND
TECHNICAL ASSISTANCE PROGRAMS FOR COMMERCIAL FARMERS (THAT IS, THE
I MILLION WHO PRODUCE THE 85 PERCENT OF ALL MARKETINGS), WE URGENTLY
NEED TO SHIFT MORE OF OUR AVAILABLE FUNDS AND RESOURCES TO HELPING
SMALLER FARMERS AND THE OTHER MILLIONS OF PEOPLE WHO LIVE IN RURAL
AMERICA.

L MANY OF THESE SMALLER FARMERS CAN BE HELPED TO EXPAND THEIR OPERATIONS TO REACH A MORE ADEQUATE SIZE. L SPECIAL MANAGERIAL, MARKETING, CONSERVATION AND OTHER ENTERPRISE TECHNICAL ASSISTANCE PROGRAMS COMBINED WITH ADEQUATE CREDIT COULD OFFER PROMISE FOR SUCH FARM OPERATORS.

L COOPERATIVES CAN ALSO ^{Play} AN IMPORTANT PART IN BUILDING THESE FARMERS UP TO MORE ADEQUATE SIZED OPERATIONS.

L SPECIAL GOVERNMENT PROCUREMENT PROGRAMS INVOLVING PURCHASES OF FARM PRODUCTS FROM SMALL FARMERS ALSO COULD HELP IMPROVE THE INCOME PROSPECTS OF THIS GROUP.

FOR MANY OTHERS, THE GREATEST PROMISE FOR IMPROVED INCOMES IS EITHER IN OFF-FARM EMPLOYMENT, NON-FARM BUSINESS OPPORTUNITIES OR INCOME-MAINTENANCE PROGRAMS FOR THOSE TOO OLD TO EXPAND THEIR FARMING OPERATIONS OR TO SEEK SUPPLEMENTARY OR OTHER EMPLOYMENT.

- But don't drive them off the land.

I PLAN TO INTRODUCE LEGISLATION EARLY NEXT YEAR WHICH WILL ADDRESS THESE PROBLEMS.

L THE WORK OF OUR NEWLY ESTABLISHED RURAL DEVELOPMENT SUBCOMMITTEE, OF WHICH I AM PRIVILEGED TO SERVE AS CHAIRMAN, ALSO CAN HELP MANY OF

THESE INDIVIDUALS, ESPECIALLY THOSE IN NEED OF OFF-FARM EMPLOYMENT
AND NON-FARM BUSINESS.

L WE DESPERATELY NEED MORE CAPITAL AND CREDIT TO EXPAND THE ECONOMIC
AND JOB BASE IN RURAL AMERICA,

L THE ^{credit} CONSOLIDATED RURAL DEVELOPMENT ACT OF 1971, WHICH I INTRODUCED,
IS DESIGNED TO MEET THOSE NEEDS. L UNDER MY BILL, AN ENTIRELY NEW
FINANCIAL AND CREDIT SYSTEM WOULD BE ESTABLISHED TO PROVIDE BOTH
ADDITIONAL "HARD" AND "SOFT" CREDIT FOR FARM AND NON-FARM DEVELOPMENT
PURPOSES.

L PATTERNED AFTER THE VERY SUCCESSFUL FARM CREDIT ADMINISTRATION
SYSTEM, THIS NEW SYSTEM WOULD EVENTUALLY BECOME AN ENTIRELY BORROWER-
OWNED SYSTEM, WITH ALL OF THE INITIAL FEDERAL CAPITAL PROVIDED, BEING
REPAID.

L THE NEW SYSTEM WOULD GREATLY EXPAND THE CREDIT NOW AVAILABLE TO
BOTH RURAL COMMUNITIES AND BUSINESSMEN. L THIS BILL NOW HAS 49 CO-

SPONSORS IN ADDITION TO MYSELF, INCLUDING THE CHAIRMAN OF THE FULL
COMMITTEE ON AGRICULTURE AND FORESTRY, SENATOR HERMAN E. TALMADGE OF
GEORGIA.

Full
IT IS NOW AWAITING COMMITTEE ACTION. THESE EFFORTS RELATE TO AN
EVEN BROADER PURSUIT WHICH WE MUST RECOGNIZE -- THE PURSUIT OF A
"BALANCED NATIONAL GROWTH STRATEGY."

L MANY COUNTRIES IN WESTERN EUROPE AND IN SCANDINAVIA HAVE BEEN
PURSUING SUCH STRATEGIES FOR MANY YEARS. BUT ONLY RECENTLY HAS THE
SUBJECT RECEIVED ANY ATTENTION IN THIS COUNTRY.

L MANY OF THE DISPARITIES IN INCOME DISTRIBUTION, SOCIAL SERVICES
AND JOB OPPORTUNITIES HAVE BEEN CREATED IN LARGE PART BY THE IMBALANCE
THAT HAS DEVELOPED BETWEEN OUR NATION'S RURAL AREAS AND OUR LARGE CITY
COMPLEXES.

L AND MOST OF THESE IMBALANCES CAN BE TRACED DIRECTLY BACK TO THE
changes
ADJUSTMENTS THAT HAVE OCCURED WITHIN AGRICULTURE OVER THE YEARS AND
THE LACK OF FORESIGHT AND ATTENTION WE GAVE TO THE HUMAN ADJUSTMENTS
CAUSED AS A RESULT OF THESE CHANGES.

L AS TRACTOR-POWER REPLACED HORSE-POWER -- AS FEWER PEOPLE WERE
REQUIRED TO PRODUCE THE FOOD AND FIBER NEEDS OF THIS NATION -- AND AS
MILLIONS OF ACRES OF CROPLAND WERE REMOVED FROM PRODUCTION IN ORDER
TO HOLD SUPPLY IN LINE WITH DEMAND -- MILLIONS OF PEOPLE LEFT THE FARMS
AND THE COUNTRYSIDE AND MIGRATED TO OUR NATION'S CITIES.

THESE TRENDS HAVE BECOME SO PRONOUNCED TODAY THAT ALMOST 75 PER-
CENT OF THE TOTAL POPULATION OF THIS COUNTRY LIVE ON ABOUT TWO PERCENT
OF THE LAND.

AND UNLESS SOMETHING DRAMATIC IS DONE SOON TO CHANGE THESE MIGRATION
TRENDS, OVER HALF OF THE PEOPLE OF THIS NATION WILL BE LIVING IN JUST
THREE HUGE METROPOLITAN STRIPS BY THE YEAR 2000, ONE ALONG THE MID-
ATLANTIC COAST, ANOTHER ALONG THE GREAT LAKES AND A THIRD ALONG THE
COAST OF SOUTHERN CALIFORNIA.

IF SUCH CONCENTRATIONS OF PEOPLE ARE ALLOWED TO OCCUR, I FEAR A
COMPLETE BREAKDOWN OF OUR SOCIETY AND OUR GOVERNMENTAL PROCESSES.

I ASK YOU TO CALL TO MIND THE MAJOR BREAKDOWNS WE ALREADY HAVE
EXPERIENCED IN OUR LARGE CITIES IN RECENT YEARS -- RANGING FROM POWER
BLACKOUTS TO AIR POLLUTION CRISES, WHICH IN SOME CITIES HAVE REQUIRED
THE CLOSING DOWN OF INDUSTRIES IN ORDER TO AVERT MASSIVE AND SUDDEN
LOSS-OF-LIFE.

TO CREATE, TO PLAN, TO DESIGN, TO THINK AHEAD -- THESE ARE THE
CHALLENGES OF OUR TIME. FOR AS JOHN GALSWORTHY SAID, "IF YOU DO NOT
THINK ABOUT THE FUTURE, THEN YOU CANNOT HAVE ONE."

OUR PAST FAILURES IN THIS REGARD HAVE CREATED MOST OF THE PROBLEMS WE FACE IN OUR NATION TODAY, WHETHER THEY BE THE PROBLEMS OF CRIME, DRUG ADDICTION AND THE WHOLE COMPLEX OF URBAN PROBLEMS,

↳ WE NEED TO TAKE A MORE GLOBAL LOOK AT OUR NATION'S PROBLEMS AND DESIGN SOLUTIONS TO THEM FROM THAT VANTAGE POINT. ↳ WE MUST BECOME AS CONCERNED ABOUT "WHERE" GROWTH TAKES PLACE AS MUCH AS "WHETHER" IT TAKES PLACE.

↳ WE MUST DO A BETTER JOB OF COORDINATING OUR PRIVATE AND PUBLIC DECISIONS -- RANGING FROM COORDINATING OUR TRANSPORTATION PLANNING WITH OUR LAND-USE PLANNING TO COORDINATING OUR ENERGY REQUIREMENTS WITH CONSUMPTION PATTERS.

↳ TO DO THIS, HOWEVER, WE WILL NEED SOME NEW MECHANISMS TO HANDLE SUCH A MULTITUDE OF REQUIREMENTS. AND TO PROVIDE FOR THESE NEEDS I WILL BE INTRODUCING EARLY IN THE NEXT SESSION OF CONGRESS A "BALANCED NATIONAL GROWTH ACT OF 1972."

↳ THIS BILL WILL PROVIDE FOR THE COORDINATION AND INTEGRATION OF ALL THOSE NATIONAL POLICIES WHICH DETERMINE FUTURE GROWTH IN THIS NATION. ↳ INCLUDED, OF COURSE, WILL BE NATIONAL POLICIES AFFECTING COMMERCIAL AGRICULTURE AND RURAL AMERICA.

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IT IS TIME WE RECOGNIZE THAT WHAT WE DO TODAY, OR FAIL TO DO,
DETERMINES WHAT HAPPENS TOMMOROW,

WE CAN NO LONGER AFFORD THE LUXURY OF IGNORING THE IMPLICATIONS OF
TODAY'S DECISIONS.

WE MUST BEGIN TO "DESIGN" OUR FUTURE, INSTEAD OF "RESIGNING" OUR-
SELVES TO IT.

AS I SAID EARLIER, AMERICAN AGRICULTURE RANKS AMONG MANKIND'S
GREATEST ACHIEVEMENTS.

BUT WHILE "EFFICIENCY" IN AGRICULTURE IS FINE, WE MUST TAKE A
CLOSE LOOK AT THE COSTS -- BOTH DOLLAR AND SOCIAL -- OF FURTHER GAINS
IN PRODUCTIVITY IN AGRICULTURE.

THE WORK OF THE WORLD FARM FOUNDATION CAN BE OF GREAT ASSISTANCE
TO COMMERCIAL AGRICULTURE, AND I LAUD ITS PURPOSES AND GOALS. THE
AMERICAN FARMER AND FARMERS THROUGHOUT THE WORLD NEED OUR HELP.



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