

STATEMENT OF SENATOR HUBERT H. HUMPHREY

to the

OIL POLICY COMMITTEE

Monday, June 11, 1973

G.S.A. Auditorium

Washington, D. C.

It is impossible for me to emphasize strongly enough the fuel crisis facing the agricultural community in our nation.

Each week the reports of fuel shortages as they affect the farmer become more alarming. For instance, on Friday, June 8, the Department of Agriculture informed me that the supply of both gasoline and diesel fuel to farmers continues to be "tight, to very tight" across the nation. USDA now has 193 active cases in 31 states of farm fuel distributors who report being out or nearly out of fuel and unable to obtain needed supplies.

This is up from 140 distributors in 25 states a week ago; and up from 94 distributors in 21 states two weeks ago. So, clearly, the situation as it affects the farmer is getting worse, not better.

Unless the government takes steps immediately to rectify this situation, great damage will be done to our entire economy. Food will be in short supply, and many farmers will face financial ruin. In addition, the price of food will rise even more rapidly than now expected.

We cannot allow this to happen. Officials of USDA's Office of Emergency Preparedness frankly stated that "the government's voluntary fuel allocation plan has not yet provided as much relief to farmers as we hoped would be forthcoming."

In my state of Minnesota alone, in the last few days, 22 fuel distributors have reported to James Erchul, the Director of Civil Defense, that they are not receiving fuel supplies adequate to meet the needs of the agricultural community. These companies supply essential diesel fuel, propane gas, and gasoline to the farmer.

For example, there is a dire need for aviation gasoline to be used in crop spraying and dusting. The one company that has been supplying this needed product to Minnesota has cut off supplies. No other company has agreed to pick up this contract.

Mr. Erchul has sent reports of these cases on to the regional office of Oil and Gas in Chicago, the Office that under the Administration's voluntary allocation program is supposed to handle such problems. Shockingly, that Office reported "it is powerless to take any action other than reporting the cases on to Washington."

This points up an intolerable situation. Sending papers to Washington is not the answer. The nation's farmers need fuel in their machines now. The situation is made worse by the Administration's call for increased agricultural production this year. It has encouraged the planting this year of an additional 45 million acres, and now the farmer is faced with the possibility of inadequate supplies of fuel to enable him to harvest the crop or to ship it.

Right now wheat growers in Texas and Oklahoma -- where the crop comes in sooner than in states farther north -- are experiencing severe difficulty in harvesting wheat. I dread to think what will happen in the Midwest, the breadbasket of the nation, in the next few weeks, when it is harvest time there.

The American farmer cannot depend on good intentions. Clearly, any program which relies on the voluntary compliance from our complex fuel supply system under current conditions cannot ensure that the farmer will have the fuel on which his production and income depend.

The farmer is subject to a very strict timetable in the planting and harvesting of his crops. Fuel must be available at specific times for planting, plowing, fertilizing, harvesting, and in some cases, drying. A delay at any one point in the food production process can jeopardize the entire crop.

It is only fair that the farmer be given the level of security that we afford other sectors of our economy. Furthermore, the interests of the American consumer are crucially at stake. Food prices are rising rapidly enough without adding the additional costs that would be incurred if food production is restricted by fuel shortages.

I have been holding hearings on this vital question in Washington and in Minnesota. I also worked closely with Senator Jackson in urging the passage of S.1570, the Emergency Petroleum Allocation Act of 1973. This legislation, I am happy to say, passed the Senate by an overwhelming majority last week and is expected to pass the House in the near future.

This legislation requires the President to establish a mandatory system of fuel allocation to ensure equitable distribution of available fuel supplies. The legislation places fuel for farm usage in a priority category.

I urge the Administration to recognize the facts and implement immediately a mandatory fuel allocation program. If it feels additional legislative authority is needed, it should at once throw its full weight behind House adoption of S.1570.

This is only a first step in responding to the critical needs of the American farmer. The Congress and this committee must continue to monitor this situation, and take whatever additional steps are necessary to make sure the American farmer has the fuel supplies he needs to continue to lead the world in food and fiber production.

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