

REMARKS BY SENATOR HUBERT H. HUMPHREY  
ANNUAL FALL STATEWIDE MEMBERSHIP MEETING  
MINNESOTA ASSOCIATION OF ELECTRIC COOPERATIVES

SHERATON-RITZ HOTEL  
MINNEAPOLIS, MINNESOTA

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THE RURAL ELECTRIC COOPERATIVES REPRESENT THE HEART BEAT OF RURAL AMERICA. OUR RURAL ELECTRIC COOPERATIVES HAVE PROVIDED THE POWER AND THE ENERGY WHICH HAS MADE POSSIBLE THE MIRACLE OF AMERICAN AGRICULTURE. IT HAS GIVEN NEW STRENGTH TO THE FAMILY FARM. IT HAS GIVEN THE FARM FAMILY IN AMERICA A CHANCE TO HAVE MODERN LIVING AND THE CONVENIENCES WHICH ARE MADE AVAILABLE BY MODERN SCIENCE AND TECHNOLOGY.

THE RURAL ELECTRIC COOPERATIVES ALSO HAVE BECOME IN MANY PLACES IN OUR COUNTRY THE VERY BACKBONE OF THE DEVELOPMENT OF OUR RURAL COMMUNITIES. IT'S THROUGH THE AVAILABILITY OF ELECTRICAL POWER THAT MANY OF THE SMALLER RURAL COMMUNITIES CAN DEVELOP INDUSTRIES WHICH MEAN JOBS AND INCOME AND CAN DEVELOP INDUSTRIAL PARKS WHICH INVITE IN NEW INDUSTRIAL DEVELOPMENT. ELECTRICAL POWER MAKES POSSIBLE THE MODERN MEDICAL CARE AND MODERN EDUCATION OF THE HIGHEST QUALITY IN A SETTING AND SURROUNDING OF BEAUTY AND OF CLEANLINESS AND WHOLESOMENESS.

IN MY TRAVELS THROUGH MINNESOTA I FIND MANY OF OUR RURAL COMMUNITIES NOW TAKING ON A NEW VITALITY. THERE ARE MORE OF OUR COMMUNITIES IN RURAL MINNESOTA THAT ARE ATTRACTING SMALL INDUSTRIES. THERE ARE MORE OF OUR COMMUNITIES THAT ARE DEVELOPING MODERN UP-TO-DATE HIGHLY QUALIFIED MEDICAL CENTERS. THERE ARE MORE OF OUR COMMUNITIES WITH VOCATIONAL TECHNICAL SCHOOLS. THERE ARE MORE OF OUR RURAL COMMUNITIES THAT ARE DEVELOPING THEIR BUSINESS SECTIONS AND THEIR HOUSING.

THE UNITED STATES DESPERATELY NEEDS MODERNIZATION AND REVITALIZATION OF RURAL AMERICA. THIS YEAR'S CROP AND THE PRICES THAT FARMERS WILL RECEIVE FOR THAT CROP WILL BRING TO RURAL AMERICA THE MUCH-NEEDED CAPITAL THAT IS SO IMPORTANT FOR ANY IMPROVEMENT IN THE LIVING CONDITIONS OF OUR RURAL PEOPLE. DEBTS WILL BE PAID, DUE INCOME AND CAPITAL RESOURCES WILL BE AVAILABLE, AND THERE WILL BE A GREAT DEMAND FOR HOUSING, FOR RECREATION FOR BETTER COMMUNITY FACILITIES.

I SEE A NEW DAY FOR RURAL AMERICA. IT IS COMING BECAUSE OUR FAMILY FARMERS ARE CAPABLE, ABLE AND WILLING TO PRODUCE THE ABUNDANCE OF FOOD AND FIBRE WHICH AMERICA NEEDS AND WHICH A WORLD DEMANDS. THE WEALTH OF AMERICA IS TO BE FOUND TODAY NOT IN ITS SUPPLIES OF GOLD, NOR IS IT TO BE FOUND IN THE LISTING OF THE STOCKS OF THE NEW YORK STOCK EXCHANGE. THE WEALTH OF AMERICA IS TO BE FOUND IN THE PRODUCTION OF OUR WORKERS IN THE

FACTORIES, OUR FARMERS ON THE LAND, AND OUR CAPABLE MANAGEMENT IN OUR BUSINESS STRUCTURE.

IT WAS FOR THESE REASONS THAT EARLY THIS YEAR I TURNED EVERY EFFORT TOWARD RESTORING THE REA FINANCING PROGRAM. THE ADMINISTRATION'S ACTION OF LAST DECEMBER TO ABOLISH THE LOAN PROGRAMS AFFECTED MORE THAN 1,000 RURAL ELECTRIC SYSTEMS WHICH PROVIDE ESSENTIAL ELECTRIC SERVICE TO 25 MILLION CONSUMERS. IN FISCAL 1972, REA PROVIDED \$260 MILLION FOR THIS PROGRAM. THIS YEAR'S NEED WAS ESTIMATED AT \$600 MILLION.

RURAL AMERICA WON A VICTORY WITH CONGRESSIONAL PASSAGE OF MY BILL TO ESTABLISH A NEW RURAL ELECTRIC AND TELEPHONE LOAN PROGRAM. AND I BELIEVE THE AGRICULTURE AND CONSUMER PROTECTION ACT, RECENTLY SIGNED INTO LAW, PROVIDES ANOTHER IMPORTANT INSTRUCTION TO THE NIXON ADMINISTRATION ON HOW TO MOVE FORWARD EFFECTIVELY IN PROTECTING AND PROMOTING THE ESSENTIAL FARM AND RURAL RESOURCES OF AMERICA.

BY CONTRAST, IF THE ADMINISTRATION'S FARM PROGRAM HAD BEEN ENACTED, IT HAD BEEN ESTIMATED THAT MINNESOTA COULD HAVE LOST \$800 MILLION IN ECONOMIC ACTIVITY.

BUT WE ALL KNOW THAT THERE IS MORE TO THE STORY -- THAT EFFECTIVE ACTION IS CALLED FOR RIGHT NOW IN WASHINGTON TO ADDRESS THE URGENT NEEDS OF RURAL AMERICA.

I SPELLED OUT THOSE NEEDS IN AN ADDRESS IN THE SENATE ON JUNE 14TH, AND I HAVE INTRODUCED AND FOUGHT FOR LEGISLATION ADDRESSED TO ALL THESE VITAL MATTERS. ONE SENTENCE OF MY REMARKS IN THE SENATE SPELLS OUT THESE CHALLENGES TO NATIONAL POLICY, AND I QUOTE:

"UNLESS ACTION IS TAKEN TO PROVIDE FUEL ALLOCATION TO PROVIDE CREDIT, TO ASSURE TRANSPORT AND TO ASSURE ADEQUATE STORAGE, THE BEEF PRICES, THE EGG PRICES, THE POULTRY PRICES, THE VEGETABLE PRICES, THE POTATO PRICES, AND THE PRICES OF EVERY COMMODITY THAT THE HOUSEWIFE AND THE AMERICAN FAMILY NEED WILL GO UP AND UP."

I REGRET TO SAY THAT MY PREDICTIONS HAVE COME ALL TOO TRUE.

ONE OF MY MAJOR RECOMMENDATIONS IN THAT SENATE ADDRESS WAS THAT THERE SIMPLY MUST BE A FIRM AND MANDATORY FUEL ALLOCATION PROGRAM THAT PLACES AGRICULTURE IN THE HIGHEST PRIORITY AND THAT ASSURES INLAND AREAS ADEQUATE SUPPLIES TO MEET URGENT NEEDS. YOU WELL KNOW HOW A FUEL SHORTAGE CAN AFFECT THE PRODUCERS OF FOOD AND FIBER EITHER AT THE TIME OF PLANTING, AT HARVEST, OR FOR DRYING FACILITIES.

THAT SHORTAGE HAS ALREADY ADVERSELY AFFECTED THE FARMER, THE LOCAL SCHOOL DISTRICT, AND THE INDEPENDENT PETROLEUM MARKETER AND SERVICE STATION OWNER IN OUR AREA. AND IT COULD

HAVE SERIOUS REPERCUSSIONS THIS WINTER IF IMMEDIATE EFFORTS ARE NOT MADE TO AVERT A SHORTAGE IN HOME-HEATING OIL.

ONLY RECENTLY, THE ADMINISTRATION HAS BEGUN TO PROPOSE, THROUGH THE RECENTLY CREATED OFFICE OF ENERGY POLICY, THE TYPE OF MANDATORY ALLOCATIONS POLICY I HAVE BEEN INSISTING UPON TO ASSURE THE FAIR AND EQUITABLE DISTRIBUTION OF FUEL SUPPLIES ACROSS AMERICA, AND TO MAINTAIN ESSENTIAL PUBLIC SERVICES.

HOWEVER, ASSOCIATED WITH THE FUEL OIL SHORTAGE HAS BEEN A STEEP RISE IN THE PRICE OF GASOLINE, FUEL OIL AND OTHER PETROLEUM PRODUCTS. AT HEARINGS LAST JUNE IN MINNESOTA BY THE SUBCOMMITTEE ON CONSUMER ECONOMICS, OF WHICH I AM CHAIRMAN, PERSONS DIRECTLY INVOLVED IN PURCHASING FROM THE MAJOR OIL COMPANIES ADVISED ME THAT FUEL OIL AND GASOLINE PRICES HAD GONE UP BY 25 TO 50 PERCENT OVER PREVIOUS CONTRACT PRICES.

ALTHOUGH THE ADMINISTRATION'S COST OF LIVING COUNCIL ESTABLISHED SO-CALLED MANDATORY PETROLEUM PRICE INCREASE CONTROLS LAST MARCH, NO DOCUMENTATION WAS REQUIRED UNTIL JUNE OR JULY TO DEMONSTRATE WHETHER COMPANIES HAVE BEEN IN COMPLIANCE. BECAUSE OF THIS DELAY, THE FIRST REPORTS OF THE CONTROLLED COMPANIES HAVE NOT BEEN EVALUATED -- LET ALONE ENFORCED.

EVEN PUBLISHED NATIONWIDE WHOLESALE AND CONSUMER PRICE INDEX INCREASES FOR REFINED OIL PRODUCTS HAVE BEEN SUBSTANTIALLY IN EXCESS OF THE 1.5 PERCENT COST OF LIVING COUNCIL GUIDELINE.

I WAS SHOCKED BY THE INFORMATION I RECEIVED AT THE SUBCOMMITTEE HEARINGS, AND I REQUESTED THE CHAIRMAN OF THE COST OF LIVING COUNCIL, JOHN DUNLOP, TO PROVIDE A COMPREHENSIVE ACCOUNT OF WHAT WAS BEING DONE. I REGRET TO SAY THAT THE COUNCIL'S REPLY, WHILE GOING INTO ENDLESS DETAIL ABOUT ITS BUREAUCRATIC PROCEDURES, FAILED TO PROVIDE ANY INFORMATION ABOUT RESULTS.

ACCORDINGLY, I HAVE BROUGHT ALL THIS TO THE ATTENTION OF THE SENATE, AND I INTEND TO CONTINUE PRESSING THIS ADMINISTRATION TO DEVELOP EFFECTIVE CONTROLS OVER PRICE INCREASES IN THE PETROLEUM INDUSTRY.

THESE ARE BUT A FEW EXAMPLES OF THE ACTIONS THAT MUST BE TAKEN ON A BROAD FRONT IN ADDRESSING URGENT PROBLEMS OF OUR AGRICULTURAL SECTOR.

BUT THE TIME HAS ALSO COME TO DEVELOP AND AGGRESSIVELY PURSUE A COMPREHENSIVE PROGRAM FOR THE DEVELOPMENT OF RURAL AMERICA.

IT IS TO THIS END THAT I WILL SHORTLY INTRODUCE MAJOR LEGISLATION ON BALANCED NATIONAL GROWTH AND DEVELOPMENT. I FIRMLY BELIEVE THAT THIS MUST BE A PRIORITY OF NATIONAL POLICIES IN THE PRESENT DECADE.

AND IT IS CLEAR THAT THE EXPERTISE OF REPRESENTATIVES OF OUR RURAL ELECTRIC COOPERATIVES MUST BE CALLED UPON CONTINUALLY AS THESE POLICIES ARE DEVELOPED. I URGE YOU TO GIVE THIS VITAL MATTER THE MOST SERIOUS ATTENTION AND TO GIVE ME THE BENEFIT OF YOUR COUNSEL AND CONTINUING SUPPORT.

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