

REMARKS OF SENATOR HUBERT H. HUMPHREY

MINNESOTA AGRI - GROWTH COUNCIL, INC.

ANNUAL MEETING - RADISSON HOTEL

EDINA, MINNESOTA

JULY 14, 1975

It is a pleasure to meet such a distinguished group of leaders from the agri-business world.

This is the heartland of the US food production and processing system. You have every right to be proud of your accomplishments.

Our agricultural exports totaled around \$21 billion last year, and they are expected to reach \$22 billion in 1975. In the last few years we have been exporting each year more than a billion bushels of wheat, more than a billion bushels of corn, about one-half billion bushels of soybeans and soybean products, around 200 million bushels of grain sorghums and another 100 million bushels of barley, oats and rye.

In addition, since 1954 we have provided nearly \$27 billion worth of food to help feed the hungry nations of the world. The American agricultural system has been the world's greatest hunger fighter.

But while production levels are at all-time highs, we cannot take this miracle for granted. We need to develop effective policies to encourage the investment and research needed to keep this system in full production.

This also is a time for statesmanship on the part of the agri-business community. We no longer can afford to pursue policies or programs which are solely for the benefit of one group at the expense of another. The problems are too complex, and there is a need for full public understanding of the issues involved.

There is a whole series of issues such as grain inspection, agricultural policy, energy, trade and national planning where your group has an obvious and important stake.

The grain inspection controversy is one which is of current concern to many of you. We have held two very informative hearings on this subject to date and amassed a volume of information.

Several basic issues stand out concerning this topic, such as the method of grain inspection, grading and weighing of grain, and the penalties involved for law violations. We will be carefully examining the materials in order to find ways to improve the existing situation.

Unfortunately, the Department of Agriculture has been reluctant to cooperate with us in offering legislative remedies. I, along with Senators Dole and Talmadge, have introduced Senate Joint Resolution 88 which would make the penalties for law violations more severe than at the present time.

In addition, the Secretary of Agriculture would be given a number of authorities -- on a one-year basis -- to enable him to deal expeditiously with this problem.

This authority was provided for only one year because this very complex problem will require additional work and study before permanent legislative changes are made.

Too much is at stake, however, to sit back and say that all is well. I urged Mr. Brooks, who is President of the national Grain Trade Council, to provide suggestions for dealing with this problem. The interested parties need to come forward with their suggestions since this is the way to get workable legislation.

The grain inspection controversy also has become related to our expectation of bumper crops this year and the lack of an agricultural policy.

Many overseas buyers have been attempting to cancel contracts which were contracted for earlier and at higher prices. The grain inspection issue has served as a convenient excuse for such actions.

While we obviously do need a vigorous export market, it is quite apparent to me that we have not developed a policy which relates our own domestic needs to our trade and humanitarian requirements.

We need a clearly defined set of rules to deal with shortages and abundance. The 1973 soybean embargo and last year's changed rules regarding exports are examples of this highly important problem.

Our lack of an agricultural policy has resulted in yo-yo prices for grains and cattle in the last three years. We have gone through a drastic reduction in our livestock herd in the last year and a half. Our hog numbers are now at their lowest point since the 1930's.

With bumper grain crops expected this year, much of our livestock herd, which is the largest user of feed grains, has been eliminated. Therefore our grain producers may suffer the same fate this year which our cattle producers have been facing.

Unfortunately, the Administration has insisted on supplying us with rhetoric about a free market which no longer exists. Since our major competing nations control their grain exports in one way or another, it is hardly relevant to invoke the precepts of Adam Smith.

Our policy on energy is obviously one of the most critical concerns for agri-business and the nation. Food production and food processing require major energy inputs.

We need to forge a twin program of energy conservation and the development of alternative energy sources.

It is quite evident that the OPEC nations can, by their decisions on petroleum prices greatly increase the costs of agricultural production and processing and further disrupt our economy.

We know the American economy would suffer terribly if our people must pay 90¢ per gallon for gasoline, should the OPEC nations raise foreign oil prices. But it is precisely for the same reason that I strongly oppose any proposal by President Ford to decontrol so-called "old" domestic oil prices.

We now have an unemployment level which is officially

at 9.2 per cent. In reality, it is around 12 per cent when one considers the numbers of people that have stopped looking for work or those unable to find full time work.

And ofcourse, the unemployment rate among our young is over 25 per cent and for minority youth, the figure is well over 40 per cent.

At this time, the economy is in far too fragile a condition to take a step, like complete oil de-control which would about offset the stimulative effect of the recent tax cut.

My concern is that these decisions be made with a full realization of the issues and the impact on the economy and sectors such as agri-business.

We must avoid making a decision on ideological grounds or talking as if oil prices were set by the free market.

Trade is another issue of major importance to agri-business. We need a large volume of exports, and your voice needs to be felt in the trade negotiations.

We have new trade legislation, and our agricultural people are concerned that their interests and concerns not be overlooked or dealt away.

There will be hearings throughout the country to hear from groups regarding the impact of changes in duties. In addition, technical advisory committees have been established to gather information from affected parties.

The agri-business groups need to use this opportunity to participate in the process. Agricultural products are our strong export suit, and you cannot allow people unfamiliar with agri-business to speak for you.

Another area which requires careful consideration, and particularly by the agri-business community, is economic planning.

I realize that this is a very controversial topic. But, business must plan ahead for a number of years. And yet this government -- with its enormous impact on the economy -- does little more than look one or two years ahead.

How the government spends, when it spends, and how it finances this spending, have a major impact on all sectors of the economy.

At the same time, the U.S. economy has grown larger and much more complicated.

Our economy is now more closely linked to the world economy than ever before because of the growing internationalization of production and the explosion in global competition for resources. This has brought new uncertainties, as well as new market opportunities.

The growth and complexity of the American and world economies have created a new economic environment. Yet our government's perception of these changes, and the development of new policies reflection these changes, has been slow in coming. And, the federal government is surprisingly insensitive about what is actually happening in particular sectors of the economy including the impact of government policies on each sector, and the relationship

between the domestic and world economy.

The federal government has also failed to develop any significant long-range forecasting capability to anticipate future problems.

This was clearly shown in the area of food availabilities and the increased food production costs.

This long-range planning approach would have an important and, I believe, beneficial impact on agri-business. It would mean avoiding the yo-yo trends of the past few years. We can no longer rely on good luck.

I am reminded of the children's story of The Little Engine That Could. It is clear to me that, as with the little engine, we need to breathe new determination into our government. We have had many doubters in recent years who continually point out what the government cannot do.

I am hoping that we can change this attitude and --again like the little engine -- our government will begin to say, "I think I can, I think I can." And finally, "I know I can. I know I can."

Your organization and your people can provide some of the leadership which is needed. With strong, progressive leadership we can develop new tools to attack our problems boldly and with imagination.

In the words of Carl Sandburg:

"I see America not in the setting sun of a black night of despair ahead of us. i see America in the crimson light of a rising sun fresh from the burning, creative hand of God. I see great days ahead, great days possible to men and women of will and vision..."

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Russell Schwardt
Jim Hill
Tom Hagelom

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Butz - Press conf

Flat tire

IT IS A PLEASURE TO MEET SUCH A DISTINGUISHED GROUP OF
LEADERS FROM THE AGRI-BUSINESS-WORLD.

L THIS IS THE HEARTLAND OF THE US FOOD PRODUCTION AND
PROCESSING SYSTEM. YOU HAVE EVERY RIGHT TO BE PROUD OF YOUR
ACCOMPLISHMENTS.

*(a price as close to you as farm
next meal)*

L OUR AGRICULTURAL EXPORTS TOTALED AROUND \$21 BILLION
LAST YEAR, AND THEY ARE EXPECTED TO REACH \$22 BILLION IN
1975. IN THE LAST FEW YEARS WE HAVE BEEN EXPORTING EACH
YEAR MORE THAN A BILLION BUSHELS OF WHEAT, MORE THAN A
BILLION BUSHELS OF CORN, ABOUT ONE-HALF BILLION BUSHELS OF
SOYBEANS AND SOYBEAN PRODUCTS, AROUND 200 MILLION BUSHELS
OF GRAIN SORGHUMS AND ANOTHER 100 MILLION BUSHELS OF BARLEY,
OATS AND RYE.

{ National Aquacultural Policy -
including the Production, Storage, ~~the~~ Reserve
marketing, Credit, Research,
Fertilizer, Soil Conservation, Water
conservancy, Transportation, and
Processing.

IN ADDITION, SINCE 1954 WE HAVE PROVIDED NEARLY \$27

BILLION WORTH OF FOOD TO HELP FEED THE HUNGRY ~~NATIONS OF THE~~ ^{and ~~selected~~}

^{economic Development,}
~~WORLD.~~ ^{THE} AMERICAN AGRICULTURE ~~SYSTEM~~ HAS BEEN THE WORLD'S

GREATEST HUNGER FIGHTER. - And Mkt Development too

↳ BUT WHILE PRODUCTION LEVELS ARE AT ALL-TIME HIGHS, ^{we}
CANNOT TAKE THIS MIRACLE FOR GRANTED. ↳ WE NEED TO DEVELOP

EFFECTIVE POLICIES TO ENCOURAGE THE INVESTMENT AND RESEARCH

NEEDED TO KEEP THIS SYSTEM IN FULL PRODUCTION.

← ↳ THIS ~~also~~ IS A TIME FOR STATESMANSHIP, ^{your leadership in the} ~~ON THE PART OF~~

^{Part} THE AGRI-BUSINESS COMMUNITY. WE NO LONGER CAN AFFORD TO

PURSUE POLICIES OR PROGRAMS WHICH ARE SOLELY FOR THE BENEFIT

OF ONE GROUP AT THE EXPENSE OF ANOTHER. -

^{There must be}
a well planned, coordinated program
involving Govt, the farmer, his coop,
& private business.

It starts in the Red River Valley -
I ask the Secretary to join me
in a Visit to the ~~Large~~ Red
River Valley - to see the
Destruction - to visit the
People - and to quickly
Establish Disaster Relief
Committees - -

There has been far too much
delay in the Past.

THE PROBLEMS ARE TOO COMPLEX, AND THERE IS A NEED
FOR FULL PUBLIC UNDERSTANDING OF THE ISSUES INVOLVED.

THERE IS A WHOLE SERIES OF ISSUES SUCH AS GRAIN
INSPECTION, AGRICULTURAL POLICY, ENERGY, TRADE AND NATIONAL
PLANNING WHERE YOUR GROUP HAS AN OBVIOUS AND IMPORTANT STAKE.

THE GRAIN INSPECTION CONTROVERSY IS ONE WHICH IS OF
CURRENT CONCERN TO MANY OF YOU. WE HAVE HELD ~~THESE~~
INFORMATIVE HEARINGS ON THIS SUBJECT ~~THESE~~ AND AMASSED A
VOLUME OF INFORMATION.

SEVERAL BASIC ISSUES STAND OUT CONCERNING THIS TOPIC,
SUCH AS THE METHOD OF GRAIN INSPECTION, GRADING AND WEIGHING
OF GRAIN, AND THE PENALTIES INVOLVED FOR LAW VIOLATIONS.


WE WILL BE CAREFULLY EXAMINING THE MATERIALS IN ORDER
TO FIND WAYS TO IMPROVE THE EXISTING SITUATION.

UNFORTUNATELY, THE DEPARTMENT OF AGRICULTURE HAS BEEN
RELUCTANT TO COOPERATE WITH US IN OFFERING LEGISLATIVE
REMEDIES. I, ALONG WITH SENATORS DOLE^{OK} AND TALMADGE^{aka}, HAVE
INTRODUCED SENATE JOINT RESOLUTION 88 WHICH WOULD MAKE THE
PENALTIES FOR LAW VIOLATIONS MORE SEVERE THAN AT THE PRESENT
TIME.

IN ADDITION, THE SECRETARY OF AGRICULTURE WOULD BE
GIVEN A NUMBER OF AUTHORITIES -- ON A ONE-YEAR BASIS -- TO
ENABLE HIM TO DEAL EXPEDITIOUSLY WITH THIS PROBLEM.

L THIS AUTHORITY WAS PROVIDED FOR ONLY ONE YEAR BECAUSE
THIS VERY COMPLEX PROBLEM WILL REQUIRE ADDITIONAL WORK AND
STUDY BEFORE PERMANENT LEGISLATIVE CHANGES ARE MADE.

L TOO MUCH IS AT STAKE, HOWEVER, TO SIT BACK AND SAY THAT
ALL IS WELL. L I URGED MR. BROOKS, WHO IS PRESIDENT OF THE
NATIONAL GRAIN TRADE COUNCIL, TO PROVIDE SUGGESTIONS FOR
DEALING WITH THIS PROBLEM L THE INTERESTED PARTIES NEED TO
COME FORWARD WITH THEIR SUGGESTIONS SINCE THIS IS THE WAY
TO GET WORKABLE LEGISLATION.

L  THE GRAIN INSPECTION CONTROVERSY ALSO HAS BECOME RELATED
TO OUR EXPECTATION OF BUMPER CROPS THIS YEAR AND THE LACK
OF AN AGRICULTURAL POLICY.

Some ~~many~~ OVERSEAS BUYERS HAVE BEEN ATTEMPTING TO CANCEL
CONTRACTS WHICH WERE CONTRACTED FOR EARLIER AND AT HIGHER

PRICES. THE GRAIN INSPECTION ISSUE HAS SERVED AS A CONVENIENT
EXCUSE FOR SUCH ACTIONS.

Exports
WHILE WE OBVIOUSLY DO NEED A VIGOROUS EXPORT MARKET,

IT IS QUITE APPARENT TO ME THAT WE HAVE NOT DEVELOPED A

POLICY WHICH RELATES OUR OWN DOMESTIC NEEDS TO OUR ^{Foreign} TRADE

AND HUMANITARIAN REQUIREMENTS. (Reserves + Information)

WE NEED A CLEARLY DEFINED SET OF RULES TO DEAL WITH

SHORTAGES AND ABUNDANCE. THE 1973 SOYBEAN EMBARGO AND LAST

YEAR'S CHANGED RULES REGARDING EXPORTS ARE EXAMPLES OF THIS

HIGHLY IMPORTANT PROBLEM.

Reserves + Information
(Reserves - International - Domestic)
Farmer held - + loans

L OUR LACK OF AN AGRICULTURAL POLICY HAS RESULTED IN YO-YO
PRICES FOR GRAINS AND CATTLE IN THE LAST THREE YEARS. WE
HAVE GONE THROUGH A DRASTIC REDUCTION IN OUR LIVESTOCK HERD
IN THE LAST YEAR AND A HALF. OUR HOG NUMBERS ARE NOW AT THEIR
LOWEST POINT SINCE THE 1930's.

L WITH BUMPER GRAIN CROPS EXPECTED THIS YEAR, MUCH OF OUR
LIVESTOCK HERD, WHICH IS THE LARGEST USER OF FEED GRAINS, HAS
BEEN ELIMINATED. THEREFORE, OUR GRAIN PRODUCERS MAY SUFFER
THE SAME FATE THIS YEAR WHICH OUR CATTLE PRODUCERS HAVE BEEN
FACING. *unless large ex post matinalize.*

L UNFORTUNATELY, THE ADMINISTRATION HAS INSISTED ON
SUPPLYING US WITH RHETORIC ABOUT A FREE MARKET ~~WICH~~

~~LONGER EXISTS~~ *in world of Politically*
Controlled markets. - Subsidies
Encourages
Quotas

⑩ Administering Farmers + Ranchers to Stand on their
own 2 feet - when things farmers buy are fixed costs
things farmers sell open to every
Energy micro-political
Pressure

~~SINCE OUR MAJOR COMPETING NATIONS CONTROL THEIR GRAIN~~

~~EXPORTS CONTROLS IN ONE WAY OR ANOTHER, IT IS HARDLY RELEVANT~~

~~TO INVOKE THE PRECEPTS OF ADAM SMITH.~~

OUR POLICY ON ENERGY IS OBVIOUSLY ONE OF THE MOST CRITICAL
CONCERNS FOR AGRI-BUSINESS AND THE NATION / FOOD PRODUCTION
AND FOOD PROCESSING REQUIRE MAJOR ENERGY INPUTS.

WE NEED TO FORGE A TWIN PROGRAM OF ENERGY CONSERVATION
AND THE DEVELOPMENT OF ALTERNATIVE ENERGY SOURCES.

IT IS QUITE EVIDENT THAT THE OPEC NATIONS CAN, BY THEIR own.
DECISIONS ON PETROLEUM PRICES, GREATLY INCREASE THE COSTS OF
AGRICULTURAL PRODUCTION AND PROCESSING AND FURTHER DISRUPT
OUR ECONOMY.

WE KNOW THE AMERICAN ECONOMY WOULD SUFFER ~~IF OUR PEOPLE MUST PAY 90¢ PER GALLON FOR GASOLINE~~ ^{serious disruption} ~~IF OUR PEOPLE MUST PAY 90¢ PER GALLON FOR GASOLINE~~, SHOULD

THE OPEC NATIONS RAISE FOREIGN OIL PRICES. BUT IT IS
PRECISELY FOR THE SAME REASON THAT I STRONGLY OPPOSE ANY
PROPOSAL BY PRESIDENT FORD TO DECONTROL SO-CALLED "OLD"
DOMESTIC OIL PRICES.

WE NOW HAVE AN UNEMPLOYMENT LEVEL WHICH IS OFFICIALLY
AT 9.2 PER CENT. IN REALITY, IT IS AROUND 12 PER CENT. ~~WHEN~~
~~ONE CONSIDERS THE NUMBERS OF PEOPLE THAT HAVE STOPPED LOOKING~~
~~FOR WORK OR THOSE UNABLE TO FIND FULL TIME WORK~~

~~AND OF COURSE~~ THE UNEMPLOYMENT RATE AMONG OUR YOUNG
IS OVER 25 PER CENT AND FOR MINORITY YOUTH, THE FIGURE IS
WELL OVER 40 PER CENT.

AT THIS TIME, THE ECONOMY IS IN FAR TOO FRAGILE A
CONDITION TO TAKE A STEP, LIKE COMPLETE OIL DE-CONTROL WHICH
WOULD ABOUT OFFSET THE STIMULATIVE EFFECT OF THE RECENT TAX
CUT.

L MY CONCERN IS THAT THESE DECISIONS BE MADE WITH A FULL
REALIZATION OF THE ISSUES AND THE IMPACT ON THE ECONOMY AND
SECTORS SUCH AS AGRI-BUSINESS, (*President delays*)

L WE MUST AVOID MAKING A DECISION ON IDEOLOGICAL GROUNDS
OR TALKING AS IF OIL PRICES WERE SET BY THE FREE MARKET. - OPEC

Trade TRADE IS ANOTHER ISSUE OF MAJOR IMPORTANCE TO AGRI-BUSINESS.

L WE NEED A LARGE VOLUME OF EXPORTS, AND YOUR VOICE NEEDS TO
BE FELT IN THE TRADE NEGOTIATIONS.

h WE HAVE NEW TRADE LEGISLATION, AND OUR AGRICULTURAL

PEOPLE ARE CONCERNED THAT THEIR INTERESTS AND CONCERNS NOT

BE OVERLOOKED OR DEALT AWAY.

h THERE WILL BE HEARINGS THROUGHOUT THE COUNTRY TO HEAR
FROM GROUPS REGARDING THE IMPACT OF CHANGES IN DUTIES. h IN

ADDITION, TECHNICAL ADVISORY COMMITTEES HAVE BEEN ESTABLISHED

TO GATHER INFORMATION FROM AFFECTED PARTIES.

h THE AGRI-BUSINESS GROUPS NEED TO USE THIS OPPORTUNITY

TO PARTICIPATE IN THE PROCESS. h AGRICULTURAL PRODUCTS ARE

OUR STRONG EXPORT SUIT, AND ~~YOU CANNOT ALLOW~~ *we must not have* PEOPLE UNFAMILIAR

WITH AGRI-BUSINESS TO SPEAK FOR *agriculture & agri-*
business

L ANOTHER AREA WHICH REQUIRES CAREFUL CONSIDERATION, AND
PARTICULARLY BY THE AGRI-BUSINESS COMMUNITY, IS ECONOMIC
PLANNING.

I REALIZE THAT THIS IS A VERY CONTROVERSIAL TOPIC, BUT,
BUSINESS MUST PLAN AHEAD FOR A NUMBER OF YEARS, AND YET
THIS GOVERNMENT -- WITH ITS ENORMOUS IMPACT ON THE ECONOMY--
DOES LITTLE MORE THAN LOOK ONE OR TWO YEARS AHEAD.

L HOW THE GOVERNMENT SPENDS, WHEN IT SPENDS, AND HOW IT
FINANCES THIS SPENDING, HAVE A MAJOR IMPACT ON ALL SECTORS
OF THE ECONOMY.

L AT THE SAME TIME, THE U.S. ECONOMY HAS GROWN LARGER AND
MUCH MORE COMPLICATED.

Our economy is now more closely linked to the world
economy than ever before because of the growing
internationalization of production and the explosion in
global competition for resources. This has brought new
uncertainties, as well as new market opportunities.

The growth and complexity of the American and world
economies have created a new economic environment. Yet
our government's perception of these changes, and the
development of new policies reflecting these changes, has
been slow in coming.

AND, THE FEDERAL GOVERNMENT IS SURPRISINGLY INSENSITIVE

asto

~~ABOUT~~ WHAT IS ACTUALLY HAPPENING IN PARTICULAR SECTORS OF THE

ECONOMY, INCLUDING THE IMPACT OF GOVERNMENT POLICIES ON

EACH SECTOR, AND THE RELATIONSHIP BETWEEN THE DOMESTIC AND

WORLD ECONOMY.

THE FEDERAL GOVERNMENT HAS ALSO FAILED TO DEVELOP ANY
SIGNIFICANT LONG-RANGE FORECASTING CAPABILITY TO ANTICIPATE
FUTURE PROBLEMS.

h THIS WAS CLEARLY SHOWN IN THE AREA OF FOOD AVAILABILITIES
AND THE INCREASED FOOD PRODUCTION COSTS.

h THIS LONG-RANGE PLANNING APPROACH WOULD HAVE AN IMPORTANT
AND, I BELIEVE, BENEFICIAL IMPACT ON AGRI-BUSINESS.

World Food Policy - our role of Leadership -
Helping others - Production - Research -
Food as a ⁻¹⁵⁻ political Resource - not Weapon!
Food as humanitarian quest.

It could mean avoiding the yo-yo trends of ~~the~~ PAST

~~the~~ YEARS. WE CAN NO LONGER RELY ON GOOD LUCK. - Positive thinking!

I AM REMINDED OF THE CHILDREN'S STORY OF THE LITTLE

ENGINE THAT COULD. IT IS CLEAR TO ME THAT, AS WITH THE LITTLE

ENGINE, WE NEED TO BREATHE NEW DETERMINATION INTO OUR

Society / GOVERNMENT. WE HAVE HAD MANY DOUBTERS IN RECENT YEARS WHO

CONTINUALLY POINT OUT WHAT we ~~THE GOVERNMENT~~ CANNOT DO.

I AM HOPING THAT WE CAN CHANGE THIS ATTITUDE AND

-- AGAIN LIKE THE LITTLE ENGINE -- we ~~OUR GOVERNMENT~~ WILL BEGIN

TO SAY, "I THINK I CAN, I THINK I CAN." AND FINALLY, "I

KNOW I CAN. I KNOW I CAN."

YOUR ORGANIZATION AND YOUR PEOPLE CAN PROVIDE SOME OF
THE LEADERSHIP WHICH IS NEEDED, WITH STRONG, PROGRESSIVE
LEADERSHIP WE CAN DEVELOP NEW TOOLS TO ATTACK OUR PROBLEMS
BOLDLY AND WITH IMAGINATION.

IN THE WORDS OF CARL SANDBURG:

L "I SEE AMERICA NOT IN THE SETTING SUN OF A BLACK NIGHT
OF DESPAIR AHEAD OF US, I SEE AMERICA IN THE CRIMSON LIGHT
OF A RISING SUN FRESH FROM THE BURNING, CREATIVE HAND OF GOD

L I SEE GREAT DAYS AHEAD, GREAT DAYS POSSIBLE TO MEN AND WOMEN
OF WILL AND VISION..."

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