

REMARKS OF SENATOR HUBERT H. HUMPHREY

74TH ANNUAL CONVENTION OF THE NATIONAL FARMERS UNION

New Orleans, Louisiana

March 15, 1976

This is a great opportunity to be back with old friends. Just a few years ago they made me a 25-year member of Farmers Union in Minnesota.

This is a good time to get together to discuss agriculture, and -- since this is our bicentennial year -- to talk about where this great nation is and should be heading.

Let's talk first about farm income and farm policy.

There doesn't have to be any great debate about what has happened since we went to the so-called "market-oriented" farm policy. You can go by your pocketbook, your net worth, or the national parity ratio.

In the past six years, we've had the three worst years for farmers in 40 years. In 1970, the national parity ratio was 72 percent, in 1971 it was 70 percent, and in 1975 it was 73 percent.

You have to go back to the year 1933 to find a time when farm income was below 70 percent of parity.

But the "sunshine boys" over at the Department of Agriculture keep telling us how great things are.

In between these valleys there have been some temporary periods of high prices -- mostly when farmers didn't have very much to sell.

But something is wrong with a farm policy that allows you to go broke at a time when farm prices are at levels you didn't dare to dream about a few years back.

Something is wrong with a farm policy which rarely lets you see the benefits of high productivity and high prices.

Farm prices have continued to bounce up and down, depending on world conditions, the weather and rumors of export sales.

The Administration says that it has a farm policy of full production and the free market -- the incentive system.

But what kind of incentive do farmers have when price support loans on wheat and feed grains for the 1976 crop year are less than 40 percent of parity? And the target prices are well below the cost of production.

It was a mistake a year ago when the Department of Agriculture dropped the soybean loan program. But reinstating the loan program at \$2.50 a bushel, or about 35 percent of parity, isn't going to keep farmers from shifting to other crops.

It is time to turn away from the neglect and the failures in food policy.

How many more times will our producers and consumers have to be burned by volatile markets?

It no longer is good enough for farmers to prosper only once in a while.

It no longer is good enough for the poor to eat only in good years.

It no longer is good enough to ask our farm families to plant their crops without a clue as to whether they will recover their investment, let alone make a profit.

It no longer is good enough for our export customers to wonder whether they will be left holding an empty bag if supplies tighten up here.

It no longer is good enough to have to choose between supplying our own people and those beyond our borders.

And, it no longer is good enough to say that we can't feed the world -- to justify doing less than we are able.

It is being said that food policy is too important to be left to the Secretary of Agriculture. I disagree.

It is no solution to turn food policy decisions over to the State, Treasury or Commerce Departments, or to White House staffers who don't know a corn-cob from a combine.

I have proposed that there be a food coordinator at the White House level, but the basic initiative and responsibility ought to rest in the Department of Agriculture.

We will need to see whether the newly announced agricultural policy committee under the Secretary of Agriculture is more than an election year promise.

There wouldn't have been a leadership vacuum in the U.S.D.A. if the top officials there were not so adamant that the federal government play no role in food policy. They believe everything should be left to the market-place, which in today's world means left to chance.

Food policy is too important to be left to chance. But you may expect more of the same, unless there is a change of administration.

When the Nixon Administration insisted on moving away from farm stabilization programs, part of the argument was that the old programs cost too much. It's true, the farm programs did cost some money -- about \$40 billion from 1933 to 1972.

But when government held commodities were phased out in 1972, that action helped turn loose a scarcity psychosis and an inflationary thrust which have cost the nation's consumers an additional \$57 billion on their food bills in just the past three years.

Congress has tried to restore some stability and develop an effective food policy -- only to be subject to the veto and the threat of a veto.

We also have urged the executive branch to use the power it already possesses to protect farm income.

And, we also are trying to make improvements in a number of sectors.

A year ago, I and others developed legislation to tighten the operations of the commodity exchanges.

We are acting now to reform the grain inspection and weighing system.

Third, we are beginning to see a new dustbowl emerge, resulting from neglect and under-financing of the federal soil conservation programs. Congress has had to act to restore even modest funding for these programs and assure their continuation.

Fourth, Congress is nearing the point where it feels that a new investigation must be made of the food pricing and competitive situation. I have introduced legislation to carry out a study along the lines of the excellent study by the National Commission on Food Marketing in 1964-66.

The neglect of farm and food policy has also badly affected our posture throughout the world. How can we make any sense in talking about world hunger or world trade when we do not have a workable policy?

Regrettably, the Administration has shown little interest in commodity agreements, and the trade talks will lead nowhere until after our November elections.

The palm oil situation is another example of the failure to come to grips with a problem.

I wrote to the U.S.D.A. and later to President Ford, stating my concern over the rising volume of palm oil imports and urging that action be taken. The response has been totally inadequate.

The White House always seems reluctant to act on farm imports -- whether it be dairy, beef or palm oil. But it has been almost eager to interfere with farm exports.

So really, the rhetoric about the free market and access to world markets is just that. And farmers, consumers and importing nations have no clue as to when the government may next intervene in the market.

There could be circumstances when export controls would be needed in the national interest.

We can't let our domestic supplies get depleted so that they are endangered for consumers -- or farmers who need stocks for their poultry, beef or dairy operations.

But there wasn't any time during the past three years, and particularly not in 1975, when the supply situation called for the export limitations which were imposed.

As you have pointed out in Farmers Union testimony to the Congress, strategic reserves of food and export licensing need to be part of an overall policy, based upon abundance, and administered to avoid destroying farmers.

In recent months, I have chaired hearings conducted by the Technology Assessment Board of the Office of Technology Assessment, the Joint Economic Committee, and the Foreign Agricultural Subcommittee to develop the components of a balanced food policy.

A national food policy must be based upon a commitment to abundance. And it must be integrated with measures relating food production, processing, marketing, distribution, exports, trade, consumption and nutrition.

The specific policy objectives must include:

- A fair return to farmers to sustain high-level production;
- Adequate food supplies at reasonably stable prices for consumers and users of farm products;
- Reliability as a supplier of farm products on the export market;
- Improved nutrition for our people and support of feeding programs for the needy here and abroad;

-- And, assurance of adequate inputs, transportation and credit for agricultural requirements.

We no longer can rely on separate policies for different kinds of agricultural producers. Our policy must balance the interests of all agricultural producers and also relate consumer and trade elements as well.

We also need to balance short and long-term interests and avoid the recent habit of policy-makers in taking short-term actions with little regard for the longer-term impact.

The days of plentiful and low-cost food are numbered unless we develop a sensible approach to farming and food.

Worldwide, we have entered a new era of food insecurity, and the times call for a new internationalism based upon interdependence in the areas of commodities, technology, production and trade.

We must be conscious, too, that agriculture does not function in a world of its own -- that we are highly dependant upon credit, energy, transportation, tax policies and basic research.

Farmers are not immune to what is happening in the economy as a whole. But if there is any other phase of domestic policy in which the Ford Administration is failing as badly as in farm policy, it would have to be its policies relating to employment, inflation and economic growth.

The The last time the farmers of the nation enjoyed 100 percent parity was, in 1952 under Harry Truman.

And the last time we had less than three percent unemployment was in early 1953.

I think it's more than a coincidence that the last time we had either full parity or full employment was when we had them together.

We were then in the early years of the Employment Act of 1946. That law has been used by some administrations and ignored by others, notably the Nixon and Ford Administrations.

The Joint Economic Committee, which I am honored to chair, was created by the Employment Act of 1946.

Un Unfortunately, the diagnosis of the nation's economic health as made by the Joint Economic Committee and by the White House have not corresponded very well in recent years.

Right now, the President's economic advisers and Mr. Simon, the Secretary of the Treasury, are most concerned that the economy might become over-stimulated.

And they do not anticipate or plan on a significant reduction in unemployment levels during the remainder of this decade.

Seven million people remain out of work by official count, and if under-employed and discouraged workers are included, the total exceeds 10 million. The problem is especially acute for young people and for minorities.

There must be a better remedy than unemployment compensation or food stamps. Anything is better than the dole.

But capital investment is still lagging, and housing construction is far below what it should be.

Industry is operating at less than three-fourths of capacity. Annual production is \$150 billion less than it would be with full employment.

Let me remind you that the Federal budget impact of each one percent of unemployment is approximately \$17 billion.

If the Administration's estimate of 7.7 percent unemployment is correct, the federal budget cost of high unemployment will be about \$63 billion in 1976.

But this Administration completely fails to understand that the best way to end budget deficits is to end recession, high unemployment, and unused industrial capacity.

While an administration which wanted to use the Employment Act of 1946 would have most of the authority it needs, I have developed, with Congressman Hawkins, a revised bill which would mandate full employment as a fundamental national policy obligation.

The bill, known as the "Full Employment and Balanced Growth Act of 1976," would establish the right of every American, who is able and willing to work, to a suitable job at decent wages. It directs all agencies of the government, including the Federal Reserve Board, to adhere to this commitment. The goal would be to achieve a reduction in the unemployment rate to not more than three percent within four years.

We must slay the myth that we have to accept a "trade-off" of more unemployment in order to have less inflation.

Progress toward full employment and progress toward price stability are part of the same objective.

Economic growth and less inflation are not in conflict.

High unemployment today has meant more, not less, inflation.

The budget deficit is a recession deficit, not a spending deficit.

Unfortunately, the Administration which -- for the first time in our history -- brought us simultaneously inflation and recession, offers us only more of the same.

We don't need a President who keeps interest rates up or fights inflation by throwing people out of work.

We don't need a President who professes to support quality education, housing or emergency employment and yet vetoes the necessary funds.

We need a President who believes in work, in jobs and development -- not vetoes and tight money.

This recession has been a terrible waste of production, of tools, of income, of revenues, of goods not produced, and above all, it has been a waste of people.

Americans have not lost faith in themselves or in their system. But they are impatient with government which fails to respond and leaders who don't lead.

America needs a rebirth of confidence and purpose.

We have entered this Bicentennial year as a wounded and shaken nation.

Yet the basic fabric of American society is still strong. And the American people are waiting to be challenged again to greatness.

I come to you today to ask your help in bringing about a new birth of opportunity.

I ask that, in this Bicentennial year, we rededicate ourselves to the three great principles which a 33 year-old Virginia farmer by the name of Thomas Jefferson wrote into the Declaration of Independence -- which, by the way, had 16 other farmers among its signers.

These three principles, perhaps the greatest ever devised by the mind of man are:

-- LIFE, the good life, not just survival;

-- LIBERTY, not anarchy but liberty with responsibility; and

THE PURSUIT OF HAPPINESS.

To these principles the pioneer Americans pledged their lives, their fortunes and their sacred honor.

Americans had something to live for.

We today are called to a new destiny -- a new opportunity -- and the words, LIFE, LIBERTY AND THE PURSUIT OF HAPPINESS, still give us the best foundation.

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*Brammer
John Patton*

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NEW ORLEANS, LOUISIANA

MARCH 15, 1976

*Pat H. Humphrey
in New Orleans*

*Tony Dechant
Cy Carpenter
Jack Rose Ohio
Bill Mc Carthy Ark*

THIS IS A GREAT OPPORTUNITY TO BE BACK WITH OLD FRIENDS,

JUST A FEW YEARS AGO THEY MADE ME A 25-YEAR MEMBER OF FARMERS
UNION IN MINNESOTA.

THIS IS A GOOD TIME TO GET TOGETHER TO DISCUSS AGRICULTURE,

AND -- SINCE THIS IS OUR BICENTENNIAL YEAR -- TO TALK ABOUT WHERE

THIS GREAT NATION IS AND SHOULD BE HEADING.

(Bicentennial)

LET'S TALK FIRST ABOUT FARM INCOME AND FARM POLICY.

THERE DOESN'T HAVE TO BE ANY GREAT DEBATE ABOUT WHAT
HAS HAPPENED SINCE WE WENT TO THE SO-CALLED "MARKET-ORIENTED"

FARM POLICY. YOU CAN GO BY YOUR POCKETBOOK, YOUR NET WORTH, OR
THE NATIONAL PARITY RATIO.

IN THE PAST SIX YEARS, WE'VE HAD THE THREE WORST YEARS FOR
FARMERS IN 40 YEARS. IN 1970, THE NATIONAL PARITY RATIO WAS

72 PERCENT, IN 1971 IT WAS 70 PERCENT, AND IN 1975 IT WAS 73 PERCENT.

L YOU HAVE TO GO BACK TO THE YEAR 1933 TO FIND A TIME WHEN
FARM INCOME WAS BELOW 70 PERCENT OF PARITY,

L BUT THE "SUNSHINE BOYS" OVER AT THE DEPARTMENT OF
AGRICULTURE KEEP TELLING US HOW GREAT THINGS ARE. |

L IN BETWEEN THESE VALLEYS THERE HAVE BEEN SOME TEMPORARY
PERIODS OF HIGH PRICES -- MOSTLY WHEN FARMERS DIDN'T HAVE VERY
MUCH TO SELL.

L BUT SOMETHING IS WRONG WITH A FARM POLICY THAT ALLOWS YOU
TO GO BROKE AT A TIME WHEN FARM PRICES ARE AT LEVELS YOU DIDN'T
DARE TO DREAM ABOUT A FEW YEARS BACK.

and L SOMETHING IS WRONG WITH A FARM POLICY WHICH RARELY LETS
YOU SEE THE BENEFITS OF HIGH PRODUCTIVITY AND HIGH PRICES.

L FARM PRICES HAVE CONTINUED TO BOUNCE UP AND DOWN,
DEPENDING ON WORLD CONDITIONS, THE WEATHER AND RUMORS OF
EXPORT SALES.

L THE ADMINISTRATION SAYS THAT IT HAS A FARM POLICY OF
FULL PRODUCTION AND THE FREE MARKET -- THE INCENTIVE SYSTEM.

L BUT WHAT KIND OF INCENTIVE DO FARMERS HAVE WHEN PRICE
SUPPORT LOANS ON WHEAT AND FEED GRAINS FOR THE 1976 CROP YEAR
ARE LESS THAN 40 PERCENT OF PARITY? AND THE TARGET PRICES ARE
WELL BELOW THE COST OF PRODUCTION.

L IT WAS A MISTAKE A YEAR AGO WHEN THE DEPARTMENT OF
AGRICULTURE DROPPED THE SOYBEAN LOAN PROGRAM BUT REINSTATING
THE LOAN PROGRAM AT \$2.50 A BUSHEL, OR ABOUT 35 PERCENT OF
PARITY, ISN'T GOING TO KEEP FARMERS FROM SHIFTING TO OTHER CROPS.

Loans
+
Targets

L IT IS TIME TO TURN AWAY FROM THE NEGLECT AND THE

FAILURES IN FOOD POLICY,

L HOW MANY MORE TIMES WILL OUR PRODUCERS AND CONSUMERS

HAVE TO BE BURNED BY VOLATILE MARKETS?

will fluctuating

*Farmer suffers
with Rally
Coastal Price*

L IT NO LONGER IS GOOD ENOUGH FOR FARMERS TO PROSPER

ONLY ONCE IN A WHILE,

L IT NO LONGER IS GOOD ENOUGH FOR THE POOR TO EAT ONLY

IN GOOD YEARS,

L IT NO LONGER IS GOOD ENOUGH TO ASK OUR FARM FAMILIES TO

PLANT THEIR CROPS WITHOUT A CLUE AS TO WHETHER THEY WILL RECOVER

THEIR INVESTMENT, LET ALONE MAKE A PROFIT.

L IT NO LONGER IS GOOD ENOUGH FOR OUR EXPORT CUSTOMERS TO

WONDER WHETHER THEY WILL BE LEFT HOLDING AN EMPTY BAG IF SUPPLIES

TIGHTEN UP HERE,

L IT NO LONGER IS GOOD ENOUGH TO HAVE TO CHOOSE BETWEEN
SUPPLYING OUR OWN PEOPLE AND THOSE BEYOND OUR BORDERS.

L AND, IT NO LONGER IS GOOD ENOUGH TO SAY THAT WE CAN'T
FEED THE WORLD -- TO JUSTIFY DOING LESS THAN WE ARE ABLE.

L IT IS BEING SAID THAT FOOD POLICY IS TOO IMPORTANT TO BE
LEFT TO THE SECRETARY OF AGRICULTURE. I DISAGREE.

L IT IS NO SOLUTION TO TURN FOOD POLICY DECISIONS OVER TO
THE STATE ^{Dept} TREASURY OR COMMERCE DEPARTMENTS, OR TO WHITE HOUSE
STAFFERS WHO DON'T KNOW A CORN-COB FROM A COMBINE.

L I HAVE PROPOSED THAT THERE BE A FOOD COORDINATOR AT
THE WHITE HOUSE LEVEL, BUT THE BASIC INITIATIVE AND RESPONSIBILITY
OUGHT TO REST WITH THE DEPARTMENT OF AGRICULTURE.

Vote Republican - You deserve what
you get.

IT'S TRUE, THE FARM PROGRAMS DID COST SOME MONEY -- ABOUT \$40
BILLION FROM 1933 TO 1972.

BUT WHEN GOVERNMENT-HELD COMMODITIES WERE PHASED OUT IN
1972, THAT ACTION HELPED TURN LOOSE A SCARCITY PSYCHOSIS AND AN
INFLATIONARY THRUST WHICH HAVE COST THE NATION'S CONSUMERS AN
ADDITIONAL \$57 BILLIONS ON THEIR FOOD BILLS IN JUST THE PAST
THREE YEARS.

CONGRESS HAS TRIED TO RESTORE SOME STABILITY AND DEVELOP
AN EFFECTIVE FOOD POLICY, -- ONLY TO BE SUBJECT TO THE VETO
AND THE THREAT OF A VETO.

and WE ALSO HAVE URGED THE EXECUTIVE BRANCH TO USE THE POWER
IT ALREADY POSSESSES TO PROTECT FARM INCOME.

AND, WE ARE TRYING TO MAKE IMPROVEMENTS IN A NUMBER OF SECTORS.

1 A YEAR AGO, I AND OTHERS DEVELOPED LEGISLATION TO TIGHTEN
THE OPERATIONS OF THE COMMODITY EXCHANGES.

Commodity Futures

2 WE ARE ACTING NOW TO REFORM THE GRAIN INSPECTION AND
WEIGHING SYSTEM.

*(Scandal in Grain Exports at
Expense of Farm)*

3 THIRD, WE ARE BEGINNING TO SEE A NEW DUSTBOWL EMERGE,
RESULTING FROM NEGLIGENCE AND UNDER-FINANCING OF THE FEDERAL SOIL

Conservation

CONSERVATION PROGRAMS. CONGRESS HAS HAD TO ACT TO RESTORE EVEN
MODEST FUNDING FOR THESE PROGRAMS AND ASSURE THEIR CONTINUATION.

4 FOURTH, CONGRESS IS NEARING THE POINT WHERE IT FEELS THAT
A NEW INVESTIGATION MUST BE MADE OF THE FOOD PRICING AND COMPETITIVE

Food Pricing

SITUATION. I HAVE INTRODUCED LEGISLATION TO CARRY OUT A STUDY

ALONG THE LINES OF THE EXCELLENT STUDY BY THE NATIONAL COMMISSION

ON FOOD MARKETING IN 1964-66.

(5) *Antitrust & Inheritance Taxes*

THE NEGLECT OF FARM AND FOOD POLICY HAS ALSO BADLY AFFECTED
OUR POSTURE THROUGHOUT THE WORLD. HOW CAN WE MAKE ANY SENSE IN
TALKING ABOUT WORLD HUNGER OR WORLD TRADE WHEN WE DO NOT HAVE A
WORKABLE POLICY?

REGRETTABLY, THE ADMINISTRATION HAS SHOWN LITTLE INTEREST
IN COMMODITY AGREEMENTS, AND THE TRADE TALKS WILL LEAD NOWHERE
UNTIL AFTER OUR NOVEMBER ELECTIONS.

THE PALM OIL SITUATION IS ANOTHER EXAMPLE OF THE FAILURE
TO COME TO GRIPS WITH A PROBLEM.

I WROTE TO THE U.S.D.A. AND LATER TO PRESIDENT FORD, STATING
MY CONCERN OVER THE RISING VOLUME OF PALM OIL IMPORTS AND URGING
THAT ACTION BE TAKEN. THE RESPONSE HAS BEEN TOTALLY INADEQUATE.

THE WHITE HOUSE ALWAYS SEEMS RELUCTANT TO ACT ON FARM
IMPORTS -- WHETHER IT BE DAIRY, BEEF OR PALM OIL.

Exports

BUT IT HAS BEEN ALMOST EAGER TO INTERFERE WITH FARM EXPORTS.

L ~~SO REALLY,~~ *talk* ~~THE~~ ABOUT THE FREE MARKET AND ACCESS

TO WORLD MARKETS IS JUST THAT. *— — —* AND FARMERS, CONSUMERS AND

IMPORTING NATIONS HAVE NO CLUE AS TO WHEN THE GOVERNMENT MAY

NEXT INTERVENE IN THE MARKET.

[Large scribble]
THERE COULD BE CIRCUMSTANCES WHEN EXPORT CONTROLS WOULD
BE NEEDED IN THE NATIONAL INTEREST.

[scribble] WE CAN'T LET OUR DOMESTIC SUPPLIES GET DEPLETED SO THAT

THEY ARE ENDANGERED FOR CONSUMERS -- OR FARMERS WHO NEED STOCKS FOR

THEIR POULTRY, BEEF OR DAIRY OPERATIONS.

L BUT THERE WASN'T ANY TIME DURING THE PAST THREE YEARS, AND
PARTICULARLY NOT IN 1975, WHEN THE SUPPLY SITUATION CALLED FOR

THE EXPORT LIMITATIONS WHICH WERE IMPOSED.

L AS YOU HAVE POINTED OUT IN FARMERS UNION TESTIMONY
TO THE CONGRESS, STRATEGIC RESERVES OF FOOD AND EXPORT LICENSING
NEED TO BE PART OF AN OVERALL POLICY, BASED UPON ABUNDANCE, AND
ADMINISTERED TO AVOID DESTROYING FARMERS.

L IN RECENT MONTHS, I HAVE CHAIRED HEARINGS CONDUCTED BY THE
TECHNOLOGY ASSESSMENT BOARD OF THE OFFICE OF TECHNOLOGY
ASSESSMENT, THE JOINT ECONOMIC COMMITTEE, AND THE FOREIGN
AGRICULTURAL SUBCOMMITTEE TO DEVELOP THE COMPONENTS OF A BALANCED
FOOD POLICY.

Nat. Food Policy

L A NATIONAL FOOD POLICY MUST BE BASED UPON A COMMITMENT TO
ABUNDANCE. AND IT MUST BE INTEGRATED WITH MEASURES RELATING FOOD
PRODUCTION, PROCESSING, MARKETING, DISTRIBUTION, EXPORTS, TRADE,
CONSUMPTION AND NUTRITION.

National Food Policy

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THE SPECIFIC POLICY OBJECTIVES MUST INCLUDE:

-- A FAIR RETURN TO FARMERS TO SUSTAIN HIGH-LEVEL PRODUCTION;

-- ADEQUATE FOOD SUPPLIES AT REASONABLY STABLE PRICES FOR

CONSUMERS AND USERS OF FARM PRODUCTS;

-- RELIABILITY AS A SUPPLIER OF FARM PRODUCTS ON THE

EXPORT MARKET;

-- IMPROVED NUTRITION FOR OUR PEOPLE AND SUPPORT OF

FEEDING PROGRAMS FOR THE NEEDY HERE AND ABROAD;

-- AND, ASSURANCE OF ADEQUATE INPUTS, TRANSPORTATION

AND CREDIT FOR AGRICULTURAL REQUIREMENTS.

WE NO LONGER CAN RELY ON SEPARATE POLICIES FOR DIFFERENT

KINDS OF AGRICULTURAL PRODUCERS. OUR POLICY MUST BALANCE THE

INTERESTS OF ALL AGRICULTURAL PRODUCERS AND ALSO RELATE CONSUMER

AND TRADE ELEMENTS AS WELL.

WE ALSO NEED TO BALANCE SHORT AND LONG-TERM INTERESTS AND
AVOID THE RECENT HABIT OF POLICY-MAKERS IN TAKING SHORT-TERM
ACTIONS WITH LITTLE REGARD FOR THE LONGER-TERM IMPACT.

THE DAYS OF PLENTIFUL AND LOW-COST FOOD ARE NUMBERED
UNLESS WE DEVELOP A SENSIBLE APPROACH TO FARMING AND FOOD.

WORLDWIDE, WE HAVE ENTERED A NEW ERA OF FOOD INSECURITY,

AND THE TIMES CALL FOR A NEW INTERNATIONALISM BASED UPON

INTERDEPENDENCE IN THE AREAS OF COMMODITIES, TECHNOLOGY,

PRODUCTION AND TRADE.

Food Power

WE MUST BE CONSCIOUS, TOO, THAT AGRICULTURE DOES NOT

FUNCTION IN A WORLD OF ITS OWN -- THAT WE ARE HIGHLY DEPENDANT

UPON CREDIT, ENERGY, TRANSPORTATION, TAX POLICIES AND BASIC

RESEARCH.

Farmers need credit
Energy-Fuel
Transportation

Farmers on Fed Reserve Bd.

FARMERS ARE NOT IMMUNE TO WHAT IS HAPPENING IN THE
ECONOMY AS A WHOLE. BUT IF THERE IS ANY OTHER PHASE OF
DOMESTIC POLICY IN WHICH THE ^{union-} FORD ADMINISTRATION ^{has failed} ~~IS FAILING~~
AS BADLY AS IN FARM POLICY, IT WOULD HAVE TO BE ITS POLICIES
RELATING TO EMPLOYMENT, INFLATION AND ECONOMIC GROWTH.

THE LAST TIME THE FARMERS OF THE NATION ENJOYED 100 PERCENT
PARITY WAS IN 1952 UNDER HARRY TRUMAN.

AND THE LAST TIME WE HAD LESS THAN ^{three} ~~three~~ PERCENT UNEMPLOYMENT,
WAS IN EARLY ~~1968~~ 1953

I THINK IT'S MORE THAN A CONCIDENCE THAT THE LAST
TIME WE HAD EITHER FULL PARITY OR FULL EMPLOYMENT WAS WHEN
WE HAD THEM TOGETHER.

L WE WERE THEN IN THE EARLY YEARS OF THE EMPLOYMENT ACT
OF 1946. THAT LAW HAS BEEN USED BY SOME ADMINISTRATIONS AND

IGNORED BY OTHERS, NOTABLY THE NIXON AND FORD ADMINISTRATIONS.

L THE JOINT ECONOMIC COMMITTEE, WHICH I AM HONORED TO CHAIR,
WAS CREATED BY THE EMPLOYMENT ACT OF 1946.

L UNFORTUNATELY, THE DIAGNOSIS OF THE NATION'S ECONOMIC
HEALTH AS MADE BY THE JOINT ECONOMIC COMMITTEE AND BY THE
WHITE HOUSE HAVE NOT CORRESPONDED VERY WELL IN RECENT YEARS.

L RIGHT NOW, THE PRESIDENT'S ECONOMIC ADVISERS AND MR. SIMON,
THE SECRETARY OF THE TREASURY, ARE MOST CONCERNED THAT THE
ECONOMY MIGHT BECOME OVER-STIMULATED.

L AND THEY DO NOT ANTICIPATE OR PLAN ON A SIGNIFICANT
REDUCTION IN UNEMPLOYMENT LEVELS DURING THE REMAINDER OF THIS
DECADE.

SEVEN MILLION PEOPLE REMAIN OUT OF WORK BY OFFICIAL COUNT,
AND IF UNDER-EMPLOYED AND DISCOURAGED WORKERS ARE INCLUDED,
THE TOTAL EXCEEDS 10 MILLION, THE PROBLEM IS ESPECIALLY ACUTE
FOR YOUNG PEOPLE AND FOR MINORITIES,

L THERE MUST BE A BETTER REMEDY THAN UNEMPLOYMENT
COMPENSATION OR FOOD STAMPS. ANYTHING IS BETTER THAN THE DOLE.

L BUT CAPITAL INVESTMENT IS STILL LAGGING, AND HOUSING
CONSTRUCTION IS FAR BELOW WHAT IT SHOULD BE, *(Housing Depression)*

L INDUSTRY IS OPERATING AT LESS THAN THREE-FOURTHS OF
CAPACITY. ANNUAL PRODUCTION IS \$150 BILLION LESS THAN IT
WOULD BE WITH FULL EMPLOYMENT. - *Loss 1 1/2 Trillion*
1974-1980

L LET ME REMIND YOU THAT THE FEDERAL BUDGET IMPACT OF
EACH ONE PERCENT OF UNEMPLOYMENT IS APPROXIMATELY \$~~2~~²⁰ BILLION,
IN LOST REVENUES AND ADDED COSTS.

IF THE ADMINISTRATION'S ESTIMATE OF 7.7 PERCENT

UNEMPLOYMENT IS CORRECT, THE FEDERAL BUDGET COST OF HIGH

about 470 \$70
UNEMPLOYMENT WILL BE ABOUT ~~100~~ 100 BILLION IN 1976.

L BUT THIS ADMINISTRATION COMPLETELY FAILS TO UNDERSTAND

THAT THE BEST WAY TO END BUDGET DEFICITS IS TO END RECESSION,

HIGH UNEMPLOYMENT, AND UNUSED INDUSTRIAL CAPACITY.

L WHILE AN ADMINISTRATION WHICH WANTED TO USE THE EMPLOYMENT

ACT OF 1946 WOULD HAVE MOST OF THE AUTHORITY IT NEEDS, I HAVE

DEVELOPED, WITH CONGRESSMAN HAWKINS *of Calif.* A REVISED BILL WHICH WOULD

MANDATE FULL EMPLOYMENT AS A FUNDAMENTAL NATIONAL POLICY

OBLIGATION.

— The Right to a Job!

L THE BILL, KNOWN AS THE "FULL EMPLOYMENT AND BALANCED

GROWTH ACT OF 1976," WOULD ESTABLISH THE RIGHT OF EVERY AMERICAN,

WHO IS ABLE AND WILLING TO WORK, TO A SUITABLE JOB AT

DECENT WAGES. IT DIRECTS ALL AGENCIES OF THE GOVERNMENT,

INCLUDING THE FEDERAL RESERVE BOARD, TO ADHERE TO THIS COMMITMENT,

(Private emp - + if necessary Public emp)

THE GOAL WOULD BE TO ACHIEVE A REDUCTION IN THE UNEMPLOYMENT

RATE TO NOT MORE THAN THREE PERCENT WITHIN FOUR YEARS.

! other
have gone
it

WE MUST ~~end~~ THE MYTH THAT WE HAVE TO ACCEPT A "TRADE-OFF"

OF MORE UNEMPLOYMENT IN ORDER TO HAVE LESS INFLATION.

! nuts!

PROGRESS TOWARD FULL EMPLOYMENT AND PROGRESS TOWARD PRICE

STABILITY ARE PART OF THE SAME OBJECTIVE.

ECONOMIC GROWTH AND LESS INFLATION ARE NOT IN CONFLICT.

HIGH UNEMPLOYMENT TODAY HAS MEANT MORE, NOT LESS, INFLATION.

THE BUDGET DEFICIT IS A RECESSION DEFICIT, NOT A SPENDING

DEFICIT.

L UNFORTUNATELY, THE ADMINISTRATION WHICH -- FOR THE FIRST
TIME IN OUR HISTORY -- BROUGHT US SIMULTANEOUSLY INFLATION AND
RECESSION, OFFERS US ONLY MORE OF THE SAME.

L WE DON'T NEED A PRESIDENT WHO KEEPS INTEREST RATES UP OR
FIGHTS INFLATION BY THROWING PEOPLE OUT OF WORK.

L WE DON'T NEED A PRESIDENT WHO PROFESSES TO SUPPORT QUALITY
EDUCATION, HOUSING OR EMERGENCY EMPLOYMENT AND YET VETOES THE
NECESSARY FUNDS.

L WE NEED A PRESIDENT WHO BELIEVES IN WORK, IN JOBS, ~~AND IN CAPITAL~~
in family income and economic
DEVELOPMENT -- NOT VETOES AND TIGHT MONEY.

L THIS RECESSION HAS BEEN A TERRIBLE WASTE OF PRODUCTION,
OF TOOLS, OF INCOME, OF REVENUES, OF GOODS NOT PRODUCED, AND
ABOVE ALL, IT HAS BEEN A WASTE OF PEOPLE.

\$7,000 Per Capita - \$28,000 Family of 4

AMERICANS HAVE NOT LOST FAITH IN THEMSELVES OR IN THEIR
SYSTEM. BUT THEY ARE IMPATIENT WITH GOVERNMENT WHICH FAILS
TO RESPOND AND LEADERS WHO DON'T LEAD.

AMERICA NEEDS A REBIRTH OF CONFIDENCE AND PURPOSE.

WE HAVE ENTERED THIS BICENTENNIAL YEAR AS A WOUNDED AND
SHAKEN NATION.

YET THE BASIC FABRIC OF AMERICAN SOCIETY IS STILL STRONG.

AND THE AMERICAN PEOPLE ARE WAITING TO BE CHALLENGED AGAIN TO
GREATNESS.

I COME TO YOU TODAY TO ASK YOUR HELP IN BRINGING ABOUT A
NEW BIRTH OF OPPORTUNITY.

I ASK THAT, IN THIS BICENTENNIAL YEAR, WE REDEDICATE OURSELVES
TO THE THREE GREAT PRINCIPLES WHICH A 33-YEAR-OLD VIRGINIA FARMER
BY THE NAME OF THOMAS JEFFERSON WROTE INTO THE DECLARATION OF

INDEPENDENCE -- WHICH, BY THE WAY, HAD 16 OTHER FARMERS AMONG
ITS SIGNERS.

THESE THREE PRINCIPLES, PERHAPS THE GREATEST EVER DEvised
BY THE MIND OF MAN ARE:

- L -- LIFE, THE GOOD LIFE, NOT JUST SURVIVAL;
- L -- LIBERTY, NOT ANARCHY BUT LIBERTY WITH RESPONSIBILITY; AND
- L THE PURSUIT OF HAPPINESS.

TO THESE PRINCIPLES THE PIONEER AMERICANS PLEDGED THEIR
LIVES, THEIR FORTUNES AND THEIR SACRED HONOR.

L AMERICANS HAD SOMETHING TO LIVE FOR.

L WE TODAY ARE CALLED TO A NEW DESTINY -- A NEW OPPORTUNITY --

AND THE WORDS, LIFE, LIBERTY AND THE PURSUIT OF HAPPINESS, STILL

GIVE US THE BEST FOUNDATION.

L WE WILL NEED TO SEE WHETHER THE NEWLY ANNOUNCED AGRICULTURAL
POLICY COMMITTEE UNDER THE SECRETARY OF AGRICULTURE IS MORE THAN
AN ELECTION YEAR PROMISE.

L THERE WOULDN'T HAVE BEEN A LEADERSHIP VACUUM IN THE U.S.D.A.
IF THE TOP OFFICIALS THERE WERE NOT SO ADAMANT THAT THE FEDERAL
GOVERNMENT PLAY NO ROLE IN FOOD POLICY. THEY BELIEVE EVERYTHING
SHOULD BE LEFT TO THE MARKET-PLACE, WHICH IN TODAY'S WORLD MEANS
LEFT TO CHANCE.

L FOOD POLICY IS TOO IMPORTANT TO BE LEFT TO CHANCE. BUT
YOU MAY EXPECT MORE OF THE SAME, UNLESS THERE IS A CHANGE OF
ADMINISTRATION.

WHEN THE NIXON ADMINISTRATION INSISTED ON MOVING AWAY FROM
FARM STABILIZATION PROGRAMS, PART OF THE ARGUMENT WAS THAT THE OLD
PROGRAMS COST TOO MUCH.



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