

REMARKS OF SENATOR HUBERT H. HUMPHREY

NATIONAL FARMERS ORGANIZATION

Little Falls, Minnesota

September 25, 1976

I am delighted to join your N.F.O. convention.

The National Farmers Organization can be proud of the leadership it has provided on behalf of our farmers both nationally and at the state level.

I also am happy to be here with your good friend and mine, the Commissioner of Agriculture, Jon Wefald. You know what a great spokesman and leader Jon is in looking out for your interests.

In recent years, the farmer has begun to receive more attention. And since agriculture is a \$600 billion industry, it's time our leaders did begin to give more attention to the needs and views of farm people.

Today, one farmer produces enough food to feed 56 Americans, a 65 percent increase over ten years ago. And with export sales of \$22 billion, we need to keep agriculture sound and prosperous.

In the 1950's, a statement by Charles Wilson was translated to mean that "what was good for General Motors was good for the country." Well, I'm here to tell you that what's good for agriculture is good for the country.

We need to treat agriculture as we do the soil itself. You cannot continue to mine the soil of its nutrients without paying a price.

So also, we need to be sensitive to agriculture's problems, and we need to be prepared to make sound investments to have a strong rural America.

Recently, the U.S.D.A announced that it would make early Food for Peace purchases of grains. I applaud this move, but I also remember how hard it was to get the Department to buy the budgeted volume in earlier years.

I also note that the Department has announced its plans to release money for conservation programs. In years past, we had to fight vetoes, rescissions and impoundments to get these funds released.

We need a new Administration which will be responsive to the needs of agriculture every year, not just every four years.

And we need a new Democratic Administration to bring the whole spectrum of farm organizations into the process of making agricultural policy.

We also need a Secretary of Agriculture who is prepared to work with farm cooperatives, not attack them one day and support them the next.

While there obviously are limits to what government can do, it can be helpful if it listens and is responsive.

I am particularly impressed with the N.F.O. which has tried to provide an organization to help farmers without relying solely on government.

But what the government does can be of over-riding significance to agriculture. One such area is export policy.

Democrats and Republicans support the Export Administration Act, which provides that our export sales are not to be interfered with unless there are serious shortages here in the United States.

Farmers were encouraged to plant to the limit and promised access to world markets.

And yet in 1973, 1974 and 1975 the Nixon-Ford Administrations interfered with export markets when there was no shortage and in blatant disregard of established law.

These unwarranted interferences in your business have cost you millions of dollars.

The issue thus lies at the doorstep of Gerry Ford.

Is he finally prepared to obey the law, which meets our national security and which he approved?

Or would he continue to make interventions which are not needed and are downright harmful?

This Administration has not shown the same interest in intervening to protect our producers against sharp increases in the importation of meat, sugar, palm oil or dairy products.

In early 1974, the Administration stepped up imports of cheddar cheese nearly ten fold, leading to a disastrous drop of nearly 25 percent in prices paid to our dairy farmers in a six month period. Of course, no consumer every saw this reflected in prices at the supermarket.

I hardly need remind our dairy farmers of the Administration's infamous Flanigan Report which called for increased dairy imports at the expense of our already hard-pressed producers.

Fortunately, I blew the whistle on that scheme and helped blow it out of the water.

In the case of palm oil, 1975 imports more than doubled from 350 million pounds imported a year ago. But again the Administration has been reluctant even to recognize the problem, let alone act on it.

This Administration also has been most reluctant to face up to the issue of sugar imports and their impact on our domestic producers.

Prices have dropped well below the cost of production, and yet not until recently did the Administration finally act to set tariffs at a more realistic level.

Everyone knows that our livestock producers have been hard hit by low prices over the last few years. And these prices have been affected by chaotic grain prices.

Yet the Ford Administration has been unable to make sure that meat does not enter the free trade zone in Puerto Rico, as a means of circumventing the meat import quotas.

Congress alone has had to struggle with the problem of reforming our grain inspection system, since Secretary Butz and President Ford have been unwilling to deal with it.

The General Accounting Office's grain inspection report outlined wholesale abuses and indicated that some nations had reduced or eliminated their commodity purchases from the U.S.

And while our exports have been growing in recent years from around 50 million tons to nearly 100 million tons, the U.S.D.A. has been cutting back on its grain inspection staff.

I began hearings, introduced interim and permanent grain inspection legislation, and both bills were passed by the Senate. We also increased the funding to beef up the U.S.D.A.'s inspection staff.

I believe that we have developed workable reform legislation -- in spite of the Administration's obstruction. I hope that the President will approve it.

Next year we will begin the process of trying to develop new farm legislation. One of the major concerns will be to provide better price protection for our producers.

This Administration has fought adequate price supports at every step of the way. Apparently Mr. Butz has learned little from the lessons of the 1920's and the days of Ezra Taft Benson in the 1950's.

I applaud the increase in our export markets, and we can, with modest investments encourage further increases in the years ahead.

Growing world demand for our food is the reason our farmers have been saved from overproduction and low prices. But the policies of Butz have left farmers to carry all of the risk.

The only thing that has saved our farmers from calamity has been bad weather in the Soviet Union that required that nation to increase its imports.

But I don't believe the security of American agriculture should be placed in the hands of the leaders of the Soviet Union.

We need to remember that the export market can be extremely volatile, with sharp increases one year and declines the next as weather and crop production changes occur throughout the world.

You should keep in mind that the present projections are for a wheat carry-over of around a billion bushels at the end of the next crop year.

Our farmers do not need to be told that they are almost totally without price protection under the presently existing target prices and loan levels.

For wheat, the target price is \$2.29 per bushel, while the loan level is \$1.50 per bushel. The target price for corn is \$1.57 per bushel, with the loan level at \$1.25 per bushel.

This translates into a target price for wheat and corn of about 47 percent of parity. The loan level for wheat is the equivalent of 31 percent of parity, and for corn it is 38 percent of parity.

These levels are an insult. But now the Administration is discussing a small election-year increase. It's amazing what Earl Butz will consider in an election year.

Even the most innocent of bystanders could understand the anger of our farm producers when President Ford vetoed the one-year emergency farm bill in the spring of 1975 with its very modest increases in price protection.

Of course, this should come as no surprise. As a member of Congress, Gerald Ford voted against crucial Farm Bills in 1955, 1958 and 1973.

And he hasn't changed his spots since. He's still no friend of agriculture.

Our dairy farmers have faced three Ford vetoes in the space of just over a year -- bills which would have set supports at 80 to 85 percent of parity and provided for a quarterly adjustment in prices paid to farmers.

As usual, the Administration's answer was that these bills would cost too much.

In developing new farm legislation next year, we also will be looking for ways to improve our ability to respond to emergencies such as drought or floods.

The Administration's response to this year's drought has been slow, and the Congress has had to fight each step of the way on hay transportation subsidies, crop insurance, stopping deductions on disaster payments when corn was used as silage, and providing a grace period on loans.

I surprised the Federal Crop Insurance Corporation by pointing out that it might not have enough funds to pay its claims this year.

We need an Administration which is more alert and responsive to the pressing needs of rural America. I am encouraged that Congress has acted to update the inheritance tax of farm property.

As author of the Rural Development Act of 1972, I have fought to give greater priority and funding to our rural areas.

In this bicentennial year, we need to recall our heritage and the importance of agriculture to the nation.

The eminent American poet, Carl Sandberg stated:

"When a society or civilization perishes
one condition may always be found.
They forget where they came from.
They lost sight of what brought them along."

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Bob Arendt - Pres N.F.O
Geo Matson - former Pres

REMARKS OF SENATOR HUBERT H. HUMPHREY

NATIONAL FARMERS ORGANIZATION

LITTLE FALLS, MINNESOTA

SEPTEMBER 25, 1976

I AM DELIGHTED TO JOIN YOUR N.F.O. CONVENTION,

THE NATIONAL FARMERS ORGANIZATION CAN BE PROUD OF THE
LEADERSHIP IT HAS PROVIDED ON BEHALF OF OUR FARMERS BOTH
NATIONALLY AND AT THE STATE LEVEL.

I ALSO AM HAPPY TO BE HERE WITH YOUR GOOD FRIEND AND
MINE, THE COMMISSIONER OF AGRICULTURE, JON WEFALD. YOU KNOW
WHAT A GREAT SPOKESMAN AND LEADER JON IS IN LOOKING OUT FOR
YOUR INTERESTS.

World Food Crisis
Agree
L IN RECENT YEARS, THE FARMER HAS BEGUN TO RECEIVE MORE
ATTENTION. *h* AND SINCE AGRICULTURE IS A \$600 BILLION INDUSTRY,
IT'S TIME OUR LEADERS DID BEGIN TO GIVE MORE ATTENTION TO THE
NEEDS AND VIEWS OF FARM PEOPLE.

Today, one farmer produces enough food to feed 56
Americans, a 65 percent increase over ten years ago. And
with export sales of \$22 billion, we need to keep agriculture
sound and prosperous.

In the 1950's, Charles Wilson was quoted as saying

"What was good for General Motors was good for the country."

Well, I'm here to tell you that what's good for agriculture
is good for the country.

We need to treat agriculture as we do the soil itself.

You cannot continue to mine the soil of its nutrients without
paying a price.

So also, we need to be sensitive to agriculture's problems,

and we need to be prepared to make sound investments to have

a strong rural America.

Ag Policy -
REA - Rural telephone
FHA - Bank for Coops
Rural Development
- Price supports -
- Loans
- Conservation

RECENTLY, THE U.S.D.A ANNOUNCED THAT IT WOULD MAKE EARLY FOOD FOR PEACE PURCHASES OF GRAINS. I APPLAUD THIS MOVE, BUT I ALSO REMEMBER HOW HARD IT WAS TO GET THE DEPARTMENT TO BUY THE BUDGETED VOLUME IN EARLIER YEARS.

I ALSO NOTE THAT THE DEPARTMENT HAS ANNOUNCED ITS PLANS TO RELEASE MONEY FOR CONSERVATION PROGRAMS. IN YEARS PAST, WE HAD TO FIGHT VETOES, RESCISSIONS AND IMPOUNDMENTS TO GET THESE FUNDS RELEASED.

WE NEED A NEW ADMINISTRATION WHICH WILL BE RESPONSIVE TO THE NEEDS OF AGRICULTURE EVERY YEAR, NOT JUST EVERY FOUR YEARS.

AND WE NEED A NEW DEMOCRATIC ADMINISTRATION TO BRING THE WHOLE SPECTRUM OF FARM ORGANIZATIONS INTO THE PROCESS OF MAKING AGRICULTURAL POLICY.

Coops

WE ALSO NEED A SECRETARY OF AGRICULTURE WHO IS PREPARED TO

WORK WITH FARM COOPERATIVES, NOT ATTACK THEM ONE DAY AND

SUPPORT THEM THE NEXT.

Cayman Volstead

N70

WHILE THERE OBVIOUSLY ARE LIMITS TO WHAT GOVERNMENT CAN
DO, IT CAN BE HELPFUL IF IT LISTENS AND IS RESPONSIVE.

I AM PARTICULARLY IMPRESSED WITH THE N.F.O. WHICH HAS
TRIED TO PROVIDE AN ORGANIZATION TO HELP FARMERS WITHOUT
RELYING SOLELY ON GOVERNMENT.

Govt + Agric

BUT WHAT THE GOVERNMENT DOES CAN BE OF OVER-RIDING
SIGNIFICANCE TO AGRICULTURE. ONE SUCH AREA IS EXPORT POLICY.

Depend on what kind of Govt

DEMOCRATS AND REPUBLICANS SUPPORT THE EXPORT ADMINISTRATION
ACT, WHICH PROVIDES THAT OUR EXPORT SALES ARE NOT TO BE
INTERFERED WITH UNLESS THERE ARE SERIOUS SHORTAGES HERE IN
THE UNITED STATES.

L FARMERS WERE ENCOURAGED TO PLANT TO THE LIMIT AND
PROMISED ACCESS TO WORLD MARKETS.

AND YET IN 1973, 1974 AND 1975 THE NIXON-FORD
ADMINISTRATIONS INTERFERED WITH EXPORT MARKETS WHEN THERE
WAS NO SHORTAGE AND IN BLATANT DISREGARD OF ESTABLISHED
LAW.

THESE UNWARRANTED INTERFERENCES IN YOUR BUSINESS HAVE
COST YOU MILLIONS OF DOLLARS.

THE ISSUE THUS LIES AT THE DOORSTEP OF GERRY FORD.

L IS HE FINALLY PREPARED TO OBEY THE LAW, WHICH MEETS
OUR NATIONAL SECURITY AND WHICH HE APPROVED?

OR WOULD HE CONTINUE TO MAKE INTERVENTIONS WHICH ARE
NOT NEEDED AND ARE DOWNRIGHT HARMFUL?

THIS ADMINISTRATION HAS NOT SHOWN THE SAME INTEREST IN INTERVENING TO PROTECT OUR PRODUCERS AGAINST SHARP INCREASES IN THE IMPORTATION OF MEAT, SUGAR, PALM OIL OR DAIRY PRODUCTS.

IN EARLY 1974, THE ADMINISTRATION STEPPED UP IMPORTS OF CHEDDAR CHEESE NEARLY TEN FOLD, LEADING TO A DISASTROUS DROP OF NEARLY 25 PERCENT IN PRICES PAID TO OUR DAIRY FARMERS IN A SIX MONTH PERIOD. OF COURSE, NO CONSUMER EVERY SAW THIS REFLECTED IN PRICES AT THE SUPERMARKET.

I HARDLY NEED REMIND OUR DAIRY FARMERS OF THE ADMINISTRATION'S INFAMOUS FLANIGAN REPORT WHICH CALLED FOR INCREASED DAIRY IMPORTS AT THE EXPENSE OF OUR ALREADY HARD-PRESSED PRODUCERS.

FORTUNATELY, I BLEW THE WHISTLE ON THAT SCHEME AND HELPED BLOW IT OUT OF THE WATER.

Palm oil

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[IN THE CASE OF PALM OIL, 1975 IMPORTS MORE THAN DOUBLED
FROM 350 MILLION POUNDS IMPORTED A YEAR AGO.] BUT AGAIN
THE ADMINISTRATION HAS BEEN RELUCTANT EVEN TO RECOGNIZE THE
PROBLEM, LET ALONE ACT ON IT.

[THIS ADMINISTRATION ALSO HAS BEEN MOST RELUCTANT TO FACE
UP TO THE ISSUE OF SUGAR IMPORTS AND THEIR IMPACT ON OUR
DOMESTIC PRODUCERS.

PRICES HAVE DROPPED WELL BELOW THE COST OF PRODUCTION,
AND YET NOT UNTIL RECENTLY DID THE ADMINISTRATION FINALLY
ACT TO SET TARIFFS AT A MORE REALISTIC LEVEL.

[EVERYONE KNOWS THAT OUR LIVESTOCK PRODUCERS HAVE BEEN
HARD HIT BY LOW PRICES OVER THE LAST FEW YEARS. AND THESE
PRICES HAVE BEEN AFFECTED BY CHAOTIC GRAIN PRICES.

YET THE FORD ADMINISTRATION HAS BEEN UNABLE TO MAKE
SURE THAT MEAT DOES NOT ENTER THE FREE TRADE ZONE IN PUERTO
RICO, AS A MEANS OF CIRCUMVENTING THE MEAT IMPORT QUOTAS.

L CONGRESS ALONE HAS HAD TO STRUGGLE WITH THE PROBLEM
OF REFORMING OUR GRAIN INSPECTION SYSTEM, SINCE SECRETARY
BUTZ AND PRESIDENT FORD HAVE BEEN UNWILLING TO DEAL WITH IT.

*Grain
Inspection*

THE GENERAL ACCOUNTING OFFICE'S GRAIN INSPECTION
REPORT OUTLINED WHOLESAL ABUSES AND INDICATED THAT SOME
NATIONS HAD REDUCED OR ELIMINATED THEIR COMMODITY PURCHASES
FROM THE U.S.

L AND WHILE OUR EXPORTS HAVE BEEN GROWING IN RECENT YEARS
FROM AROUND 50 MILLION TONS TO NEARLY 100 MILLION TONS, THE
U.S.D.A. HAS BEEN CUTTING BACK ON ITS GRAIN INSPECTION STAFF.

I BEGAN HEARINGS, INTRODUCED INTERIM AND PERMANENT GRAIN INSPECTION LEGISLATION, AND BOTH BILLS WERE PASSED BY THE SENATE. WE ALSO INCREASED THE FUNDING TO BEEF UP THE U.S.D.A.'S INSPECTION STAFF.

Drought
I BELIEVE THAT WE HAVE DEVELOPED WORKABLE REFORM LEGISLATION -- IN SPITE OF THE ADMINISTRATION'S OBSTRUCTION.

I HOPE THAT THE PRESIDENT WILL APPROVE IT.

[Signature] *Farm*
Legis.
NEXT YEAR WE WILL BEGIN THE PROCESS OF TRYING TO

DEVELOP NEW FARM LEGISLATION. ONE OF THE MAJOR CONCERNS

WILL BE TO PROVIDE BETTER PRICE PROTECTION FOR OUR PRODUCERS.

THIS ADMINISTRATION HAS FOUGHT ADEQUATE PRICE SUPPORTS AT EVERY STEP OF THE WAY. APPARENTLY MR. BUTZ HAS LEARNED LITTLE FROM THE LESSONS OF THE 1920'S AND THE DAYS OF EZRA TAFT BENSON IN THE 1950'S.

I APPLAUD THE INCREASE IN OUR EXPORT MARKETS, AND WE CAN, WITH MODEST INVESTMENTS ENCOURAGE FURTHER INCREASES IN THE YEARS AHEAD.

GROWING WORLD DEMAND FOR OUR FOOD IS THE REASON OUR
FARMERS HAVE BEEN SAVED FROM OVERPRODUCTION AND LOW PRICES.
BUT THE POLICIES OF BUTZ HAVE LEFT FARMERS TO CARRY ALL OF
THE RISK.

L THE ONLY THING THAT HAS SAVED OUR FARMERS FROM CALAMITY
HAS BEEN BAD WEATHER IN THE SOVIET UNION THAT REQUIRED THAT
NATION TO INCREASE ITS IMPORTS.

BUT I DON'T BELIEVE THE SECURITY OF AMERICAN AGRICULTURE
SHOULD BE PLACED IN THE HANDS OF THE LEADERS OF THE SOVIET
UNION.

WE NEED TO REMEMBER THAT THE EXPORT MARKET CAN BE

EXTREMELY VOLATILE, WITH SHARP INCREASES ONE YEAR AND

DECLINES THE NEXT AS WEATHER AND CROP PRODUCTION CHANGES

OCCUR THROUGHOUT THE WORLD,

YOU SHOULD KEEP IN MIND THAT THE PRESENT PROJECTIONS
ARE FOR A WHEAT CARRY-OVER OF AROUND A BILLION BUSHEL AT
THE END OF THE NEXT CROP YEAR.

wheat

OUR FARMERS DO NOT NEED TO BE TOLD THAT THEY ARE
ALMOST TOTALLY WITHOUT PRICE PROTECTION UNDER THE PRESENTLY
EXISTING TARGET PRICES AND LOAN LEVELS.

Prices

FOR WHEAT, THE TARGET PRICE IS \$2.29 PER BUSHEL, WHILE
THE LOAN LEVEL IS \$1.50 PER BUSHEL. THE TARGET PRICE FOR CORN
IS \$1.57 PER BUSHEL, WITH THE LOAN LEVEL AT \$1.25 PER BUSHEL.

THIS TRANSLATES INTO A TARGET PRICE FOR WHEAT AND CORN
OF ABOUT 47 PERCENT OF PARITY. THE LOAN LEVEL FOR WHEAT IS THE
EQUIVALENT OF 31 PERCENT OF PARITY, AND FOR CORN IT IS
38 PERCENT OF PARITY.

THESE LEVELS ARE AN INSULT. BUT NOW THE ADMINISTRATION IS
DISCUSSING A SMALL ELECTION-YEAR INCREASE. IT'S AMAZING WHAT
EARL BUTZ WILL CONSIDER IN AN ELECTION YEAR.

*Food For Peace
Conservation
Funds*

EVEN THE MOST INNOCENT OF BYSTANDERS COULD UNDERSTAND

THE ANGER OF OUR FARM PRODUCERS WHEN PRESIDENT FORD VETOED THE
ONE-YEAR EMERGENCY FARM BILL IN THE SPRING OF 1975 WITH ITS
VERY MODEST INCREASES IN PRICE PROTECTION.

OF COURSE, THIS SHOULD COME AS NO SURPRISE. AS A MEMBER
OF CONGRESS, GERALD FORD VOTED AGAINST CRUCIAL FARM BILLS IN
1955, 1958 AND 1973.

AND HE HASN'T CHANGED HIS SPOTS SINCE. HE'S STILL NO
FRIEND OF AGRICULTURE.

OUR DAIRY FARMERS HAVE FACED THREE FORD VETOES IN THE SPACE
OF JUST OVER A YEAR -- BILLS WHICH WOULD HAVE SET SUPPORTS AT
80 TO 85 PERCENT OF PARITY AND PROVIDED FOR A QUARTERLY ADJUSTMENT
IN PRICES PAID TO FARMERS.

AS USUAL, THE ADMINISTRATION'S ANSWER WAS THAT THESE BILLS
WOULD COST TOO MUCH.

Brought
IN DEVELOPING NEW FARM LEGISLATION NEXT YEAR, WE ALSO WILL
BE LOOKING FOR WAYS TO IMPROVE OUR ABILITY TO RESPOND TO
EMERGENCIES SUCH AS DROUGHT OR FLOODS.

THE ADMINISTRATION'S RESPONSE TO THIS YEAR'S DROUGHT
HAS BEEN SLOW, AND THE CONGRESS HAS HAD TO FIGHT EACH STEP
OF THE WAY ON HAY TRANSPORTATION SUBSIDIES, CROP INSURANCE,

STOPPING DEDUCTIONS ON DISASTER PAYMENTS WHEN CORN WAS USED
AS SILAGE, AND PROVIDING A GRACE PERIOD ON LOANS.

I SURPRISED THE FEDERAL CROP INSURANCE CORPORATION BY
POINTING OUT THAT IT MIGHT NOT HAVE ENOUGH FUNDS TO PAY ITS
CLAIMS THIS YEAR.

WE NEED AN ADMINISTRATION WHICH IS MORE ALERT AND RESPONSIVE
TO THE PRESSING NEEDS OF RURAL AMERICA. I AM ENCOURAGED THAT
CONGRESS HAS ACTED TO UPDATE THE INHERITANCE TAX OF FARM PROPERTY.

AS AUTHOR OF THE RURAL DEVELOPMENT ACT OF 1972, I HAVE
FOUGHT TO GIVE GREATER PRIORITY AND FUNDING TO OUR RURAL AREAS.

IN THIS BICENTENNIAL YEAR, WE NEED TO RECALL OUR HERITAGE
AND THE IMPORTANCE OF AGRICULTURE TO THE NATION.

THE EMINENT AMERICAN POET, CARL SANDBERG STATED:

"WHEN A SOCIETY OR CIVILIZATION PERISHES

ONE CONDITION MAY ALWAYS BE FOUND,

THEY FORGET WHERE THEY CAME FROM,

THEY LOST SIGHT OF WHAT BROUGHT THEM ALONG."

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