

OUTLINE OF SENATOR MORGAN'S SPEECH TO THE STATE A.S.C.S.  
CONVENTION AT ASHEVILLE, N.C.

OCTOBER 27, 1978

I. INTRODUCTION

- A. DISCUSSION OF THE FARM PROGRAM
- B. WHILE I DO NOT AGREE WITH ALL DETAILS OF FARM PROGRAM, I DO BELIEVE IT IS HEADED IN THE RIGHT DIRECTION.
- C. THERE ARE TWO DOMINANT REALITIES CONCERNING THE FARM PROGRAM
  - 1. 26 DIFFERENT FEDERAL AGENCIES CAN BECOME INVOLVED, SUCH AS THE TREASURY DEPT.
  - 2. ONLY ONE IN 25 AMERICANS CONSIDERS HIMSELF A FARMER

II. THE FARM RECORD FOR THE CONGRESS

- A. I HAVE PUSHED FOR PROGRAMS MORE ADVANTAGEOUS TO FARMERS THAN WHAT WAS FINALLY AGREED TO.
- B. THE RECORD OF THE CONGRESS IS MIXED. TWO THINGS CAN BE SAID ABOUT IT.
  - 1. CONGRESS ACCOMPLISHED MORE DURING THE PRECEDING TWO YEARS THAN IT DID DURING MY FIRST TWO YEARS.
    - A. WE PASSED IMPROVEMENTS IN THE BASIC FARM PROGRAM AND EXPANDED EXPORTS ABROAD.
  - 2. THE DEPRESSED SITUATION THAT FARMERS FACED CAN NOT BE BLAMED ENTIRELY ON PRESIDENT CARTER. SOME OF THE BLAME MUST GO TO:
    - A. POLICIES OF THE LAST ADMINISTRATION, ESPECIALLY PLANTING, CONTRIBUTED TO THE MASSIVE SURPLUSES THAT DROVE FARM PRICES DOWN.

III. THE CARTER ADMINISTRATION'S RECORD

- A. THE PRESIDENT'S RECORD CANNOT BE VIEWED ON ANY SINGLE ISSUE.
  - 1. CARTER WAS FACED WITH DOUBLE DIGIT INFLATION, HIGH UNEMPLOYMENT AND A MASSIVE BUDGET DEFICIT UPON ENTERING OFFICE.
  - 2. HE HAS MOVED THE NATION IN THE RIGHT DIRECTION ON ECONOMIC ISSUES.
  - 3. ON FOREIGN POLICY, HE HAS MADE INROADS IN SOLVING THE MIDDLE EAST CONFLICT.
  - 4. ON FARM ISSUES, THE CARTER ADMINISTRATION HAS BATTLED IN THE RIGHT DIRECTION.
    - A. PERHAPS A LITTLE WEAK ON THE FARM PROGRAM, BUT WITH GOOD PERFORMANCE ON TAX ISSUES AND INTERNATIONAL TRADE AND FARM CREDIT.

IV. WE HAVE AN IMPROVED FARM PROGRAM IN NORTH CAROLINA

- A. FARMERS HOME HAS AN EXPANDED PROGRAM.
  - 1. THE DISASTER PROGRAMS ARE IMPROVED AND WILL BE IMPROVED FURTHER NEXT YEAR.
- B. THE A.S.C.S. OFFICE HAS IMPLEMENTED THE NEW FARM LEGISLATION WITH GREAT PROFESSIONALISM.
  - 1. C.P. STEWART, THE STATE COMMITTEE MEN, AND LOCAL OFFICIALS AND OTHERS HAVE DONE A SUPERIOR JOB.

V. WE ARE MOVING IN THE RIGHT DIRECTION

- A. CONGRESS AND THE ADMINISTRATION MUST DO MORE.
  - 1. I, AS A FARMER MYSELF, KNOW THE IMPORTANCE OF AGRICULTURE TO NORTH CAROLINA, ESPECIALLY TOBACCO.
- B. I WILL TRY TO IMPROVE THESE PROGRAMS.

- C. I WILL BE DILIGENT TO ACT IN YOUR BEST INTEREST.
- D. I WILL MAINTAIN CLOSE COMMUNICATIONS WITH YOUR LEADERSHIP, TO HEAR YOU OUT AT EVERY OCCASION.

VI. WHAT IS THE RECORD OF THE 95TH CONGRESS?

- A. THE FARM LEGISLATION SIGNED IN SEPTEMBER, 1977 IS THE BEST BILL WE COULD HAVE PASSED GIVEN THE CIRCUMSTANCES AND POLITICAL REALITIES.
- B. THE HIGHLIGHT OF THIS PAST YEAR HAD TO BE THE INCLUSION OF FUNDING FOR THE OXFORD TOBACCO RESEARCH STATION.

VII. THE SITUATION WE FACED REGARDING OXFORD WAS EXTREMELY DIFFICULT.

- A. CONTINUED FUNDING WAS OPPOSED BY THE ADMINISTRATION, CHAIRMAN OF THE SENATE APPROPRIATIONS COMMITTEE, AND SEVERAL MEMBERS OF THE SENATE.
  - 1. I TESTIFIED IN SUPPORT OF OXFORD AT THE SUBCOMMITTEE LEVEL.
- B. THE SITUATION IN THE SENATE WAS TENSE TO THE FINAL MOMENT.
  - 1. THERE WERE THREATS BY THREE DIFFERENT SENATORS TO KNOCK-OUT FUNDING FOR TOBACCO RESEARCH.
    - A. BETWEEN AUGUST 9 AND 10, I SELDOM LEFT THE SENATE FLOOR.
      - 1. I HAD SEVERAL LENGTHLY DISCUSSIONS WITH THE SENATORS WHO THREATENED THE PROGRAM AND SENATOR CLAIBORNE PELL OF RHODE ISLAND WHO WITHDREW HIS AMENDMENT TO KILL OXFORD.
- C. I HAVE INVITED SENATOR PELL TO SEE THE OXFORD CENTER AND TO VISIT SOME TOBACCO FARMS.

VIII. ANOTHER ACCOMPLISHMENT OF THE CONGRESS IS THE AGRICULTURE TRADE EXPORT ACT.

- A. FARMERS ARE JUST BEGINNING TO APPRECIATE THE IMPORTANCE OF OUR EXPORT MARKETS.
  - 1. ONE OUT OF THREE ACRES IS DEVOTED TO EXPORTS.
  - 2. AGRICULTURE COMMODITIES CAN IMPROVE OUR BALANCE OF PAYMENTS DIFFICULTIES.
- B. THE DOMINANT PROBLEM IN EXPORTS IS POOR MARKETING.
  - 1. WE ARE EFFICIENT AND PRODUCTIVE AND HAVE THE LOWEST PRICES.
    - A. BUT WE MUST LEARN TO AGGRESSIVELY MARKET OUR PRODUCTS, LIKE THE JAPANESE AND GERMANS.
- C. THE ACT WILL AUTHORIZE NEW SALES OFFICES, ENHANCE OUR NATION'S CREDIT FACILITIES, AND ENHANCE THE STATUS OF OUR AGRICULTURAL OFFICIALS WITHIN OUR OVERSEAS MISSIONS.
  - 1. THE SALES OFFICES WILL PERMIT A WIDER RANGE OF PRIVATE ORGANIZATIONS TO SEEK NEW MARKETS.
    - A. SOME BARRIERS CAN BE OVERCOME. THIS IS AN EXAMPLE OF HOW OUR GOVERNMENT CAN ENHANCE PRIVATE ENTERPRISE.
  - 2. THE EXPANSION OF OUR EXPORT CREDIT PROGRAMS
    - A. IT WILL PROVIDE THE USDA WITH THE FLEXIBILITY NEEDED TO OFFER THE SAME PROGRAMS AS OTHER EXPORTING NATIONS.
  - 3. UPGRADING THE ROLE OF USDA OFFICIALS WITHIN U.S. EMBASSIES ABROAD.
    - A. AT LEAST 8 USDA OFFICIALS WILL BECOME COUNSELORS.

PREVIOUSLY NO ONE HAD GONE ABOVE AN ATTACHE.

      - I. THOSE WHO ARE RANK CONSCIOUS IN THE STATE DEPARTMENT WILL NOW LISTEN TO THESE HIGHER LEVEL OFFICIALS.

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II. I WITHDREW AN AMENDMENT IN THE SENATE WHICH WOULD HAVE REQUIRED THE PRESIDENT TO APPOINT FOUR MINISTERS OF AGRICULTURE. I FEARED WE WERE MOVING TOO FAST.

A. I INTEND TO OFFER THIS BILL AGAIN IN THE CONGRESS, WITH PROVISIONS WHICH WILL COORDINATE THE PROGRAMS OF THE EXPORT-IMPORT BANK.

B. I TESTIFIED ON THE GENERAL TRADE BILL BEFORE THE SENATE AGRICULTURE COMMITTEE AND COSPONSORED THE LEGISLATION WHICH PASSED THE SENATE.

IX. SOME ITEMS WHICH CONGRESS MAY CONSIDER NEXT SESSION--  
THE OXFORD CENTER, AGRICULTURE RESEARCH IN GENERAL, CROP INSURANCE, AND THE MULTI-LATERAL TRADE NEGOTIATIONS.

A. THOSE WHO TRIED TO KILL TOBACCO RESEARCH THIS YEAR WILL TRY AGAIN NEXT YEAR.

1. THEY ATTEMPTED TO REMOVE TOBACCO FROM THE PL-480 PROGRAM, AND THEY ARE ANTI-TOBACCO.

2. I WILL WATCH THE SITUATION CAREFULLY AND TRY TO STOP THESE EFFORTS.

B. I AM CONCERNED THAT SUSTAINED AGRICULTURAL RESEARCH IS ERODING.

1. WE HAVE HAD PRODUCTIVE AGRICULTURE, BECAUSE OF INDIVIDUAL FREEDOM AND USDA FINANCING OF RESEARCH.

A. IN THE PAST SEVEN YEARS, 350 SCIENTISTS HAVE BEEN REMOVED FROM USDA RESEARCH PROGRAMS. ANOTHER 100 HAVE BEEN REASIGNED. 450 SCIENTISTS IN ALL.

B. I HAVE DISCUSSED THIS MATTER WITH MEMBERS OF THE SENATE, BUT THERE IS LITTLE AWARENESS OF THESE TRENDS.

- I. I PLAN TO OPPOSE A TWO PERCENT CUT-BACK IN RESEARCH THE ADMINISTRATION IS CONSIDERING.
- II. I WILL BE WORKING TO HOLD A SERIES OF HEARINGS THAT WILL EDUCATE THE PUBLIC ON THIS MATTER.

C. CROP INSURANCE

1. WE NEED TO DEVELOP A PROGRAM IN A WAY THAT WILL COMPLEMENT EFFORTS IN THE PRIVATE SECTOR ESPECIALLY IN HAIL INSURANCE.
  - A. I WILL LOOK FOR SUCH A PROGRAM, BUT I WILL WORK TO EXTEND COVERAGE TO THE BROADCAST RANGE OF COMMODITIES.

D. CONGRESS WILL DISCUSS THE NEW MULTI-LATERAL TRADE AGREEMENT EARLY NEXT SESSION.

1. BOB STRAUSS HAS ASSURED ME THAT FARMERS WILL ACHIEVE BROADENED ACCESS IN INTERNATIONAL MARKETS.
  - A. WE MUST REMOVE TARIFFS, QUOTAS AND NON-TARIFF BARRIERS ON OUR FARM COMMODITIES TO BOOST OUR EXPORTS AND REDUCE OUR BALANCE OF PAYMENTS SITUATION.
2. THE STRAUSS LIST OF ITEMS ON WHICH CONCESSIONS HAD TO BE MADE BEFORE THE U.S. WOULD CONCLUDE THIS AGREEMENT INCLUDED:
  - A. TOBACCO AND BROILERS-ITEMS IMPORTANT TO N.C.

E. REGULATORY AGENCIES (SUCH AS THE FOOD AND DRUG ADMINISTRATION AND THE ENVIRONMENTAL PROTECTION AGENCY)

1. THESE AGENCIES CONTRIBUTE GREATLY TO INFLATION AND ENCOURAGE NON-PRODUCTIVE EFFORTS.
  - A. THE CONGRESS AND THE ADMINISTRATION RECOGNIZE THIS PROBLEM AND ARE ATTEMPTING TO BALANCE THE INTERESTS INVOLVED.

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I. I AM ADDRESSING MUCH OF MY ATTENTION  
TO THIS AREA.

X. CONCLUSION

A. THANK ALL OF THOSE INSTRUMENTAL IN MAKING THE  
CONFERENCE POSSIBLE.