

ADDRESS BY SENATOR ROBERT MORGAN  
TO THE STATE A.S.C.S. CONVENTION AT  
ASHEVILLE, N.C.

OCTOBER 27, 1978

It is truly rewarding to be in Asheville today to discuss our farm program, a program that is designed to serve each one of you in the best possible way within the limit of federal budgetary resources. I do not say this to endorse the existing farm program, but simply as a means for explaining why our farm policies are not always what you would like them to be.

While I do not agree with all the details of the farm program, I do believe that it is headed in the right

direction and that it encompasses much of what is politically possible.

There are, we must remember, two dominant realities concerning the farm program. The first is that 26 different agencies of the federal government can get involved at virtually any stage of the policymaking process concerning agriculture. These agencies include such organizations as the Office of Management and Budget, the Treasury Department, and the President's Special Trade Representative. The second factor is that only one in 25 Americans considers himself a farmer -- a statistic that shows up time and again in the hard and cold world of Washington politics.

As I said early in my comments, I do not support every detail of the farm program. As many of the people here know, I have pushed for programs more advantageous to farmers than what was finally agreed to. At every turn, I have pushed for as much as what I thought we could get and then some, knowing full well that we should gain as much leverage as possible in the bargaining process that leads to final decisions. The record in this area is mixed for the Congress that has just concluded. There are two things that I believe can be said about the record. First, Congress accomplished much more during the preceding two years than it did during my first two years. We have passed

improvements in the basic farm program and have developed a framework for expanding our exports abroad, a matter I will discuss in more detail later in my talk.

The second factor has to do with the Carter Administration's record on farm issues. Anyone who experienced the visit of a year ago by thousands of farmers in Washington knows full well that there has been great dissatisfaction of farmers on the farm program. But the depressed situation that farmers faced cannot be blamed entirely on the Administration or President Carter. Clearly, the policies of the last Administration, especially planting hedge-row to

hedge-row, contributed to the massive surpluses that drove farm prices down.

Clearly, the President and Secretary of Agriculture Bob Bergland were faced with a problem of tremendous magnitude. The first farm bill that the President sent Congress was inadequate by any measure. In fact, Secretary Bergland made it clear that it was not his bill. As time went on, Congress pushed for a bill that was far improved over the initial effort.

The record of the Carter Administration cannot be viewed on any single issue. We must bear in

mind that the President was faced with double digit inflation, high unemployment and a massive budget deficit upon entering office. On economic issues, the President has moved the nation in the right direction. On foreign policy, he has made inroads in solving a conflict in the Middle East that has existed for thousands of years. On farm issues, the Carter Administration has battled in the right direction, perhaps a little weak on the farm program but with a good performance on tax issues, international trade and farm credit.

Here in North Carolina, we have an improved program wherever we look.

Farmers Home has an expanded program, the disaster programs are improved and will be improved still further next year. The ASCS Office has implemented the new farm legislation with remarkable professionalism. Indeed, C.P. Stewart, the State Committeemen, local officials and others have done a superior job.

Clearly, we are moving in the right direction. Congress and the Administration must do more. I, as a farmer myself, know of the importance of agriculture, especially tobacco, to the state of North Carolina. I will not permit an opportunity to improve these programs to be missed. I pledge to do my best, to be ever diligent, to

act in your best interest. I will maintain close communications with your leadership, to hear you out at every occasion.

What is the record of the 95th Congress? Earlier in my comments, I briefly discussed the farm bill that was signed into law in September of 1977. Certainly, this legislation must be the centerpiece of our efforts in this past Congress. Every objective observer I know says that this was the best bill we could have passed, given the circumstances and political realities.

The highlight of this past year



had to be the inclusion of funding for the Oxford Tobacco Research Station. The situation we faced regarding Oxford was extremely difficult. Continued funding was opposed by the Administration, the Chairman of the Senate Appropriations Committee, and several members of the Senate. Our work on this issue had to begin early and remain steadfast to final enactment. I testified in support of Oxford at the Subcommittee level, making it as clear as possible that funding of this center was utmost on my personal agenda. Needless to say, the situation was tense to the final moment. There were threats by three different Senators to knock-out funding for tobacco

research when this issue hit the floor of the Senate in August. During that 48 hour period between August 9th and 10th, I seldom left the floor of the Senate. I had several meetings with each of the Senators who threatened to end the program, including lengthy discussions with Senator Claiborne Pell of Rhode Island who eventually withdrew his amendment to kill Oxford.

Since those rather hectic days in August, I have invited Senator Pell and his staff to visit North Carolina, to see the Oxford Center and to visit some tobacco farms. It is impossible to tell if Senator Pell will come,

but I do think it fair to say that he has a much greater appreciation for the importance of this center now than he did a few short months ago.

Another accomplishment of this Congress had to do with the Agriculture Trade Export Expansion Act, which was signed into law just a couple of weeks ago by the President. Farmers are just beginning to appreciate the importance of our export markets. Certainly the simple fact that one out of three acres is devoted to exports is convincing evidence of the need for such legislation. Given our balance of payments difficulties, the U.S. needs to do everything it can to export as much as possible, and agriculture

commodities is one area where such advances can be made.

The dominant problem that we have in our exports is that we have sat back and assumed that our products would be successfully marketed. We know that we have an efficient and productive agriculture and that our farm prices are the lowest in the world. But we have forgotten the fact that we must aggressively market our products, just as we have assumed that our low prices would create markets. Indeed, we have failed to take lessons from the Japanese and Germans, some of the most aggressive salesmen in the world.

The legislation we have just enacted into law will authorize new sales offices, enhance our nation's credit facilities, and enhance the status of our agricultural officials within our overseas missions. The sales offices that will soon be in place will permit a wider range of private organizations to seek new markets. Certainly, it is difficult for those not now in international markets to engage in international trade. With these offices, some of the barriers that have proved insurmountable in the past to many will be overcome. This, to me, is an example of how our government can enhance private enterprise, just as

the Japanese and German governments have been able to strengthen the efforts of their companies in the U.S.

Another important aspect of this legislation is the expansion of our export credit programs. Unfortunately, some outdated credit practices have prevented a number of sales. The intent of this new legislation is that the USDA should have the flexibility to offer the same programs as other exporting nations. It was no surprise to me that countries that we compete with such as Canada opposed this provision. In the past, the Canadians have busily exported their products, letting

Americans sit back and be restrained by restrictive credit practices. As a consequence, the U.S. was building up stocks, at the expense of our farmers, while Canada and others freely exported. This will no longer be the case.

Finally, this new law will upgrade the role of USDA officials within U.S. embassies abroad. A little background might be useful. There are four levels of personnel in the foreign service -- attaches, counselors, ministers and ambassadors. Until this bill was passed, USDA personnel never went beyond being attaches. Now, at least eight will become counselors.

The reason why this is important is because the State Department is so rank conscious and simply refuses to listen to lower level officials. As a consequence, decisions that would have helped American agriculture have gone by the wayside.

I had an amendment in the Senate which would have required the President to appoint four Ministers of Agriculture. I withdrew this amendment because of a fear that this would be moving too far, too fast. But I do believe that the amendment, coupled with the legislation that did pass, put the State Department on notice that it should consider the



views of USDA officials. I intend to offer this bill again in the new Congress, along with provisions that will coordinate the programs of the Export-Import Bank.

I cannot stress enough how important I believe this legislation is. I testified on the general trade bill before the Senate Agriculture Committee and cosponsored the legislation that passed the Senate. When the bill came before the Senate, I spoke strongly in favor of final passage.

Before I conclude my remarks, I think that I should share some

thoughts with you on items that are likely to be considered by Congress in the next Session. These items include the Oxford Center, agriculture research in general, crop insurance, and the multi-lateral trade negotiations.

First, I think that we must assume that the same individuals that try to kill tobacco research this year will try again next year. These are the same people that have tried to remove tobacco from the PL-480 program and the same people who are anti-tobacco in general. It is difficult to say what will happen in this area. However, you can be assured that I will watch this situation as closely as possible and

do everything in my power to thwart these efforts.

Secondly, I have become increasingly concerned over the erosion of this nation's capacity to perform sustained agricultural research. This nation has had a productive agriculture because of the individual freedom the you enjoy and because of the sustained financing that the USDA has made in research. In the past seven years, 350 scientists have been removed from the USDA payrolls in agriculture research. In addition, another 100 have been reassigned to regulatory, environmental and food safety concerns. In all, there has been a decline in 450 scientists in just

seven years, a fact that has been showing up in the levelling of our agricultural productivity.

I have discussed this matter with various members of the Senate. Unfortunately, there has been too little awareness of these general trends. At the present time, the Administration is considering a two percent cutback in the research budget, a cut that I will vigorously oppose. During the coming weeks I will be working with some of my colleagues to construct a series of hearings that will educate the public on the serious nature of this problem.

A third area is crop insurance, a matter of direct and immediate importance to you all. The central problem is to develop a crop insurance program that will replace the existing disaster programs in a way that will complement efforts in the private sector, especially those small firms that provide hail insurance coverage. While I will look for a program that complements existing efforts, I will also work to see that coverage is provided to the broadest possible range of commodities, particularly commodities produced in North Carolina.

Finally, Congress will be faced with a new Multi-Lateral Trade

Agreement early in the next session. Ambassador Bob Strauss has assured me on several occasions that our farmers will achieve broadened access in international markets and that the U.S. effort is conditioned on achieving such access. We must remove tariffs, quotas and non-tariff trade barriers on our farm commodities to boost our exports and reduce our balance of payments situation. I need not tell you that the principal problems in this area have come from Japan and the European Economic Community, facts you have no doubt heard on television.

This past summer, Bob Strauss came up with a list of items on which

concessions had to be made before the U.S. would conclude this agreement. On the so-called Strauss list were tobacco and broilers, items that are important to North Carolina. From my numerous communications with Strauss, I think that I can say that progress will be made in these areas.

Finally, there is one additional area on which I would like to comment. You all have been regulated by a variety of agencies ranging from the Food and Drug Administration to the Environmental Protection Agencies. Certainly, all of these regulations were well intentioned. However, they are contributing greatly to inflation and have diverted productive efforts

into non-productive endeavors. At the present time, Congress and the Administration are recognizing these realities and are attempting to construct strategies that more effectively balance interests. This is one area that I am addressing much of my attention to, hopefully with some success.

In closing, I would like to thank all of the people that have been instrumental in making this conference possible. When I work with the men and women of agriculture, I am reminded of the words of Thomas Jefferson who once wrote, and I quote: "Cultivators of the earth are the most valuable



citizens. They are the most  
vigourous, the most independent, the  
most virtuous, and they are tied to  
their country, and wedded to its  
liberty and interest by the most  
lasting bonds." These words are as  
relevant today as they were when  
they were written 200 years ago. I  
thank you for the privilege of  
appearing here today and I pledge my  
best in the future.