



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

E. (Kika) de la Garza, Chairman
Committee on Agriculture
U. S. House of Representatives



Transcription of remarks made November 2, 1983 - Session 28

I really appreciate the opportunity to be here. I wish I could have heard the other speakers, Secretary Hardin, Secretary Butz, both of whom I worked with and labored with the problems of agriculture. Unfortunately, I was caught on the floor. We've had a very hectic day in a discussion on whether or not to keep our troops in Lebanon. And I left there just after the vote, to be here with you.

Let me begin by saying that the easiest part of making farm policies this year, and next year in 1985, will be getting agreement on our goals. We all want a farm program that will keep the farmers returns at levels that meet his cause, and leave him a few dollars for profit. We want a program that will allow American crops to move in the world market. We want a farm program that gives consumers assurance of an adequate supply at reasonable prices. And, we all want a program that will operate at the least possible cost to the tax payers. I'm sure that Secretary Hardin and Secretary Butz, will agree

60th ANNUAL AGRICULTURAL OUTLOOK CONFERENCE • USDA
OCT. 31-NOV. 3 1983 • WASHINGTON, D.C.
60 YEARS OF SERVICE TO AMERICAN AGRICULTURE

with me on these goals. I'm also sure that Deputy Secretary Lyng and Assistant Secretary Lesher, feel the same way. I suppose you could call every farm leader in the country into a meeting and you wouldn't get a disagreement. But, you know as I do, that we have sharp controversy over some farm programs among important groups in agriculture and agri-business. And that controversy is likely to continue as we prepare to develop the next farm bill in 1984 and 1985. The lesson, of course, is that we can all agree that we ought to go to heaven. And yet, good and reasonable people, can disagree on how we ought to get there. And that's going to be one of our major problems.

Maybe this is not a very profound statement, but I want to tell you that it is very important. We are going to have disagreements as we work on farm problems, but I hope very much that we can deal with disagreements among people who basically want to reach the same goals for agriculture, consumers, and the National economy. If we work in that spirit, we can come out at the end with a product that American agriculture and general public can live with. If not -- it will not totally satisfy anyone of the many groups involved in agriculture, but it can be a program which give farmers the basic protection they need, and deserve, and what is equally important, it may be a program which can get enough support to be

anything. And with a controversial issue such as farm programs, it's one hell-of-a job. And, many times I go home late at night, not knowing whether to kick the dog or kiss my wife when I get there, because of the frustrations of the day. Then, beyond that, we have worried about what USEA says. We have to worry about what side of the bed Dr. Lesher got out of that morning. We have to worry about what OMB is telling Dr. Lesher he can or cannot say, or do. We have to worry about the White House. And I don't want this to sound political at all, because it's not intended to, but the intricacies of the PIK program -- the problem with the PIK is that it had agriculture -- had the Agriculture Department been allowed to work and plan and do all of the necessary preparations for it, it might have been more of a success than they are declaring it to be. But the fact is, that it was announced by the President at the Farm Bureau meeting in Dallas, and when none of us were prepared to go forward, and we have to play catchup after that. And that is a problem.

So, the history of farm legislation is really clear that no program is likely to clear all the hurdles unless everyone in the process is willing to compromise. And is going to help make the process work, before everyone involved is going to have to accept the fact

written into Law. This is very important for us. As you know, the last farm bill passed by only 2 votes, which meant that one could have turned it around. We would have had a tie and the bill wouldn't have passed. I got the two votes that gave me the margin, and I'll tell you why I got them and how I got them.

We were behind, and the well of the House is the area right in front of the Speaker, and the members were coming in late, and one youngman came and switched from no to yea, and this gave us a 202. And a young member from California -- I walked up to him. I embraced him. I did near kiss him on the floor, but I thanked him, and then human nature, I asked him, "How come you gave me your vote?" He said, "Well, I don't know about your dang program. I don't know if it's good or not. I gave you the vote because I just hate to see a grown man cry." And that's what passed the '81 farm bill, my friends.

So, I think that you have to realize what we're dealing with. I like to say that it is the art of the possible. The art of the possible, because in the average sub-committee, there's eight members. The art of the possible for us in the full committee of 41, is 21 members. The art of the possible for us on the floor of the House, with 435, is 218 -- and if you just mill around during coffee break here, see if you can get 218 to agree on

that other players in the game are also working in good faith and for the benefit of farmers in our jcountry. And this is very difficult because, unlike some of the other more controversial programs, where you have dissident groups, or the environmentalists may not agree with some of the chemical manufacturers, for example -- this is human nature. This is understandable. But, when farmers disagree with other farmers, then it makes it doubly difficult. And it is going to be very hard.

Therefore, we plan to go into the next farm legislation, early in 1984 -- early in 1984 and it does not end until 1985. So, I want the world and everyone to be on notice, and not come -- that we were not advised, that we didn't know. We are going to begin early in 1984, hopefully to conclude a reasonable compromise during 1984. I don't want to get caught doing it in 1985, at the end as the time is running out, as we were doing in '81. This is not fair to the administration that has to administer it. This is not fair to the farmer. This is not fair to all who supply the supplies to the farmers, to the chemical, to the tractor dealer, to anyone. You have to plan. And, recently one of the members of our committee mentioned that -- have they announced a program for wheat? And the farmer said, "No, I'm sure they haven't." He says, "How do you know?" He says, "I haven't planted my crop yet."

That's why I hope we can work in '84, and clear the legislation in '84. If not, in early '85, so that we can have it in place and we are able to work. So that we will have ample preparation for the farmer and all of the agri-businesses.

Other issues that we will be busy with -- one top priority item which is facing us today, is the question of dairy programs. And I was advised today, that we will go on the floor Monday afternoon for general debate on that legislation, with consideration of several proposed amendments on Wednesday. And, hopefully we will have something out of the House by Wednesday, so that we can go into conference with the Senate, not only on dairy but on several other items that came in the package. And this is very important, because the costs of the program have been too heavy -- the program that we now have in place -- without pointing any fingers -- anyone who is not working, the surplus is continuing, and we have been for many months trying to get a consensus on this legislation. We think we have it, and we must address the issue. Of course, there are differences. There are people who -- everyone feels satisfied that his plan is the best plan. And I have to be concerned with what plan will get 218, and clear the hurdles of OMB, and USDA, and a possible veto, because I see no way that farm

legislation can override a veto. There's just no way that we can get a 2/3s agreement on any major farm legislation. We have to work again within the art of the possible, And this is one of the areas, we have to reduce the cost to the government. We cannot continue with this tremendous 200-plus billion dollar deficit. I know that we all agree on that, that in the long run possibly, this is one of the major factors that we have to contend with, for many reasons, but principally for the farmer, because they bring the impacts on the farmer most. Really, here talking about farm programs, is the cost of money to operate, and it's the interest rate that impacts on the farmer in the producing end. It impacts on the processor. It impacts on the wholesaler. It impacts on our foreign trade. This is one of the paradoxes. It's one of the dangest things I've ever been involved with. We were -- I don't know about my time here -- but I'll try to hurry.

We were in West Germany, talking to Willie Brandt, when he was the Prime Minister, and we had a colleague from our Congress who was very friendly. They had known each other as NATO parliamentarians. And Willie Brandt say, "You've got to get your house in order. You've got to bring inflation down. You've got to bring your interest rates down. You've got to reduce your deficit. I can't be propping up your dollar everytime it get in

trouble in Europe." Okay, we said, we'd try. Next time we see Willie Brandt -- not in that position any more, but friendly to us, and we have a meeting with him. He says, "What are you doing to me with your strong dollar? You're killing us. You're costing us trade. You're costing us money. What in the world are you doing to us?" We said, we're doing what you told us we should do to begin with. But that's just one of the paradoxes, that here we were -- the year of the highest export this century for us, the highest income in export this century for us, the lowest income this century for the farmer. It just flat didn't make sense. But, part of it was because of the intricacies of monetary policy and the farmer. He doesn't know about monetary policy. He was put by the Good Lord on this earth to grow food for the people, and that's what he knows, so we have to contend within the areas that we deal with, to compensate for world policy, for regional policy and for domestic policy and for everything that impacts on what that farmer is going to do.

But, let me tell you, and make no mistake about it. The importance of that one farmer -- Deputy Secretary Lyng mentioned that I was in the Navy. I was in the Navy towards the end of World War II. I never got aboard ship. As soon as I joined the Navy, everyone quit. The war ended, and that was the end of that. I kept bugging

people. I want to go to sea. I want to go to sea. I want to get aboard a ship. No way. A lowly seaman, second class. Finally I ran across a very old Chief Boatswain's mate. I said, why don't I get to go to sea? I felt that they were discriminating for some reason. He said, you tested too high. I said, what are you talking about. He says, your IQ is too high. I says, heck, I could have taken care of that. I can test low, if necessary. But I didn't get aboard ship. So, when I came to Congress, here were the liaison for the Air Force, and the Navy and the Army. What can we do for you? So, I tell the liaison from the Navy. I want to go on board a carrier. Boom! There I go, off to Florida to get on a carrier. Then I want to get on a cruiser. There I go to get on a cruiser. Then finally, I say, I think they're just about ripe for me. I want to go on a submarine. Oh, I don't know about that. Well, finally I have to take a physical, and they check me out, and good ears and all of that, and they let me go on a submarine. One of the nuclear subs. We went off and they let me -- they call it flying it -- and they let me fly it. It's just like a plane, you push down and it goes down, and you pull back and it goes up, right, left, right, right. There I was under the Atlantic flying that thing all over the place. You might have noticed that there was a time of

the year when a lot of whales beached themselves -- well, that was me. Before we got off the ship, that sub, I asked the Commander -- very young -- by the way the average age of an officer of a submariner or men, was 19½ years of age. Those are the people that run our subs. But, I asked him, how long can you stay? A profound question. How long can you stay under water. He says, that's a military secret, Congressman. So, I said, well, I don't want to mess with military secrets. So, he said, I'll give you a guess. So, I says, well, I'm thinking of the core, the reactor. I'm thinking eight years, ten years. Well, I says, short -- six, long ten -- so, I says, eight years you can stay under water. He says, no, no. You're chairman of the Agriculture Committee, aren't you? I says, "yes. He says, I'll give you another guess. I said, no, I give up. So, here's a military secret he said. I can stay under water as long as I have food for my crew. So, it's the farmer that is running all the dang Navy. And, the Army. And, the Air Force. And if you call this plant of our a ship, and the vastness of the oceans and the sky, it's the farmers who are running this planet and keeping it alive. And that's why we have to dedicate ourselves -- sure, we have differences. We'll always have differences. This is human nature. But, this was so forcefully put to me, that all of that technology, all of

the nuclear reactor, all that went to make this powerful vehicle, either for peace or distruction, went back to some little farmer in Iowa or Texas, or some place in the United States, providing the food for that crew. And this is something that we can't, and should not forget as we deal with programs in agriculture.

Finally, let me just say that regardless -- I know many of you are frustrated and you get frustrated everyday. We get frustrated. Oh, we have the exchanges with the administration, with OMB, within our committee, we parbably are the least partison committee, because the problem of farmers is the problem of a farmer. It has no Democrat or Republican tag to it, and we work that way in our committee, but sometimes we get frustrated, and you get frustrated at the system. So, for those of us, our citizens and our foreign guests, I would explain -- don't get frustrated with the system because it is working, and it is working well. The nuts and bolts, the tools that we have to work with -- that we can handle. But, within the system, you have to have a working majority at one given point in time in the Congress, and out in the countryside, we elect or unelect Presidents. We elect or unelect members of the Senate, to the House, Mayors, Councilmen, County Supervisors, but all within the system. And the pendulum goes right and left, and

roller coaster goes up and down, but all the time the system is generating survivability -- if that's the word -- of the independence of the individual. We are by far, the freest of any nation in the world. We are by far the best fed -- the best quality food, in the world, possibly in the history of the world, for the lowest amount of disposable income per family, basically in the world, in the history of the world.

More often than not, that food is placed on that table by that farmer, for less than it costs to produce it. So, I agree with going to the marketplace, but in the reality in the art of the possible, it just flat doesn't work, because the system has gotten out of kilter. Government imposes costs on the farmer that are not compensated for in the marketplace with perishable commodities or commodities not of long survival. They tell him how much he has to pay -- not that we begrudge that, because goodness knows farm workers make little and should make more, but government tells him how much he has to pay -- whether he sells the product or not, whether he sells for a profit or not, the government tells him what kind of housing he must have for his people, they tell him what kind of pesticide or insecticide he can or cannot use, it may be a low price, it may be a high price. The market doesn't compensate, so within the vacuum of philosophy,

yes, you can talk about free markets. In the reality of the world and Main Street, U.S.A., and out in the farm rows and corners of our countryside, the farmer can't rely on that free market, because he has a fixed cost which government has imposed on him. And that's why he has to instinctively produce, produce, produce. That's one of the problems that we'll find with the milk legislation -- that, oh, yeah, we can cut them one dollar, one dollar fifty, two dollars -- you know what the farmer is going to do. He is just going to feed the hell out of them and get more milk to compensate for that money he lost. That's what he is going to do. That is one of the intricacies that we have to deal with.

But the thing is, are we going to make the decision in '84 or '85? This probably, and I agree with Dr. Lesher, he intimated at it -- this probably will be it for this century. The road we take in the '85 Farm Act, will be for the end of this decade and into the end of this century. And we have to compensate for unseen forces of man and nature, that impact on that individual farmer on the 20 acre plot or the 300 acre plot or the 3,000 acre plot, and whether you are a major conglomerate or whether you are a family corporation, or whether you're just one lonely farmer fighting your way out -- trying to make a living for yourself and your family -- all of these forces

of man and nature, are going to impact. And we owe him some degree of moral responsibility as a country, collectively, for his contribution to give us a good, ample supply of food, and enough to send to other parts of the world in trade or in charity, when needed. We collectively owe him some degree of assurance that he is going to get, at least -- at least, what it cost him to produce it, without having to pray and kneel everyday, that the market will justify that investment that he made on that crop, because that market can't and won't do it, because it does not compensate for that fixed cost that government has imposed on him.

So, I leave these thoughts with you, as you hopefully will work with us. I think they may have said it, if not I'll say it for them, because they will not disagree. This is your Department of Agriculture. This is your Secretary of Agriculture. We are your agriculture committee in the House of Representatives. I am your Chairman. We are one, together, collectively, in unison, and for that reason, we need to work as one, settling the differences, arguing the compromises, and eventually arriving at the art of the possible, which would be in -- what a simple thing to ask -- that a farmer get, as his return, what it cost him to produce it and just a little bit more, to keep him being a farmer for the rest of this

century. That, my dear friends, is what we face and what collectively, and hopefully -- with the help of the Good Lord, and yours, we will be able to achieve in 1985.

.