



***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](mailto: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.*

# Profile

## Rural Development Programs Ready for Changes

Rural development, crop insurance, the futures industry are just a few of the issues facing the House Agriculture Subcommittee on Conservation, Credit and Rural Development and its new chairman, Congressman Glenn English. The consideration of these and other issues provide a full plate for the Subcommittee this year.

### *Futures Industry Regulation*

The first issue to be considered by the Subcommittee will be the futures industry which has been rocked by allegations of fraudulent action at two Chicago exchanges. Immediately after Congressman English was elected chairman of the Subcommittee, Ag Committee chairman E (Kika) de la Garza asked him to conduct an inquiry into the entire regulatory structure to determine if there are weak spots which need to be corrected. The Subcommittee will examine all exchanges and the Commodity Futures Trading Commission itself. Once the inquiry is completed, hearings will be held on reauthorization of CFTC. The agency must be reauthorized because the legislation establishing it contains a sunset provision which expires at the end of this fiscal year.



**Glenn English**

Glenn English has been serving as Congressman from Oklahoma's 6th District since 1974 and is presently the most senior member of the Oklahoma delegation. He has served on the House Agriculture Committee since his election. He was named chairman of the Agriculture Subcommittee on Conservation, Credit and Rural Development this past January. This panel has authority over issues such as farm lending, the REA, crop insurance, and rural development programs.

Prior to serving in Congress, English served as a legislative aide in the Congress, director of the Oklahoma State Democratic Party, Chief Assistant of the California State Assembly, and in the petroleum industry promoting development of oil and gas properties.

He and his wife Jan are parents of two children, John Lee and Tyler Janene.

### *Rural Development Legislation*

"People should have the opportunity to live in rural areas if they wish" stated English, "but they are often limited by the lack of jobs and economic activity." English would like the Subcommittee to begin development this summer of a comprehensive legislative package responding to the urgent economic, educational, and quality of life issues facing American rural areas. In the past, rural development programs have used a shotgun approach, spreading limited dollars among a

wide range of programs. As a result, the needy or depressed areas, which could benefit the most from federal resources, suffered under severely restricted budgets that did not begin to meet their needs.

English would like to see the rural development programs "modernized to move into the 1990's, investing the resources in those areas where they will work the best." Ever mindful of overall Congressional budget constraints, the new legislative initiatives will likely be limited to realignment and refinement of present programs and the initiation of a limited number of new innovative programs. In this way legislation will be able to address rural problems in a single, comprehensive way.

At the top of the list of the legislative initiatives, according to English, will be rural financing—identifying new and imaginative ways to start businesses with venture capital. "We must look to the secondary market and the opportunities presented through the Ag Credit Act for financing options with real possibilities". The goal of the legislative initiative is to develop a diverse rural economy, with a vitality stemming from local industries as well as the farming community. Established agribusinesses must volunteer their management expertise and their financial resources to aid the development and growth of local industries. Over the coming months, the Subcommittee will be examining the role financial institutions can play in this partnership effort to revitalize rural areas.

Two other components necessary for the development of a vital rural community are an effective communications infrastructure and high quality rural health care. The various organizations responsible for the communications infrastructure must be ready to move into the 1990's and provide the rural community with a modern, up-to-date communications system. Without this, rural business development will be stalled and the

quality of life in rural areas will suffer. "Families must be able to acquire the same type and quality of education for their children that is now available or will be available in the urban areas". New and emerging communication techniques such as fiber optics make this possible and the communications infrastructure must be able to provide these services. The contribution to the vitality of the rural community of a high quality rural health system also needs to be kept in mind. The differences that now exist between rural and urban health care must be eliminated.

### *Farmer Mac*

"It is really too early to tell how successful Farmer Mac will be" says English. The subcommittee plans to monitor its progress as it becomes operational to see if any adjustment or fine tuning is needed. It is likely to be 1990 or 1991 before any major changes or modifications of Farmer Mac are on the Subcommittee agenda.

### *Farm Bill*

Unlike in the past, the strengthening voice of conservationists may be at odds with other agricultural interests in the development of the new farm legislation. There is the potential for many conflicting interests, especially if the early indications of the continuation of the drought are accurate. Farmers may find themselves in a difficult middle position and will need to carefully evaluate whether and how to participate in some farm programs.

The issue of food safety highlights the potential of the conflict. On the one side you have consumer interest groups with an interest in low prices, wide variety and increased availability (for themselves and to help feed the less fortunate). On the other side, says English, will be those environmentalists in favor of vastly restricting pesticides and fer-

tilizers which will necessarily reduce crop output and raise prices. Congress must be careful to not overly regulate the environmental aspects of farming or make program participation so odious as to severely restrict voluntary participation by farmers.

### *Crop Insurance*

An interim report on crop insurance by the Crop Insurance Commission was due April 1 with a final report expected by July 1 of this year. The Subcommittee will be taking up this item by the first of September for inclusion in the farm bill. The crop insurance program was initially started in 1938 and expanded in 1980. As originally conceived crop insurance was to be actuarially sound and have more than 50% participation. However, currently, there is less than 30% participation. The low participation rate contributed to the continuation of both disaster programs and crop insurance. The continuation of both programs has had significant budgetary consequences. "Congress

must begin to address the problems with the present crop insurance program or eliminate it," stated English.

The Subcommittee will examine options available to "fix" the program. One option under consideration, according to English, is to simply make crop insurance one of the benefits of participation in the farm program for all except the non-program crops. Whatever the outcome, English believes the new farm legislation will have to attack the problems associated with the crop insurance program.

### *Conclusion*

Given the issues facing the Subcommittee and the goals of Chairman English, the House Subcommittee on Conservation, Credit and Rural Development has a busy year ahead. It is evident though that accomplishment of the goals will lead to increased rural development and enhance the quality of life for the rural community.

---