Correspondence – American Farm Bureau

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August 1, 1974

Mr. William J. Kuhfuss, President
American Farm Bureau Federation
225 Touhy Avenue
Park Ridge, Ill. 60068

Dear Bill:

Thank you for your letter of July 25. As a peanut farmer, I am particularly interested in the information you included. I have asked my staff to carefully review the materials you sent.

I am enclosing our issue analysis papers on the economy, agriculture, rural development, health care, and consumer protection. I believe these may be of interest to you.

Please let me continue to have the benefit of your thinking.

Sincerely,

Jimmy Carter

JC/scg
Enclosure

Agricul. Rural Develop.

American Farm Bureau Federation

OVER A HALF CENTURY OF SERVICE TO AMERICAN AGRICULTURE

GENERAL OFFICES
225 TOUHY AVENUE
PARK RIDGE, ILLINOIS 60068

PHONE: (312) 696-2020

CABLE ADDRESS: AMFARMBUR

July 25, 1974

Governor Jimmy Carter
1974 Campaign Chairman;
DEMOCRATIC NATIONAL COMMITTEE
P. O. Box 1524
Atlanta, Georgia 30301

Dear Governor Carter:

We appreciate your interest in Farm Bureau's views on current issues of public policy.

I am enclosing a copy of Farm Bureau Policies for 1974 and some recent statements which indicate our position on a number of important issues including inflation, food aid, government reserves of farm products, trade reform, farm labor, OSHA, national health insurance, and consumer protection.

Sincerely,

William J. Kuhfuss, President

WJK:he

Encl.

FARM BUREAU

TESTIMONY

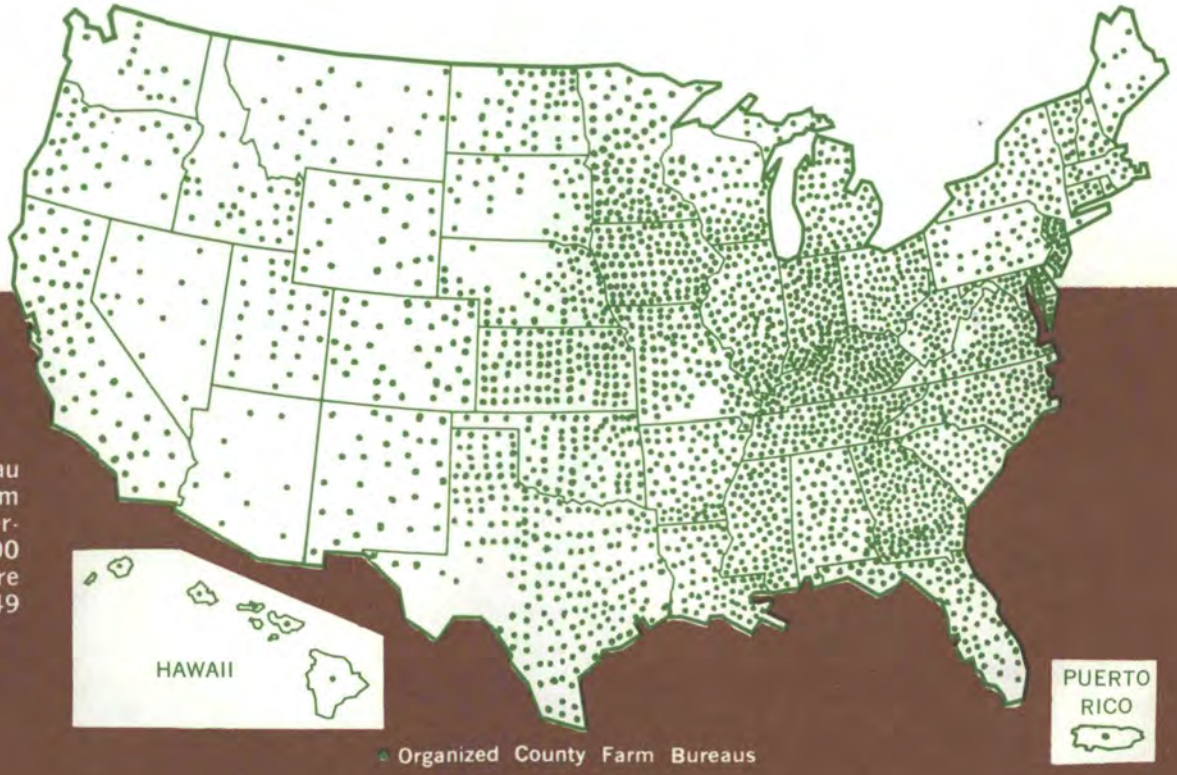
Farm Bureau is a free, independent, non-governmental, voluntary organization of farm and ranch families united for the purpose of analyzing their problems and formulating action to achieve educational improvement, economic opportunity, and social advancement and, thereby, to promote the national well-being. Farm Bureau is local, statewide, national, and international in its scope and influence and is non-partisan, non-sectarian and non-secret in character.

FOOD AID AND
GOVERNMENT RESERVES OF FARM PRODUCTS

Presented to

THE DEPARTMENT OPERATIONS SUBCOMMITTEE,
HOUSE COMMITTEE ON AGRICULTURE

July 23, 1974



The American Farm Bureau Federation is a general farm organization with a membership of more than 2,000,000 member families in more than 2,800 counties in 49 States and Puerto Rico.

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION

Presented to

THE DEPARTMENT OPERATIONS SUBCOMMITTEE, HOUSE COMMITTEE ON AGRICULTURE REGARDING PROPOSALS FOR FOOD AID AND GOVERNMENT RESERVES OF FARM PRODUCTS

July 23, 1974

We appreciate the opportunity to comment on the world food situation, the problem of supplying food aid to needy countries, and proposals to establish a new system of national or international reserve stocks of major farm commodities. These subjects are matters of vital concern to the farmers of the United States, who produce 25 percent of the agricultural commodities that move in international trade and whose productive efforts are basic to any solution of international food aid problems.

The world is now emerging from a temporary period of relatively tight food and fiber supplies, which was basically brought on by increasing affluence in many countries around the world, relatively short crops in 1972, and a shift in the Humboldt Current which reduced the production of fish meal. Present economic projections indicate that food supplies will return to more normal levels in the coming year -- barring unforeseen developments such as unusually bad weather. A more serious problem is the long-range problem of producing and distributing enough food to meet the needs of a rapidly growing world population. In our opinion this is not likely to be a serious problem in the developed nations in the foreseeable future. It already is a serious problem in some overpopulated, less developed countries. Foreign aid can help to meet this problem on a temporary basis -- especially in emergency situations -- but a long-run solution will require effective measures to limit population growth in the poorer countries and substantially increase food production in these countries, or a combination of these approaches.

Foreign Aid

Twenty years ago Farm Bureau developed the principles of the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480). While the major thrust of P.L. 480 was trade development, international food aid was a basic part of the program. Congress passed this legislation at a time when the U.S. government owned huge surpluses of commodities. Since the government no longer owns large surpluses of farm commodities, the nature of P.L. 480 programs has undergone some changes. Currently, Title I of P.L. 480 authorizes the U.S. government to loan U.S. tax dollars to developing nations on low-interest, extended-repayment terms for the purchase of U.S. agricultural commodities. Title II, which is still operative, authorizes U.S. tax dollars for the purchase of U.S. agricultural commodities to be donated to needy nations with emphasis on emergency situations.

Current Farm Bureau policy on foreign aid is as follows:

> "American foreign aid programs for less fortunate nations are worthwhile in promoting the peace and welfare of the entire world. Emergency food relief needs should have the highest priority in foreign aid programs.
>
> "Development assistance programs can be of major importance in improving the economies of underdeveloped nations. Such programs should be based on well formulated, long range plans of recipient nations in order to insure proper utilization of aid funds.
>
> "It is in the long term best interest of developing countries to assist them to produce agricultural commodities which are not in world surplus.
>
> "Military aid is essential to the maintenance of world peace and is a vital part of total U.S. foreign policy. Aid should be given to encourage private enterprise economic systems and should not be offered where it may advance socialism or communism.
>
> "Proposals to conduct American foreign aid programs through U.N. agencies should be rejected. We oppose granting special tariff concessions to developing countries.
>
> "We support continuation of the Food for Peace program. Needed supplies should be purchased in the domestic market, and production of these supplies should develop in response to market prices to the maximum extent possible."

Reserve Stocks

Recent discussions of the reserve stocks issue have included three related ideas: (1) the maintenance of substantial government stocks of major farm commodities at all times, (2) higher government loan rates and target prices, and (3) the imposition of export controls whenever stocks are likely to fall below the specified levels. All three of these ideas are contrary to the objective of a market-oriented agriculture which Farm Bureau believes to be in the best interests of farmers, consumers, and taxpayers.

The applicable portions of Farm Bureau policies for 1974 are as follows:

"Government Farm Programs

"Our objective is to create a climate which will enable agriculture to operate under the market price system. Continuing use of direct commodity payments will not permit us to reach this objective. The target price concept of the 1973 Farm Act, which includes the compensatory payment approach in disguise, is unsound.

"New programs should be designed and administered to enhance market opportunities, to the end that farmers ultimately will not be dependent on government payments and will earn higher incomes in the marketplace."

"CCC stocks and sales policy

"Farmers must not be forced to compete with the Commodity Credit Corporation for markets."

"Strategic reserves

"The best food reserve for America and for the people of the world is the productive capacity of our land and the ability of the American farmer. We are safeguarding the interests of consumers through the tremendous productive capacity of American agriculture, the stocks carried by farmers and by the trade in the absence of a government reserve program, the fact that major crops are produced over wide geographic areas, and the flexibility that goes with a livestock economy.

"We oppose government-owned or controlled reserves of farm products. We vigorously oppose U.S. participation in any internationally controlled food reserves. Past experiences in international relations indicate that U.S. taxpayers would carry much of the financial burden of a system of government controlled international reserves."

"International trade

"The economic health of any nation depends on its ability to trade with its neighbors. Mutually advantageous trade also furthers understanding and respect among nations and serves as a pathway to peace. We recommend more effort toward increasing international trade on a strictly commercial basis.

"American agriculture has an important stake in a high level of mutually advantageous world trade.

"Exports represent a significant part of the total market for our agricultural production...."

"We encourage action at both domestic and international levels to ensure farmers the right to offer their produce for sale on world markets. We oppose any proposal to limit or control exports of U.S. agricultural commodities."

Government-managed reserve stocks of farm commodities are both unnecessary and undesirable.

The costs of a reserve managed by the U.S. government -- either independently or as a part of an international program -- almost certainly would exceed the benefits. The costs include adverse effects on farmers and higher taxes for all taxpayers. Government-managed reserve stocks also can have adverse effects on consumers by delaying the increases in production which are needed from time to time. The historical record indicates that periods of short supplies are relatively rare in American agriculture. The costs of holding reserves for infrequent shortfalls in production are substantial. In the present period of relatively short supplies it is easy to forget the public resentment which developed against the government farm program a few years ago when carrying charges on Commodity Credit Corporation stocks amounted to over $1 million per day.

A reserve inevitably becomes a part of the supply-demand equation, and buyers know that rules established to protect market prices are always subject to change. Thus reserves tend to depress average farm prices. Combining a reserve program with higher government support prices in an effort to offset the price-depressing effects

of reserve stocks would be a step backward toward a government-managed agriculture in which the government would have to decide what is to be produced and who is to produce it.

A government-managed reserve program is not needed for the protection of our customers either here or abroad. Domestic consumers have a great deal of protection in the productivity, diversity, and flexibility of American agriculture. While we are opposed to government-managed reserve stocks, we believe needed reserves can, and should, be maintained by farmers, handlers, and processors. The existing government loan programs make an important contribution to the maintenance of farmer-owned reserve stocks whenever production exceeds current domestic consumption and exports. Farmers and the trade have demonstrated that they will maintain larger reserves if the U.S. government does not take over this function. Domestic processors and foreign buyers also can protect their needs through advance contracts. Importing countries are free to maintain their own reserves and should be encouraged to do so.

It is sometimes argued that U.S. reserves are needed to facilitate food aid to the less developed countries. Farm Bureau believes that foreign aid programs are worthwhile as a contribution to peace and the welfare of the entire world. We also believe that emergency food relief needs should have the highest priority in foreign aid programs. We do not, however, agree that such programs require the maintenance of government-managed reserve stocks. Food aid can be made available to less developed countries through purchases in the open market, either here or abroad, without adopting an approach that inevitably would lead to a government-managed agriculture. One possibility is the establishment of a fund of money to which all affluent nations could contribute and to which needy nations could petition for help. Once an application was approved the needy nation would receive a grant of money and could purchase those agricultural commodities which it desires from whoever makes the most attractive offer.

Export Controls

Export controls are contrary to the interests of farmers and the broader interests of all citizens in our balance of payments. Export markets are essential to a prosperous agriculture as our productive capacity far exceeds domestic requirements. Agricultural exports also are an important source of badly needed foreign exchange. In 1973 an agricultural trade surplus of $9.3 billion wiped out a deficit of $7.6 billion in nonagricultural trade and left the nation with an overall trade surplus for the first time since 1970. In order to maintain a strong position in world markets we need to convince other countries that we are a reliable source of supply. We cannot do this by turning the flow of exports on and off on the basis of fluctuations in domestic supplies or prices. The need to maintain a high level of agricultural exports is now greater than ever before due to the increased price of foreign oil. It is rather surprising to us that some people who condemn the Arabs for embargoing oil shipments to the United States see nothing wrong in proposals to deprive friendly countries of the right to bid for needed food supplies in the U.S. market. We need to recognize that we are a part of a world economy and to act accordingly. The American economy is a strong economy. Domestic handlers should be able to compete with foreign buyers on a fair basis, and domestic consumers have the purchasing power to buy food and fiber products at world prices.

Concluding Comments

Farm Bureau believes in a market-oriented agriculture. Instead of trying to manage agriculture through such devices as higher support prices, larger government payments, government reserves, and various types of controls, we should recognize that the market system is working very well and that it is a more effective mechanism for the solution of economic problems than any system of government intervention.

The really serious aspects of the world food situation involve overpopulation and inadequate incentives for economic development in problem countries. The United States can, and should help, the poorer nations of the world, but this should be done in ways that will not have adverse effects on our own producers. Food aid programs can perform a valuable function in emergency situations, but a long-term solution to the problem of chronic food shortages in poor countries will require effective measures to restrain population growth and to increase economic development in these countries.

American Farm Bureau Federation

WASHINGTON OFFICE
425 13TH STREET, N.W.
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AREA CODE 202 - 638-6315

CABLE ADDRESS: AMFARMBUR

July 23, 1974

Honorable John L. McClellan, Chairman
Appropriations Committee
United States Senate
Washington, DC 20510

(Individual letter to each member, Senate Appropriations Committee)

RE: Labor-HEW Appropriations - OSHA amendments

Dear Senator McClellan:

H.R. 15580, the appropriation bill for Labor-HEW for fiscal 1975, includes two amendments adopted on the floor of the House affecting the administration of the Occupational Safety and Health Administration.

One requires that $5 million of the appropriation be expended for consultant services to employers on health and safety through agreements with the states. The other prohibits the expenditure of any funds "to pay the salaries of any employees of the Federal Government who inspect firms employing twenty-five or fewer persons, to enforce compliance with the OSHA Act of 1970."

We strongly favor both amendments and ask that you support efforts in Committee to include the same language in the bill reported to the Senate.

Farmers and other small businessmen find it increasingly difficult to comply with the Act. We fully realize that changes are needed in the Act itself and we shall make recommendations for such changes during the public hearings on OSHA currently underway in the Labor and Public Welfare Committee. However, immediate relief is needed from the present administration of the Act. The above amendments to the appropriation bill will provide a measure of relief.

Yours sincerely,

John C. Datt
Director, Congressional Relations

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STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION
TO THE HOUSE WAYS AND MEANS COMMITTEE
ON NATIONAL HEALTH INSURANCE

Presented by
John C. Datt
Director, Congressional Relations

July 15, 1974

The American Farm Bureau Federation is a general farm organization composed of 2,293,680 families. Our interest in National Health Insurance is twofold since we are both consumers of health services and taxpayers.

Farm Bureau policy states:

> "We continue to be concerned over the increasing high cost of hospital and medical care. We recommend that all citizens be encouraged to participate in private health care plans by federal income tax credits for premiums on such plans, with provision for government assistance to persons who do not have enough income to take full advantage of such credits. This approach should be used rather than a national health insurance program."

Farm Bureau does not view the national health situation as a crisis in any sense.

Government aid may be needed to meet special problems and obvious deficiences. However, it is not in the national interest to undertake an all encompassing health plan and to bring everyone into it regardless of need.

Most plans now before the Congress would be financed by taxes on payrolls, which would serve to raise the cost of goods and reduce spendable income. A tax also would be imposed on individual entrepreneurs such as farmers, reducing their spendable income and increasing their need for higher prices for their products.

The farmers and ranchers of America are among those who are the principal victims of current maldistribution of our medical health services. Rural areas have fewer doctors and less professional help than urban areas. The facilities available to us are, to a lesser extent, somewhat below the norm.

Sociological explanations are accepted for the most part as reasons for the shortage of doctors in rural areas. Urban life seems to be preferred by many.

The solution to this problem will be difficult. It probably will be accomplished by the people of the rural areas themselves, rather than by a system of incentives and inducements such as deferred tuition for medical students who will practice for a time in rural areas, and similar programs. Most experiments of this kind have proved fruitless.

The cost of health services is the second main concern of our members. Two approaches appear in the various bills before your committee. All undertake to finance medical costs. Some provide substantial cost control mechanisms. The public interest demands that the financing of health services under a National Health Insurance Plan not be accompanied by either (1) dramatic increases in cost such as accompanied the enactment of Medicare and Medicaid or (2) stifling controls upon medical and institutional providers of health services which would stultify progress. We urge that everything be done to prevent the creation of a political medical system. Bureaucratic control must be kept to an absolute minimum.

Farm Bureau views with misgivings any substantial reliance upon appropriations from general revenues for medical care. That is inconsistent with an insurance

program. Moreover, it would add new problems to an already overburdened budgetary system. We have little confidence in the cost figures advanced in support of the proposed National Health Insurance Plans. This is a situation in which the adoption of a national program will increase demand. The response of the public to its ability to use a new service to which it must contribute is easily underestimated. Disciplines, financial or otherwise, must be employed or our health care system may be inundated.

We favor the retention of the private medical insurance industry as opposed to its absorption in the Social Security system. The alleged savings to be achieved by going the Social Security route are, in our opinion, illusory. The human values of private initiative, and the creativity of the profit system would be lost.

We recommend that a tax credit system be used as the financing mechanism for a national health insurance program, that participation be voluntary, and that provisions be made for assistance to the indigent and near poor.

American Farm Bureau Federation

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CABLE ADDRESS: AMFARMBUR

July 22, 1974

(Individually addressed to all U. S. Senators)

S. 707, providing for a Consumer Protection Agency, is now before you.

The voting delegates of the member State Farm Bureaus to the 1974 annual meeting of the American Farm Bureau Federation adopted the following policy on "Consumer Protection."

> "Government standards of quality, safety, health, and labeling have a role in the marketplace.
>
> "However, we do not believe the government can protect every consumer in each of his transactions without infringing upon his personal freedom.
>
> "Therefore we oppose the establishment of any consumer agency or council having other than advisory powers."

Farm Bureau does not believe that S. 707 is a consumer protection bill in any true sense. Instead it proposes a "super agency" to be pitted in an essentially adversary position against all other federal agencies (with a few exceptions) with unique powers to intervene in their processes as a matter of right and as a party where appropriate.

As the bill stands now, a notable exception to this overwhelming grant of power is a provision which precludes CPA from interceding in labor disputes. It is alleged that in some fashion such matters are too remote from the consumer to be of concern and that the consumer is in some fashion already represented in such disputes. This is incomprehensible.

American farmers and ranchers are well aware of the dangers of bureaucratically imposed artificial prices and their effect upon production. Most consumers share this point of view. The grant of powers enumerated in this bill places the matter of pricing squarely in the hands of the CPA. The record of the

hearings indicates that advocates of S. 707 put food foremost on the list of problems to be solved by a CPA. Thus the question to us is one of a backdoor return to price controls through an interjection of the CPA into the administration of the U. S. Department of Agriculture with unpredictable effects on all of its administrative, regulatory, and quasi-judicial functions. Failing there, the CPA could pursue its right of judicial appeal.

We do not believe the federal judiciary is the proper forum for the settlement of interagency disputes and policy disagreements. This is the job of the Congress.

We are concerned that the proposed CPA would, at times, in the nature of things oppose the expressed will of Congress and its legislated policies at the agency level. This bill, to repeat, would pit agency against agency and, at times, the CPA against the Congress. Its passage would leave broad segments of the public and the economy hostages in a bureaucratic war.

In these days of great uncertainty and question, this proposal is a retreat from reality. It is ill-conceived and mislabled.

We oppose this bill in concept and in principle. It is bad legislation.

Sincerely,

John C. Datt

John C. Datt, Director
Congressional Relations

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE,
ENVIRONMENTAL AND CONSUMER PROTECTION
WITH REGARD TO 1975 APPROPRIATIONS FOR AGRICULTURE

Presented by
Wm. C. Anderson, Assistant Director, Congressional Relations

April 24, 1974

We appreciate the opportunity to present the views of the American Farm Bureau Federation with respect to appropriations for the U.S. Department of Agriculture for the fiscal year ending June 30, 1975.

Farm Bureau is the nation's largest general farm organization with a voluntary, paid membership this year of 2,293,680 member families in forty-nine states and Puerto Rico.

Farm Bureau has had a longtime interest in monetary, spending, and tax policies. At our most recent annual meeting in January, 1974, official voting delegates representing the member State Farm Bureaus adopted the following policy statement:

> "Deficit spending by the federal government and programs and policies which increase the supply of money and credit faster than production are basic causes of inflation.
>
> "The economic stability of America requires a reduction in the inflationary level of government spending. Both the Congress and the Executive Branch must accept major responsibility in this area.
>
> "We support legislation now before the Congress which is designed to bring about significant reforms in the appropriation and expenditure processes of both the Congress and the Executive Branch.
>
> "Plans must be made for an orderly reduction of the federal debt."

It is apparent from this policy statement that inflation is of major concern to farm people. And it is also apparent that they understand the root cause of inflation -- excessive government spending resulting in huge federal deficits which have been financed through expansion of the supply of money.

Recently we transmitted to all members of the House and Senate Appropriations Committees Farm Bureau's recommendations for expenditure reductions of nearly $9.8 billion in the President's budget for fiscal 1975.

Farm Bureau's recommended reductions cover the entire budget. Since each member of this subcommittee is a member of other subcommittees and the full Committee on Appropriations, we urge you to consider these detailed recommendations.

The Administration's budget proposes a modest reduction in total USDA outlays for the coming year. However, sharp reductions are proposed in outlays for those USDA programs which involve farmers directly.

Outlays for "agriculture and rural development" are expected to drop from $4,039 million in 1974 to $2,729 million. We point out that, if all functions of the federal government had experienced the same decrease in needed outlays, deficit spending would be unnecessary and we could look forward to major tax cuts.

The main reason that the total USDA budget has not been cut drastically is the sharp increase in outlays for USDA programs which are designed for consumers, not farmers.

Outlays for the Food and Nutrition Service have been increased by more than $1.4 billion in the 1975 budget. In recognition of the rapid growth of these non-farmer programs (food stamps, school lunch, and school milk) within the USDA, the Administration is proposing legislation to transfer them to the Department of Health, Education and Welfare.

At the March meeting of the American Farm Bureau Board of Directors, a motion supporting such a move was approved. In the meantime, the Board recommended that the level of funding for FNS in 1975 be reduced to 1974 levels, which are $1 billion higher than the previous year.

We again ask you to include in your bill a provision prohibiting the distribution of food stamps to strikers.

The remainder of the USDA budget appears to be reasonable and proper. The major reduction is in price support and payment programs. With strengthened world and domestic markets, the budget anticipates that existing law will require a relatively low level of production payments to farmers during the year. However, because the so-called target price (compensatory payment) system remains in the law, conditions could arise under which payments would rise substantially. Bills have been introduced in this Congress to raise the levels of target prices as established under current law. Enactment of such legislation would increase the likelihood of substantial federal outlays for compensatory payments. We urge Congress to resist the political temptation to return American farmers to a tax supported payments system which can never reward them as well as the market price system can and does.

We thank you for this opportunity to be heard.

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION
TO THE SUBCOMMITTEE ON AGRICULTURAL LABOR
OF THE HOUSE COMMITTEE ON EDUCATION AND LABOR
RE: FARM LABOR RELATIONS LEGISLATION

PRESENTED BY
CLIFFORD G. MCINTIRE, LEGISLATIVE DIRECTOR
AND MATT TRIGGS, ASSISTANT LEGISLATIVE DIRECTOR
MAY 21, 1973

The events in California in recent months relating to farm labor unionization demonstrate the urgent need for national legislation (1) to provide procedures for hired farm workers to decide for themselves who they want to represent them or if they wish to be represented by any union and (2) to set forth rules of the game governing the respective rights and responsibilities of the parties established as a result of representation elections.

1. Farm Bureau Policy

Farm Bureau favors the enactment of such legislation. At the most recent annual meeting of the American Farm Bureau Federation the official voting delegates of the member State Farm Bureaus--representing 2,175,780 member families--approved the following policy:

> Farmer employers are concerned over the lack of laws and procedures to deal effectively with the problems associated with farm-labor unionization.
>
> We vigorously oppose the inclusion of agriculture under the National Labor Relations Act without modifications for agriculture since this Act was developed to deal with industrial labor problems. The differences between farmer-worker relationships and industrial relationships are substantial, and the present application of this Act to agriculture would be impractical due to the long delays involved in handling cases by the National Labor Relations Board. NLRB rules and procedures are not designed to meet the special needs of farmers. Farmers and consumers need protection against strikes and boycotts at critical periods. A strike or boycott at harvest time can cause farmers to lose a full year's income as well as a substantial investment in producing a crop.
>
> We recommend the enactment of federal legislation governing the relationships between farmers and farm workers within the following major guidelines:
>
> (1) Secret balloting by workers.
> (2) Prohibition of secondary boycotts.
> (3) Administration by an independent farm labor relations board.
> (4) A requirement that a union file notice of intention to strike and an option to farmers in such cases to defer this strike by calling for arbitration of the dispute.

(5) Exemption of small farms.
(6) Preservation of state laws relating to compulsory unionism and the right of states to enact legislation in this area.
(7) Authorization for farmers to obtain damages for unlawful strikes or boycotts.
(8) Provision that the election and bargaining unit shall be the employees of a farmer or particular categories of employees.
(9) Specific prohibition of featherbedding or any practice requiring the continued employment of unneeded workers.

We also urge State Farm Bureaus to support the enactment of state legislation based on these guidelines.

2. Secret Ballot Elections

We support the right of hired farm workers to join a union and to determine by secret ballot election whether or not a majority wants to engage in collective bargaining and, if so, the union they want to represent them. No better means has been devised to determine the free choice of a majority of a group than a secret ballot election. Polls, signups and card counts cannot be undertaken in a manner which insures that workers have a free and uncoerced choice, and are not a satisfactory substitute for free secret ballot elections.

In Wisconsin, Kansas, Idaho, and Arizona workers have a right guaranteed by statute, to decide questions of representation for themselves. Workers in other states do not have any statute securing them in the exercise of such right. The provisions of H. R. 4011 in this respect are preferable to other bills referred to the Committee.

3. Secondary Boycotts and Unfair Labor Practices

Except as noted below the provisions of H. R. 4011 relative to secondary boycotts and other unfair labor practices, enforcement procedures, and general administrative framework are essentially the same as those in the National Labor Relations Act and in H. R. 4408.

4. Administration

The principal difference between H. R. 4011 and H. R. 4408 is that H. R. 4011 provides for administration of farmer-worker relationships by an independent and separate agricultural labor relations board, whereas if H. R. 4408 were enacted farmer-worker relations would be administered by the National Labor Relations Board.

Separate administration of farm labor relations cases would not be unprecedented. Railroad and airline labor relations are not administered by NLRB. Relationships between federal agencies and federal employees are administered by the Federal Labor Relations Board.

H. R. 4011 is clearly the preferable bill in this respect--simply because NLRB cannot handle any more work. The intake of cases by NLRB has increased from 15,088 in 1950 to 33,581 in 1970 and 41,039 in 1972 and is growing at an accelerated pace.

This growing workload has resulted in substantial time lags in handling cases. In fiscal 1972 the median number of days of elapsed time between the receipt of an unfair labor practice allegation in a regional office and the issuance of a proposed decision by the trial examiner was 199 days. If either party chooses to exercise his full appellant rights, a year or more may elapse before disposition of a case.

In a fast moving industry like agriculture, where the period between the beginning and end of harvest may be only six to eight weeks, administration of farm labor relations by the overloaded NLRB would serve the interests of neither farmers nor workers.

5. Expeditious and Innovative Procedures

A second respect in which H. R. 4011 is clearly the preferable bill, viewed from any standpoint, relates to procedures. Separate administration is important to expeditious handling of cases and a board of people with expertise and experience in agriculture is important but this is not enough. It is also essential that the language of the applicable statute provide a basis for expeditious and innovative procedures. This is provided in H. R. 4011 and is not provided in H. R. 4408.

Section 6 (a) of H. R. 4011 gives the agricultural labor relations board authority to "make, amend, and rescind, in the manner prescribed by the Administrative Procedures Act, such rules and regulations as may be necessary

to carry out the provisions of this Act."

In the same Section the agricultural labor relations board is provided authority to engage in a rule-making procedure for elections "including but not limited to the issues of the unit appropriate for purposes of collective bargaining, the eligibility of employees to vote in elections, and the circumstances under which a question of representation exists."

Any study of the difficulties involved in election procedures in agriculture, will soon arrive at the conclusion that the circumstances are so variable that it is impractical to set them forth in the statute. For example--how could Congress write into law a determination as to the time an election should be held on a farm? Rule making authority is, we believe, imperative to a workable statute.

The other important provision in this connection is Subsection 14 (c) (3) which provides that the "Board is authorized and directed to administer and apply the provisions of this Act with due regard to the special characteristics of agriculture and employment in agriculture and particularly the need for expeditious action in the handling of representation and unfair labor practice cases in agriculture."

The effect of this language is to open the door to innovative procedures and to establish the intent of Congress that the authorizations in the Act are to be used to provide expeditious ways of administering its provisions. Innovative and expeditious procedures must be employed in the administration of farm labor relations if the program is to operate to accomplish worthwhile purposes.

6. Arbitration Procedure

Section 13 of H. R. 4011 provides that when the parties are not able to agree on terms of employment either party may request arbitration and that the party requesting arbitration would be bound by the arbiter's decision if it is accepted by the other party.

This concept was first advanced by then-Secretary of Labor George Shultz. It represents a compromise between the views of (1) those who oppose any restriction on the right to strike at harvest time and (2) those who realize that a harvest time strike can often bankrupt a farmer. While we would prefer an outright prohibition of a harvest-time strike, it appears to us that Section 13 represents a fair compromise of conflicting interests.

There will be occasions when a farmer, with many thousands of dollars invested in a crop which is ready for harvest, may be faced with unreasonable and arbitrary demands. A farmer is uniquely vulnerable under such circumstances. No other type of employer can suffer as heavy losses from a strike as can the farmer.

We think that farmers will use this procedure only rarely. The price, acceptance of the arbitration award, is high. But we believe it should be included as an optional procedure in a farm labor relations act.

7. Union Shop Provision

Section 14 (b) of H. R. 4011 contains the same compromise with respect to union shop contracts as is contained in Section 14 (b) of the National Labor Relations Act.

As members of the Committee know, Farm Bureau has opposed compulsory unionism and has opposed repeal of Section 14 (b) of the National Labor Relations Act. However, we realize that no bill which includes a national right-to-work provision applicable to agriculture can be enacted.

We realize, too, that if workers are given a statutory right to decide questions of representation for themselves, there will be fewer instances of compulsory unionism than in the absence of any statute.

8. Amendments

We suggest that H. R. 4011 would be improved by the following revisions:

Subsection 8 (a) (7) provides that it shall be an unlawful labor practice to knowingly employ an alien unlawfully in the United States. On May 3 the House approved an amendment to the Immigration and Nationalization Act to establish

penalties for any person who knowingly employs an illegal alien(s). It appears to us that this is the appropriate way to approach this problem, rather than to include it in a labor management statute. Further, it should be noted that most employers are unable to distinguish between a U. S. citizen of Mexican ancestry and a Mexican national unlawfully in the U. S. Most of the latter possess documentary evidence (either forged or relating to another person) indicating their right to be in this country. If employers were to be required to check carefully the status of each prospective worker, this would be discriminatory with respect to U. S. citizens of Mexican ancestry. We therefore recommend that this provision be deleted.

Section 2 (3) of H. R. 4011 provides that the statute would be applicable to any farmer who employed more than five-hundred mandays of agricultural labor during any calendar quarter of the preceding calendar year. We suggest that a better test of coverage would be 1200 or 1500 mandays of agricultural labor in the prior calendar year.

Section 8 (a) (6) defines as an unfair labor practice any action "to cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed." This is the same language as the comparable provision of the NLRA. It is generally recognized that this language has not prevented "featherbedding" practices in industry. Agriculture probably is the most rapidly changing, technologically progressive, and innovative sector of the economy. Change and adaptation are often essential for economic survival. Any efficiencies of change result in benefits to the public. We therefore recommend the inclusion of more effective language in this Section.

Conclusion

We express to the Committee our appreciation for the attention being given this issue. Unfolding events evidence the need for legislation. We respectfully recommend your favorable consideration of H. R. 4011 and amendments suggested above.

SUMMARY OF
STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION
BEFORE THE SENATE FINANCE COMMITTEE
ON THE "TRADE REFORM ACT"

Presented by
William J. Kuhfuss, President

March 25, 1974

American agriculture has an important stake in a high level of mutually advantageous world trade. Exports represent a significant part of the total market for our agricultural production, and have a favorable effect on the net incomes of not only the producers of the commodities exported but also the producers of other commodities.

Urban families, as well as farm families, have a stake in continuation of agricultural exports at a high level. Higher per unit production costs for farmers mean higher food and fiber costs for all consumers. Lower net incomes for farm families reduce their expenditures for goods produced by industrial workers. And reduced agricultural exports would mean lower incomes and fewer jobs for workers now employed in transportation and other export-related industries.

Important trade negotiations can be conducted within the framework of GATT later this year. The effectiveness of the efforts of U. S. negotiators likely will depend to a great extent on changes in trade policy that may occur prior to that time.

Farm Bureau vigorously supports H. R. 10710, the "Trade Reform Act of 1973," and urges you to report out an amended version of the bill at the earliest possible date.

We urge adoption of the following amendments in order to effect needed improvements:

1. Title I. In subsection 102(b)(1) remove the present option for the President with respect to entering into trade agreements with foreign governments to reduce or eliminate nontariff trade barriers and other distortions. The word "may" should be replaced with the words "shall seek to" in order that the President will be directed to seek to enter into trade agreements when the foreign trade of the United States is being unduly burdened and restricted.

2. Title I. Delete subsections 102(c)(1) and (2), which provide for conducting trade negotiations on a product sector basis.

3. Title I. Add a provision that explicitly will direct the President and the U. S. negotiators to conduct join negotiations on agricultural and industrial products. We are convinced that negotiations on trade problems in the agricultural and industrial sectors should be conducted jointly, not separately. The concept of joint negotiation is a fundamental element of the international trade negotiating process.

4. Title I. Add a provision explicitly banning U. S. participation in international commodity agreements which would allocate markets or provide for the establishment of minimum and maximum prices. Such agreements, which seek politically to determine markets, reduce opportunities for U. S. farmers to compete in world markets and, consequently, reduce farmers' incomes.

5. Title I. Make such changes in subsection 141(c)(1)--which relates to the duties and responsibilities of the Special Representative for Trade Negotiations--as may be necessary to avoid circumvention of the intent of the International Economic Policy Act of 1972 and Public Law 93-121, with respect to the policy coordinating function of the Council on International Economic Policy.

6. Title II. Amend subsections 201(b)(2)(A) and (B) in order that the criteria for relief from injury caused by import competition be the same for "threat of serious injury" as for "serious injury."

7. Title II. In 201(b)(4) replace the term "substantial cause"--and the definition therefor--with the term "major cause." The latter is excused in existing law and means that relief from injury caused by import competition can be granted only when an import is a greater cause of damage than all other causes combined.

8. Title III. Delete subsection 303(d), or at least amend it to exclude agricultural commodities. This subsection would provide that countervailing duties need not be applied if the U. S. imposes quantitative limitations on imports, or quantitative limitations on exports are imposed in the foreign country.

9. Title III. Delete subsection 303(e) or amend it to provide a specific exemption for agricultural commodities. This subsection would enable the Secretary of the Treasury to have one to four years of discretion (depending on circumstances) to withhold application of countervailing duties.

10. Title IV. Delete Section 402, which makes extension of nondiscriminatory treatment to a nonmarket economy country dependent on reduction or removal of domestic restrictions on emigration of its citizens.

11. Title V. Delete this title. It deals with generalized tariff preferences for products imported from developing countries and violates the basic principle of nondiscriminatory treatment.

American Farm Bureau Federation

OVER A HALF CENTURY OF SERVICE TO AMERICAN AGRICULTURE

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May 17, 1974

The Honorable William E. Simon, Secretary
U.S. Department of The Treasury
Fifteenth Street and Pennsylvania Avenue
Washington, D.C. 20220

Dear Mr. Secretary:

The American Farm Bureau Federation favors the expansion of mutually advantageous trade with other countries. We have been, and are, supporting enactment of provisions of the Trade Reform Act which are designed to give the Administration the additional authority that is needed for effective U.S. participation in international negotiations to reduce trade barriers.

One of our current problems in the trade field is that some countries directly or indirectly subsidize exports of agricultural products.

At the American Farm Bureau Federation annual meeting held in Atlantic City, New Jersey in January 1974, the voting delegates from the member State Farm Bureaus adopted the following policy on countervailing duties:

> "Countervailing duties should be imposed on imports from countries subsidizing their exports of agricultural products to the United States. Such countervailing duties should be used to maintain the competitive position of domestic farmers."

We believe that the law authorizing countervailing duties coincides with the intent of our policy position: that is, such duties should be applied whenever imports of a foreign-produced agricultural commodity that are in substantial competition with domestic products are subsidized directly or indirectly by a foreign government. Countervailing duties should offset the full amount of the subsidies paid by the foreign government and the application of such duties should be mandatory so long as the foreign subsidy exists.

We have reason to believe that some imported dairy products have been subsidized. The possible adverse effects of such imports on domestic producer prices is currently a major concern to Farm Bureau dairy members.

We would welcome the opportunity to visit with you on the matter of the appropriate U.S. response to subsidized imports.

Sincerely,

William J. Kuhfuss, President

WJK/dw
cc: Roger Fleming, Director
Washington Office

FARM BUREAU POLICIES For 1974

Resolutions On National Issues Adopted By Elected Voting Delegates Of The Member State Farm Bureaus To The 55th Annual Meeting Of The American Farm Bureau Federation

ATLANTIC CITY, NEW JERSEY

January, 1974