

10-15-1978

## Stump speech

Max S. Baucus

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### Recommended Citation

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**October-1978**

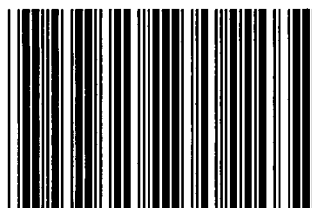
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**Stump Speech**

**10/15/1978**

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BAUCUS

M E M O R A N D U M

Pete,  
Speech  
S

TO: Max

FROM: Steve

DATE: October 15, 1978

SUBJECT: Stump Speech

Attached are 15 cards that we propose to use as a "start" for your stump speech. These cards were prepared by Bill Yager, Dan Logan, and myself.

There are a few jokes spread through the cards. I don't expect you to use much, if any, of them, but I think we should try for some humor.

On the whole, the cards are based on statements that you made last night. However, I am sure that you will want to make revisions to them. I would suggest two ways to do that. First, you can actually write on the card, changing the typed phrases to better represent your ideas. Second, Lizzie is enclosing extra blank cards that you can fill out. (Should you use additional cards, you may want to number them from 50 on up.)

In the interim, the Washington staff and others will be preparing additional cards for you which we will transmit to you from time to time. I would appreciate it if you could keep a set of these cards on you at all times. I'm also enclosing an extra xerox of the first 15 cards, which I am instructing Fitz to pick up from you and keep in the Helena office.

For the next week or so, we will be communicating to you the number and order of cards that we would recommend for a given speech. We can transmit this information daily to your driver.

I really think this system will work if you give it a chance. I am going to call Fitz and Tresa and emphasize with them how important it is for this system to work and ask their cooperation in seeing to it that the drivers cooperate in implementing it.

# MAX BAUCUS SPEECH CARDS

## 1 - INTRODUCTION

I AM DELIGHTED TO HAVE THIS OPPORTUNITY TO SPEAK TO YOU ABOUT THE ISSUES.

ON NOVEMBER 7, MONTANANS WILL DECIDE THE COURSE AND DIRECTION OF MONTANA REPRESENTATION IN THE U.S. SENATE.

## 2 - HARD WORK, NOT GLAMOR

YOU KNOW, THE SENATE IS SUPPOSED TO BE A PRETTY GLAMOROUS PLACE. BUT IT IS MOSTLY HARD WORK.

THAT NEW TELEVISION SHOW CALLED "GRANDPA GOES TO WASHINGTON" SHOULD BE CALLED "GRANDPA ATTENDS THE JOINT ECONOMIC COMMITTEE HEARING ON THE PROPOSED EFFECTS OF CLAIMS SETTLEMENTS."

A SENATOR FROM MONTANA MUST DO TWO THINGS IN THE YEARS AHEAD:

-- NUMBER ONE, HE MUST WORK TO MAKE GOVERNMENT EFFICIENT AND EFFECTIVE BY CUTTING EXCESSIVE TAXES, SPENDING, REGULATION, AND WASTE.

-- NUMBER TWO, HE MUST MAKE SURE THOSE CUTS DO NOT RESULT IN CUTS OF ESSENTIAL SERVICES TO MONTANANS.

## 3 - SENIORITY

THAT IS A GREAT CHALLENGE. AND OUR NEW SENATOR'S LACK OF SENIORITY WILL MAKE IT EVEN MORE CHALLENGING THAN IT HAS BEEN IN PAST YEARS.

TWO YEARS AGO MIKE MANSFIELD AND LEE METCALF GAVE US A COMBINED 32 YEARS OF SENIORITY IN THE SENATE. NEXT YEAR MONTANA WILL HAVE VIRTUALLY NO SENIORITY AT A TIME WHEN NATIONAL PRESSURES TO CUT SPENDING WILL BE FELT HEAVILY IN THE SPARSELY POPULATED WEST.

WE'RE ALL FAMILIAR WITH THOSE PRESSURES -- AMTRAK TRIED TO ELIMINATE ROUTES IN THE WEST, NOT THE EAST; THE POSTAL SERVICE TRIED TO ELIMINATE RURAL POST OFFICES, NOT INTERCITY POST OFFICES -- AND THIS IS JUST THE BEGINNING.

TODAY I WANT TO TELL YOU WHY I AM THE BEST CANDIDATE FOR SENATOR.

## 4-ECONOMIC ISSUES

A FEW DAYS AGO I SAW A SIGN ON A CHURCH BULLETIN BOARD THAT READ, "IT'S NO LONGER A SIGN TO BE RICH. IT'S A MIRACLE."

IT SAYS A LOT ABOUT THE WAY GOVERNMENT HAS HANDLED OUR MONEY.

I BELIEVE WE MUST MAKE TOUGH CHOICES, LEARN TO SAY "NO," AND MANAGE PUBLIC MONEY WITH THE DISCIPLINE OF PRIVATE BUSINESS.

SENATORS MUST BE AS CAREFUL ABOUT SPENDING PUBLIC MONEY AS THEY ARE ABOUT SPENDING THEIR OWN.

THE NATIONAL TAXPAYERS UNION RECENTLY RATED ME AMONG THE TOP SIX PERCENT OF CONGRESSMEN AND SENATORS IN CUTTING TAXES AND SPENDING.

LET ME TELL YOU A LITTLE BIT ABOUT MY RECORD ON THESE ISSUES.

## 5-TAXES

CONSIDER TAXES.

I SUPPORTED THE PRESIDENT'S TAX CUT PLAN. ALTHOUGH IT DOES NOT PROVIDE ENOUGH TAX RELIEF, IT STIMULATES PRODUCTIVITY BY CUTTING CAPITAL GAINS TAXES ... RAISES THE PERSONAL EXEMPTION FROM \$750 TO \$1000 ... AND ALLOWS PEOPLE OVER 55 A ONE-TIME EXEMPTION OF \$100,000 ON A HOME SALE.

## 6-KEMP-ROTH

I SUPPORTED A CONSIDERABLY REVISED VERSION OF THE KEMP-ROTH BILL. THE REVISION WOULD TIE TAX CUTS TO CUTS IN SPENDING.

UNFORTUNATELY, THE KEMP-ROTH BILL WOULD HAVE INCREASED INFLATION DISASTROUSLY.

KEMP-ROTH'S BACKERS PROPOSED TO CUT FEDERAL TAXES BY ONE-THIRD. THEY SAID THAT, LIKE PROPOSITION 13, THE TAX CUT WOULD HAVE FORCED CONGRESS TO CUT SPENDING.

BUT THEY KNEW VERY WELL THAT THERE IS ONE CRUCIAL DIFFERENCE BETWEEN CALIFORNIA GOVERNMENT AND THE FEDERAL GOVERNMENT. THE FEDERAL GOVERNMENT CAN SPEND MONEY IT DOESN'T HAVE.

THAT IS WHAT WOULD HAVE HAPPENED IF KEMP-ROTH HAD BEEN ENACTED.

6A

BUSINESS WEEK CALLED KEMP-ROTH "IRRESPONSIBLE.. AND WISHFUL THINKING" AND SAID, "IT WOULD TOUCH OFF AN INFLATIONARY EXPLOSION THAT WOULD WRECK THE COUNTRY. IF TAXPAYERS WANT TO REVOLT AND CUT TAXES, THEY MUST FORCE SIZABLE CUTS IN SPENDING."

ALTHOUGH THE PUBLIC WOULD LIKE TO THINK THERE ARE SIMPLE SOLUTIONS LIKE KEMP-ROTH, THERE SIMPLY ARE NOT.

WHICH REMINDS ME THAT SOMEBODY ONCE TOLD ADLAI STEVENSON THAT HE HAD EDUCATED THE COUNTRY WITH HIS CAMPAIGNS FOR THE PRESIDENCY. "YES," HE SAID, "BUT A LOT OF PEOPLE FLUNKED THE COURSE."

### 7- SPENDING

TAKE SPENDING. WHEN WE CUT TAXES WE MUST ALSO CUT SPENDING IF WE'RE TO BEAT INFLATION.

I VOTED TO CUT THE PRESIDENT'S BUDGET BY \$30 BILLION.

I ALSO SUPPORT A SYSTEMATIC APPROACH TO CUTTING SPENDING. THE SUNSET BILL WILL DO THIS BY MAKING VIRTUALLY ALL PROGRAMS JUSTIFY THEMSELVES EVERY TEN YEARS.

ELIMINATING A PROGRAM IS ALWAYS MORE DIFFICULT THAN ESTABLISHING IT. JUST A FEW YEARS AGO WE ABOLISHED THE PROGRAM TO BREED CAVALRY HORSES. THIS IS WHY WE MUST WORK HARDER TO GET RID OF COSTLY, UNNECESSARY GOVERNMENT PROGRAMS.

WE MUST BE CONCERNED ABOUT OUR HUGE NATIONAL DEBT, INTEREST ON WHICH NOW TAXES EIGHT CENTS OF EVERY TAX DOLLAR. THAT IS WHY I INTRODUCED A BILL TO REQUIRE CONGRESS TO ALLOCATE SURPLUS REVENUES TO PAY OFF THE NATIONAL DEBT IN PERIODS OF PROSPERITY.

### 8-REGULATION

WHAT ABOUT REGULATION?

WE MUST PAY SPECIAL ATTENTION TO THE INFLATIONARY IMPACT OF GOVERNMENT REGULATION. FOR INSTANCE, A CONGRESSIONAL COMMITTEE RECENTLY FOUND THAT FEDERAL REGULATIONS ADDED \$5,000 TO THE AVERAGE COST OF A HOME.

TO COMBAT THIS, I HAVE COSPONSORED LEGISLATION TO AID PUBLIC PARTICIPATION IN AGENCY RULEMAKING. CONGRESS SHOULD ALSO REQUIRE AN INFLATIONARY IMPACT ANALYSIS ON EVERY BILL.

## 9-WASTE

FINALLY, WASTE.

MANY PEOPLE WHO CAUSE IT ARE FEDERAL BUREAUCRATS.

THIS YEAR WE PASSED A CIVIL SERVICE REFORM LAW, WHICH I SUPPORTED, THE FIRST SUCH REFORM IN A HUNDRED YEARS.

THANKS TO THAT PLAN, I HOPE WE WILL HEAR LESS CRITICISMS OF BUREAUCRATS, LIKE THE FRIEND OF MINE WHO SAYS HE HAS THREE BROTHERS, TWO OF WHOM ARE LIVING AND ONE IS IN THE CIVIL SERVICE.

BY THE WAY, ONE SOLUTION TO OVERSPENDING THAT I LIKE WAS SUGGESTED BY ART BUCHWALD. BEFORE BUREAUCRATS GIVE AWAY INCREDIBLE AMOUNTS OF MONEY, THEY SHOULD HAVE TO COUNT IT FIRST.

## 10-SERVICES

THE OTHER HALF OF BEING A SENATOR IN THE FUTURE IS MAKING SURE THAT MONTANANS DO NOT LOSE ESSENTIAL SERVICES WE HAVE AND THAT WE RECEIVE OUR SHARE OF NEW SERVICES.

WELL, I AM PROUD OF MY RECORD OF SERVICES TO MY CONGRESSIONAL DISTRICT.

## 11-FARM PRICE SUPPORTS

LET ME GIVE YOU SOME EXAMPLES:

REMEMBER WHEN THE HOUSE AGRICULTURE COMMITTEE REPORTED THE STINGY FARM BILL THE PRESIDENT WANTED? I OPPOSED THAT BILL BECAUSE IT WOULD HAVE DRIVEN MONTANA FARMERS INTO BANKRUPTCY.

I WENT OUT AND GOT STATISTICS TO SHOW URBAN AND SUBURBAN CONGRESSMEN THEIR COMMUNITIES WERE DEPENDENT ON FARMERS. THEN I WENT TO ALMOST EVERY MEMBER OF THE HOUSE TO GET THEM TO ACCEPT MY APPROACH TO FARM ECONOMICS.

IT TOOK A WEEK AND THOUSANDS OF CONTACTS. BUT IT WORKED. WE BEAT THE PRESIDENT.

BY THE WAY, I SUPPORT PRESIDENT CARTER'S EFFORTS TOWARD PEACE IN THE MIDDLE EAST. BUT I WILL NOT BE SATISFIED UNTIL HE RESTORES NORMAL RELATIONS WITH THE WESTERN PART OF OUR OWN COUNTRY.

# 12-MHD, HEW) GUIDELINES

WHEN THE STATE OF TENNESSEE TRIED TO TAKE AWAY OUR \$300 MILLION MHD FACILITY, I FOUGHT TOOTH AND NAIL TO KEEP IT. AFTER I HAD WON, A TENNESSEE CONGRESSMAN WALKED UP TO ME AND SAID, "CONGRATULATIONS! MAX, YOU WERE JUST MORE INTENSE ABOUT IT THAN I WAS."

WHEN HEW PROPOSED NATIONAL HEALTH CARE GUIDELINES THAT WOULD HAVE CLOSED MOST HOSPITALS IN MONTANA, I HELPED LEAD THE EFFORT TO OVERTURN THOSE REGULATIONS BY DUMPING TEN THOUSAND LETTERS FROM MONTANANS ON JOSEPH CALIFANO'S DESK.

## (13) MISSOULA BUS SYSTEM, ANACONDA STREET REPAIRS

FOR YEARS, THE PEOPLE OF MISSOULA HAVE WANTED A BUS SYSTEM. BUT NONE OF THE DEPARTMENT OF TRANSPORTATION'S PROGRAMS APPLIED TO CITIES WITH LESS THAN 75,000 PEOPLE.

AFTER A LONG SEARCH, I DISCOVERED THAT "DEMONSTRATION PROGRAMS" HAD NO MINIMUM POPULATION REQUIREMENTS. EVEN THEN IT WAS POSSIBLE, BUT UNLIKELY.

BUT I KEPT WORKING. AND NOW THE BUSES ARE RUNNING IN MISSOULA.

WHEN ANACONDA'S APPLICATION FOR FUNDS TO REPAIR A STREET WAS TURNED DOWN, I TOOK A CLOSE LOOK AT ECONOMIC DEVELOPMENT ADMINISTRATION GUIDELINES. THEN I WENT TO THE BUREAUCRATS AND SHOWED THEM HOW THEY FAILED TO FOLLOW THEIR OWN REGULATIONS.

IT WORKED. ANACONDA GOT THE GRANT.

## (14) OTHER SERVICES

### OTHER SERVICES:

- AMTRAK
- SPRUCE BUDWORM BLIGHT

### BILLS:

- RIGHT TURN ON RED
- DEPARTMENT OF AGRICULTURE DIRECTLY BENEFITING SMALL FARMERS AND RANCHERS
- LOANS FOR SOLAR ENERGY RESEARCH

### STAYING IN TOUCH:

- ONLY CONGRESSMAN TO MAIL ENTIRE VOTING RECORD TO EVERY HOUSEHOLD IN DISTRICT
- FIRST MONTANA CONGRESSMAN TO OPERATE THREE DISTRICT OFFICES AND TOLL-FREE PHONE LINE



## 15-CONCLUSION

TO SUM UP:

WE NEED A SENATOR WHO WILL MAKE UP FOR HIS LACK OF SENIORITY WITH HIS EXPERIENCE, HIS DILIGENCE, AND HIS RESOURCEFULNESS.

A SENATOR WHO WILL WORK FOR LOWER TAXES, LESS SPENDING, LESS REGULATION, AND LESS WASTE.

A SENATOR WHO WILL LIVE UP TO MONTANA'S GREAT TRADITIONS OF REPRESENTATION IN THE UNITED STATES SENATE.

I INTEND TO BE THAT KIND OF SENATOR.

16- TAXES - COAL SEVERANCE

WE HAVE HEARD A GOOD DEAL OF RHETORIC ABOUT TAXES, PARTICULARLY THE MONTANA COAL SEVERANCE TAX DURING THE COURSE OF THIS CAMPAIGN.

ON AUGUST 2, 1978, MY OPPONENT STATED, "THE TAX IS TOO HIGH." THE VAST MAJORITY OF MONTANANS DISAGREE. WE ARE WILLING TO SHARE OUR RESOURCES WITH THE REST OF THE COUNTRY, BUT WE INSIST ON BEING COMPENSATED FOR WHAT WE HAVE GIVEN UP: FINANCIAL COMPENSATION AND ADEQUATE RECLAMATION MEASURES.

WE HAVE SEEN, FOR EXAMPLE, WHAT COAL COMPANIES HAVE DONE TO THE LANDSCAPES OF WEST VIRGINIA AND KENTUCKY WHEN NOTHING WAS REQUIRED OF THEM BUT TO DIG UP THE EARTH, GRAB THE COAL AND RUN. MONTANANS DON'T WANT THAT TO HAPPEN HERE.

THIS TAX DOES NOTHING MORE THAN ADEQUATELY COMPENSATE MONTANANS FOR THE EXTRACTION OF OUR RESOURCES AND TO DEFRAY THE COSTS RESULTING FROM SOCIAL IMPACTS AND EXPANDED SOCIAL SERVICES IN STRIP MINED AREAS.

IF THE SEVERANCE TAX IS REDUCED OR REMOVED, EVERY MONTANAN WILL BE FORCED TO MAKE UP THE LOSS OF HUNDREDS OF MILLIONS OF DOLLARS IN LOST REVENUES WITH INCREASED PROPERTY AND INCOME TAXES.

THANK YOU. I APPRECIATE THIS OPPORTUNITY TO TALK WITH YOU ABOUT MONTANA'S NUMBER ONE INDUSTRY -- AGRICULTURE.

⇒ I'VE HAD A GOAL SINCE I'VE BEEN IN CONGRESS. THAT GOAL IS A PROSPEROUS AGRICULTURE BASED ON FAMILY FARMS.

THIS YEAR MOST OF YOU ARE GOING TO BE ABLE TO PAY YOUR BILLS. I'D BE THE FIRST TO ADMIT THAT GOOD WEATHER HAS MORE TO DO WITH THAT THAN GOVERNMENT POLICY.

MY FAMILY'S BUSINESS IS RANCHING, SO I KNOW HOW GRATIFYING IT IS TO SEE 65¢ CALVES IN BELLY-DEEP GRASS. I KNOW HOW GOOD IT FEELS TO COMBINE 40-BUSHEL WHEAT THAT WILL BRING ALMOST \$3.00.

WOMEN INVOLVED IN FARM ECONOMICS

I'M ALWAYS GLAD TO MEET WITH WIFE MEMBERS BECAUSE WE SHARE SO MANY GOALS. WE ALL WANT TO BUILD A BETTER LIFE FOR FARM FAMILIES.

IN THE SHORT TIME SINCE WIFE WAS FIRST ORGANIZED, YOU'VE DONE A TREMENDOUS JOB PUBLICIZING FARM PROBLEMS. YOU'VE BEEN A MAJOR FORCE IN HELPING TO PASS IMPORTANT LEGISLATION.

YOU'VE KEPT ME AND OTHER REPRESENTATIVES UPDATED ON RURAL PROBLEMS. AND YOU'VE WORKED HARD TO DEVELOP ALTERNATIVES LIKE GASAHOL AND MONTANA RANCH BEEF.

SOMETIMES I WONDER HOW THE FARM WORK GETS DONE WITH ALL OF YOU WORKING SO HARD ON WIFE MATTERS. BUT I KNOW YOU MANAGE SOMEHOW.

NATIONAL FARM ORGANIZATION

THE NFO COLLECTIVE BARGAINING APPROACH OFFERS THE BEST LONG-TERM SOLUTION TO OBTAINING COST OF PRODUCTION PLUS A REASONABLE PROFIT FOR AMERICA'S FAMILY FARMERS. SINCE 1958, YOU'VE DEVELOPED A COMPLETELY NEW APPROACH TO AGRICULTURAL MARKETING.

AFTER 40 YEARS OF EXPERIENCE, WE KNOW THAT GOVERNMENT WILL NEVER PROVIDE ADEQUATE INCOMES FOR FARMERS. THAT'S WHY I'M A STAUNCH SUPPORTER OF THE NFO APPROACH. IF ENOUGH FARMERS PARTICIPATED IN YOUR PROGRAMS, GOVERNMENT INTERVENTION WOULD BE UNNECESSARY.

THE LAST NFO ANALYSIS OF MY VOTING RECORD SHOWS THAT I AGREED WITH YOUR POSITION ON 11 OF 13 KEY VOTES. THAT'S A GOOD TRACK RECORD, AND I INTEND TO KEEP IT UP.

MONTANA FARMERS UNION

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I ALWAYS ENJOY WORKING WITH FARMERS UNION MEMBERS BECAUSE WE SHARE A COMMON PHILOSOPHY. IN FACT, ACCORDING TO THE LATEST FARMERS UNION ANALYSIS OF MY VOTING RECORD, I AGREED WITH YOUR POSITION ON 11 OF 12 KEY VOTES. OUT OF 435 HOUSE MEMBERS, ONLY 4 GOT A BETTER RATING.

FARMERS UNION POLICY EMBRACES 3 CORNERSTONES OF A HEALTHY AGRICULTURE -- EDUCATION, POLITICAL INVOLVEMENT AND COOPERATIVES. YOUR EFFORTS IN THE PAST HAVE BEEN INSTRUMENTAL IN PRESERVING THE FAMILY FARM SYSTEM.

I'M LOOKING FORWARD TO WORKING WITH YOU TOWARDS A BETTER TOMORROW FOR MONTANA'S FARMERS AND RANCHERS.

AGRICULTURE'S PROBLEMS

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BUT I KNOW THAT AGRICULTURE HAS PROBLEMS. IT WILL CONTINUE TO HAVE PROBLEMS.

GOVERNMENT CAN BE PART OF THE SOLUTION, BUT ALL TOO OFTEN, IT'S PART OF THE PROBLEM.

THE COLD, HARD FACT IS THAT OUT OF 435 CONGRESSIONAL DISTRICTS, ONLY 50 ARE PRIMARILY AGRICULTURAL. IN THE SENATE, AGRICULTURE'S VOICE IS EVEN SMALLER.

SO WHEN WE GET TO THE BOTTOM LINE, THE QUESTION IS "HOW DO WE GET THE BEST REPRESENTATION FOR AGRICULTURE?"

FARM PROGRAMS

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PRICES BELOW COST OF PRODUCTION FORCED 7,000 MONTANA FARMERS OUT OF BUSINESS DURING THE LAST DECADE.

NO MATTER HOW MUCH WE EXPAND EXPORTS, NO MATTER HOW MUCH WE DEVELOP ALTERNATIVE MARKETS, GOOD WEATHER WORLD-WIDE WILL CAUSE PERIODIC SURPLUSES.

WHEN THAT HAPPENS, I DON'T WANT PRICES TO NOSE-DIVE SO THAT ANOTHER LAYER OF FAMILIES IS SCRAPED OFF THE FARM. THAT'S WHY I'VE WORKED SO HARD FOR ADEQUATE LOAN AND TARGET PRICES.

LAST YEAR I WAS SHOCKED THAT THE HOUSE AGRICULTURE COMMITTEE PASSED A \$2.65 WHEAT TARGET PRICE.

I KNEW WE NEEDED HIGHER PRICES, AND I ORGANIZED AN EFFORT TO GET THEM. I FOUND OUT HOW MUCH AGRICULTURAL MANUFACTURING CONTRIBUTED TO THE ECONOMY OF EVERY HOUSE DISTRICT. I TALKED TO ALMOST EVERY MEMBER OF THE HOUSE OF REPRESENTATIVES, TRYING TO CONVINCHE THEM OF THE IMPORTANCE OF SAVING THE FAMILY FARM SYSTEM.

AND THE FINAL RESULT WAS \$2.90 WHEAT.

DURING THE WINTER, THE AMERICAN AGRICULTURE MOVEMENT FOCUSED NATIONAL ATTENTION ON FARM PROBLEMS. THEY DIDN'T GET THEIR GOAL OF 100 PERCENT OF PARITY, BUT THEY HELPED CONVINCHE THE PRESIDENT TO RAISE THE TARGET PRICE TO \$3.40. AND WITH MY URGING, THE USDA HAS RAISED STORAGE PAYMENTS SO THAT MORE FARMERS ARE USING THE RESERVE PROGRAM.

OUR SUPPLY AND DEMAND SITUATION THIS YEAR IS ROUGHLY THE SAME AS LAST. WE HAVE A BIG SURPLUS. BUT INSTEAD OF \$1.80, MONTANA WHEAT PRICES ARE AROUND \$2.60.

THAT STILL ISN'T ENOUGH, BUT I KNOW A LOT OF FARMERS THAT ARE STILL IN BUSINESS BECAUSE SOME OF US ARE WILLING TO FIGHT AGAINST A CHEAP FOOD POLICY.

#### THE BEEF BUSINESS

MONTANA HAS 4½ TIMES AS MANY CATTLE AS PEOPLE. THAT'S WHY I'VE DEVOTED SO MUCH TIME IN WASHINGTON TO LIVESTOCK PROBLEMS.

AND AS THIS SESSION OF CONGRESS ENDED, WE BEEF PRODUCERS WON A MAJOR VICTORY. BOTH THE HOUSE AND SENATE APPROVED A BILL I COSPONSORED TO PUT THE ADMINISTRATION OUT OF THE BEEF BUSINESS.

THE BILL WE PASSED TAKES AWAY THE PRESIDENT'S AUTHORITY TO INCREASE IMPORTS. AND, IT ESTABLISHES A COUNTER-CYCLICAL FORMULA DESIGNED TO STABILIZE BEEF PRICES.

THE COUNTER-CYCLICAL FORMULA WILL CHOKE DOWN IMPORTS WHEN DOMESTIC SUPPLIES ARE TOO HIGH. UNDER THE OLD LAW, IMPORTS WENT UP WHEN DOMESTIC PRODUCTION WAS ALREADY TOO HIGH.

ALL CATTLE PRODUCERS HAVE EVER WANTED FROM THE FEDERAL GOVERNMENT IS A FAIR DEAL. CATTLEMEN HAVE NEVER ASKED FOR SUPPORTS OR SUBSIDIES.

YOU HAVEN'T GOTTEN A FAIR DEAL. WHEN PRICES CLIMBED THIS SPRING TO A LEVEL THAT WOULD GIVE YOU YOUR FIRST PROFITS IN 4 YEARS, THE ADMINISTRATION ANNOUNCED THAT THE INCREASE WENT "TOO FAR, TOO FAST."

THE PRESIDENT RAISED IMPORT QUOTAS BY 200 MILLION POUNDS. THE RESULT WAS THAT CATTLE PRICES FELL 20 PERCENT IN JUNE, WHILE CONSUMER PRICES WENT UP 2½ PERCENT.

THE BILL WE PASSED WILL STOP THE PRESIDENT FROM RAISING QUOTAS ONCE AND FOR ALL.

MORE IS NEEDED

WE NEED STILL MORE IMPROVEMENT TO OUR BEEF IMPORT POLICY. WE NEED LEGISLATION TO REQUIRE THAT IMPORTED BEEF BE LABELED AND THAT IT MEET THE SAME INSPECTION STANDARDS AS DOMESTIC BEEF.

WE NEED TO PUT COOKED, CANNED AND PROCESSED MEATS UNDER THE QUOTA. WE NEED TO GET A HANDLE ON THE CANADIAN LIVE CATTLE IMPORTS THAT RAISE HAVOC IN OUR LOCAL MARKETS.

WE'LL HAVE TO KEEP UP THE PRESSURE TO GET A SANE BEEF IMPORT POLICY. BUT I'M GRATIFIED BY THE PROGRESS WE'VE MADE SO FAR.

TAXES

YOU RANCHERS AND FARMERS HAVE TOUGH TAX PROBLEMS.

YOUR PROPERTY TAXES ARE TOO HIGH. ESTATE TAXES CAN MAKE IT IMPOSSIBLE FOR YOU TO PASS ON YOUR RANCHES. AND WHEN YOU'RE LUCKY ENOUGH TO HAVE INCOME, INCOME TAXES ARE TOO HIGH.

I KNOW THOSE PROBLEMS, AND I'VE SPENT YEARS WORKING ON THEM. I WAS A SPONSOR OF PAYMENTS-IN-LIEU-OF-TAXES LEGISLATION THAT REQUIRES THE FEDERAL GOVERNMENT TO PAY ITS SHARE OF PROPERTY TAXES. IT DOESN'T MAKE SENSE FOR RANCHERS TO PAY ALL THE COSTS IN COUNTIES WHERE A THIRD OR HALF OF THE LAND IS OWNED BY THE FEDERAL GOVERNMENT.

AND WHEN I WAS IN THE MONTANA HOUSE OF REPRESENTATIVES, I WORKED HARD FOR PASSAGE OF THE COAL SEVERANCE TAX LEGISLATION. I KNOW MY OPPONENT THINKS THE COAL SEVERANCE TAX IS TOO HIGH.

I CAN'T AGREE. TOO MANY TIMES WE'VE SEEN MONTANA'S NATURAL RESOURCES HAULED OUT OF THE STATE WITH NO RETURN TO THOSE OF US WHO LIVE HERE.

AND IF WE CUT THE COAL SEVERANCE TAX, MONTANA'S EITHER GOING TO NEED TO RAISE PROPERTY TAXES OR START A SALES TAX TO MAKE UP THE DIFFERENCE.

I'VE SPENT 4 YEARS WORKING TO CUT FEDERAL SPENDING. I'VE VOTED \$22 BILLION OUT OF OUR FEDERAL BUDGETS. AND I VOTED FOR 5 MAJOR TAX REFORM PROPOSALS, INCLUDING ONE THAT SLASHED INHERITANCE TAXES.

GETTING CONTROL OF FEDERAL SPENDING TAKES MORE THAN PROMISES. MY OPPONENT HAS OFFERED SEVERAL PIE IN THE SKY SOLUTIONS.

ONE OF THESE IS A 10 PERCENT TAX ON ALL INCOME WITH NO DEDUCTIONS. THINK ABOUT WHAT THAT WOULD MEAN TO YOUR FARMING OR RANCHING OPERATIONS.

ONE FARMER I TALKED WITH TOLD ME HE TYPICALLY GROSSES \$50-\$60,000 A YEAR. SO UNDER THE WILLIAMS PROPOSAL, HE WOULD PAY \$5-\$6,000 A YEAR IN TAXES.

BUT WHAT HE ALSO TOLD ME IS THAT AFTER HE DEDUCTS HIS EXPENSES EACH YEAR, HIS NET INCOME IS ONLY ABOUT \$8-\$10,000. AND HE CERTAINLY ISN'T PAYING \$5-\$6,000 OF INCOME TAXES NOW.

I'D LIKE TO SPEAK FOR JUST A MOMENT ABOUT CHALLENGES TO THE CAPPER-VOLSTEAD ACT. THIS LANDMARK LEGISLATION FORMS THE BASIS FOR AGRICULTURAL COOPERATIVES AND COLLECTIVE BARGAINING. IT STATES THAT FARMERS AND RANCHERS CAN JOIN TOGETHER TO BUY SUPPLIES AND MARKET THEIR PRODUCTS WITHOUT BEING PROSECUTED UNDER ANTI-TRUST LAWS.

PRESIDENT CARTER HAS ESTABLISHED A COMMISSION ON ANTI-TRUST TO EXAMINE CAPPER-VOLSTEAD. SEVERAL YEARS AGO A FORD ADMINISTRATION TASK FORCE RECOMMENDED THAT CONGRESS REEXAMINE THE LEGISLATION TO SEE IF AMENDMENTS WERE NEEDED. THE CARTER UNIT IS EXPECTED TO REACH THE SAME CONCLUSION.

- MORE -

- 2 -

PETER RODINO AND EDWARD KENNEDY, WHO WILL CHAIR THE HOUSE AND SENATE COMMITTEES NEXT YEAR, BOTH HAVE EXPRESSED INTEREST IN AMENDMENTS. SO THERE MAY BE TOUGH CHALLENGES TO CAPPER-VOLSTEAD.

FIGHTING OFF THESE CHALLENGES IS CRITICAL. WE WILL NEED STRONG VOICES TO STAND UP AND POINT OUT THE SPECIAL PROBLEMS OF AGRICULTURE AND THE NEED FOR THE CAPPER-VOLSTEAD ACT.

#### A JAB WITH THE LEFT

MY OPPONENT SAYS THAT HE "LIKES THE POLICIES OF EARL BUTZ THAT EXPANDED EXPORTS."

AFTER EARL BUTZ ENGINEERED THE RUSSIAN GRAIN DEAL IN 1972, WHEAT SHOT UP TO \$5.00.

OF COURSE, MOST OF YOU DIDN'T HAVE ANY WHEAT. YOU'D SOLD IT FOR \$2.00 BEFORE THE GRAIN COMPANIES ANNOUNCED THE SALE.

NEXT, AFTER ENCOURAGING YOU TO PLANT FENCE ROW TO FENCE ROW, THE ADMINISTRATION SLAPPED AN EMBARGO ON EXPORTS AND A PRICE FREEZE ON CATTLE. PRICES WENT DOWN EVEN FASTER THAN THEY'D SHOT UP.

I'M NOT SURE HOW THESE BOOM-AND-BUST POLICIES WERE GOOD FOR FARMERS.



BUT THEN, MAYBE LARRY KNOWS SOMETHING I DON'T. WHEN HE ANNOUNCED LAST SPRING THAT HE WAS AN AGRICULTURAL CONSULTANT, I READ SOME OF THE ADVICE HE'S PUBLISHED.

IT'S SOMETHING EVERY FARMER SHOULD STUDY. LARRY EXPLAINS HOW TO MAKE MONEY ON WHEAT AND OTHER COMMODITIES, EVEN WHEN PRICES ARE BELOW COST OF PRODUCTION.

IT DOESN'T MATTER IF PRICES GO UP OR IF THEY GO DOWN, LARRY CAN SHOW YOU HOW TO USE THE COMMODITY MARKETS TO MAKE A PROFIT.

AND THE BEST PART IS, YOU NEVER HAVE TO GET ON A TRACTOR OR COMBINE.

IF HE'S STILL ON HIS FEET

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LARRY HAS SAID SEVERAL TIMES THAT 100 PERCENT OF PARITY IS TOO MUCH FOR FARMERS.

I CAN'T AGREE WITH THAT. PARITY IS A PRICE GOAL THAT WOULD LET FARMERS COVER THEIR PRODUCTION COSTS AND EARN REASONABLE PROFITS.

HIGHER FARM PRICES DON'T CAUSE FOOD INFLATION. THE FACT IS THAT TWO-THIRDS OF EVERY DOLLAR SPENT ON FOOD GOES TO PAY THE COST FOR BRINGING THAT FOOD FROM THE FARM GATE TO THE CHECK-OUT COUNTER.

TO JUSTIFY A ONE-CENT RISE IN THE COST OF A LOAF OF BREAD, WHEAT WOULD HAVE TO GO UP 88¢ A BUSHEL. BUT EVEN IF FARM PRICES STAYED THE SAME, GROCERY COSTS WOULD GO UP 5 PERCENT A YEAR BECAUSE OF NON-FARM INFLATION.

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A USDA STUDY SHOWED THAT IF FARM PRICES INCREASED TO 100 PERCENT OF PARITY, THE VALUE OF FARM EXPORTS WOULD INCREASE BY 50 PERCENT AND FARM INCOME WOULD NEARLY DOUBLE. I DON'T THINK WE CAN ABANDON PARITY AS A FARM PRICE GOAL.

BECAUSE THERE ARE SO FEW WESTERN REPRESENTATIVES, WE ALWAYS SEEM TO HAVE TO WORK EXTRA HARD TO GET OUR POINT ACROSS.

ONE EXAMPLE WAS THE COAL SLURRY PIPELINE BILL. WE DEFEATED IT IN THE HOUSE, BUT IT TOOK A LOT OF WORK AND ORGANIZATION AND DILIGENCE.

ANOTHER WATER EXAMPLE IS THE 160-ACRE LIMIT. THE LAW BADLY NEEDS TO BE UPDATED. BUT WE JUST CAN'T GET EASTERN REPRESENTATIVES WHO DON'T UNDERSTAND THE ISSUES OFF DEAD CENTER.

ANOTHER EXAMPLE CAME UP WHEN I WAS SERVING ON THE HOUSE-SENATE CONFERENCE FOR THE USDA APPROPRIATIONS BILL.

AS YOU KNOW, CATTLE SCABIES IS A BIG PROBLEM IN THE WEST AND IS THREATENING MONTANA. IN MY HOUSE SUBCOMMITTEE, WE HAD INCREASED THE SCABIES BUDGET FROM \$1.87 MILLION TO \$5.37 MILLION. THAT AMOUNT IS NEEDED FOR A STRONG SCABIES CONTROL PROGRAM.

BUT THE SENATE CUT FUNDING BACK TO JUST OVER \$2 MILLION. AND BEFORE THE CONFERENCE STARTED, I HEARD THAT SOME OF THE HOUSE CONFEREES WERE PREPARED TO REcede TO THE SENATE POSITION. THEY DIDN'T EVEN KNOW WHAT SCABIES WAS, MUCH LESS THE EXTENT OF OUR PROBLEM.

SUMMARY

EVERY AMERICAN HAS A STAKE IN AGRICULTURE. AS THE BUMPER STICKER SAYS, "IF YOU EAT, YOU'RE INVOLVED."

NOT ONLY DOES AGRICULTURE PRODUCE THE RENEWABLE RESOURCES WE NEED SO BADLY, BUT THEY CONSUME THE OUTPUT OF ALL MAJOR INDUSTRY.

AND AS WINSTON CHURCHILL ONCE SAID, "ANY PROBLEM MADE BY MAN CAN BE SOLVED BY MAN."

I HOPE WE CAN CONTINUE TO WORK TOGETHER TOWARDS SOLUTION TO AGRICULTURE'S PROBLEMS.