Montana Stockgrowers Convention

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* "required information"
I am pleased to be with you today. I'm glad to see that Torrey, Mons, George and the rest of the stockgrower delegation that came to Washington, D.C. a few weeks ago made it back home in good shape.

I'd like to say a special hello to the Cowbelles here today. I hope you will continue your important efforts in promoting beef and introducing agriculture into Montana's classrooms.

Today I want to address two serious issues. One is a problem here at home: the spread of sod-busting. The other problem is more difficult to get a handle on: export trade barriers.

First, the problem close to home. I am alarmed about the thousands of acres of valuable grassland that are being plowed up and converted to farmland.

Nearly two million acres of open pasture land in Montana are now under plow. Another 21 million acres could be converted to cropland.
Most of this land is unsuitable for cultivation. It is highly susceptible to wind and water erosion.

If plowing on these fragile lands is allowed to continue, Montana could lose millions of tons of topsoil. We could help create the worst dust bowl in this nation's history.

Agriculture is Montana's number one industry. The land is the backbone of our economy. We have learned that we must use that land wisely or it will no longer produce cattle and grain.

These sod-busters threaten to destroy the value of our land. They want to plow it up and collect their checks from the federal farm programs. To them our land is just another real estate speculation. They love a buck, not the soil.

They bought it to take advantage of tax loopholes. They could care less about calving. All they care about is capital gains.

So far, little has been done to prevent further sod-busting.

I hope this year Congress will act. I am a co-sponsor of Senator Armstrong's sod-buster bill. This bill would deny any federal support for crops grown on newly-plowed marginal land.
The federal government should not make it a practice to tell ranchers and farmers what they can do with their land. But I believe the federal government should take a stand against sod-busting.

The sod-buster bill would deny government price supports, crop insurance, disaster payments, FmHA loans and Farm Storage Facility Loans to speculators who break up marginal cropland. It would not apply to land that was in production or plowed before the date of enactment.

We should go further. I serve on the Senate's tax writing committee. I will also be looking for ways to remove incentives for sod-busting from tax laws.

Sod-busting land speculators are not new to Montana. In the early 1900s, we called them honyonkers.

"It was in 1920 that the winds came. Many an old-time stockman could have told the honyonker that this, far from being 'unusual' or 'abnormal,' was right on schedule. First the drought and then the wind. Only this time there was a difference. There was no grass to hold the soil. The plow had destroyed it. The honyonker had plowed deep -- 10 inches and sometimes more -- and now he watched his topsoil blowing into North Dakota."
It's time the modern-day honyonkers had their plows taken away. Montana will lose many acres of prime rangeland if sod-busting is not brought under control.

Protecting our land is only part of the fight. We also must have markets for our products.

Japan is America's number 1 export market for beef. Between 1977 and 1981, our share of the Japanese beef market rose from 9 percent to 22 percent.

But U.S. beef sales to Japan will not continue to increase unless the Japanese government liberalizes its import quotas.

Japanese import quotas on beef and 66 other agricultural products guarantee high profits for farmers. Japan's farmers -- 10 percent of their population -- will not give up these profits without a fight.

If American farmers and ranchers want to increase agricultural exports to Japan, then we, too, must be willing to fight.

We must keep the pressure on our negotiators to urge the Japanese to reduce their import quotas.

Whenever possible, I have been sending this message to
Japanese businessmen and farmers who have come to Washington. I have also urged Ambassador Mike Mansfield to take a strong stand against import barriers to agricultural products. Just last week, on the plane home, I wrote Mike to tell him about my latest efforts to win concessions from the Japanese.

In Europe we face a different problem. The European Community's export subsidies are threatening to turn the international marketplace into a dumping ground for their farm products.

In 1982, the EC spent $8 billion on export subsidies. Through the use of these subsidies, the EC has been able to significantly boost its agricultural exports.

In fact, the European Community could overtake the United States as the world's leading agricultural exporter by the end of this year.

In 1976, the United States had nearly a two to one lead over the European Community in agricultural exports. By 1982, however, EC exports had soared to nearly $30 billion while U.S. exports had fallen to around $37 billion.

Subsidies helped boost EC exports of beef and veal. Until 1973, the European Community had been a net importer of beef and veal.
When they reached self-sufficiency, however, they continued to increase their production.

Although consumption of beef and veal has dropped by almost 1,500 tons since 1977 in the EC, production has risen by 330,000 tons. Subsidies have turned the EC into the second-largest exporter of beef in the world.

The EC is taking traditional foreign markets away from the United States. We must fight back.

One way is to offer matching subsidies to our exporters. The Administration now can offer government stocks and blended credits to our foreign customers to deter the EC and other trade competitors.

The United States recently used this authority to help exporters recapture the Egyptian wheat flour market. I supported this action and I would support its future use.

All this adds up to one conclusion. The United States is on a collision course with Japan and the European Community.

Unless they stop using unfair trade policies, we will be engaged in a full-scale trade war. More and more members of Congress are prepared to retaliate.

More and more of us are prepared to penalize the Japanese and Europeans for their unfair trade policies.
I do not want to see a trade war. But we cannot afford to sit idly by while the EC takes over a larger portion of our foreign markets. We cannot afford to sit idly by while the Japanese send their cars and TV's here, but block imports of our beef.

Our situation reminds me of the story about the Priest and the Rabbi who go to a prize fight together. As the boxers are about to go into the middle of the ring, the Rabbi notices one of the boxers crossing himself. Puzzled, he turns to the Priest and says, "Father, what does that mean?" "Rabbi," says the Priest, "It doesn't mean a thing if you can't fight."

Today, I ask you to join with me and others to fight foreign trade policies that hurt U.S. ranchers and farmers. Together we can help preserve not just our own economic strength, but that of the other major trading countries of the world.

Thank you all again for the opportunity to be with you today.