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that will insure that Farmland can refine the petroleum products necessary to satisfy the needs of this important segment of the American population.

#### FERTILIZER

As in the petroleum area, Farmland is both a manufacturer and a distributor of fertilizer. In 1948, the first Farmland manufacturing facility was constructed, an ammoniating plant in Eagle Grove, Iowa. Nitrogen plants were subsequently built in Fort Dodge, Iowa, Dodge City, Kansas, Hastings, Nebraska, Lawrence, Kansas, and Enid, Oklahoma. Phosphate fertilizer production began in 1966 with the construction of a manufacturing facility in Bartow, Florida.

In 1973, it became apparent that the American farmer was facing a serious shortage of fertilizer products. With Federal controls regulating fertilizer prices, most fertilizer producers look to exports for greater profits. One exception in the fertilizer industry to this type of business activity was Farmland Industries. Every ton of Farmland's fertilizer supply went through member, agricultural cooperatives to midwestern farmers, to meet the needs of Farmland's farmer-owners.

Despite decontrol of fertilizer prices, the critical supply situation for fertilizer in the agricultural midwest was not alleviated. True, the decontrol of prices was expected to make an additional one and one-half million tons of fertilizer available during the first six months of 1974, but fertilizer industry leaders had estimated before decontrol of prices, a shortage of four million to five million tons for the current crop year. It is estimated that the farmers and ranchers which Farmland serves needed approximately twenty percent more of both nitrogen and phosphate fertilizers than Farmland was able to supply. Further, Farmland, a net purchaser of potash, was unable to secure supplies sufficient to meet the demand for this product.

In fertilizer, like in petroleum, allocation is a word farmers and ranchers in the midwestern United States will be living with for at least the next few years. An all, new program has been instituted by Farmland to insure that those farmers and ranchers who, through their local cooperatives, depend on Farmland Industries, Inc. for a supply of fertilizer, will receive their equitable share of the fertilizer available.

To help alleviate one problem area of the critical fertilizer situation now facing midwestern farmers, a major anhydrous ammonia project is being undertaken by Farmland Industries and Canadian interests. The first two of the four plant ammonia complex will hopefully be on stream sometime in the calendar year 1976. Each plant will produce 1,250 tons of anhydrous ammonia a day, and the product will be channeled by pipeline into Farmland's trade area.

The project will be built in Canada because Farmland was able to obtain natural gas, the raw material used in the manufacture of anhydrous ammonia. It is estimated that two hundred million cubic feet of gas each day will be needed to operate the four plants.

Because natural gas supplies for such industrial purposes as nitrogen plants are on the wane in the United States, fertilizer production using Canadian natural gas was a logical and beneficial choice. Such a venture in Canada will free United States natural gas for such vital purposes as home heating, while at the same time allowing the production of more fertilizer for Farmland's farmer members.

A pipeline system will be constructed from Canada through Montana, the Dakotas and Minnesota, and tie in with the existing Farmland pipeline system near Garner, Iowa. From there, the product will be pumped in liquid form through Iowa, Kansas, Missouri, Nebraska and Oklahoma, to the end of the pipeline system at Perryton,

Texas. That this will be a major step in meeting the United States need for nitrogen, can be seen by the fact that thirty-five to forty percent of the nation's total nitrogen consumption is required in states served by Farmland. Even as the Canadian project is moving ahead, Farmland continues the search for additional natural gas supplies within the United States.

Reordering of priorities is the ultimate answer to the fertilizer shortages. During the last two years, one fertilizer plant after another has had its natural gas supply curtailed. The Fertilizer Institute, a national industry organization, has petitioned the Federal Power Commission to give nitrogen producers a number two unconditional priority on natural gas—a priority second only to home and small commercial uses. Such a priority classification for natural gas for nitrogen producers must be maintained.

While export controls on fertilizer would perhaps have the effect of making more fertilizer available to American farmers on a short term basis, it does not seem the wise position to take in the long run. There is presently only one nitrogen plant in the United States under construction, due in large measure to unstable sources of natural gas. If United States Government policy restricted the exporting of fertilizer, the undesirable effects of trade wars, possibly including the restriction of fertilizer products from other countries into the United States, might be the result; foreign governments might choose also to formulate restrictions that would make United States farm products less competitive in world markets.

Further, government action should be taken to halt the continued deterioration of rail service to agriculture. Adequate transportation of fertilizer must be insured. In the phosphate area, Farmland had hoped to see supply start to come into balance with demand by late 1974 or 1975, but this has been delayed due to power shortages in Florida, where phosphate is mined, plus transportation problems, and fuel shortages.

As is the case with petroleum supply, Farmland continues to search for ways to provide its midwestern agricultural members with a dependable supply of fertilizers at a reasonable cost.

#### AGRICULTURAL CHEMICALS

During the past decade, cooperatives have become increasingly important in the agricultural midwest in the area of supplying agricultural chemicals. In the case of Farmland Industries, this involvement is twofold—those agricultural chemicals which Farmland manufactures for distribution, and those agricultural chemicals which are bought for distribution from other suppliers. While Farmland is a purchaser of basic chemical stocks, it formulates approximately forty percent of its own pesticides. While no other area is more important to the farmer or rancher, no other area of agricultural supply is more sophisticated and complicated.

Sales of agricultural chemical pesticides to local cooperatives by Farmland, have increased approximately two hundred fifty percent in the past five years. In the past, an inventory of approximately twenty-five percent above anticipated needs was maintained to guard against abnormal demand for product. However, during the present crop year, even this heretofore considered "safe" supply of back-up product was not sufficient to meet demand.

During this crop year, shortages of intermediate raw chemicals, materials for packing, and industrial accidents all took their toll on the delicate supply situation. As with petroleum and fertilizer, there will, in the future, likely be a need for some form of allocation based on previous history of use. In the agricultural area, however, if one type of chemical is in short supply, another type can many times be substituted, and achieve

the same desired result for the farmer or rancher. This, of course, is not the situation with petroleum or fertilizer.

In seeking to meet the challenge of this increased responsibility, in agrichemicals, Farmland has taken a number of steps to advance the knowledge in this product area. Farmland is presently accelerating its research efforts into new agrichemical problem areas. In addition, test plot evaluation of presently used pesticides and experimental compounds are being conducted as part of Farmland's research effort.

Farmland also works with a college advisory group made up of weed specialists and extension entomologists coming from the land-grant colleges located in the states served by Farmland. Once a year, in a three-day meeting in Kansas City, this group of scientists gives their advice on the proper compounds for use by farmers and ranchers. Such advice is based on the "most effective and least cost basis" regardless of manufacturer's recommendation.

Government supervision of intermediate raw chemicals is encouraged by Farmland so that these raw chemicals can be converted to those chemicals essential to farmers and ranchers. The diversion of these intermediate raw chemicals to another, perhaps, more profitable area, should not be made at the expense of the American farmer or rancher. In addition, government agencies such as the E.P.A. and O.S.H.A. must recognize the farmers' great financial stake in his crop production planning, and such agencies must take care that no new regulation or procedure will unnecessarily prohibit the farmer or rancher from continuing a plan of crop production. Finally, Farmland recommends that consideration be given to a review of seventeen-year patent rights. It is recommended that when a pesticide patent expires on a compound, that all research, tolerance and other pertinent data be made a part of the public domain so that other manufacturers may register and manufacture the compound, thus making available more production for the in-use market at a lower cost to farmers and ranchers.

In conclusion, we would reiterate to you the importance of insuring that adequate supplies of the previously discussed scarce products are provided to American farmers and ranchers. As was stated by Mr. Ernest T. Lindsey, President of Farmland Industries, Inc., in his remarks to several thousand farmers and ranchers at the Farmland 1973 annual meeting: "Crude oil, natural gas, phosphate rock; these are some of the world's most precious goods. Modern farmers must have the petroleum products and nitrogen fertilizers that are made from them!"

#### INDIAN EDUCATION

Mr. MONDALE. Mr. President, for more than 2 years—first under the leadership of the late Senator Robert F. Kennedy, and then under the leadership of his brother, Senator EDWARD M. KENNEDY—the Senate Special Subcommittee on Indian Education conducted a thorough, intensive review of the tragic plight of Native American children in this country.

The report of that subcommittee, "Indian Education: National Tragedy—National Challenge," is, I believe, among the most remarkable documents produced during my tenure in the Senate. I was proud to be a member of the special subcommittee. And I was proud to join with the distinguished senior Senator from Massachusetts (Mr. KENNEDY) in the sponsoring the Indian Education Act which was signed into law on June 23,

1972, and which implements many of the basic recommendations of the subcommittee study.

Despite repeated efforts by the administration to delay implementation of this crucial program, successful results are now beginning to be obtained. I believe that all my colleagues in the Senate who unanimously supported adoption of the Indian Education Act will be interested in a letter which I received from Larry E. Harris of the Minneapolis, Minn., school district, describing the impact of Indian Education Act programs on the Minneapolis public school system.

Mr. President, I ask unanimous consent that a copy of this letter may be printed in the RECORD at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MINNEAPOLIS PUBLIC SCHOOLS,  
Minneapolis, Minn., June 24, 1974.

Re Indian Education Act.  
Senator WALTER F. MONDALE,  
Senate Office Building,  
Washington, D.C.

DEAR FRITZ: I am writing on behalf of the Minneapolis Public Schools to request support again for the Indian Education Act (Title IV-A of the Higher Education Act). As you know, the Minneapolis Public Schools were awarded a grant this last school year under the Indian Education Act. Results have been great. Indian parents became actively involved in writing the grant. Mr. Paul Day was hired as director of the Indian Education Act, and there are over 30 Native American staff working in the schools throughout the city. Homes of youngsters who miss school are being visited, youngsters are being supported to succeed in school, and faculty are being made more aware of the great contributions Native Americans have made to the past of Minnesota and our country.

As you know, we have made several commitments in our own right. Duane Dunkley has been hired as director of the Indian Education Department, and Mrs. Kay Gurnoe is working with him—as well as two interns from the University of Minnesota. Mr. Al Picotte, an assistant principal at South High, and Mr. Harlan Anderson, the administrative assistant to the superintendent, both are of American Indian background. We believe this is important because the school is actively recruiting American Indian teaching staff with local funds.

I had the pleasure a week ago Saturday of attending a graduation party for American Indian students. Some 60 American Indian students graduated from the Minneapolis Public Schools this year. That is a new high.

The input of Indian parents is beginning to be felt. There is more pride in the kids in school and more responsiveness from parents. We believe that the Title IV-A program is already making an impact and feel it is crucial that the program be funded in total if we are going to continue to provide some of the educational opportunities that have historically been denied our American Indian students.

We know of your great support of Indian education, Fritz. We trust you will continue to help in this vital area. Please let us know if there is any information we can get you.

Sincerely,

LARRY L. HARRIS,  
Special Assistant to the Superintendent  
for Urban Affairs.

#### RAYSTOWN DAM, PA.

Mr. HUGH SCOTT. Mr. President, on June 6, 1974, I visited the Raystown Dam

project with Vice President GERALD FORD for the dedication ceremonies of this important project.

Raystown will provide a tremendous service to the residents of central Pennsylvania, because the dam constitutes an important link in the flood control system of the State. The dam will be instrumental in preventing terrible disasters such as the Wilkes-Barre area experienced 2 years ago from Hurricane Agnes. Also, the dam will function as a beautiful recreational area for the residents of Pennsylvania and visitors from outside the State. Huntingdon County, the home of the Raystown Dam project will particularly benefit from increased visitor traffic.

I am delighted to join with Senator RICHARD SCHWEIKER in a bill which authorizes necessary repair to the roads surrounding the Raystown Dam. Presently, these roads are not adequate for the increased visitor traffic. It is vital that these roads be upgraded and repaired so visitors will be able to enjoy the many recreational opportunities of the dam project. The bill also provides for continuous Federal maintenance of these key roads throughout the year.

I sincerely hope the bill will be passed during this Congress, so the important construction work may be completed as soon as possible.

I encourage all my fellow Pennsylvanians to visit and enjoy this wonderful addition to our Commonwealth's natural resources.

#### DROUGHT THREATENS FOOD SUPPLY, FARM INCOME

Mr. McGOVERN. Mr. President, I have just returned from a weekend in my State, where I saw some of the driest conditions to affect agricultural production in many years.

The situation in much of South Dakota is critical. Although rainfall within the next few days may help some farm production, for much of the Plains States, the time for relief has expired.

The dimensions of the drought, and its implications on food supply and farm income, are most serious, as readers of excellent articles in yesterday's Washington Post and Washington Star-News became aware.

Rainfall in parts of South Dakota, Mr. President, already are more than 7 inches below normal for this time of the year. Although winter wheat and some early small grains received adequate moisture earlier this year, the feed grains and spring wheat crops are in serious jeopardy.

The financial losses which will be sustained by many grain producers, on top of the losses already sustained by livestock producers, could result in serious economic setbacks for many farm States.

There is, in the farm bill which we passed last year, a program designed to provide some minimal protection to grain farmers who suffer weather or other disaster setbacks. It is in the form of a minimum payment per bushel on each of the producer's allotted acres.

But the Department of Agriculture has interpreted provisions of the disaster payment law in such a way that, instead

of a minimum program of assistance, it may well become itself a disaster for our farmers.

The Department, late last year, established a national acreage allotment so small as to virtually preclude disaster payments of any significance.

And now, the Department has opted to use an average of the past 10 years' yields on a farm to determine how many bushels of grain that should have been produced this year. But advances over the past 10 years have sharply increased the yields obtained today.

Thousands of farmers who have been expecting minimum payments in the event of a disaster will receive very small payments, if any at all.

I have written to Secretary of Agriculture Butz to request a detailed explanation of the methods by which his Department has determined the disaster payment program regulations for this year. It is my hope that USDA will take a second look at their regulations, and show greater concern for the difficulties faced by grain producers than they have shown for livestock producers in the past several months.

The losses which will be sustained by farmers unable to harvest crops this year, Mr. President, will be higher than at any time in history.

The Secretary of Agriculture urged and pleaded with farmers to plant every available acre this year. Many responded.

And each acre planted represented sharply increased costs of fuel, fertilizer, weed and pest control chemicals, seed, and overhead expenses.

Now, I submit, the Department of Agriculture should evidence greater concern for those farmers who responded to the call for all-out production.

Mr. President, I ask unanimous consent that two articles from the Sunday newspapers here in Washington be printed in the RECORD: The first, by Dan Morgan in the Washington Post, is based on conditions in my State; the other, by John Fialka of the Star-News, is a well-capsuled report on the potential implications to total supply.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

#### DROUGHT IMPACT DEEPENS

(By John Fialka)

A drought that is spreading over the nation's corn and wheat belts is threatening the U.S. Department of Agriculture's grand strategy to cut farm subsidies and to halt food price increases by encouraging bumper crops.

By last week the drought had spread from the Oklahoma and Texas panhandles, where some crops have already been totally wiped out, north into Nebraska, western Iowa, Kansas, Wyoming and Montana.

In all of these areas, according to a crop moisture index report released by Agriculture, the dryness has reached a point where crop yield estimates must be reduced in some cases "severely."

The extent of the damage will not be known until the middle of next month, when Agriculture's "crop enumerators" consolidate their reports into the first batch of statistics based on direct observation of the crops' health.

In lieu of the old, defunct program of paying farmers not to grow these crops, there is a new Disaster Payment Program designed to compensate farmers whose crops are dam-