

MINUTES OF THE MEETING
SENATE STATE ADMINISTRATION COMMITTEE
JANUARY 24, 1977

The meeting was called to order by Senator Towe, Chairman, at 11:00 a.m. in the Governor's Reception Room in the Capitol Building. Members of the committee present were Senators Towe, Story, Brown, Rasmussen, Roskie, Jergeson, Blaylock and Devine.

Senator Towe opened the hearing on the appointment of John Orth as Director of the Department of Natural Resources and Conservation and George Lackman as Commissioner of the Department of Agriculture by outlining the procedure of the hearings.

JOHN ORTH, DIRECTOR, DEPARTMENT OF NATURAL RESOURCES

Mr. Orth gave the committee a brief summary of his employment history to date. He stated he intended to follow the Governor's policy on conservation and best use of resources and will not, as has been reported, convert the state into coal conversion plants. He stated the desire of the administration is to ensure that decisions are made in Montana by Montanans, thereby minimizing U.S. government intervention.

There were no proponents or opponents to the appointment and Senator Towe asked for questions by the committee members.

Senator Jergeson asked what are the critical issues facing Montana and the Department of Natural Resources?

Mr. Orth responded energy siting and water issues. He stated he basically endorsed the Governor's energy proposal.

Senator Jergeson asked Mr. Orth's preference regarding mine mouth as opposed to load center.

Mr. Orth replied load center is preferable as they can be absorbed by large urban areas without an undue financial load.

Senator Jergeson asked if Mr. Orth had been involved in the study on potential use of Glasgow AFB.

Mr. Orth said he had been a part of a study to determine what, if any, use could be made of surplus military locations and if it would be feasible to use Glasgow as an energy center.

Senator Jergeson asked if Mr. Orth planned to take an advocacy position on environmental impact statements developed by his department.

State Administration Committee Minutes
January 24, 1977
Page Two

Mr. Orth replied yes, he would back what his staff developed.

Senator Jergeson asked if Mr. Orth had any business interests that might present a conflict of interest with his position.

Mr. Orth replied no.

Senator Roskie inquired about Mr. Orth's stand on the Yellowstone water moratorium.

Mr. Orth stated the moratorium should be in effect at least another year to ensure Montana is protected.

Senator Roskie questioned the use of energy sources other than wind regarding hydrogen production and storage.

Mr. Orth replied he felt coal is an interim solution only. Geothermal, solar and wind are renewable. Coal should be used as a leverage to get into a position of energy independence. He stated the idea of hydrogen production is intriguing but requires a great deal of study as there are many dangers. He stated he favors coal conversion in Montana for Montana and to meet Montana's needs.

Senator Blaylock asked if Mr. Orth would be in favor of mine mouth to ship energy out of the state.

Mr. Orth replied no.

Senator Blaylock asked if Mr. Orth thought the coal tax is excessive.

Mr. Orth replied he was not as familiar with that as he hoped to be but did not think it was excessive.

Senator Blaylock asked if he would be open to public input.

Mr. Orth stated he has always been a proponent of public input and intends to have an open policy. He felt the process must be improved for broader input. He likes a decentralized operation--one which is out on the land with the people.

Senator Blaylock asked if he favored any changes in strip mining.

Mr. Orth stated he had no opinion as yet other than he felt whoever tears the land up must fix it up.

State Administration Committee Minutes
January 24, 1977
Page Three

Senator Blaylock asked if he felt he had sufficient staff to cover all areas.

Mr. Orth said he wasn't sure at this point, but probably not.

Senator Blaylock asked if air standards are strong enough or do they need to be strengthened.

Mr. Orth replied that is a controversial area--weather modification is more of a worry than air pollution at this point.

Senator Brown stated the Montana Bar Association recommends only lawyers be allowed to testify at hearings.

Mr. Orth said if that would inhibit public input, he would oppose it.

Senator Towe stated he was concerned that Mr. Orth might be more prone to economic development rather than environmental protection due to his prior involvement with industry.

Mr. Orth stated he realized that due to his prior industrial alignment he could be thought to still be aligned that way. He stated again his feelings on coal conversion--only for Montana's needs in Montana. He is in favor of the Governor's energy policy and will follow those guidelines. He felt a master plan should be developed that addresses jobs, economic development and energy development which would be integrated and workable for all aspects.

Senator Towe asked if the crunch came in water use priorities which would come first--industry, recreation, or agriculture?

Mr. Orth stated we must take care of the people's needs first, industry last.

Senator Towe inquired as to Mr. Orth's thinking on gasification plants.

Mr. Orth replied that gasification technology is not proven as yet and there are a number of questions not resolved, but the option must be left open. The cost of gas from coal is extremely high but the closer we get to the end of natural gas the higher the price will be so some thought must be given to gasification.

Senator Towe asked if coal gasification wasn't a pet of Mr. Orth's.

State Administration Committee Minutes
January 24, 1977
Page Four

Mr. Orth replied no--health, safety and economic development are important factors to be considered.

Senator Towe asked what the large items are in the department's renewable resource program.


Mr. Orth stated the Board adopted a policy that the first things to be done are water irrigation and a trout hatchery. He felt renewable resource dollars should be available for human services.

There being no further questions, the committee thanked Mr. Orth for appearing and answering questions for them.

GEORGE LACKMAN, COMMISSIONER OF AGRICULTURE

Senator Towe opened the hearing on the appointment of George Lackman as Commissioner of Agriculture. The transcript of that hearing is attached to these minutes.

There being no further business the meeting adjourned to reconvene January 26, 1977, in Room 410.


Thomas E. Towe, Chairman

ROLL CALL

State Administration COMMITTEE

45th LEGISLATIVE SESSION - - 1977

Date 1/24/77

NAME	PRESENT	ABSENT	EXCUSED
Senator Thomas E. Towe, Chrm.	X		
Senator Pete Story, V. Chrm.	X		
Senator Bob Brown	X		
Senator A.T. "Tom" Rasmussen	X		
Senator George F. Roskie	X		
Senator John W. Devine	X		
Senator Greg Jergeson	X		
Senator Chet Blaylock	X		

GEORGE LACKMAN

HEARING ON APPOINTMENT
AS DIRECTOR OF DEPARTMENT OF AGRICULTURE
BEFORE SENATE STATE ADMINISTRATION COMMITTEE
JANUARY 24, 1977

Mr. Lackman:

Thank you. Mr. Chairman, Members of the Committee, I apologize for my voice being a little hoarse this morning. I took two lifesavers primarily to clear my voice and some other things, and they probably haven't taken hold yet. I'd like to just briefly review a little bit my background and some of the experience that I've had coming up to the Commission of Agriculture. I was born in Laurel, Montana, in 1914. At an early age I moved with my folks to a farm east of Billings, eight miles east of Billings and a year or two after that, my father purchased a place, long about 1917, which is eight miles east of Billings and I still own that place at the present time. I had it leased on crop shares and I can say I had the present tenant on it - he's taken the 15th crop off it - all under oral agreement. This may not be the best way to go but we haven't had any problems. My folks passed away in 1941 and even prior to that in the late '30's I took management of the farm and then I took complete management in 1941 when they passed away. I got married in 1934, have three children, which are all married. Rather proud of some of the business that they are associated with. The oldest boy, a real estate broker in Missoula, the youngest boy is one of the vice-presidents of Cenex Corporation, in charge of personnel. He took the position with Cenex in 1972 and he moved up to one of the vice-presidents now which we are rather proud of. My daughter is married, married a school teacher who taught for twenty years. She taught for two years and at the present time we're in a corporation together. Like I said, I took over complete management of the farm in the '30's and I've increased the size of the farm considerably since that time and I probably have run one the highest diversification of farming - I grew sugar beets for a good number of years, somewhere in the neighborhood of 50 acres. I got into the potato business and were up as high as 90 acres of potatoes and grew beans, also some small grains, wheat somewhere in the neighborhood of about 100 acres. I developed a market for all those potatoes I grew, myself, and delivered them all locally. I ran a Grade A Dairy for 20 years in addition to that. In addition to that I served on many local and national boards and committees. I'd like to review just a few of those with you. I've served on the agriculture advisory committee with Dr. Renne at the University for six years.

I was a 4-H leader for 15 years. I was associated with the Billings Bench Water Association for 12 years and ended up as Chairman of that organization. I was associated with the Yellowstone Soil Conservation District for eleven years and ended up as Vice-Chairman of that organization. I was on the Farmers Union Oil Cooperative for six years. I was on the Production Credit Association for six years and I was on the Midland Empire Fair Board for ten years and I might add here that I was reappointed to that Fair Board two years after I'd left Billings and took a position with the Farmers Home Administration in Bozeman which I thought was quite complimentary, appointing me for two consecutive years. I was also associated with the Yellowstone Valley Electric Co-op for 15 years and served there as Executive Secretary and ended up as President of that organization. I served on the state wide Rural Electrics for fifteen years and I ended up as Chairman of that Board. In addition to that, I was elected to the Montana Rural Electric Cooperative Association, which I served there for ten years and also on that National Board. I was elected to represent Montana on the Executive Committee which was known as Region Nine Executive Committee. I served on that for six years. I was appointed by President Kennedy to serve one year on the state ASC Committee in 1961 and then the following year I was appointed to state direct the Farmer's Home Administration, by President Kennedy, which I served for seven years. During that course of time, I very much associated with some of the lower income farmers and developed some programs. One of the highlights of that organization, we developed about 27 grazing associations and developed one of the largest ones which was put together with a ranking unit which comprised 169,000 acres of private land and 169,000 acres of public land. That developed into three grazing associations with about 74 farmers and 26 farmers utilized another portion of that ranch privately. We increased the volume of loaning volume in those seven years that I was with the Farmer's Home Administration from \$6,000,000 to \$18,000,000. In addition to that, we had a number of cooperative agreements with banks, due to lack of adequate funds from the federal government. In 1969, I was appointed Commissioner of Agriculture by Governor Forrest Anderson. When Governor Judge took over the succeeding four years I was appointed by Governor Judge and I was asked just recently to continue in that capacity if it is approved by this committee and the Senate. Let me first say, when I had to prepare a resume of myself and my secretary added up the years of public service that I had put in at that time and she came up with better than 90 years of public service, serving on various boards and committees. In addition to that, since I've been on the agriculture commission here, I served as Chairman of the Western Association of State Departments of Agriculture and of course being a member of the National Board. I served as Chairman of the Ag Committee of the Rocky

Mountain Federation Corporation and I also served as Chairman of the Committee on the Old West Region. These are some of the backgrounds of my activity and I would like to answer any questions you may have.

Senator Towe:

Well, thank you very very much. First of all, we'll ask if there are any other persons who would like to speak in favor of the appointment of George Lackman as Commissioner of Agriculture. Are there any other persons who wish to speak in any other way? Mr. Musick?

Leroy Musick:

I'm Leroy Musick, I live north of Lewistown about 35 miles. I'm a farmer and a rancher. I'm not opposing or supporting. I'm just here to make a statement. On behalf of agriculture, the state's largest industry, I must say the Office of Agriculture Commission has not represented this segment of the economy in the fullest and best interest of the farmers and ranchers. Also the lack of cooperation between the Commission Office and the State Extension Service must cease. I would hope that more firm and open agriculture decisions for the farmers and ranchers will come from this office in the future. It's mandatory. I feel that George has done -- a lot more to be done than what George has done in the past. Throughout the state you ask them what they know about the Commissioner of Agriculture and very few farmers know who George even is. So maybe the lack of communication or something that I feel that there can be a lot more that could come out of the office than has in the past. Thank you.

Senator Towe:

Thank you. Did you wish to speak?

Fred Lark:

Yes sir, Mr. Chairman. My name is Fred Lark and I'm the owner of KXLO radio and KLCM-FM radio in Lewistown, Montana, and I also have a farm back in Iowa, some 300 acres and am heavily involved in agriculture since my youth. I'd like to make a few comments very briefly concerning the Department of Agriculture in the state of Montana as well as the broad scope across the United States. I believe though we are in an era of strong administration, it must be strong administration or we're not going to follow through whether it's the United States or here in Montana. There must be leadership within as well as external. Strong leadership within the Department of Agriculture will lead to a strong policy in agriculture, of course, following through with this particular case, the Governor's philosophy and in the national respect, the President's philosophy for agriculture but there must be input, not only within the department but extra. This is where we lack a great deal here in the state of Montana. I'm not putting blame anywhere, I'm setting aside personalities. I believe there's also been a gross lack of any type of effort within the Department and I'll also put forth the comment that I believe there's also been a gross lack of any effort put forth externally into the Department.

I know that anytime I have called the Department of Agriculture, I've always visited freely with George Lackman; however, nothing yet has ever resulted. Now whether it was the result of my lack of follow-through, when I thought I did, or the lack of follow-through within the Department of Agriculture, I don't know. We must have a strong Department of Agriculture in the state of Montana. These comments that I'm making now I would like for you to consider later on through you gentlemen questioning Mr. Lackman. I believe there must be consideration, cooperation and respect. This is what is going to develop the agricultural policy within the state of Montana. We have to group together, as all of you know, it is impossible for all the farmers to agree on everything, let's put it that way. But there's one thing I know right now gentlemen, we're sitting in a depressed economy for agriculture and I can verify that with my books and business that my radio stations are going through right now. We are very definitely in a depression for agriculture. And if we don't have some strong leadership on the national level as well as on the state level, as well as on the regional level to create an awareness through the communications through the establishment of in force delegations to promote stronger agricultural policy whether they be imports coming from Canada such as the Health Department of Montana is grossly overlooking at this particular time, and I have documentation on that and I could provide information for you on that, or whether its imports coming in from parts wherever the case is or exports going out in the form of wheat or embargoes we have to put forth a strong state policy of agriculture and then take it to Washington D.C. We need the leadership first here, to go there. Thank you.

Senator Towe: Thank you very much. Are there further persons who wish to speak on the appointment of George Lackman?
Senator Dover.

Senator Dover: Mr. Chairman: Montana is an agricultural state and one thing I have always contended

Senator Towe: You might indicate to those who don't know you, your name.

Senator Dover: I'm Senator Dover, excuse me, thank you.

Senator Towe: From Lewistown

Senator Dover: from Lewistown. I feel that as western states, if we're going to be represented we pretty much have to raise our voices ourselves and this is going to fall back on us as individual states and this is why I think that this position that we're talking

Mr. Lackman: I think that most of them are already completed. Is this the recent audit or

Senator Jergeson: This is the one done by June 30, 1976.

Mr. Lackman: Pretty much in concurrence, yes. We have no problem with any of the recommendations in the audits. Some of them can't be completed, well, I shouldn't say unless I knew which audit you were referring to, which portion that you're referring to.

Senator Jergeson: I just noticed in general.

Mr. Lackman: There's no disagreement. We've met with the auditing committee and there is no disagreement to my memory that we had with any of the recommendations. We've already made inroads to change them just as soon as we can. Let me say one thing I think one of the recommendations in there was that we should, we need to employ some additional help in the physical section and this was recommended in a previous audit and this of course depends on the budget committee if we're going to get some additional personnel. Another one was the elimination of the 2% on the hail fund which we're paying into the state treasury right now. I think it's the only one of the organizations that pay the 2% to the state treasury and they have recommended that that should be put just like the other departments on cost sharing the cost of government.

Senator Jergeson: Second question - my questions aren't really related to each other but it seems we have in northern Blaine County and northern Hill and Phillips Counties something of a rat problem. And I noticed that your department did not become involved in that, did not ask for an appropriation for anything to deal with that problem and that the Department of Livestock became interested in and involved in this and it seems like it was a problem that should have been handled by the Department of Agriculture since the grain had been spoiled. What are the reasons your Department didn't become more involved in this?

Mr. Lackman: I think you're making reference to the recent newspaper release to a meeting that was held here in this particular room here where the Livestock people was trying to solicit some support from the Ag Committee for a budget. And my comments at that time, and they were misinterpreted, were made that I did not think it was appropriate for the Agriculture Committee to support this particular request that the Governor's Budget Committee had made a careful review of it and not included it in the budget and what we were doing was contrary to the Governor's recommendation or the budget committee

about here is a very important position because it represents so many of us here in Montana. If agriculture isn't doing what it should be doing, the whole state suffers and also the whole nation suffers. And yet I feel that in many ways we as a state and especially as a nation are not aware of the implications that there is when the farm area suffers. And we need to get the word out, we need to be heard, so the emphasis I will put is we really need to get a department that is strong, that is going to communicate, and this is one point I would really like to emphasize is when you communicate with the farmer and the rancher and know what their problems are and get back to them with answers, this is one of the things that I have heard from different parts of the state, is that different ranchers have made requests and they have not felt they have been responded to as they should, they have not gotten the answers from the Department. I am not in a position to back all of this up, this is hearsay, but I do definitely feel that the ranchers do need a stronger voice for them and it comes from this department and we as a state need to be heard in the nation so that they realize what a part, what an impact agriculture has and this is the way we're going to be able to have the revenue that we need to run our state, and this is the way that we're going to be able to have the income to run our industries. And it's very important, very important, and I trust when you will question this man to consider what he's going to do you will take this into great consideration. Thank you.

Senator Towe:

Thank you Senator Dover. Are there any other persons who wish to speak on the appointment of George Lackman? If not, George, will you resume the chair so we can ask you some questions? Are there questions from members of the committee? Senator Jergeson.

Senator Jergeson:

I had a chance this morning to glance through the audit conducted by the legislative audit of your Department and they made about 17 recommendations of kind of a technical nature for changes within your Department and I notice that the Department has concurred with most of them except for maybe one or two and those where you did not concur outright it was some sort of a, you had an alternative for dealing with whatever the problem was with the legislative auditor. Are these changes you've concurred with, are they on schedule - are you getting them done within your Department?

We all had our hearing and I thought we ought to take it up now with the Legislature. That was my comment. Nothing against the rat problem. As you well know, we have the Pesticide Division under my jurisdiction and we were not aware that there was this kind of problem, in fact, I don't have the figures with me - I had my uh, there again we had the Pesticide Division to make an analysis and it does not appear that there is any severe problem of the Norway rat infestation.

Senator Jergeson:

I've asked everyone else the conflict of interest question so I'd like to ask you. You mentioned you have an oral crop agreement with somebody else to manage your farm - do you think there is a conflict of interest between being Commissioner of Agriculture and having someone else run your farm?

Mr. Lackman:

I can't see where there'd be any conflict of interest. We're not in a policy making position in the state government; it's a national policy and of course the input we have there would not necessarily have a direct effect on my farm operation. It's been under lease arrangement for about fifteen years now.

Senator Jergeson:

A question raised by some of these other gentlemen who spoke on your nomination: What kinds of things have you done or do you anticipate doing as really speaking as a voice for the farmers?

Mr. Lackman:

Well I thought we were rather active in trying to solve some of the particular problems that are facing agriculture at the present time --that is primarily the low prices that agriculture people are receiving, both in livestock and in wheat. We've held a number of meetings throughout the state relative to the price of wheat. Very recently Lt. Governor Schwinden called a meeting of the leaders of the Agriculture Secretary and also the farm organizations to come up with some kind of a policy and yet to this day we cannot come to any kind of agreement. There appears to be a varied opinion anywhere from a \$2 1/4 loan rate up to over \$4 loan rate that we should support. And of course my position is that we represent all the agriculture interests and we have to be concerned with also the overproduction we have at the present time and this has to go hand in hand. And we try to carry the consolidation of the opinions that we receive from the various meetings we've had to meeting with the elect or who is now Secretary Bergland and express our views and the conclusion that come out of that is that we recommend to Secretary Bergland that a loan rate should be established somewhere near the cost of production.

And that varies of course from state to state as well as it varies from farm to farm and we did not set a figure exactly what that would be. This will have to come through negotiations and input we may have from the state here. We have some varied opinions there too, somewhere in the neighborhood of \$2 1/4, \$2 1/2 as high as \$3 cost of production, I think it depends on what you plug in to the cost of production. So we are working with the Secretary Bergland, we met with him in Omaha again carried fort some of our recommendations on - from Montana as well as from nine other states, as well as 14 other states that were represented there. So we are working in it, but there is no easy solution to it. We have an overproduction. Many of us agree that the government should not get back into the grain business. Secretary Bergland also made a very strong statement that he doesn't want the government back in the business and yet we have a considerable supply of the wheat commodity on hand. We have increased our production considerably here in the state of Montana. We normally grew around 90 million bushels now we, last year I think we produced over 160 million bushel. So we got wheat and have to find a solution to it. And this not only holds true in our state, it holds true in other states. In the meeting we had with Secretary Bergland there was a strong consideration given to about a \$3 support loan rate. Secretary Kunzman from Oregon was sitting alongside me and he just chuckled and said, "This would be the greatest thing that ever happened to Oregon", and I asked him why and he leafed back a page or two and he said "We have a variety in Oregon now that will yield 150 bushel to the acre and if we can sell that to the government for \$3 a bushel that would make a pretty good return. So you see we got problems and its not merely setting a loan rate on wheat, I think we also have to come up with a solution how we're going to get ourselves out of an overproduction or an oversupply of wheat that we have at the present time. One of the members that was a stockman in the meeting that Lt. Governor Schwinden called said that the only difference between livestock and the problems they've had in overproduction and the grain grower is that we have a storeable commodity. But he also emphasized that that could come back to haunt us at a later date if we keep piling it up and not finding some other uses for it. So I think we have a dual responsibility, we have a responsibility to Montana farmers to try to find a way that they can continue to stay in agriculture and also what we're going to do with our overproduction. My position is, too, that it is not entirely the farmer's fault finding themselves in an overproduction. Secretary Butz of the previous administration encouraged the farmer to go for an all out production which we did, and we've got the commodity on hand and its

not entirely our fault that we have it. I think the government has to be a partnership in trying to find a solution to our problem and we're willing to work with them in every way we can.

Senator Towe:

Further questions? Senator Jergeson? Senator Blaylock.

Senator Blaylock:

George, I just, one of the gentlemen speaking back here --- you said Lt. Governor Schwinden called the meeting. What kind of innovative, imaginative leadership are you providing? Are you really pushing, are you really pushing new ideas? What new things have you done? Now you've been in there 12 years, 8 years and this will be your 12 if you're reappointed. What new ideas, new ways, new approaches have you taken?

Mr. Lackman:

Well, we've lived under government programs since the '30's which you well know. There's no easy solution to it, there's been about everything tried, I think, under the sun and by Congress in trying to come up with something that will solve the particular problem that we find ourselves in and that's an overproduction of wheat. And yet we're encouraging our experiment stations to come up with new varieties of higher production. We have increased our farm equipment to what we can do a better job of farming. We have seen some other problems on the horizon. There isn't a beautifuller sight than to see sprinkle systems on the hillsides, which is dry land; which now brings this land into an every year production instead of an every other year production. We had some problems there. We have to find new ways. Unfortunately, there's about roughly 600,000 acres of new land being broken up out of -- and this some of the lower quality land too, being broken up out of pasture into production. It taxes me or anybody else to come up with the solution. Like I've said we've had two meetings statewide now inviting all the wheat or grain growers interested to participate in this. About the only solution that come out of that is we supported a good strong high loan rate and very seldom anything comes out that we're going to cut back on production so there's some interest made but not a strong policy on it. So I am at my wit's end to degree as to what is the solution to it. If I had the solution I think I'd be in Washington instead of being here in Montana. As to what is the solution to our whole problem. It has been with us for many many years. The surplus situation like htis, as you well know, almost since the '30's.

Senator Blaylock:

Can you do anything, George, as the Chairman of your Agriculture Department, here, now, for instance, they broke up hundreds of acres down there by Miles City very marginal or almost sub-marginal land.

Did you take any position on that and say, "Gentlemen, that is wrong"?

Mr. Lackman:

Yes. I'm not a newsman - that I like to get my name in the paper. It unfortunately gets in there enough as it is. Its misconstrued many times, its misinterpreted. But, yes, we've worked with the University systems, we've talked with some individuals about breaking up land but this is a free enterprise system, they can go ahead and do as they please and their minds are made up and they are going to go ahead and do it. There was quite an article written last spring by a lady newspaperman who I had contact with, and she quoted me in some of the things I said that there things are going to come back to haunt us. And particularly with the position of the dry cycle on the horizon. This could be a great mistake to breaking up any new land. How far can you go? You can't go out and twist somebody's arm and say you can't do it. You just can't do those things. Yes, we've had some news releases on that and taken some positions on breaking crop land up.

Senator Jergeson:

Did you talk to those gentlemen that he's referring to?

Mr. Lackman:

Not on a one to one basis. Not on a broad scale anyway. Wherever we met them, wherever we talked at meetings and things, yes, I made some comments realtive to that. This is nothing new. Like I said I was associated with the Yellowstone Soil Conservation District for quite a few years, I was on Dr. Renne's agriculture advisory committee and we took some stands in those days. I was on the Farmer's Home Administration where we had some teeth and where we in those 26 grazing associations we put together we applied the best grazing methods that the Soil Conservation could come up with which the members had to comply with so we've taken some initiative wherever we had some strength and some power to do it with. But on a voluntary basis you're not going to be too successful.

Senator Blaylock:

Have you ever pointed out, George, to the farmers and ranchers of Montana that there's going to have to be some cooperation between those two groups, that in the fact on the one hand we can't insist that we want to sell all the wheat of which we have a great oversupply and at the same time we're going to say we're not going to buy any beef from anybody?

Mr. Lackman:

Yes, yes this has been --when we had the first meeting we called, both meetings we called, on the agricultural interests, we brought in the statistical reporting service to come up with some figures as to what production is and where we're heading to. Not only what production in Montana is, projected figures, but also what's in the United States as well as the world. We also brought in two people from the University to come up with some cost of production figures so the people there would have pretty broad base information as to making some decisions in regard to our production problem - policy and problem. I think, yes, we have taken some positions wherever we have the opportunity to take them.

Senator Towe:

Any further questions from members of the committee? Senator Devine.

Senator Devine:

Yes, when the word came out about philosophy and the other things in the farming end of this discussion, I was wondering as an individual it looks to me like you are the Commissioner of Agriculture. At one time I was a Director on one of the larger farms in Montana. It was an independent farm and I know many people in the Farm Bureau, I know many people in the Farmer's Union and I just wanted to ask a question that came from the back of the room. If you did put out your philosophy on farming, if it didn't agree with what the Farmer's Union sent out or the Farm Bureau sends out or the independent farmer wants to know, I mean I just would wonder with the diversion of people in the business, everybody going their separate ways, it always worries me that they never go to sell the market, they take an interpretation that we're going to do it our way, you do it your way and I was just wondering as Commissioner of Agriculture do you run into this all the time?

Mr. Lackman:

Yes, this is nothing new. In all my life that I spent in agriculture you'll find the diverse attitude and diverse opinions. In fact very recently I was at a sugar beet growers meeting in Billings and I had an individual come up to me and he wanted to know what position we were going to take in relative to the loan rate and I said, "Well, we don't know". I said we made a recommendation to them that we would recommend a loan rate somewhere near cost of production. I think he endorsed that and bought that sort of thing. I also said he made some other strong comments. The farmer immediately replied, "I think I'll just take that \$2 1/4 loan rate and let the government take my wheat". That's the present loan rate. So this is the attitude that you find in a good many cases. Yes, we have some diverse opinions between the Farmer's Union and the Farm Bureau

--those are the most diverse two groups, I suspect. We have other interests of course that are in the interest in it, the wheat growers, the Graingrowers of Montana, the Wheat Research and Marketing Committee is very much interested. The Governor's Ad Hoc Committee is interested in a sort of a way. The Governor had an agriculture coordinator on his staff at one time and I think I highly compliment the Governor. I think he is one of the most knowledgeable figures we've ever had as Governor, understand agricultural problems. He has taken some good steps. We've had some input into the Governor's position on - that he has taken on some presentations that he has made. I think you have to realize that I have about 10 divisions under me. That requires a lot of my time, they are quite diverse too, pesticides, fertilizers, horticulture, etc. etc. so that takes up a good portion of my time and I take the position I represent all the people in Montana and I cannot get highly diverse. If one position got a lot of flak from another position. I am not in a policy making position. Policy making in agriculture is done in Washington D.C.. We may and we may not concur with it and we have an opportunity to have an input into that as they see it.

Senator Devine:

Could that be the philosophy, maybe, from Lewistown that you have one certain farm group area that you represent and that the department hasn't taken a stand? Say its the Farm Bureau or whatever it is, could that be where you say you're getting lack of communication?

Mr. Musick:

No sir. No Senator. I'm speaking strictly for myself. As I said, I'm just a farmer and a rancher and I'm not a member of any major farm organization at all. I have been a member of them in the past and I've felt they haven't did the thing but to get back to, well, when this hearing was being held I asked people all over the state and they don't even know who George is most of them. I was really surprised.

Senator Devine:

Does George know who the independent farmers are?

Mr. Musick:

Well, no, I think he should know more of them really. I never met George until a year ago about now, right? First time I ever met George, in Lewistown, at a big meeting. Very controversial big meeting we had down there. I, no personality whatsoever, I just feel that we need, George got to come out and say, "This has got to be the imports of cattle and foreign beef into Montana must be stopped and the price of wheat, there must be a figure of cost production, get a coordinator or something, and this is the cost" that I feel the Commissioner of Agriculture should be. And then let the other organizations come to him if something's wrong or something like this.

3

To me this has never happened. And I think its got to the point where its got to be and I, my only business is farming and ranching and I love it.

Senator Devine:

The Farm Bureau and the Farmer's Union are probably have the mailing organization that mailing to their members every month and I just would wonder, and I'd like to see you be able to do this, but how do you get a mailing list for an independent farmer? And by the same token, George, could get all this stuff you would use and if the Farmer's Union didn't like it they'd tell them to throw it away and the state would pay a lot of money for mail.

Mr. Musick:

I wouldn't even suggest a mailing list at all. I'd like to see, perhaps, an expenditure budget more so George could get out of his office and out in the area and meet the farmers personally in small localities and let it be known and get their view-points. Not through the mail or nothing else because they're just a very few people are going to write and it takes more of his time to read the mail than, I'd like to see George out in the state of Montana, in the rural areas more than here in Helena.

Senator Towe:

We'll hear from you before we close today, George, but let's go on with the questioning. Senator Roskie.

Senator Roskie:

To follow up on this line of questioning, I know George gets around to a lot of meetings, to a lot of organizations and despite what you say there are a lot of people who really know George Lackman one way or another. But I've been disturbed by the fact that the Governor did appoint an Agricultural Coordinator in his own staff to do things which I felt were basically George's department's responsibility. I think it took the play away a little bit, it may have accomplished some things, I don't know. I'm not speaking for or against that particularly except that I would like to ask a question. Have you, George, or has your department ever really tried to put together a farm policy for Montana through or with all the various organizations that we have here in the state? You mentioned Washington sets the policy; I object to that approach. Washington may have control, maybe they swing the big stick, but they shouldn't be telling Montana what Montana farmers and ranchers or the state agricultural community should be doing. And I wonder have you ever really gotten all these diverse groups together, their representatives, their boards, directors, whatever, and tried to develop what might be termed an agricultural policy or position for Montana that you could strongly advocate at the Washington level?

Mr. Lackman:

You probably missed my point earlier, Senator, when I said I, we've worked with groups in many instances and yet we come out of it with a united front of

any kind hardly. And, no, I have not tried to put a policy together. I think I could answer that primarily to say what Senator Melcher said to me he said, "When you farmers are ready to come in on a consolidated effort, I'll go to bat for you and then we can probably get something done". And I suspect that a good many of the policies that are adopted on the national level on the opinions that the committee and the congressional delegation gathers from various members of organizations and just puts together what's most palatable or what's most workable I should say.

Senator Roskie:

My question is not whether you could get the job done, have you ever tried? For example, recently a group put together a range symposium seminar down in Billings which was an effort to bring a whole bunch of people, in state and out of state, together to talk about a range resource. From that developed, I'm sure, some direction to take in the range program in the state of Montana. I've never heard of anything similar on a broad basis for other farms or agriculture or agriculture in general.

Mr. Lackman:

No, we have not done to bring a committee together of any kind to set down and actually formulate a policy. The most recent thing or the most nearest thing to that is the two recent meetings we held with the, all the, interests of the Graingrowers where they appointed a steering committee and we worked with the steering committee in trying to formulate some policy. But we have not come up with anything concrete as what a total overall policy is that covers all of the agriculture grown in Montana. That's a chore.

Senator Roskie:

You keep saying we work with, how about changing that conotation to they work with you? So that you represent the No. 1 spokesman or voice for Montana. Have you ever approached it from that standpoint?

Mr. Lackman:

No, no I haven't; not take the complete leadership in trying to bring all the horses together to develop a policy.

Senator Blaylock:

Wouldn't that be worthwhile? to really be a leader?

Mr. Lackman:

We can certainly attempt it and I thought we were attempting it by bringing various groups together and I think its been expressed by some of the other people here that its pretty hard to get all of the farmers to unite and agree on something. I think the one organization is advocating around a \$4 loan rate or upwards of a \$3 loan rate. Another farm organization don't want any loan rate, so how do you weld that together? You may not even get a participant from that one farm organization that don't want some kind of an agricultural policy.

We have some very diverse opinions here between farm organizations.

Senator Towe:

Senator Brown.

Senator Brown:

Well, Mr. Lackman, I think that what the gentlemen from Lewistown and Senator Dover and perhaps some of the members of the committee are driving at here is that the state of the agricultural economy is depressed. I don't think there's much question about it. The price of grain and beef and so on is low and the cost of doing business is getting higher and perhaps what farmers would like is for their Commissioner of Agriculture to be more their advocate and to speak out more and recognizing its difficult for you to do things because of the direction you have to accept from Congress, it might still be comforting for them to regard you as their advocate and their spokesman and maybe for you to speak out about some of these things and contact our congressional delegation and maybe perhaps appear to be more assertive. I think especially now it'd be appropriate for you to be that way and I think we'd all feel better about it if you'd give us your assurance here before the end of this hearing today that you'll from now on try to be a more assertive Commissioner of Agriculture and more of an outspoken advocate of the farmer. Can you do that?

Mr. Lackman:

Well, yes, we can certainly continue to and will continue to work with groups in trying to formulate some general policy that we can support. I don't think it would be my position to come out and express my views that I felt we have a \$3 1/2 loan rate because that would be in disagreement with a lot of other people. But I think we have to jell some of the thoughts and try to reach a medium that we can live with and I thought we did this when we reached an agreement between the farm organizations and the cattlemen and the woolgrowers and others who were there that we would support a loan rate at somewhere near the cost of production and we conveyed this in a policy form to Secretary Bergland and we will continue to do that. Now if you mean that I should come out and take a firm stand that the Department of Agriculture takes a firm stand on a \$3 1/2 loan rate, if we can use that figure, or whatever figure we use, I don't think its my position to do that. I think I represent all the farmers and we sort of have to work with what they want and this is what they want and this is what we've been doing and we will continue to do this.

Senator Towe:

One of the things that I guess concerns me a bit - your various divisions in the Department of Agriculture are primarily regulatory.

Mr. Lackman: This is correct.

Senator Towe: --pesticides, horticulture and all the various others, and therefore its easy to get bogged down, I suspect, in the details of the regulation and not devote as much attention to policy-making functions. Have you given adequate attention to the policy making functions, do you think?

Mr. Lackman: Adequate attention to the policy-making functions? Probably not as much as I should. We were pretty much understaffed and we are still somewhat understaffed in the various departments and when you have to pay attention to about 10 different organizations-- we went through Executive Reorganization and we are also going through internal reorganization where we're now trying to utilize the staff we have on a multiple type system inspection program. And this is not an easy undertaking. We've had a few little problems there, too. Serving the state of Montana as big as it is is not easy trying to give proper service to it. And so we're using what was commonly the Horticulture people now giving a multiple type of inspection service. This includes someone in pesticides, inspection of elevators and grain truck movement, picking up samples for the feed division and fertilizer division, medicated feeds, in the Horticulture area. Those are the things we're trying to do is make a multiple inspector out of it. I think we have the program pretty well jelled, its taken a lot of time and a lot of attention. I have not devoted perhaps as much as I should have to the policy-making formulation and there's a reason for that to some degree. Again, let me repeat, that we have an active graingrowers organization who have some opinions on what they would like in an agricultural policy, we have the wheat commission who are very active in their function and also into an agriculture policy, we have the ad hoc committee where we get together and there is a good opportunity to discuss some of the programs pro and con. We've had the representative on the Governor's staff who spoke out for agriculture and the Governor himself, who has taken a strong position. So we think we have it pretty well covered.

Senator Towe: But the mere fact that there is an ad hoc committee on agriculture and a wheat commission and other organizations that are springing up that are quasi-governmental or fully governmental - does that indicate a function that really should be handled by your office?

Mr. Lackman: It probably is not a function that should be handled by my office but I should be a part of that function

Senator Towe: Are there any questions from members of the committee.

If not, George, let me thank you for coming before us today.

Mr. Lackman: Let me make a few closing statements, if you will?

Senator Towe: You certainly may make a closing statement.

Mr. Lackman: I certainly appreciate the opportunity to be here today and be questioned on some of my activities and I assure you my interest in agriculture which stems from it. I'd just like to make a few remarks made by Mr. Leroy Musick who was or who still is Chairman of the Minutemen organization in Lewistown. I have tried to cooperate in every instance with them and they have a policy they would like to see implemented. This has not been accepted generally by the graingrowers and so who do you represent. We try to work with all of them, but in fact Leroy Musick and some of the members from his district were at the meeting in Denver when we thought we were going to meet with Senator Bergland and he couldn't make it and the appointment didn't come through quite as rapidly as the Governor of Nebraska thought it would so there was a follow-up meeting in Omaha which again members of the Minutemen were present and spoke, I think, to the Secretary to try to carry out their policy. So the only point I'm making is that I try to work with all of the organizations but yet we have such diverse opinions among the organizations how do you jell them and get them together? And if you take a strong and positive stand as your convictions guide you to do you may just run into a lot of flak from somebody else. We like to say we represent all the people. We represent the consumers and the consumers have a direct interest in this too when we get the grain prices too high which you all know when the grain prices by drought and other reasons get up why the papers start screaming about the price of a loaf of bread be a dollar a loaf and the consumers then start reacting to that. So just in closing let me assure you I'm going to continue, if I should be confirmed by the Senate, to work in the interest of agriculture in Montana. Thank you.