



## **ANNUAL ADDRESS**

To the delegates, officers and members  
of the National Grange of the Order of Patrons of Husbandry  
presented Nov. 13, 2012  
in Boise, Idaho at the 146<sup>th</sup> Annual Convention  
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## **Introduction**

This week, the National Grange gathers in Boise, Idaho for the third time in our 145-year history for our National Session. Just as in 1933 and 1970, Idaho Grange members and the entire Western Region have made us welcome and we thank them for their effort.

This year has been one of economic disappointments and volatile weather. Unemployment has remained high and a record number of citizens have given up searching for jobs, at least officially through the government system. Spring came early to much of our country and neglected to arrive at all in other portions. Summer drought dramatically impacted corn production in many states with 1,584 counties, more than half of all counties in our nation, being declared disaster areas.

A few days ago, citizens in every precinct across our country cast their ballots for elected local, state, and national officials. Those who were chosen to represent their fellow citizens must be continually reminded that they serve and represent the people, not a party; they are the voice not just for those who voted for them, but all the people they represent. Granges in the coming year will listen with respect, advocate in a civil fashion on issues for which we have policy, and hold officials accountable for their actions in a courteous manner. This is the responsibility of the Grange and every American citizen.

## **Fiscal Responsibility**

Grange members know that the future of America requires us to accept our responsibility for the financial health of our great nation. It is time for Americans to put aside partisan politics and demand that government live within its means; just as every individual American must do.

During this past year, three California cities have sought bankruptcy protection. Since 2010, seven localities in our nation have entered the bankruptcy process. Most states have either a deficit in their budgets or massive unfunded liabilities from retirement or healthcare obligations. Forty cents out of every dollar spent by the federal government is borrowed money, resulting in an accumulated debt of more than 16 trillion dollars this year, while our gross domestic product was only just over 15 trillion dollars in 2011.

It is long past time for our elected officials to wake up, to realize their fiscal responsibility to every American, especially our children and grandchildren. History is littered with the remains of cultures and civilizations that have perished, and there is no case of a nation or people being successful while being fiscally irresponsible.

The Grange recognizes that there is no perfect system and calls on every elected official to recognize and follow these four fundamental truths.

First, we must live within our means. Just as the average American cannot spend more than we make for an extended time, neither can our government. While the Grange stands in favor of a balanced budget amendment, we shouldn't need it. This should be common sense.

Further, it is unacceptable that the U.S. Senate has not passed a budget in three years. It is time to put aside partisan politics and reduce the budget deficit now. Otherwise, our debt will continue to skyrocket upwards.

Second, free markets work best. Picking technologies to develop, adapting to a rapidly changing world, providing services economically and efficiently, or even phasing out unneeded services are all difficult for private business and almost impossible for government. Let the American free market find solutions, develop new technologies, and provide high quality services to the consumer. Leave government bureaucracy out of those areas. Let each level of government perform those things that our U.S. Constitution, our State Constitutions, and our local laws require that government do. Government must stop its endless expansion and meddling with the economy.

Third, elected officials are people too. At the founding of our nation, the idea that Congress and state legislatures would be made up of professional politicians was unthinkable. Citizens were to step up and serve their country or state and then return home to their communities. Today, we have a system that encourages people to become career politicians thanks to publicly-funded pension programs for elected officials. It is time to remove that benefit. We should pay our elected officials for their hard work during their term in office, but just as many Americans must provide for their own retirement, politicians should take responsibility for theirs.

The Grange also calls for all levels of government to use generally accepted accounting principles just as private businesses are required to do. Just as businesses occasionally try to "cook the books," so do government bodies. We require business to operate with fiscal rules, and put violators in prison. The government, at all levels, needs to do the same. The unfunded liabilities of federal, state and local governments need to be understood and dealt with, not hidden by sleight of hand.

Fourth, economic markets hate uncertainty. Owners and operators of businesses make decisions in hopes of making a profit. Regardless of whether a product is to be made or a service is to be provided, the business is dependent upon a person choosing to spend their hard-earned money. From farmers and small business people to corporate executives, all decisions are based upon the information available and the expectation of future cash flow. The more uncertainty that exists, the fewer risks will be taken by decision makers.

Taxes and regulation are major impediments to business and our economy when uncertainty is due to inaction by government. When business leaders don't know what tax rates will be, when the tax burden seems fluid, or when new taxes are due to be implemented, decision making is difficult. Less consumer spending or higher tax rates will effect what businesses do, from the

smallest operation in your hometown to large corporations that employ thousands. Our elected officials must ensure that uncertainty for business does not begin with government.

The Grange believes that when our elected officials follow these four simple truths, our nation will begin its journey back to fiscal health and prosperity.

### **Regulation**

This past year, we've seen every department of the federal government continue to propose new regulations. These regulations cost billions of dollars to Americans and impact the lives and occupations of our citizens.

In the past four years we've seen an increase of an estimated \$488 billion worth of economically significant regulations. It would appear that many regulations are based upon one of two ideas: that business is out to get the consumer or that the consumer is irresponsible. We disagree with both views. The American consumer is intelligent and responsible. Most American businesses are concerned with meeting the needs of their customers with a high standard of ethics.

This increase of economically significant regulations, on top of massive regulation already in place, is larger than the GDP of many countries. The high cost arising from these regulations is too often passed on to the states. However, it is ultimately the consumer who bears the burden of all costly regulations. Companies, large and small, either pass along increased costs or cease doing business. In today's economic climate, the American consumer cannot afford to take on these additional expenses.

The President and his administrative agencies continue to propose massive and intrusive regulations. The Environmental Protection Agency (EPA) seems to want to end coal and natural gas use, prevent drilling for new oil resources, and even regulate the amount of allowable dust from the farms of America. The Department of Labor has tried twice to consider regulations to prevent our youth from working on farms. Similarly, the Department of Agriculture has imposed intrusive and unnecessary regulations on school lunches for those same youth.

The Grange supports necessary regulations needed to provide reasonable safety and peace of mind to American workers, families, and investors. However, we oppose any regulation that seeks a zero tolerance of risk. Our great nation was founded by men who took risks because they understood that without risk, there can never be great success. It is under this same principle that we should continue to conduct our businesses.

### **Agriculture**

While regulatory agencies continue to move to sterilize our environment and lives, Congress has failed to ensure the health and well-being of American agriculture by allowing the September 30 deadline to come and go without the passage of a 2012 Farm Bill. Agriculture should never become a partisan football as every American depends on agriculture. While less than one percent of Americans claim farming as their occupation, one in twelve jobs are directly linked to agriculture. More importantly, every citizen regardless of where they live depends upon the food produced by American agriculture for life itself. It is unacceptable to ignore what may be the only segment of the economy in which America has maintained a positive international trade balance since 1959.

Many vital programs, such as the Milk Income Loss Contract, have been allowed to expire, causing great uncertainty within the agricultural community about the future. Just as with all business, uncertainty prohibits growth and prosperity. Agriculture, perhaps more than any other segment of the economy, cannot afford to stunt prosperity.

Less than 20 percent of the proposed Farm Bill actually deals with research, risk management, or other agricultural issues, leaving more than 80 percent of the funds being used for non-agricultural purposes. The Grange believes that the farm-related portion of the Farm Bill is a significant positive for the economy of our nation.

In the coming weeks, every Grange member should contact their Senators and Representative in order to encourage them to pass the 2012 Farm Bill during the lame duck session.

Of all the segments of agriculture, dairying in almost every region of the country is in serious danger. As milk prices remain low and costs continue to rise, many dairies are finding themselves unable to weather continued uncertainty. Banks are becoming reluctant to finance dairy operations and unless the dairy industry can find a few continuous years of profitability, many family operations will disappear.

The price we pay for milk, cheese, butter, and other dairy products is not what the dairyman receives. That price reflects the profit by the store, the shipper, and the processor, while the family caring for the cows is often barely making ends meet. The Grange demands that the crisis facing dairying be addressed to ensure that the American dairyman not only survives, but prospers.

Cheap, plentiful, healthy, and safe foods are demanded and deserved by all. Many consumers are concerned about the methods by which their food is grown and whether or not those methods are responsible and safe. Thus consumers are now monitoring agricultural practices and making purchasing decisions on how animals were cared for or how crops were raised.

We call upon Congress, USDA and the agricultural community to support the research that our land grant colleges do to expand our knowledge of agricultural practices. Continued

improvements in farm practices for both organic certified and standard product models are needed and the lessons learned from improvements will benefit all farmers.

The Grange believes strongly that American agriculture needs both small and large producers. Small producers fill important niches within our communities and provide desired choices for the American consumer. Large producers provide healthy and inexpensive food for consumers locally, across the nation, and the world. American agriculture is responsible for feeding much of the world. Both of these roles are admirable and deserve support. The Grange calls on all farmers and ranchers, from large to small, to learn from each other and support each other.

Different business plans, different markets, or different practices should never serve as points of conflict within agriculture. No segment of American agriculture should ever attack another segment. The vast majority of Americans do not hold an accurate and informed opinion of agriculture. They are often unaware of modern practices and the reasons for those methods. They are often more familiar with misinformation put out by organizations seeking to destroy segments of agriculture and some consumers have an idyllic view of agriculture that is more myth than fact. When farmers or organizations claim others are bad because they are not using their preferred practices, it may seem good for business today, but it creates a long-term negative view of agriculture as a whole.

In order to spread the truth of agriculture, the Grange continues to call for wide-scale basic agriculture education at the primary levels and in post-secondary education related to agriculture production, research and policy.

Genetically Modified Organisms (GMO's) are under attack in many areas across our nation. Mankind began selective breeding for crops and animals within species about 8,000 B.C. In the 1700's we began breeding between different species. In the 1920's we began breeding between different genera and causing mutations in crops in order to increase the genome. Today's technology allows mankind to exceed the limitations of natural transmission of DNA and genetic code and create opportunities for improvements in pharmaceuticals, chemicals, textiles, forestry, cosmetics, mining, energy, oil recovery, waste treatment, food processing, environmental management, and agriculture.

In agriculture, there are many transgenic crops. Transgenic refers to crops that contain a gene that has been transferred naturally or by any number of genetic engineering methods. Transgenic crops that have increased the insect, disease, or drought resistance of those crops allows increased production at reduced cost. Oversight of all U.S. testing of new varieties of crops is done by both the USDA and EPA and should be continued.

The world's top scientific authorities, including the American Medical Association have concluded that foods with biotech-derived ingredients pose no more risk to people than any other food. The U.S. Food and Drug Administration's regulations state that requiring the labeling of foods that are indistinguishable from foods produced by other methods would be misleading.

The Grange continues to support extensive testing to prove safety of all new GMO crops. However, until credible scientific studies indicate a real danger exists, Americans should oppose mandatory labeling of GMO products as such labeling falsely implies differences where none exist. Accordingly, we also ask Congress to address the issues of pollen drift and accidental animal breeding to protect those farmers who choose not to use GMO stock and the companies that own the patents on GMO stock.

Only with mutual respect can the different sectors of agriculture meet the growing demand for food, fiber, and fuel in the future. Setting aside our differences and working together is a must and the Grange will continue to set that example.

### **Education**

Americans' understanding of agriculture and financial responsibility are not our only areas of concern. For many years, the education of our young people in America has been poorly ranked against much of the developed world. This is unacceptable.

We must remember that the point of education is to equip individuals with the skills and knowledge necessary to help them achieve their goals and dreams while simultaneously contributing to our local and national economy. We must teach financial literacy if we are to see productive, prepared, responsible citizens and future elected officials. We must educate them on the consequences of accumulating tens of thousands of debt, especially in the form of student loans. It is difficult for graduates to become contributing members of society while they are dragged down by a lifetime of financial struggle.

We must also reevaluate our assumptions about education. Too often parents and students, counselors and teachers believe a college degree is the only way to get ahead or only valid educational outcome. We forget the importance of individuals trained in trades and vocational programs; we also forget that the basic introduction to skills is a benefit to all.

Our economy is not currently creating jobs for many new graduates and we must assure students that a decision not to attend a traditional four-year college may be sensible and proper for them. For those students not choosing college, vocational programs become essential to help them learn what talents they want to build their life upon. Grange members stand in support of programs that teach basic skills in agriculture, metalwork, mechanics, construction, and technology in practical ways.

Every American must be encouraged to ask questions, as each inquiring mind will benefit our society far into the future. Parents must become partners with professors and teachers to ensure that their children are given every opportunity. Students must be taught that discipline and hard

work in their studies is necessary to prepare them for a challenging future. Learning must become a way of life to every citizen.

### **Postal Reform**

Congress has failed the United States Postal Service and every citizen it serves by allowing it to fall deeper and deeper into financial destruction. The USPS has twice defaulted on their required \$5.5 billion payments to the US Treasury and will certainly continue down the same path without dramatic reform.

The Grange opposes reductions of service to rural America, as its residents rely upon mail service for delivery of their prescriptions and other vital items. It is the mission of the National Grange to work for a strong rural America. A sustainable and prospering US Postal Service is a must for rural America.

The Grange calls on Congress to save the Postal Service by one of two methods. First we recommend eliminating the prepayment requirement for future employee retirement health benefits, saving the USPS \$5.5 billion annually. In the alternative, we ask Congress to release the USPS from congressional oversight and allow them to make their own decisions and respond to market conditions as they see fit while providing the last mile of service.

### **Broadband Expansion**

While supporting traditional forms of access and communication, we also stress the need for rural America to see a substantial increase in access to the essential technology of broadband. Rural America achieved a great legislative victory this past year with the allowance of Universal Service Funds to be used for broadband expansion. Now it is our duty to ensure that these funds are properly utilized to bring high-speed internet to every rural household and business. This will help ensure that rural America can compete with its urban counterparts in today's global economy.

### **Conclusion**

Some Americans are afflicted with a sense of discouragement and lack of faith in the future. Grange members understand that the future is uncertain, however, we have confidence that the citizens of America are up to the challenge. No matter how tough the times, we are stronger when we are unified.

“We propose meeting together, talking together, and in general acting together” is a key to our philosophy as Grange members. We invite every American to put aside their disagreements and partisanship and find common ground. Each and every American can do that within the Grange. Differing opinions are needed for our nation and within our organization. Expressions of these opinions must be encouraged if we truly seek to solve the problems of today.

The future of our nation will be our legacy to our children and grandchildren. Just as our grandparents left us a vital and prospering nation, so too will we will leave our children a better country with a bright and prosperous future.