

## ASA chief asks Congress to reverse cargo ruling

ST. LOUIS — The American Soybean Association (ASA)'s chief executive today joined members of Congress in calling for action to reverse a court ruling that threatens U.S. farm exports.

Dr. Kenneth L. Bader said a recent court decision applying "cargo preference" laws to a successful export promotion program would make it harder for American farmers to make overseas sales.

Besides being chief executive for ASA, Bader is chairman of the National Commission on Agricultural Trade and Export Policy, created by Congress last year to find ways of improving U.S. farm exports.

The Commission today sent a letter to President Reagan and Congressional leaders endorsing legislation to exempt agricultural commodities from cargo preference. Bader appeared at a Capitol news conference with Senators and Congressmen who support similar legislation.

Besides Bader, speakers at the news conference included Senators Rudy Boschwitz (R-MN), David Boren (D-OK), Max Baucus (D-MT), and Don Nickles (R-OK), and Reps. Virginia Smith (R-NE), Glenn English (D-OK) and Pat Roberts (R-KS).

"A federal judge has ordered the Agricultural Department to use expensive U.S.-flag ships for half the cargoes under USDA's blended credit program," said ASA Chief Executive Officer Kenneth Bader. "And that means the blended credit program is dead."

Cargo preference laws require half of government-generated cargoes to be shipped on American vessels. The law is intended to subsidize the U.S. merchant fleet by giving it business, since U.S.-flag bulk carriers almost always charge substantially higher rates than foreign-flag vessels. The main reason, most observers agree, is higher labor costs on American ships.

A February 21 court ruling required USDA to apply cargo preference to its blended credit sales. Under this program, government guarantees of commercial loans are "blended" with direct, interest-free government credit to lower the effective interest rate for buyers of U.S. farm products.

The opinion in the court case said that the government guarantees, even more widely used than blended credit, should themselves be subject to cargo preference. That finding did not have the force of law because the court case concerned only blended credit, but it was an open invitation to a second suit that would apply cargo preference to credit guarantees, ASA officials said.

Traditionally, the government's Food for Peace (P.L. 480) program has been subject to cargo preference, but programs like blended credit which simply facilitate commercial sales have not been.

"The question is not whether this country ought to subsidize its merchant fleet," Bader said. "Maybe it should. But why should the subsidies come at the expense of farmers' export sales, at a time when farmers are going broke in record numbers and the government keeps saying it wants to increase exports? It just doesn't make sense."

The added costs of shipping on U.S.-flag vessels would make U.S. commodities more expensive for countries now using USDA credit guarantees. Since the strong U.S. dollar has already made American farm goods overpriced, many overseas customers would simply go elsewhere to buy what they need, Bader said.

"Our export credit programs have kept U.S. farm exports moving even though we're not selling as much as we did a few years ago," Bader said. "But this court ruling, if it stands, will increase shipping costs so much that

the credit programs won't be attractive any more—and there are plenty of foreign competitors out there waiting to pick up the business."

The solution, Bader said, is immediate legislative action to reverse the court ruling. At the same time, he added, Congress

should increase the effectiveness of the P.L. 480 program by exempting it from cargo preference requirements. If, in fact, we need a strong merchant marine for defense, then put it in the Defense Department budget, not on the backs of American Agriculture.

"We're always told that national security requires a strong merchant fleet," Bader said. "And that may well be true. But if it is, why should it be the business of the Agriculture Department to bear the cost? It's time for some truth in budgeting—let's be honest about where the money's going."

## Juniors can plan now to attend 1985 Holstein Convention

STATE COLLEGE — Pennsylvania Juniors are invited to take advantage of a unique opportunity to celebrate 100 years of the Holstein Association at the 1985 Holstein Convention scheduled for June 23-27, in Hartford, Conn.

Juniors will be boarding the bus in State College on Sunday, June 23 at 9:00 a.m. at the PA Holstein office or at 10:30 a.m. at Exit 38 on Route 80. The bus will arrive at the Sheraton Hotel at 3:30 p.m. on Sunday evening.

Beginning at 7:00 p.m. Sunday evening will be a get-acquainted mixer and birthday party to be followed by a dance. This should get the Convention off to a fast start for all juniors.

Monday, June 24, juniors will be able to take part in any of the Host Day Activities. Tour #1 is a trip to Brattleboro to visit the National Office with a stop at the Basketball Hall of Fame. Tour #2 is a trip to Boston to see sights such as the Old North Church, Paul Revere's House, and the USS Constitution. Also visit the famous Quincy Market. Tour #3 is a tour of Mystic Seaport featuring the reconstructed colonial seaport and fishing village with demonstrations depicting life in the early days of New England.

Following a New England style clambake, the Convention Sale will begin with some of the finest cattle

in the country available for purchase.

Tuesday, June 25, begins with the Dairy Bowl preliminaries. Workshops will be available for those not involved in the Dairy Bowl. These will be conducted by former National Distinguished Junior Member winners. Tuesday afternoon activities include a River Boat and Steam Train ride in Deep River, Conn. A pizza party and mock auction highlight Tuesday night activities.

Wednesday morning begins with the Dairy Bowl finals to be held before the general convention. The Awards Luncheon begins at 11:30 a.m. This is the highlight of the Junior Convention. National Distinguished Junior finalists will be introduced and awards will be presented. Wednesday evening will conclude with a farewell

dance.

All junior reservations will be handled by PHA. Please fill out the registration form and return it by May 6 with a deposit of \$50.00. The remainder of your cost will be due by June 7.

For registration forms, contact Pa. Holstein Assoc., 839 Benner Pike, State College, Pa. 16801 or telephone 814-234-0364.

Juniors who sold raffle tickets will be given a rebate on their trip costs. The rebates are as follows: for 10-50 raffle tickets sold, a \$25 rebate; 50-100, a \$50 rebate; 101-150, a \$75 rebate; 150-250, a \$100 rebate; 251-350, a \$125 rebate; 350 and over, a \$150 rebate.

Past events and trips have been very educational and enjoyable for those who have attended. All junior members should take advantage of this excellent opportunity.

## 4-H club seeks members

LANCASTER — The Lancaster County 4-H Holstein Club has announced that it welcomes new members into the club. Young people, between the ages of 8 and 18 (as of January 1), who are interested in dairy are eligible. Members are required to have a calf of their own, and to assume the responsibility of caring for it as their 4-H project.

Project calves must be purchased before May 1 to be eligible to compete in 4-H dairy shows, and they must be registered in the member's name.

The next meeting of the 4-H Holstein Club will be 7:30 p.m., Thursday, April 18, at the Lancaster Farm and Home Center. The regular meeting night of the club is the first Thursday of the month.



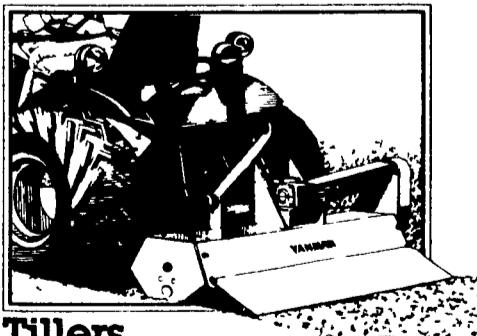
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