



NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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DOLE OFFERS LIVESTOCK PRODUCER AND CONSUMER PROTECTION ACT OF 1974

WASHINGTON, D.C.--Senator Bob Dole late today introduced a bill "to protect livestock producers from economic disaster and to protect consumers from exorbitant meat prices in coming months and years due to a potential loss of our meat producing capacity."

Dole's bill would provide a loan guarantee program, at market interest rates, to individuals who are primarily engaged in farming, ranching or livestock feeding, breeding or fattening. "This measure would permit banks to stay with cattlemen on their existing operating loans and provide the necessary additional funds to purchase livestock and feed and stay in business," Dole said.

"The livestock producers in Kansas and in numerous other states are on the verge of bankruptcy, some have already been forced out of business. Prices for meat producing animals have plummeted to new lows in recent days. But at the same time, prices for feed, baling wire, fuel, machinery and other essential materials have continued to climb steadily upward to reach levels double and triple prices on the same goods a year ago."

Dole also said that Senators from consumer areas should be as concerned about recent livestock developments as Senators from livestock states because many cattlemen are selling off their cowherds and going out of business, threatening the future supply of choice beef. "Once our producing herds have been slaughtered and livestock facilities sold, it becomes a long road back to our present level of production. That road is never travelled as cheaply as the road we have just been over to reach the existing level of production." Dole added, "These increased costs would have to be passed on to consumers through the retail price of meat."

Since Dole's bill calls only for guaranteed loans, not subsidized loans, to be made by commercial enterprises at the normal market interest rate, the cost to the government would be minimal. Loans would be guaranteed at not more than 90 percent of the loan value. "With the customary reliability of cattlemen and other livestock producers in paying debts," Dole said, "the expense to the federal government could be expected to be essentially nothing. It would be a measure to insure consumers an adequate supply of reasonably-priced beef, it would protect livestock producers from bankruptcy and prevent additional strains on the economy, without putting large additional costs on the government."