



# NEWS from U.S. Senator Bob Dole

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*Not  
officially  
approved yet*

REMARKS BY SENATOR BOB DOLE  
COMMITTEE ON AGRICULTURE, FORESTRY AND NUTRITION  
AGRICULTURE CONDITION FIELD HEARING  
KANSAS CITY, KANSAS  
MONDAY, JANUARY 16, 1978

It is a pleasure for me to welcome you to this official field hearing of the U.S. Senate Committee on Agriculture, Nutrition and Forestry.

Senator Herman Talmadge, of Georgia, has approved this meeting of the Committee upon my request. I plan to report the results of this hearing to the full Senate Agriculture Committee when they meet on the 24th of January.

I met with farmers in Washington, D.C., on December 14, 1977. At that time, assured them that the Senate Agriculture Committee would hold field hearings so farmers could present in a more formal manner specific ideas for action by the Congress and the Administration.

I am hopeful many good suggestions will be made as to any new legislation the Congress could work on, suggestions about how to improve the 1977 Farm Bill and suggestions for the Carter Administration. I felt farmers needed a forum from which they could have an opportunity not only to appraise the performance of the legislative branch, but that of the Administration which has had a full year in office. An objective appraisal from time to time is good for all of us.

I call upon the Administration to work constructively with the Congress to improve farm income.

This is not the time for politics. It is a time for the Congress and the Administration to work together with all farmers and farm organizations.

I find most farmers could care less about politics today. They are concerned about their future and the future of their families. They are concerned about remaining on the farm, and saving what has taken years to develop. I believe politics must be forgotten and the conflicts of the past must be resolved. The farmer is in economic trouble and we must all work with farmers to improve the situation.

--FREE MARKET--

There is the essential need to utilize the facilities of the Federal Government to make the free market work for the benefit of the producer - the men and women of this great land who daily take the risk of drought, flood, insects, hail, and prices. Fundamentally, this means increasing domestic consumption and exports through wise and timely policy implementation. We must seize opportunities, not lose them. We must avoid placing hurdles on our exports. We must avoid the continuation of subsidizing our competitors.

Last summer when I was doing my utmost to obtain more favorable farm legislation over repeated threats of a veto, I was in close touch with a number of you who service the farm community because I felt that as a barometer of the crisis facing farmers and all of rural America your information would be unexcelled.

On the floor of the U.S. Senate, I used your forecast of impending crisis to impress upon my colleagues and the Administration the seriousness of the situation that was developing. You were right. The ripple effect of the farmers' plight has now occurred and is adversely affecting farm communities.

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--FARMERS IN ANGRY MOOD--

Farmers who have been experiencing the vise-grip of a terrible cost-price squeeze too long are "fed up." This anger, as you know, has been manifested in calls for a strike and in tractor demonstrations in State Capitols and in Washington.

I have discussed farm issues, policies, and problems with farmers. I can understand why they are frustrated. They do not want sympathy; they want a fair price for their crops, livestock and other farm products.

To their credit, they have repeatedly stated that they do not want a Government handout. They deserve the gratitude of all Americans for calling attention to the seriousness of the situation on the farms and in rural America. Since we cannot have a healthy national economy without a healthy agricultural economy, all Americans, particularly consumers, have a vital interest in the issues of concern to farmers.

I do not endorse a "strike." I did not support the "meat boycott" by consumers in 1973. Neither did I support the soybean "export embargo" in 1973 nor the grain "export moratorium" in 1975. I do, however, feel that we have a real responsibility to do what is feasible in helping farmers everywhere achieve a fair share of the national income. Their basic goal is a fair share of the national income. Such a goal is not unreasonable and would be equitable.

--MORE EFFECTIVE ADMINISTRATIVE ACTIONS URGED--

I have urged the Administration to move more speedily in implementing existing legislative authorities. I am concerned about the lethargic manner in which the Carter Administration has addressed the most serious farm situation that has confronted our Nation since the days of the Great Depression. Net farm income is down approximately \$10 billion from four years ago and the purchasing power of those dollars is reduced by even a greater amount. It is not enough for the Administration to say it is "sensitive" to farm problems or to the needs of hungry people overseas. "Sensitivity" means nothing unless it is translated into "action." This slowness of "action" and delays by the Administration have prompted the angry mood being expressed by farmers in their "tractorcades."

I have been especially concerned that the Canadians, the Australians and virtually all our competitors seem to have done a better job in marketing their farm products in world markets than we have. For example, the People's Republic of China will import at least 9 million metric tons of wheat this year, but it will be from Canada, Australia and Argentina. Not a single grain will be from the United States. World trade in wheat and coarse grains this marketing year (July-June) is estimated at 149.5 million metric tons, up from 144.5 million metric tons last season. We need a more aggressive export policy to capture a greater share of this increased world trade. We should be out front, not bringing up the rear. The Congress has given the Executive Branch many authorities which should be used wisely and in a timely fashion on behalf of farmers.

--MORE AGGRESSIVE EXPORT POLICY NEEDED--

Let us together review some of my more recent recommendations to the Carter Administration - proposals with which I feel you will agree.

We need a more aggressive and realist export policy to better meet the competition that we are facing in world markets. We must not be residual suppliers. The following recommendations, if implemented, will help both the farmers' income and the economy of the entire nation:

(1) Commit Additional CCC Credits Immediately. In a letter of October 20, 1977, to President Carter, sixteen of my colleagues on the Senate Agriculture Committee and I asked that the Administration double the funding level of \$750 million for CCC credits, announced on August 18, 1977. On November 17, 1977, Secretary Bergland announced that the CCC credit allocation of \$750 million would be increased to \$1.5 billion. This increase, if committed promptly, should help U.S. farm exports more readily compete with credits offered by Canada, Australia, and others in world grain and other commodity markets.

The CCC credit program, as Secretary Bergland has testified, "makes money for the Government" since the interest rates received by CCC are higher than the rates paid by them to the U.S. Treasury for money. The repayment record also has been excellent. I am pleased that the Administration has now responded to the need for additional CCC credits and I urge that these new credits be committed as lines of credit for our overseas customers at an early date in order to maximize export opportunities.

(2) Expand Export-Import Bank Credits. On September 8, 1977, I wrote the President of the Export-Import Bank, asking that the Eximbank's farm commodity export policy be revised. I suggested that the meager \$70-95 million financing of agricultural exports in recent years be increased to at least \$500 million annually. Farm exports, which annually represent over 20 percent of total U.S. exports, deserve a more equitable share of the \$6-10 billion of annual U.S. export financing. If farmers do not get a better break from Eximbank in the near future, I will introduce legislation in the next session of Congress to accomplish that objective.

(3) Support CCC Credit Legislation. Moreover, I invite the Administration to support my bill and that of Senator Humphrey to authorize CCC credits to such non-market economy countries as the People's Republic of China, the Soviet Union and Eastern European countries such as East Germany and Czechoslovakia. However credits to the Soviet Union would be pursued following an increase in the number of Jews permitted to emigrate. I also oppose extending such credits to Vietnam, North Korea, Cambodia, Laos and Cuba. Also, I will work with the Administration to obtain legislation which will provide "intermediate" CCC credits so that we can take advantage of export opportunities that require credits with terms longer than the current maximum of three years.

This legislative endeavor can bring dividends not only to farmers but all mankind. My recent trip to Belgrade taught me that very clearly.

The question we should consider is whether the restrictions we impose in isolation from our export competitors serve our national interest. I believe it is clearly to our advantage and influence to modify our policies.

(4) Better Use of Food for Peace. Another important export too that is not being sufficiently utilized is the PL 480 or Food for Peace Program. This legislation was signed by President Eisenhower back in 1954. During the last 23 years, with bipartisan support, over \$30 billion worth of farm commodities have been exported under its provisions. The great value of this program, in terms of lives saved and new markets developed, is impossible to comprehend. It is one of the great practical humanitarian steps of this and any other generation.

In a letter to Secretary Bergland, I recommended that \$1 billion worth of grain and other farm commodities be exported under Title I of PL 480 to help meet the food needs of developing countries in fiscal year 1978. The Administration was nearly a month late in announcing their FY 78 allocation of only \$800 million worth of commodities. This allocation compares with the Ford Administration's allocation of September 22, 1976, of \$866 million worth of commodities for FY 77.

Not only is the Administration "short" on their allocation, but they have not yet signed the first Title I agreement for the new fiscal year which began October 1. A year ago, Title I agreements for \$311 million worth of farm commodities representing almost 2 million metric tons were signed in October and November. On November 16, 1977, most of my colleagues on the Senate Agriculture Committee joined me in a letter to Chairman Talmadge asking for Committee hearings on the unusual delay in PL 480 programming this fiscal year. Additionally, I have asked President Carter to personally intervene to obtain immediate resumption of PL 480 programming and shipments which as of today is at a standstill.

I am concerned that the PL 480 leadership in the Carter Administration is good at conducting seminars and appointing task forces but appear to be a bit short on their capability to execute programs that are timely and meaningful to American farmers, as well as to hungry people in developing countries. Starving and hungry people do not eat seminars or option papers. Yesterday's hungry people cannot eat twice as much tomorrow.

Administration spend less time at international commodity agreement conference and direct more of their resources into market development activities. The USDA - industry cooperator market development program is not receiving the attention that it should be getting. There is far less real activity by these programs in world markets than there was 10 years ago.

I urge the Administration to make use of existing authority provided under Section 104(b)(1) of Public Law 480 to write into Title I agreement provisions for the generation of foreign currencies to be made available to the Secretary of Agriculture to fund projects in PL 480 recipient countries to improve storage, handling and distribution of farm commodities. This would materially assist in the consumption, distribution, and reduction of waste of food. Such facilities would be used for both PL 480 and commercial imports as we have seen demonstrated in India in the past following U.S. assistance provided that

in U.S. Also, I urge the Administration to implement immediately the provisions of legislation that I sponsored to enable commercial grain import countries to purchase U.S. grain, and store it in the United States for 12 months or longer for subsequent export without export restraints or controls

Negotiations.

Summary

- (1) Committing the additional CCC credits immediately to lines of credit so that export opportunities do not slip away;
- (2) Increasing PL 480, Title I - \$1 billion worth of commodities, up from the \$800 million announced for FY 78 and resume programming immediately;
- (3) Expanding Eximbank financing of farm commodities from the \$75 million allocated to finance cotton to Japan to at least \$500 million for the export of farm commodities;
- (4) Supporting CCC credit legislation to provide financing of commodities to better meet competition in countries such as the People's Republic of China, the Soviet Union and certain Eastern European countries;
- (5) Supporting with adequate resources and new ideas a more vigorous market development effort;
- (6) Making the most of the U.S. agriculture efficiency and gain concessions for U.S. farm exports in the Geneva trade negotiations;
- (7) Using PL 480 to improve storage and handling facilities for U.S. grain and other commodities imported in developing countries; and,
- (8) Implementing legislation enabling commercial grain importers to purchase U.S. grain and store it in the United States for subsequent export.

I sincerely believe that the best way out of the current cost-price squeeze in which so many U.S. farmers are caught is through expanded exports and reduced inflation. I believe that proper attention to these eight recommendations will go a long way toward alleviating the current farm problem and reducing inflation.

I urge Secretary Bergland to set a national goal of \$30 billion in farm exports by 1980 and then to take appropriate actions - such as these which I have mentioned - to make it become a reality. The attendant benefits not only to our farmers, but also to the Nation, would be of great significance.

In addition to my recommendations to stimulate exports, I urge the Secretary of Agriculture to use the disaster reserves provision of the new farm bill. This section permits him to purchase wheat, feedgrains, hay or other livestock forages for disposition in disaster situations where CCC stocks are not available at locations where they may be economically used. During the current period of low prices it seems prudent for the Secretary to use his authority to acquire such stocks which would be of great value in case of natural disaster.

Seizing opportunities for greater domestic demand and utilizing export authority is extremely important to farmers. Recent failures have been reflected in prices received at a lower level than necessary. This is a basic grievance which has made farmers angry enough to strike. Farmers have every right to be in a fighting mood. They are being squeezed. They are being hurt. They don't want sympathy, but rather they want to make a decent living, to be able to meet their obligations, to educate their children and to participate in the national economy on an equitable basis. I have suggested administrative actions and sponsored legislation which would give farmers the break that they deserve. It is my contention that farmers would today be in a much better mood and financial condition if the Carter Administration would have moved quickly to reflect the true situation. Let us have less rhetoric and position papers and more constructive action!