



# NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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## STATEMENT OF SENATOR BOB DOLE

### INITIATIVES TO HELP FARMERS

Farmers are caught in a vicious cost-price squeeze. Today, the American farmer is unable to recover his cost of production. His situation is the worst since the Great Depression.

Farm debt has increased 63 percent in the last five years (in 1974 was \$74 billion, by 1977 it had increased to \$119 billion). Young farmers are hard hit.

In terms of current dollars, farm income declined from \$33 billion in 1973 to only about \$20 billion in 1977 - just four years later. The economic problems of farmers are spreading to other agri-business enterprises such as farm machinery and farm supply dealers and manufacturers - and it will spread further.

#### Bills to be introduced today:

I will introduce a bill today to adjust target prices for grain and cotton. Under my bill:

- . An individual farmer can choose the target price he needs up to parity, but must scale down his production accordingly.
- . My bill will not interfere with exports.
- . It will not contribute to foreign production increases.
- . It will not encourage substitutes.
- . Under my bill, costs would be reasonable since scaled down production should result in higher market prices, resulting in reasonable level of deficiency payments.

Now for the first time, farmers will have a mechanism under which they can collectively control their production and each individual may select the target level and set-aside that is best for his farm operation. With this legislation there will be no necessity for set-aside payments since farmers will be receiving target price incentives up to the parity level.

I have considered a similar approach on soybeans, rice, sugar and peanuts and I may wish to apply this principle to these crops after producers have had an opportunity to testify at Agriculture Committee hearings agreed to this morning, commencing February 23.

#### Bills Offered Since Session Began

Since the new session began, I have offered these bills and resolutions:

- . On January 23, 1978, I introduced an Export-Import Bank resolution which states that it is the sense of Congress that there be no discrimination between the financing of agricultural and industrial exports by the Export-Import Bank.

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 by Eximbank than the \$75 million that was allocated to Japan for cotton only after Congressional pressure.

- On January 24, 1978, I introduced a bill mandating purchase of grain for the Emergency Grain Reserve.

Last year, as part of the Farm Bill, the Congress authorized the Secretary of Agriculture to purchase up to 75 million bushels of grain for the Emergency Grain Reserve. Since then, I have urged the Secretary of Agriculture to make use of this provision which permits him to purchase wheat, feed grains, hay or other livestock forages for disposition in disaster situations where CCC stocks are not available. No purchases have been made. My bill would, therefore, require the Secretary to purchase 3 million metric tons of feed grain for the Emergency Grain Reserve.

#### Additional Initiatives

I will introduce tomorrow:

- A bill to increase payment to farmers for Grain storage to incentive levels but not less than 25 cents per bushel per year, and to lower interest charges to farmers on commodity loans to not more than the cost of money to CCC from the U. S. Treasury.
- A bill mandating additional funds for Title I P.L. 480 in 1978. Current levels of Title I programming are too low in view of both the need to stimulate exports and to help meet the food requirements of developing nations. I believe that the Title I funding level of \$800 million should be increased to at least \$1 billion.
- I will introduce on Friday: A bill proposing changes in the Meat Import Act of 1964. Meat imports are not presently properly synchronized with U. S. beef production.
- A bill extending CCC credits to the PRC, to certain East European countries and to the Soviet Union under certain conditions. For example, the Canadians and others are extending credits to the PRC. Our competitors have sold over 9 million tons of grain there (this marketing year) - the U. S. received none of this grain business.

Early next week I will introduce:

- A bill to create an economic disaster loan program for farmers. The program would be implemented by the Farmers Home Administration. The bill would allow FmHA to make economic disaster loans to farmers who have suffered economic losses due to low prices. this is not allowed under present law.

Later I will introduce:

- An amendment to the Ex-Im Bank Act. This bill comes up for extension this spring. If my sense of Senate Resolution does not result in fairer treatment for agricultural exports, I will introduce legislation that will mandate such equitable treatment.

This morning, Senator Talmadge, Chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, scheduled hearings to explore ways of addressing the current farm situation.

My purpose in introducing my bill today and the others to follow, is to give time for all interested individuals and groups to analyze them along with others prior to the hearing date of February 23, 1978.

## RURAL CREDIT SERVICE

It is my belief that changing the name of the Farmers Home Administration to the Rural Credit Service will better reflect the overall mission of the agency. 'Service' has been a hallmark of the U.S.D.A. The Department has the Soil Conservation Service (SCS), the Agriculture Stabilization and Conservation Service (ASCS), Agricultural Research Service, Extension Service, and others.

The name Rural Credit Service (RCS) will follow the precedent of naming U.S.D.A. agencies.

The Administration has recommended changing the name of FmHA to the Farm and Rural Development Administration (FRDA). I have heard many objections to this name and the resulting initials.

I offer the name Rural Credit Service (RCS) as a shorter, more descriptive, better sounding new name for a great organization."