



NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 19, 1978

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AGRICULTURE PROGRAMS MUST BE TIED CLOSELY TO FOOD POLICIES IN FUTURE, DOLE SAYS

KANSAS CITY, Mo. -- Sen. Bob Dole (R-Kan.) said today that because of the urban makeup of the majority of Congress, farm and agriculture programs will be tied more and more closely to general food distribution provisions, such as food stamps, commodity distribution or school lunch programs, in the future.

Speaking to the National Institutional Food Distributors Association at the Crown Center Hotel, Dole emphasized the importance of agricultural assistance programs, "since food supplies cannot be divorced from food production."

"Events of the past year have served to emphasize this close association due to the disastrous economic stress facing many of our younger farmers," he said. "It is an accepted fact that no farm legislation could pass the House of Representatives by itself. In order to receive approval, it must be coupled with legislation relating to general food policy, such as food stamps or school lunch programs."

"The constituencies of urban members of Congress refuse to allow their representatives to be supportive of measures that will provide some protection for our family farmers, a social concept that most people feel highly desirable. Those constituencies will, however, allow their representatives to support such legislation when coupled with general food distribution provisions for food stamps, commodity distribution or school lunch."

Dole said that this background was essential in thinking about the status of the program of providing federal cash payments in lieu of federal commodities. Several studies are now pending which will help establish a national policy in the cash vs. commodities question of school food programs.

Dole said three areas will be important factors for future school lunch programs:

-- Quality control is becoming more important. Closer scrutiny by the Food and Drug Administration and other federal regulatory agencies will not diminish. Public concern over chemical additives and preservatives will require constant justification.

-- Price consideration will be a major factor, as will the question of federal vs. small school district buying and storing of commodities.

-- Dietary evaluation will be closely studied, as will new ingredient labeling.



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REMARKS OF SENATOR BOB DOLE

NATIONAL INSTITUTIONAL FOOD DISTRIBUTORS ASSOCIATION

CROWN CENTER, KANSAS CITY, MISSOURI

OCTOBER 19, 1978

It is a pleasure to be with you this morning, and I am most appreciative of the service the members and associate companies of the National Institutional Food Distributors perform in providing food to the people of this nation, through schools, hospitals, senior citizen residences and other institutional feeding programs.

Today, when the pressures on businessmen and farmers through the weight of regulation, inflation and taxes are most intense, I appreciate the opportunity to speak to such a distinguished group about the challenges confronting us, about the federal, state and local policies which will shape our economic destiny, and the ever-so-slight reaffirmation of faith in free enterprise economics which seems to be emerging in our land.

All of us--farmers and food distributors, Republicans and Democrats, conservatives and liberals--are searching for the proper mix of public and private plans of action which will usher in an era of economic prosperity for our people. We share common hopes and dreams--for restrained inflation, for high employment, for the elimination of poverty, for ever-increasing productivity and for increased sales.

NEED FOR REVERSAL OF TREND

But we don't always agree on the proper means to achieve these ends. For over forty years, the thrust of American economic policy under administrations of both political parties has been towards more government regulation, tax laws which produce higher revenues each year for government, economic policies which discourage free enterprise and excessive reliance on the food and agricultural sector to prime the American economic pump.

I, for one, think the time has come to reverse this trend, to initiate fiscal and monetary policies which enable the private economy to function at its best--to provide jobs, to reward high productivity and to increase the standard of living for all Americans, including some profits for business.

We know that the power that has forged our great nation was individual enterprise, enterprise not unduly restrained by government, not overly taxed by government and not overly reliant on or overly regulated by government.

A LOOK AT SOME HISTORY

It is important to review development of the federal school lunch program, and how we arrived at our present position. From the depression of the 1930's until the early 1970's this nation enjoyed surplus positions generally that were disastrous to our farm economy.

In an effort to better utilize the surpluses of food that existed, Congress created a commodity distribution program to individuals. In 1946 Congress started a school lunch program through which these commodities could be utilized in safeguarding the health of the nation's children. The members of the Agriculture Committees of both Houses of Congress were the authors of this concept.

It served the nation well until 1973 when, practically overnight, our food surpluses disappeared and we were confronted with a food scarcity situation--a situation this nation had never before faced.

A MOVE TO CASH OUT

The reactions were many--grain embargoes were imposed and rescinded, food was used as a diplomatic weapon with foreign countries, and the Congress followed a natural course in terminating the surplus commodity distribution program in the Agriculture and Consumer Protection Act of 1973.

Several months later we became aware that the scarcity situation might not be permanent and that, indeed, we might soon have need of such a surplus food distribution program throughout the nation. Therefore, Congress reinstated the program before it had been dismantled, except for one state--Kansas--which had already terminated their program.

As you know, I was successful in obtaining an amendment to allow any state that had discontinued their program to receive cash from the federal school lunch program in lieu of those commodities.

FARM LEGISLATION NEEDS BROADER BASE

Last year, as you recall, we attempted to pass the flexible parity concept of farm programs. It would have effectively assured farmers a cost of production return in return for their compliance with a crop reduction program that would have eliminated the scarcity-surplus fluctuation we experienced in 1973. Since this was strictly a farm bill, it failed in the House of Representatives due to the urban dominance of that body.

It is an accepted fact that no farm legislation could pass the House of Representatives by itself. In order to receive approval it must be coupled with legislation relating to broader consumer concerns, such as food stamps, school lunch programs, or even welfare issues.

The constituencies of urban members of Congress refuse to allow their representatives to be supportive of measures that will only provide protection for our family farmers, a social concept that most people feel highly desirable. Those constituencies will, however, allow their representatives to support such legislation when coupled with general food distribution provisions which serve urban and rural citizens alike. As the author of that concept I am now researching a slightly different approach in order to re-introduce that legislation next year in the 96th Congress. However, we must find a general food legislation concept with which to couple it to make it acceptable in the House of Representatives.

A STUDY OF CASH VS COMMODITIES

This background is essential in considering the status of the program of federal cash payments in lieu of federal commodities. I know of your interest in this program and will attempt to bring you up to date on the current status as well as future outlook of government's position.

Last year the Congress began to focus on the problem--and once and for all address the issue of whether or not school cafeterias should receive money instead of food commodities from the federal government. The experience in Kansas has been a productive one. The case history of that program has been and is being closely studied.

We are not talking about a small matter. During the last fiscal year alone, the nation's school lunch, breakfast and summer food service programs received almost \$580 million in USDA donated foods, plus another \$2.1 billion in federal cash payments. (These programs are also supported by \$1.3 billion in child payments for meals and by \$970 million in state, local and other contributions.)

In Congressional action last year, it was mandated that USDA study the matter. The 1977 Child Nutrition Act requires the Department to look seriously at the most efficient, healthful, economic and reliable methods of operating federally supported school meal programs--including a study of the effect of making cash payments instead of making available agricultural commodities to schools.

At the beginning of this school year, last July 1st--this two-part study began: One part to compare data from a cashed out state like Kansas with a commodity state; Colorado was selected. The second part of the study calls for an indepth look at selected school districts in eight states: Idaho, California, Missouri, Ohio, New York, Florida, Iowa and Arkansas.

NEED FOR FLEXIBILITY AND OPTIONS

Few would disagree with the statement that flexibility and options are needed in the current commodity set-up. Once results of the study are in, evaluation of the economic, administrative and nutritional impact of cash over commodities and vice versa should provide the necessary documentation to develop a national approach to this matter.

Last June, the Department of Agriculture announced a proposal which would allow schools the option of refusing up to 20 per cent of the donated foods offered for use in their school lunch program in an effort to be more responsive to school needs and preferences. USDA will allow them to substitute other donated foods available.

This may be an example of how we can become more flexible in the commodity program. The potential for even cashing out that 20 per cent might even be reviewed.

What are the opponents of a total cash out program saying?

A LOOK AT THE OPPOSITION

Those in opposition (1) feel that government commodities decrease the cash outlay from the school lunch funds and, thereby, help schools maintain a more workable cash balance. Thus, they feel commodities are not only essential to nutritional well-being but also for a sound financial situation; (2) feel that the commodity program lets the federal government overcome many imbalances in the supply and demand of the agricultural economy; (3) and, finally, they feel quality standards of government commodities serve the interests of smaller school districts without facilities for purchasing, testing and receiving foods on their own.

You can appreciate that we are not going to see an immediate complete change-over from federal commodity distribution to federal cash payments in the school lunch program.

FOOD QUALITY AND NUTRITIONAL CONCERNS

There are three areas which I believe the institutional food distributors should emphasize in their operations, not only in the school lunch program but in all their markets. They are: (1) Quality control is becoming more important. Closer scrutiny by the USDA Food Quality and Food Safety Program, Food and Drug Administration and other federal regulatory agencies will not diminish. Public concern over chemical additives and preservatives will require constant justification. (2) Price consideration will be a major factor as it has always been in our competitive society. However, the current USDA study will be comparing the costs of massive federal buying and distribution against all types of smaller school districts that may be unable to obtain quantities and store them. (3) Dietary evaluation is and will be closely studied. Current concerns over ingredient amounts and labelling as to fat, sugar and carbohydrate contents will be part of the evaluation. USDA requirements for such information in their commodity program will be compared with the products you provide in the cash program schools.

In this manner we can graphically demonstrate that individual enterprise can deliver high quality and nutritious food under federal programs and at competitive prices. There is a growing realization in Washington, in the public media and in academic circles that policies which encourage business people to continue or expand their businesses are good for everyone. Let us do all we can to foster and promote this realization so that the emerging re-affirmation of the free enterprise system will continue to be realized.