

BOB DOLE



(R - Kansas)

2213 Dirksen Building, Washington, D.C. 20510

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CONTACT: WALT RIKER
(202) 224-6521

REMARKS OF SENATOR BOB DOLE BEFORE

FOOD POLICY CONFERENCE: "NEW CHALLENGES IN NUTRITION"

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TUESDAY, JUNE 22, 1982

Five years ago, I stood before this same group following the enactment of the Food and Agriculture Act of 1977. Last year we finally passed the 1981 Farm Bill, but certain issues are still unresolved.

As you know, we decided to reauthorize the Food Stamp Program for only one year. Therefore we are now facing the same challenges that were before us this same time last year -- additional program reforms, measures to enhance program administration and, of course, everybody's favorite these days: program cuts. The big issue with the latter is whether to wield a meat ax or a scalpel. This Senator thinks it is advisable to use the scalpel approach.

We are currently involved in a prolonged food stamp mark-up, and once the budget issues become clear, the Committee will be able to report legislation that hopefully will have the support of most of the Committee members.

I was pleased this year to have four other Committee Republicans as cosponsors of a bill I introduced, as well as Senators Danforth and Cohen who took a special interest in the issue. My bill, S. 2493, would essentially move the emphasis for budget reductions away from recipient benefits, except in the first year. For FY 1984 and FY 1985, the bulk of the savings achieved would come about through a reduction in state error rates. Currently, about a billion worth of taxpayers' dollars are lost through overissuances and payments to ineligible by the states -- at a time when we need to target benefits more effectively to those who need them and do something about controlling the actual waste that does occur in government programs. Greater state accountability for federal funds would seem to be in order here. However, we must go about doing this in a way that is realistic and will not create impossible goals for the states to fulfill.

It may be necessary to make further cuts, but this depends upon how the Agriculture Committee decides to go about accomplishing its mandates for reconciliation. The conference report on the budget which we will be voting on some time this week requires the Agriculture Committee to save about \$800 million in FY 1983, \$1.1 billion in FY 1984, and \$1.4 billion in FY 1985. However, all of this does not have to be achieved from one program alone (and there are a few members who would like to see this all come from the Food Stamp Program). Any program within the Committee's jurisdiction may be considered for budget reductions.

However, we are now at a point where the Food Stamp Program deserves a break from the layer upon layer of changes that we have mandated since 1977. This program has been reformed inside out -- it has come under more scrutiny by the Congress than any other federal social program.

CONGRESSIONAL OVERVIEW

Today's economic times present new challenges in the nutrition area. In recent years, we have all become acutely aware of the fiscal constraints that have been imposed upon federal programs by the lack of available resources. The tenor of the Congress and the mood of the people have been to bring about some kind of control over government expenditures, and endless debates occur over how best to go about doing this. In a program like food stamps, there is a limit as to how far we can cut expenditures and still maintain an effective structure for the millions of Americans who depend upon program benefits. Last year, changes enacted in eligibility and other areas limited the program and achieved savings of about \$2.3 billion for FY 1982. Over the next three-year period, over \$7 billion in Food Stamp Program savings will occur as a result of these same changes.

While we are currently debating various approaches to food stamp reauthorization this year, there is another area that has been left relatively untouched by this year's budget ax: I am referring to the child nutrition programs. Although there have been some proposals to initiate block grants in the WIC, school breakfast and child care feeding programs, such proposals seem to be lacking a receptive audience in the Congress. Responsible members on both sides of the aisle are applying the brakes to further cuts in the nutrition area on top of what was accomplished last year.

Equity dictates a careful approach to further budget cuts in programs benefitting low-income Americans, when upper income Americans and big business are spared the ax. This area needs to be addressed and corrected -- there must be a balance in our priorities as they relate to public policy.

FOOD SAFETY

Food safety legislation has been temporarily put on the shelf until some other major legislative issues become resolved. I am a cosponsor of S. 1442, which amends the present food safety laws to provide assessment of health risks presented by food substances, refer food safety questions to expert scientific panels and authorize flexible regulatory responses instead of outright bans.

You've all heard references to the "Delaney Clause," whereby any additive or animal drug found to induce cancer in man or animals is not allowed in the food supply. Our technology has greatly improved since the Delaney Clause was first enacted, and today we can measure substances in food in parts per billion. So the argument is that we are being too strict. In fact, since 1977, over 200 bills to modify existing legislation have been introduced in the Congress. Although most of you in this audience have a strong interest in the outcome of this legislation, you will have to wait a bit longer, because no hearings have as yet been scheduled.

FEDERALISM ISSUES

When he announced his big plans back in February, the President's new federalism attracted the interest of many -- especially the nation's governors. After lengthy discussions among those most involved, it seems to have been decided that the Food Stamp Program is one that does not lend itself easily to state control. If we relinquish federal control and the standardization of benefits that goes with it, there would be no guarantee that every state would assume the responsibility for feeding low-income Americans with similar enthusiasm and equity. What this would in essence mean is that there could be 50 different programs throughout the country. While the cost of living may vary from state to state and different areas within states, food prices do not vary significantly. As Chairman of the Nutrition Subcommittee, I intend to uphold my commitment to the Food Stamp Program as a national nutrition program.

FARM BILL/FOOD STAMP SEPARATION

Although the Farm bill and food stamp reauthorization traditionally have gone hand in hand, there was an unprecedented separation last year. There is, in my opinion, great symbolic significance in the joining together of farm commodity programs and food stamp reforms in a single legislative package, as well as legislative strategy reasons for combining these issues. With the trend toward healthier living habits, Americans are becoming increasingly aware of the importance of good nutritional intake and regular exercise. There are many intricate relationships within our food system -- links that affect consumers, producers, government policy makers and a great many others both in and out of the actual food industry.

IMPORTANCE OF VIABLE FARM ECONOMY

A bountiful, stable supply of food is not only one of our great national assets -- it is also the starting point for any discussion of wise food and nutrition policy. But talk of a responsible, progressive food policy is merely academic without a viable farm economy. Just as a farmer may have difficulty accepting the scientific evidence of unhealthy consequences in some of the foods that he has always made his living producing, so too, do urban consumers of food sometimes find it hard to understand the economic realities of a farmer's life.

A farmer cannot operate unless he is able to sell what he grows for at least the equivalent of what it cost him to produce it. Yet, many of our wheat and feed grain producers are caught in a vicious cost-price squeeze that will put them out of business if it is allowed to continue much longer. High interest rates have been the biggest problem affecting farmers this year. Combine high interest rates with large surpluses of grain and low prices for grain exports due to unfair pricing by our major competitors, and it becomes clear that economic conditions must improve if farmers are to continue to provide us with a reliable supply of food for U.S. and world consumers.

American agriculture is the most efficient, most productive on earth. The interlocking objectives of the Farm Bill are: First, to provide an abundant supply of nourishing food for all Americans at reasonable and stable prices; and second, to assure fair and stable prices for farmers, at least sufficient to meet some of their production costs. If farmers can't stay in business, and their land lies fallow, there will be less production, less food -- and, of course, consumer prices will soar even higher. Then there will be shortages at home; high prices; nothing left for either exports abroad or food assistance programs for low-income individuals in this country.

MARRIAGE OF INTERDEPENDENT INTERESTS

With the incorporation of food stamp reform into the Farm Bill, many more non-agricultural groups have become interested in farm legislation. This helps us to get away from the misguided impression that the farm programs are "special interest" measures that are somehow contrary to the public good. In fact, a sound farm economy with stable prices and high productivity is very much in the national interest. Farmers and consumers are interdependent. Government policies and the action of the marketplace will affect them both -- sometimes in contrary ways.

LIMITATIONS OF GOVERNMENT

You are familiar with the enormous increase in the number and size of federal good programs. There are now 15 different federal programs which primarily provide subsidies to low-income Americans. However, there are limitations to what government can accomplish

in this and other areas in which it has become involved. I am convinced that agriculture and nutrition must be brought into closer coordination. There has been a farm policy since the beginning of this century, but the institution of food policies has been late in evolving.

CONCLUDING REMARKS

The Community Nutrition Institute and the Food Marketing Institute are to be commended for planning this worthwhile conference. A new perspective adapted to these challenging economic times is essential if we are to harness the current popular interest in nutrition by arriving at an informed and coordinated national food policy that fairly and adequately serves the interest of all Americans. The coordination of many disparate elements will ultimately determine whether the American people have the best possible access to sound nutrition and good health.