

# BOB DOLE



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## DOLE: '85 "CROSSROADS" FOR U.S. AGRICULTURE

BLOOMINGTON, MINNESOTA -- Kansas Senator Bob Dole, senior Republican on the Senate Agriculture Committee told a farm audience today that 1985 will be a "crossroads" for American agriculture policy.

Dole, speaking to the annual meeting of the Minnesota Agri-Growth Council, said that the creation of a new farm bill next year by the 99th Congress will be the "blueprint" for farm policy into the 21st century.

- We have a major challenge before us when Congress convenes again in January. The task of designing a new farm bill will be facing us and we should be ready with responsible proposals. Let's face it, American Agriculture is at a crossroads because our new bill will serve as the blueprint for Ag policy long into the next century.

- In 1985, policy makers will be sensitive to recent high costs of commodity programs which saw CCC net expenses rise from \$4 billion in 1981 to \$19 billion in 1983. With PIK, costs were about \$30 billion. This raises the real question of whether present farm programs are effective given the financial problems of farmers.

- The most important new agenda item concerns macroeconomic policy. With two of every five bushels exported, U.S. agriculture is dependent on world trade. A strong dollar and high interest rates have limited our competitive position and money problems, particularly in the Third World, have reduced the buying power of our importers.

Agricultural groups need to be more involved in the federal deficit issue since large deficits increase interest rates, production costs and reduce domestic and foreign demand.

## TRADE: AG EXPORTS A KEY

As Chairman of the Senate Finance Committee, Senator Dole also has jurisdiction over international trade. In that capacity, Dole says boosting agriculture exports would be a significant step toward reviving the farm economy.

- The export trade area is a major concern of the Minnesota Agri-Growth Council. The 1985 farm bill will give Congress an opportunity to develop a formalized agricultural trade policy consistent with domestic policy. The newly signed National Commission on Agricultural Trade and Export Policy is scheduled to issue an interim report by March of 1985 with a final report due in July of 1986. The Commission will make recommendations on how to improve our export programs and make them more consistent and competitive in the world marketplace. Hopefully this type of initiative will lead to higher commodity prices as farmers increase demand for their products.

- The U.S. will want to evaluate the possible use of export subsidies on a targeted basis to prevent loss of foreign markets to unfair price-cutting practices of foreign competition. We would not want an across-the-board trade war.

- Congressional passage of the Trade and Tariff Act of 1984 (TTA) represents a victory for the American agricultural community.

- The TTA includes a renewal of the Generalized System of Preferences for 8 1/2 years, thus permitting the underdeveloped world to continue generating the foreign reserve with which to purchase U.S. agricultural exports.

- The Senate conferees refused to include in the TTA a change in the trade laws known as the natural resources provision which would have increased the cost of fertilizer to U.S. farmers and invited retaliation against U.S. farm exports.

- Reducing the exchange rate of the dollar is probably the greatest contribution we could make in helping U.S. farm exports, and there seems to be a consensus that reducing the federal budget deficit would lead to bringing down the value of the dollar.

- Reduction of budget deficits has been a top priority for the Finance Committee and we will continue to wage this struggle next year.