

# BOB DOLE



(R - Kansas)

SH 141 Hart Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE  
MAY 14, 1990

CONTACT: WALT RIKER  
(202) 224-6521

SENATOR BOB DOLE  
STATEMENT TO COMMODITY CLUB LUNCHEON  
HOTEL WASHINGTON

## 1985 BILL -- A GOOD BUILDING BLOCK FOR 1990

AS WE ASSESS THE STATE OF AGRICULTURE IN 1990 AND LOOK FORWARD TO THE CHALLENGES WHICH LIE AHEAD, WE CAN TAKE ENCOURAGEMENT FROM THE GOOD WORK WE DID ON THE 1985 BILL. THE 1985 BILL REVIVED AMERICAN AGRICULTURE BOTH DOMESTICALLY AND INTERNATIONALLY. OUR AGRICULTURAL COMMUNITY HAS SEEN BOTH THE VOLUME AND THE VALUE OF ITS EXPORTS RISE AS U.S. FARM POLICY ADOPTED AN AGGRESSIVE STANCE IN THE WORLD MARKETPLACE. WE HAVE CONTINUED TO PROVIDE FOR THE PROTECTION OF FARMERS' INCOME WHILE MAINTAINING OUR BUDGETARY RESPONSIBILITY; TODAY'S AG PROGRAMS COST LESS THAN HALF OF THE 1986 TOTALS.

THE SUCCESS OF THE 1985 BILL LIES IN THE MARKET-DRIVEN AND EXPORT-BOOSTING MECHANISMS OF THE COMMODITY PROGRAMS AND TRADE INITIATIVES. THESE SAME POLICIES RECOGNIZE THE TREMENDOUS EFFICIENCY OF THE AMERICAN FARMER AND HIS ABILITY TO PROVIDE FOR A GROWING WORLD POPULATION, AND WILL ALLOW US TO CAPITALIZE ON AN INCREASINGLY COMPETITIVE WORLD MARKET.

## BUDGET

NO DOUBT, THE BUDGET WILL PLAY A KEY ROLE IN THE FINAL WRITING OF THE 1990 FARM BILL. WE WILL HAVE TO FACE UP TO TODAY'S BUDGET REALITIES. IT'S HARD TO DEVELOP A FARM BILL AND STICK A PARTICULAR DOLLAR AMOUNT TO IT SINCE THE COMMODITY PROGRAMS DEPEND UPON MARKET CONDITIONS. BUT I THINK IT WOULD BE SAFE TO SAY THAT IF WE BUILD FROM THE 1985 BILL, WE SHOULD PUT TOGETHER A FISCALLY RESPONSIBLE FARM PROGRAM. AND THAT SHOULD BE OUR TOP PRIORITY IF WE WANT TO DEVELOP ANY ACCOUNTABILITY FOR TACKLING THE FEDERAL DEFICIT.

CONGRESS WILL ALSO REMAIN SENSITIVE TO FARM INCOME LEVELS AND THE CONTINUANCE OF PROGRAMS WHICH HELP ENSURE STABILITY AND ECONOMIC SURVIVAL. WHILE WE WANT TO TAKE A CLOSE LOOK AT THE FARM PROGRAM AND FIND SOME AREAS WHERE WE CAN REALIZE SOME SAVINGS, WE ARE NOT GOING TO DROP A BOMB ON COMMODITY PROGRAMS AND THE GENERAL LEVELS OF SUPPORT. WE HAVE A LOT OF OPTIONS TO REVIEW THAT DON'T INCLUDE A DIRECT ASSAULT ON TARGET PRICES OR LOAN RATES, AND I THINK THE FARMER NEEDS TO REALIZE THAT.

IF THE UPCOMING BUDGET SUMMIT WITH PRESIDENT BUSH GOES THROUGH, WE'LL HAVE A PRETTY CLEAR PICTURE OF HOW DEDICATED THE WHITE HOUSE AND CONGRESSIONAL LEADERS ARE TO TAKING ON THE DEFICIT. WITH THE POTENTIAL FOR A \$55 BILLION SEQUESTER ACROSS THE BOARD, AGRICULTURE HAD BETTER BE PREPARED TO TIGHTEN ITS BELT. AND IN ALL HONESTY, I THINK THAT ANYONE FAMILIAR WITH THE FARM BILL KNOWS THAT WE HAVE AREAS TO FIND CUTS; TO MAKE COMMODITY PROGRAMS MORE EQUITABLE IN RELATION TO EACH OTHER AND TO DRAW THE OBJECTIVES OF VARIOUS PROGRAMS MORE CLOSELY TOGETHER.

- MORE -

## ENVIRONMENT

THERE IS NO QUESTION THE ENVIRONMENTAL ISSUES HAVE AND WILL CONTINUE TO PLAY A KEY ROLE IN THE DEVELOPMENT OF THE FARM BILL. A LOT OF WORK HAS BEEN DONE ON THE CONSERVATION TITLE OF THE FARM BILL, AND I COMMEND THE WORK DONE TO DATE. THE AG COMMITTEE HAS TO BE CAREFUL TO BALANCE THE CONCERNS OF THE ENVIRONMENTALISTS AND THE AG COMMUNITY. THE CONSERVATION TITLE SHOULD STRIVE TO STRIKE THIS BALANCE.

THE CONSERVATION TITLE AS IT STANDS TODAY HAS MANY POINTS IN COMMON WITH THE ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM--ECARP--WHICH I INTRODUCED IN 1987. LIKE ECARP, THIS TITLE ADDRESSES CONCERNS ABOUT PROTECTING OUR LAND, WATER, AND WILDLIFE AREAS ESPECIALLY ON ENVIRONMENTALLY SENSITIVE LAND.

IN 1985, WE ESTABLISHED THE CRP TO SET ASIDE HIGHLY ERODIBLE LAND ON A LONG-TERM BASIS. A MAJOR FOCUS WAS PROTECTING THIS FRAGILE LAND FROM SOIL EROSION. IN 1990, WE ARE SEEING A NEED TO ADDRESS A BROADER ARRAY OF ENVIRONMENTAL CONCERNS AND BUILD UPON THE BASIC CRP FOUNDATION.

IT IS IMPORTANT FOR ALL PARTIES TO REALIZE THAT FARM FAMILIES CARE MORE THAN ANYONE ELSE ABOUT THEIR PRIMARY ASSETS--THE LAND AND ITS WATER. THEY ARE THE CLOSEST TO OUR SOIL AND WATER RESOURCES AND CARE THE MOST ABOUT THEIR QUALITY. NO ONE HAS MORE AT STAKE OR CARES MORE THAN OUR OWN FARM FAMILIES.

## FLEXIBILITY

ONE MAJOR ADDITION TO U.S. FARM POLICY BEING PROPOSED IN 1990 IS PLANTING FLEXIBILITY. THE GOAL SHOULD BE TO MAXIMIZE FARM INCOME WITHIN A RESPONSIBLE BUDGET LEVEL. GIVING FARMERS A LEVEL OF FLEXIBILITY IN MAKING PLANTING DECISIONS BASED ON SOUND ROTATIONAL AND ENVIRONMENTAL PRACTICES COULD HELP ACHIEVE THIS GOAL. FLEXIBILITY IS A VERY IMPORTANT AND ATTRACTIVE FEATURE TO THE INDIVIDUAL PRODUCER.

HOWEVER, FROM A MACRO POINT OF VIEW, WE NEED TO BE CAUTIOUS ABOUT OFFERING TOO MUCH FLEXIBILITY. THE PROPOSALS ADVANCED TO DATE RANGE FROM 100% FLEXIBILITY TO VERY LIMITED FLEXIBILITY OR JUST SIMPLE BASE SUBSTITUTION. WE NEED TO ESTABLISH A COMPROMISE WITHIN THIS RANGE IN ORDER TO ALLOW SUFFICIENT FLEXIBILITY FOR THE PRODUCER AND YET PROTECT HIM FROM UNPREDICTABLE SHIFTS IN CROP ACREAGE GIVING RISE TO A MORE VOLATILE GRAIN MARKET.

IN MY STATE, FARMERS ARE ASKING FOR A LEVEL OF FLEXIBILITY IN THE RANGE OF 15% TO 25%.

THE FLEXIBILITY ISSUE RAISES SOME CONCERNS AMONG SOUTHERN OILSEED INTERESTS WHICH WE MUST BE SENSITIVE TO AS WELL. WITH SOYBEANS AND OTHER OILSEEDS BEING A VIABLE ROTATIONAL CROP IN MANY AREAS OF THE COUNTRY, AN OILSEED MARKETING LOAN HAS BEEN HAILED AS A NECESSITY TO PROTECT OUR PRODUCERS IN THE SOUTH. THIS ISSUE HAS RECEIVED A LOT OF ATTENTION AND THE PROPOSALS ARE STILL BEING PENCILED OUT, BUT THE BOTTOM LINE FOR OILSEEDS IS HOW THEIR CONCERNS TIE IN WITH THE BUDGET.

## GATT

I WANT TO MENTION GATT BRIEFLY. I HOPE THAT AN AGREEMENT CAN BE REACHED IN A TIMELY MANNER, BUT I HAVE MY DOUBTS. THEREFORE, I THINK WE SHOULD PROCEED WITH THE FARM BILL AS IF NO AGREEMENT WILL BE REACHED.

- MORE -

## OTHER ISSUES

THERE ARE A NUMBER OF FARM BILL ISSUES THAT WARRANT OUR ATTENTION. CROP INSURANCE, FmHA, AND NUTRITION REFORM TO NAME A FEW. HOWEVER, IN THE INTEREST OF TIME, I WILL NOT GO INTO THESE AT THIS TIME.

## POLITICS

I WANT TO TOUCH BRIEFLY ON THE POLITICS OF THIS YEAR'S FARM BILL. POLITICS SEEM TO PLAY A ROLE IN JUST ABOUT EVERYTHING WE DO IN THIS TOWN. I AM VERY DISAPPOINTED THAT IT APPEARS THE DEMOCRATS MAY WANT TO PLAY POLITICS WITH THIS YEAR'S FARM BILL.

I WANT TO ENCOURAGE A BI-PARTISAN EFFORT AS WE MOVE FORWARD WITH THE FARM BILL. PARTISAN GAMES WILL ONLY HURT THOSE WHO WE WANT TO HELP; THE AMERICAN FARMER. IT DOESN'T DO ANYBODY ANY GOOD TO HAVE A FARM BILL PASSED OUT OF AG COMMITTEE ON A 10-9 VOTE. THAT WILL CERTAINLY OPEN THE DOOR FOR CRITICISM ON THE FLOOR. IF THE INTENT IS TO PLAY THESE PARTISAN GAMES, THEN I MAY SUGGEST THAT WE REVISIT TITLES THAT HAVE BEEN TENTATIVELY PASSED TO DATE. THIS WOULD INCLUDE CONSERVATION AND RESEARCH. IN ADDITION, DAIRY PROGRAMS SHOULD ALSO NOT BE EXEMPT FROM THE PROCESS. I SEE NO BENEFIT IN FIGHTING OVER THE GUTS OF THE FARM BILL (THE COMMODITY PROGRAMS) AND LETTING OTHER TITLES SLIDE THROUGH WITHOUT PROPER CONSIDERATION.

FROM WHAT I READ IN THE NEWS SERVICE, THE DEMOCRATS ON THE AG COMMITTEE ARE PULLING TOGETHER A PROPOSAL TO THE REST OF US ON THE COMMITTEE. I HOPE WE CAN AVOID THE MISMANAGEMENT OF FARM PROGRAMS THAT THE HOUSE IS EXPERIENCING. CHAIRMAN DE LA GARZA HAS EVEN CITED THE PROBLEMS WITH THEIR APPROACH.

THE HOUSE SUBCOMMITTEE ON WHEAT, SOYBEANS, AND FEED GRAINS HAS BEEN GROSSLY IRRESPONSIBLE TO THEIR DUTY OF DRAFTING SOUND FARM POLICY. THEY HAVE SENT A COMMODITIES TITLE ON TO THE FULL COMMITTEE THAT IS A BLATANT EXAMPLE OF BAD GOVERNMENT. THIS TITLE ALONE STANDS IN PUTTING THE HOUSE BILL \$13 BILLION OVER THE BUDGET. THAT'S 13 BILLION WITH A "B". CONGRESS SHOULD NOT BE MAKING INFLATED PROMISES NOW AND RAISING FALSE EXPECTATIONS THAT THEY CAN'T KEEP. THIS JUST COMPROMISES THE GOOD FAITH OF THE AMERICAN FARMER.

IN MY OPINION, OFFERING PROPOSALS WITH ESCALATING TARGET PRICES, HIGHER LOAN RATES AND LARGE ARPS IS NOT ONLY BAD FARM POLICY BUT A CRUEL HOAX TO FARMERS. NON-COMPETITIVE LOAN RATES AND LARGE ACREAGE REDUCTION PROGRAMS HELP FOREIGN PRODUCERS GAIN MARKET SHARE, HURT OUR LIVESTOCK INDUSTRY (WHICH IS 50% OF GROSS RECEIPTS), AND PUNISH SMALL TOWNS IN RURAL AMERICA BY DOWNSIZING THE FARM ECONOMY. SOME OF THE PROPOSALS I HAVE HEARD ARE A THROW-BACK TO THE FAILED POLICIES OF THE PAST PROGRAMS THAT ARE DESIGNED TO ACHIEVE SHORT-TERM POLITICAL GAIN WHILE HURTING PRODUCERS LONG-TERM ECONOMIC WELL-BEING.

AS CHAIRMAN LEAHY AND OTHERS DRAFT THE PROPOSALS, I WANT TO DISCOURAGE THE USE OF SMOKE AND MIRRORS TO CREATE ILLUSIONS OF SOUND FARM POLICY. FARMERS DON'T NEED US PLAYING GAMES AND PRACTICING MAGIC. THEY NEED FOR US TO LISTEN AND RESPOND IN AN HONEST, STRAIGHT FORWARD MANNER, NOT TRY TO GET BY WITH SOME SLIGHT OF HAND.

- MORE -

THE ADMINISTRATION NEEDS TO GET IN THE BALLGAME

IN PAST FARM BILLS, WE HAVE SEEN THE SECRETARY OF AGRICULTURE BRING THE ADMINISTRATION'S PROPOSAL TO THE HILL AND WORK WITH THE CONGRESS IN FASHIONING THE FINAL COMPROMISE. THE ADMINISTRATION MUST DO EVERYTHING POSSIBLE TO HELP FACILITATE THE FARM BILL PROCESS. OUR WHEAT FARMERS NEED TO KNOW THEIR FARM PROGRAM BY AUGUST, AND WE SHOULDN'T SACRIFICE ALL THE TIME AND EFFORT THAT HAS BEEN PUT IN JUST TO SETTLE FOR A ONE-YEAR FARM BILL. THE SECRETARY HAS GOT TO SHOW SOME LEADERSHIP FROM THE ADMINISTRATION AND BE WILLING TO WORK WITH CONGRESS IN WRITING A MULTI-YEAR BILL. IF ANYTHING DOES COME OUT OF THE HIGHLY CONTENTIOUS GATT TALKS, THEN LET'S VISIT THAT WHEN THE TIME COMES. RIGHT NOW WE NEED ALL PLAYERS TO FOCUS ON THE NEEDS OF AMERICAN PRODUCERS.

ONE-YEAR EXTENSION OF THE 1985 BILL

I HAVE COMMENTED IN THE PAST ON THE URGENCY TO FINALIZE AND ADOPT THE 1990 FARM BILL IN A TIMELY MANNER. THE 1985 BILL WAS NOT SIGNED INTO LAW UNTIL DECEMBER OF THAT YEAR, AND LEFT MANY FARMERS, PARTICULARLY WINTER WHEAT FARMERS, WITH UNCERTAINTY AND A CROP ALREADY IN THE GROUND. I THINK IT GOES WITHOUT SAYING THAT WE NEED TO RESPECT THE NEEDS OF THE PRODUCER, AND GET THE LAW IN THE BOOKS IN TIME FOR HIM TO MAKE PRODUCTION DECISIONS IN A PRUDENT MANNER.

THERE SEEMS TO BE A GENERAL COMMITMENT BY MEMBERS OF THE COMMITTEE TO DO EVERYTHING WE CAN TO PASS A MULTI-YEAR FARM BILL BY LATE SUMMER OR EARLY NEXT FALL. IF WE CAN GET THE BILLS OUT OF COMMITTEE AND OUT OF CONFERENCE BY THE AUGUST RECESS, I THINK WE WILL SUCCEED IN DOING THAT. BUT IF WE HAVEN'T MADE SUFFICIENT PROGRESS BY THEN, WE MUST CONSIDER A ONE YEAR EXTENSION, AND FOLLOWING RECESS MOVE ON WITH A MULTI-YEAR FARM BILL.

CLOSE

I ASSURE YOU THAT I WILL MONITOR THE PROCESS VERY CLOSELY. IF WE START TO GET BOGGED DOWN, I WILL CONSIDER INTRODUCING LEGISLATION OF MY OWN.

LET'S GET ALL OF THE PLAYERS AT THE TABLE, STOP PLAYING POLITICS, AND HAMMER OUT SOME SOUND POLICIES FOR A MULTI-YEAR FARM BILL.