

Bob Dole



NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

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FARM POLICY

DOLE URGES PASSAGE OF FARM BILL BY END OF FEBRUARY; **FARM POLICY GOALS IN VETOED BUDGET BILL BEST OPTION**

WASHINGTON -- Senate Majority Leader Bob Dole made the following remarks on the U.S. Senate floor late Friday:

For the past several weeks, America has focused its attention on the budget talks in Washington, and on the government workers who have been hostages in this debate.

However, one of the faces not shown on the evening news as a hostage in these talks is that of the American farmer.

As I travel around rural America, farmers remind me that they are taxpayers too. And as taxpayers, farmers want a balanced budget.

Balanced Budget Benefits for Rural America

Rural America realizes what this balanced budget means for them. For agriculture alone, spending on interest with a balanced budget is projected to decline by \$15 billion over 7 years. And for a lot of family farmers who struggle to make ends meet, the money saved by reduced interest payments could make the difference between success and failure.

In addition, the Balanced Budget Act would provide much needed tax relief to millions of rural Americans; including an increase in expensing limits, death tax relief, an increased deductibility for the health insurance cost of the self employed, a capital gains tax cut, and creation of a medical savings account.

Along with putting America on course to a balanced budget, there's something else that Congress must do to be fair to America's farmers.

Obligation to Deliver Farm Bill

I believe we have an obligation to announce by the end of February, if not sooner, the details of a farm bill so farmers can prepare this year's crop. Kansas farmers have already planted their winter wheat without knowing any program details.

In my view, Congress has 3 options from which we can choose:

Option #1 is to do nothing, and to simply let the 1990 Farm Bill expire, which would mean that permanent law would be in effect.

Anyone who knows anything about permanent law realizes such action would be bad for farmers and bad for America. Farm prices would reach parity levels which to many may sound attractive. However, the long term ramifications to the marketplace and U.S. Treasury would be significant. Farmers would produce for the government and not the marketplace.

Option #2 is to pass an extension of the 1990 Farm Bill. This in my view, would also be the wrong road to take.

Those who are advocating this choice are unwilling to modernize American agricultural policy as we prepare to move into the next century. The world population will grow by 50% by 2025. We must provide American agriculture with the tools to unleash our nation's productive capacity to meet a growing world demand. An extension of current farm policy without addressing changes that have occurred and continue to occur, is unacceptable to a majority of farmers in this country.

Pass Farm Policy Goals in Balanced Budget Act

Option #3--which is the correct choice--is to adopt the Farm Bill goals contained in the Balanced Budget Act.

One year ago, I spoke to the American Farm Bureau Federation's annual meeting in St. Louis. While there, I outlined some of my goals for the 1995 Farm Bill. These goals
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included providing farmers with full planting flexibility, elimination of set asides, program simplicity, and a farm policy that transitions farmers into the next century without disrupting the farm economy or land values. All of these goals are reached in the language contained in the Balanced Budget Act.

Unfortunately, that Act was vetoed and we must now address how to best proceed. I am hopeful that the goals contained in the Balanced Budget Act can be retained and can be passed before the end of February.

American agriculture does not operate in a vacuum. Rural Americans share the Republican conviction that Congress must balance the budget. Rural Americans realize that there are important policies outside the farm bill that greatly affect their bottom lines. Republicans are actively working to provide the needed relief that rural Americans are asking for. And we will not stop.

There are those who claim there has been no public input into the agricultural provisions included in the Balanced Budget Act.

I disagree. Last year, the Senate and House Agriculture Committees held 33 hearings on the 1995 Farm Bill with over 350 witnesses. In my view, the public input has been significant.

I also hear some colleagues talk about the need for a vote on the Senate Democratic proposal which would reduce the agriculture savings and provide and increase in marketing loans.

I would simply point out that Senator Harkin offered this amendment during Senate consideration of the reconciliation bill. The vote failed 31 to 68 with 15 Democrats voting with Republican's to defeat the amendment.

The fact is that we have debated farm policy. And adopting the agriculture provisions contained in the the Balanced Budget Act is right for our farmers and the right path for America.

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* Remarks delivered on Senate floor, approximately 8:20 p.m.