

February 11, 1963

AGRICULTURAL LEGISLATION PROSPECTS IN 1963

Congressman Bob Dole, Member of
House Committee on Agriculture

It is a pleasure for me to be here and comment briefly on prospective farm legislation in 1963. As a member of the House Committee on Agriculture in the 87th Congress and in this, the 88th Congress, I have had an opportunity to hear experts on both sides of nearly every agricultural problem confronting the American farmer. Needless to say, when looking at the total agricultural picture, one can quickly discern why there are disagreements, differences of opinion, and many times general confusion about a specific program. There are 35 members on the House Agriculture Committee, and the Democrat and Republican ratio will be 21 Democrats and 14 Republicans. All Republicans were re-elected, and all but one remained on the committee. On the Democrat side, there are six new members, and two of these were reportedly "drafted".

The return of Congressmen has not revealed any real changes in attitudes toward general farm legislation, though it is far too early to speculate what may finally emerge from the committee. The primary interest now relates to proposed cotton legislation, and ~~committee assignments~~. While there appears to be no great change in attitudes among returning House members, it is not known how freshmen members (there are 66 in both parties) will vote on farm legislation, since Republican members solidly opposed the Kennedy-Freeman bill defeated June 21, 1962 by a vote of 215 to 205, it can be assumed their opposition to increased acreage cuts and mandatory wheat ~~and~~ feed grain ^{and other commodity} programs will be the same.

Rest of speech same as that of Jan. 18, 1963

lates to proposed cotton legislation and committee assignments. While there appears to be no great change in attitudes among returning members, it is not known how freshman members (there are 66 in both parties) will react to farm legislation when they vote. Since the ~~14~~ Republican members solidly opposed the Kennedy-Freeman bill defeated June 21, 1962, by a vote of 215 to 205, it can be assumed their opposition to increased acreage cuts and mandatory wheat and feed grain programs ^{will be} is about the same.

A vital controversy of interest to Midwest and Kansas farmers will be the wheat referendum. Though the referendum date has not been set by the Secretary of Agriculture, the wheat referendum is a dominant topic of conversation among Midwest Congressmen. Many responsible legislators are stating publicly no farm legislation should be considered by the Ag Committee until after the wheat referendum. Others indicate the 1964 wheat program should be patched up to insure the referendum will not fail. Secretary Freeman himself has indicated a desire to push through a feed grain program prior to the referendum containing provisions which would permit the wheat farmer to substitute wheat on feed grain acreage. Under a mandatory or perhaps even a voluntary feed grain program where feed grain acres are diverted, the substitution clause would permit the wheat producer to produce wheat on the diverted acres. This would make the 1964 wheat program more attractive to the wheat producer and would tend to offset the mandatory cut in acreage in 1964.

It is interesting to note that during discussion of the 1964 wheat program, before it became law, the administration talked of a 20 per cent cut below the 1963 allotments, but in an obvious effort to "sweeten" the '64 program administration leaders now talk of a 10 per cent reduction. Highlights of the 1964 wheat plan to be voted on in late May or early June, according to a recent announcement by the Secretary, will provide a cut in acreage allotments of 10 per cent below 1963 along

with support at an announced price of \$2.00 per bushel for certificate wheat estimated to be 86 per cent of the expected crop of one billion, seventy million bushels. Support for non-certificate (feed) wheat would be about \$1.30 per bushel, however as many ~~of us~~ have pointed out before it would be difficult to support (feed) wheat at this price if the present feed grain law and the 1964 wheat act remain unchanged. It appears more likely the support price for (feed) wheat would be around 90¢ per bushel. Diversion payments for the 10 per cent mandatory reduction in allotments will be 30 per cent of support level times normal yield. For example, a farmer with a normal yield of 25 bushels per acre in a county with \$2.00 support price would receive a diversion payment of \$15.00 an acre. In addition, as briefly mentioned above, there would be voluntary acreage diversion provisions which would permit total cuts up to 20 per cent of allotments. Payments on the voluntary portion would be 50 per cent of the support times normal yield, or in the case above cited, approximately \$25.00 an acre instead of \$15.00. In other words, the voluntary portion of the program would be more attractive and might induce greater acreage reduction. Let me point out that unless the 1964 wheat program should be amended there will be no payments for acres diverted after 1965. This is something the Secretary has not pointed out and a point of vital interest to the farmer who must plan for the future.

Between now and the referendum, the farmer must decide whether to vote "yes" or "no". The American wheat farmer is about to witness the biggest ~~program~~ effort ever launched by the United States Department of Agriculture ~~in an effort~~ to ~~sell the 1964~~ ^{sell a} program to the farmers. If the referendum should fail, it would be a blow to the administration and to Freeman's supply-management program. While every farmer should be conversant with the terms of the 1964 program, he should closely scrutinize all statements made by those favoring the program and those who oppose it. Farmers want and are entitled to the facts, however, I believe that since the farmer must make the choice, it is not the prerogative of the Secretary of Agriculture or

on feed grains
Cotton
Germany

any other administration official to become entangled in the referendum. If the facts are presented fairly I have no doubt the farmer will make the proper choice.

As indicated, a new cotton program will receive top priority in our committee, and since there is little interest in cotton generally in Kansas, I did not go into the details, in fact details on the proposed program are not yet available. The cotton program often exceeds the cost of the wheat program, and so it is with great interest that I look forward to cotton hearings before our full committee and observe the reaction of committee members who appeared to delight in making wheat the "whipping boy" for all farm legislation.

In closing, I call attention to the growing threat of the European common market upon the export of agricultural products, particularly wheat and feed grains. Without question, we will witness a shrinking market for U.S. farm goods unless something can be done to keep the trade doors in the common market countries open to our farm products.

To state the problem very simply, the common market countries of Germany, France, Italy, Belgium, the Netherlands and Luxemburg are building up tariff walls around the outside of the common market and at the same time tearing down the tariff walls between their own countries. The net result is that they will trade freely with one another and buy less and less from the outside. As an example, late this summer tariffs on our broilers in West Germany, which is our biggest outlet, jumped from 4.8 cents a pound to 13 cents on 30 cent birds. Fruit tariffs were hiked in the common market countries by 36 per cent, and in the Netherlands duties on grain jumped from \$13.00 a ton to \$40.00 a ton.

The seriousness of the problem is clearly recognized by the Administration and by members of Congress of both parties. It seems now, in retrospect, that some of us who voiced opposition to certain aspects of the Administration's "Trade Expansion Act" because it failed to protect agricultural areas may have been justified.

212

Handwritten signature: *James H. Hoff*

In conclusion, it is difficult for me to understand how Secretary Freeman can advocate tighter controls for American farmers while at the same time advocating more liberal trade policies with common market and other foreign countries. ~~The~~ ^{Minority} ~~Republican~~ members of the Agriculture Committee ~~will soon~~ ^{have} request ~~that~~ our committee ~~chairman~~ hold full and extensive hearings to determine not only the effect of the European common market on American agriculture, ~~and~~ ^{but} what legislative steps should be taken to protect the interests of the American farmer. I ~~think, too,~~ ~~that~~ the cost of agricultural programs is becoming more and more of a factor, and while President Kennedy indicated agricultural costs would be less in fiscal 1964 by 1.1 billion dollars from 1963, this seems most unlikely. The President indicated in his 1964 budget that agricultural program costs in 1963 were approximately 5.8 billion, however it now appears that total 1963 costs will be in the neighborhood of 6.8 billion. It is, therefore, a source of discouragement to many members of Congress of both parties to learn that Secretary Freeman has requested authority to increase the number of full time employees in the Agricultural Stabilization and Conservation Service from 2915 in 1963 to 7669 by 1964. To more than double the number of permanent positions in the ASCS in a two year period is clearly indicative not only of the complexity of Mr. Freeman's programs, but of his intent to load the USDA payroll with those who will "sell" any program he might advocate. It can be hoped that Congress will act responsibly in the interest of the taxpayer and the farmer in this instance. I continue to be amazed by the fact that each year we have fewer farmers and fewer acres in production, yet we add thousands to the federal payroll. This is but one example of how any bureaucracy grows and grows without limitation, and in my humble opinion Congress must face up to its responsibility with quick, decisive action, for this trend must be stopped now or never.