

REMARKS OF CONGRESSMAN BOB DOLE

I AM DEEPLY GRATEFUL FOR THIS OPPORTUNITY TO MEET WITH YOU TODAY.

I WANT TO PAY TRIBUTE TO YOU WHO ARE LEADERS IN THE HIGHLY COMPETITIVE AND CREATIVE AGRIBUSINESS SYSTEM WHICH IS SECOND TO NONE IN THE WORLD. YOU ARE EFFICIENT. YOU ARE AN INTEGRAL LINK BETWEEN THE PRODUCER AND THE ULTIMATE CONSUMER. IN A LARGER SENSE, YOU SERVE ALL SOCIETY. FOR FUNDAMENTALLY, THE FEED MANUFACTURER IS PART AND PARCEL OF THE ENTIRE MODERN PRODUCTIVE PROCESS.

THE MIRACULOUSLY EFFICIENT SYSTEM WHICH FREE ENTERPRISE HAS DEVELOPED FOR THE PRODUCTION, MARKETING, DISTRIBUTION AND PROCESSING OF FOOD IS A REAL TRIBUTE TO WHAT FREE MEN IN A FREE SOCIETY CAN DO. YOU, FEED MANUFACTURERS, SHOULD BE PROUD OF YOUR SHARE IN THESE ACCOMPLISHMENTS.

THE CONCEPT OF SPECIALIZATION -- THE DIVISION OF LABOR -- HAS AN OVERALL GRAND DESIGN -- TO FACILITATE EXCHANGE AT THE LEAST COST BETWEEN THE FARMER AND THE CONSUMER. TO ACCOMPLISH THIS IN A COMPLEX SOCIETY, THERE HAVE APPEARED AGENCIES OR INDIVIDUALS SUCH AS COUNTRY ELEVATORS, TERMINAL WAREHOUSES, EXPORT FIRMS, FEED MANUFACTURERS, COMMODITY EXCHANGES, PROCESSORS, BROKERS, COMMISSION HOUSES, ETC. IT IS ESSENTIAL THAT AS FREE MEN WE SEEK TO EXPAND THE OPPORTUNITIES FOR THE MARKETING SYSTEM TO WORK SMOOTHLY -- KEEPING IN MIND THE OVERALL RULES OF FAIR PLAY. ONLY THEN CAN YOU MAKE THE GREATEST OVERALL CONTRIBUTION TO OUR SOCIETY.

- U.S. LEADS MANUFACTURING OF FEED -

THE UNITED STATES IS THE WORLD LEADER IN FEED MANUFACTURE.

THIS LEADERSHIP POSITION HAS BEEN CREATED ON A SOUND FOUNDATION, UNDERGIRDED BY THE MOST PRODUCTIVE AGRICULTURE IN ALL HISTORY. TOGETHER THESE CREATIVE SEGMENTS OF OUR SOCIETY SHOULD SHARE FAIRLY IN THE BOUNTY THEY HELP CREATE. I AM DEDICATED TO THIS OBJECTIVE BECAUSE IT IS NOT ONLY EQUITABLE, BUT IT IS THE BEST LONG RUN INTEREST OF THIS NATION.

- THE AMERICAN BUSINESS SYSTEM -

THERE ARE SOME PEOPLE WHO QUESTION WHETHER BUSINESS HAD THE DEDICATED PEOPLE AND ABILITY TO SATISFY THIS ESSENTIAL NEED OF OUR SOCIETY. ON SOME OF THE CAMPUSES I HAVE VISITED THERE SEEMS TO BE A QUESTION ABOUT THE SOCIAL AWARENESS OF BUSINESS. I HAPPEN TO BE ONE WHO THINKS THAT THERE IS MORE CREATIVITY AND ABILITY TO MEET CHALLENGES IN THE BUSINESS COMMUNITY THAN SOME THINKERS HAVE EVER REALIZED. I HAVE KNOWN AND WORKED WITH ENOUGH BUSINESSMEN TO REALIZE THAT THEIR CREATIVITY LEVEL, THEIR SOCIAL CONSCIOUSNESS LEVEL AND THEIR ABILITY TO ACCOMPLISH COMPLEX TASKS IS SECOND TO NO GROUP IN OUR SOCIETY.

OUR MATERIAL ACHIEVEMENTS ARE PART AND PARCEL OF OUR SOCIAL PROGRESS. THE TECHNICAL SKILLS AND ORGANIZATION NEEDED TO PROCESS AND MARKET MILLIONS OF TONS OF FEED WITH LOW PROFIT MARGINS REQUIRE THE HIGHEST TYPE OF MANAGEMENT BUTTRESSED BY THE NEW TECHNOLOGY. I KNOW THAT THIS CAN BE DONE BY PRIVATE ENTERPRISE AT LESS SOCIAL COST AND MORE EFFICIENTLY THAN BY GOVERNMENT.

I BELIEVE IN THE PROFIT SYSTEM -- AND I ALSO BELIEVE THAT IT CAN WORK EVEN MORE EFFECTIVELY THAN IT HAS IN THE PAST **FOR** THE PUBLIC GOOD.

FOR TOO LONG, BUSINESS AND GOVERNMENT ENTRENCHED THEMSELVES ON OPPOSITE SIDES OF AN IMAGINARY LINE -- THE LINE DIVIDING THE SO-CALLED "PRIVATE SECTOR" FROM THE SO-CALLED "PUBLIC SECTOR" -- AND GLOWERED AT ONE ANOTHER.

SOME GOVERNMENT OFFICIALS STILL REGARD BUSINESS AS INHERENTLY OBLIVIOUS OR EVEN ANTAGONISTIC TO THE PUBLIC INTEREST. SOME EVEN REGARD PROFITS AS ACTUALLY IMMORAL -- RATHER THAN AS AN INCENTIVE ESSENTIAL TO EFFICIENCY, AS EVEN THE COMMUNISTS ARE NOW COMING TO RECOGNIZE.

THESE OLD SUSPICIONS MUST BE MADE TO FADE RAPIDLY INTO HISTORY. I DO NOT BELIEVE THAT GOVERNMENT HAS ANY MONOPOLY OF WISDOM -- OR OF DEDICATION TO THE PUBLIC GOOD.

I THINK WE NEED TO DRAW UPON THE ABILITY, THE ENERGY, AND THE INNOVATIVE TALENTS OF ALL ELEMENTS OF THE COMMUNITY IN DEALING WITH THE PROBLEMS WHICH CONFRONT US.

- WHAT THE SYSTEM HAS PRODUCED -

OUR POLITICAL, ECONOMIC AND SOCIAL SYSTEMS HAVE PRODUCED A GREATER DEGREE OF INDIVIDUAL FREEDOM, A MORE EVEN-HANDED, IMPARTIAL ADMINISTRATION OF LAW, HIGHER LEVELS OF INCOME, A MORE EQUITABLE DISTRIBUTION OF AN EVER-RISING NATIONAL PRODUCT, MORE EQUALITY OF OPPORTUNITY, MORE RELIGIOUS FREEDOM, A GREATER APPRECIATION OF THE VALUE OF THE SPIRIT AND OF THE DIGNITY OF MAN, THAN HAS BEEN HERETOFORE ACHIEVED BY ANY NATION IN HISTORY.

OUR REVOLUTION DID NOT START AND END IN 1776. IT IS A CONTINUING PHENOMENON. THE FRONTIERS OF OPPORTUNITY, OF KNOWLEDGE, OF HEALTH, OF SOCIAL JUSTICE AND ECONOMIC AND POLITICAL PROGRESS IN OUR LAND ARE STILL BEING EXPANDED.

CERTAINLY IF ONE COMPARES THE ACHIEVEMENTS OF OUR SYSTEM WITH THAT OF OTHERS, WE CAN TAKE GREAT PRIDE IN OUR ACCOMPLISHMENTS AND IN OUR DETERMINATION FOR EVEN GREATER IMPROVEMENT IN THE FUTURE.

- AGRICULTURE IN THE FOREFRONT -

OUR FARM PEOPLE HAVE BEEN IN THE FRONT RANKS OF THESE GREAT ACHIEVEMENTS. THEY ARE STILL THERE. WE CAN COUNT ON THEM. AS A MATTER OF FACT, MANY OF OUR NATIONAL POLICIES REST ON THE ASSUMPTION OF THE CONTINUING MIRACLE CALLED AGRICULTURAL ABUNDANCE, AND ITS COUNTERPART INCREASINGLY EFFICIENT AGRIBUSINESS, INCLUDING THE FEED MANUFACTURER.

AND IN A REAL SENSE WE NEED TO UNDERSTAND THAT AGRICULTURE IS IN THE FOREFRONT OF THE STRUGGLE FOR A BETTER WORLD. AND YOU ARE HELPING TO MAKE THIS POSSIBLE.

- FORMULA FEEDS AND EFFICIENCY -

THE DAY IS LONG GONE WHEN HOME-GROWN GRAIN AND A LITTLE SALT AND MINERAL CAN PROVIDE A PROFITABLE LIVESTOCK RATION. RESEARCHERS HAVE PROVEN THAT LIVESTOCK CAN MAKE MORE EFFICIENT USE OF GRAINS AND FORAGES WHEN PROPERLY SUPPLEMENTED AND BALANCED WITH NECESSARY PROTEINS, VITAMINS, MINERALS AND MODERN FEED ADDITIVES.

MOST RATIONS TODAY REQUIRE CONSIDERABLE NUTRITIONAL KNOWLEDGE. AND SOME ELEMENTS ARE REQUIRED IN MICRO-AMOUNTS AND MUST BE MIXED WITH PRECISION. BUT FORMULA FEEDS HAVE OPENED THE DOOR TO NEW FEEDING EFFICIENCY. THEY'RE BACKED BY THE REPUTATION OF THE COMPANY PRODUCING THEM. THERE'S NO DANGER OF A FARMER MAKING A COSTLY INGREDIENT MISTAKE -- AND INGREDIENTS ARE THOROUGHLY TESTED FOR QUALITY.

MANY FEED COMPANIES HAVE EXPERT NUTRITIONISTS AND VAST RESEARCH FACILITIES -- BOTH TO DEVELOP NEW EFFICIENT RATIONS AND TO SERVE AS CONSULTANTS TO FARMER CUSTOMERS. FORMULA FEEDS SAVE TIME AND LABOR WHICH CAN BE USED IN OTHER FARMING ACTIVITIES.

- TODAY'S FARMERS ARE DIFFERENT -

FARMERS ARE DIFFERENT THAN THEY WERE ONLY A FEW YEARS AGO. THEY THINK, BUY AND FARM DIFFERENTLY AND HAVE DIFFERENT NEEDS. THEY REQUIRE MORE OPERATING CAPITAL, BIGGER "PERMANENT" INVESTMENTS, AND MORE MANAGEMENT ABILITY. FARMERS WHO HAVE RESPONDED TO THESE PRESSURES ECONOMICALLY ARE HANDLING INCREASED DOLLAR VOLUMES. WE SHOULD WORK WITH THEM TO BE SURE THAT THEY ARE MAKING MORE NET PROFIT.

THIS REQUIREMENT FOR MANAGEMENT ABILITY TO PRODUCE ABUNDANTLY HAS LED FARMERS TO SEARCH FOR NEW WAYS TO BECOME "EFFICIENT". SOME INVESTMENTS HAVE BEEN WISE -- OTHERS UNECONOMICAL.

- FARMERS DEPEND ON SUPPLIERS MORE -

BUT THE VAST REQUIREMENT FOR TECHNICAL KNOWLEDGE HAS MEANT THAT FARMERS DEPEND ON SUPPLIERS MORE THAN EVER BEFORE.

WITH THIS IN MIND, THE FEED MANUFACTURER SHOULD PLAN PROGRAMS TO PROVIDE FARMERS WITH GREATER SERVICE, NOT ONLY WITH FEEDING PROGRAMS. THOSE FARMERS WHO ARE MAKING A PROFIT CAN STAY IN BUSINESS. AND ONLY THOSE WHO STAY IN BUSINESS REMAIN AS CUSTOMERS. A PROSPEROUS CUSTOMER IS THE BEST CUSTOMER.

THERE IS A CONCURRENCE OF INTEREST IN THE PROBLEMS ASSOCIATED WITH MARKETING BETWEEN THE FEED MANUFACTURER AND THE PRODUCER. IS THERE NOT A COMPETITIVE OPPORTUNITY AMONG FEED MANUFACTURERS FOR TEACHING FARMERS AND RANCHERS MARKETING EXCELLENCE? CERTAINLY, THERE ARE MANY FARMERS WHO WOULD RESPOND FAVORABLY TO THOSE FIRMS WHICH CAN PROVIDE THEM WITH THE BEST MARKETING ADVICE ALONG WITH THE BEST ADVICE ON FEEDING PRACTICES.

ANOTHER AREA OF MARKETING ASSISTANCE WHICH YOU CAN PROVIDE FARMERS IS IN THE USE OF LIVESTOCK AND LIVESTOCK PRODUCT FUTURES MARKETS. AN ACTIVE FUTURES MARKET WILL PROVIDE A MEANS FOR PRICE PROTECTION OR PRICE INSURANCE NOT OTHERWISE ATTAINABLE WHEN THE PRODUCER WISHES TO SELL THE FRUIT OF HIS LABORS.

- A LOOK AHEAD -

FEEDING EFFICIENCY AND FUTURES MARKET PRICE PROTECTION CAN BE EXPECTED TO ASSUME EVEN GREATER IMPORTANCE IN THE FUTURE. WE ARE WITNESS TO AN EXPANSION OF DEMAND OVER TIME IN A RAPIDLY EXPANDING ECONOMY. IT CAN BE STATED WITHOUT RESERVATION, THAT THE GRAIN INDUSTRY, WITH ITS RELATED INDUSTRIES, SUCH AS FLOUR MILLING, GRAIN MERCHANDISING AND WAREHOUSING, FEED MANUFACTURING, SOYBEAN PROCESSING, AND SO FORTH, COULD NOT OPERATE AT THEIR PRESENT EFFICIENCY, OR LOW LEVEL OF MARGINS WITHOUT A FUTURES MARKET.

WE ARE ALSO WITNESS TO FEWER FARMERS PRODUCING MORE PER FARM WITH GREATER FINANCIAL INVESTMENT AND RISK. WE MUST BE SURE THAT THIS EXPANSION OCCURS IN AN ENVIRONMENT WHERE THE MARKET CONSTANTLY MEASURES, EVALUATES AND EQUATES THE CHANGING PRICE LEVELS. AND IN THIS ESTIMATING OF THE DEMAND AND SUPPLY SIDES, WE HAVE A RIGHT TO EXPECT MUCH BETTER AND SOPHISTICATED STATISTICS AND ANALYSES FROM OUR FEDERAL GOVERNMENT.

IN THIS IMPROVED MARKETING, YOU CAN HELP YOUR CUSTOMERS. THIS IS A COMPETITIVE ELEMENT THAT NEEDS DEVELOPMENT.

THERE ARE OTHER CHALLENGES TO WHICH YOUR ACTIVITIES MIGHT BE ADDRESSED IF YOUR CUSTOMERS ARE TO SHARE EQUITABLY IN THE PROSPERITY THEY HELP CREATE.

- SECRETARY FREEMAN DIDN'T HELP -

IT DID NOT HELP YOUR LONG RUN BUSINESS WHEN SECRETARY FREEMAN WROTE A LETTER TO SECRETARY OF DEFENSE MCNAMARA CALLING HIS ATTENTION TO THE FACT THAT THE PRICE OF HOGS WAS AT SUCH LEVEL THAT HE WOULD URGE THE SECRETARY OF DEFENSE TO BUY OTHER THAN PORK PRODUCTS.

IT DID NOT HELP YOUR LONG RUN BUSINESS WHEN THE DEPARTMENT OF COMMERCE, WITH THE APPROVAL OF SECRETARY FREEMAN, APPROVED THE IMPOSITION OF RESTRICTIONS ON THE EXPORT OF CATTLE HIDES. I WONDER HOW THIS HELPED OUR BALANCE OR PAYMENTS OR OUR CATTLEMEN. IT SHOULD BE NOTED THAT THIS WAS FOLLOWED BY HIGHER SHOE PRICES.

SECRETARY FREEMAN, IN A MOMENT OF UNCONSCIOUS CANDOR, EXPRESSED PLEASURE THAT HE COULD REPORT TO THE PRESS THAT FARM PRICES WERE GOING DOWN.

- THE ADMINISTRATION AND SOYBEANS -

NOW, LET US DISCUSS AN ADMINISTRATION-INDUCED FACTOR, WHICH IS INCREASING YOURS AND FARMER FEEDER COSTS TO THE TUNE OF OVER A HUNDRED MILLION DOLLARS. WE ARE WITNESS TO A COMBINATION OF FORCES WHICH IS PREVENTING MUCH LOWER PRICES FOR SOYBEAN MEAL -- YOUR MAJOR PROTEIN INGREDIENT. WITH A \$2.50 PER BUSHEL PRICE FOR SOYBEANS, WE SHOULD HAVE EXPECTED THE USE OF GOVERNMENT AUTHORITIES TO MOVE LARGE QUANTITIES OF FATS AND OILS INTO EXPORT CHANNELS. THE CONGRESS HAS PROVIDED AUTHORITIES, SUCH AS THE VARIOUS TITLES UNDER THE FOOD FOR PEACE PROGRAM, MARKET DEVELOPMENT AND EXPORT SUBSIDY. THE FAILURE TO USE THE AUTHORITIES AND THE CONSEQUENT LOSS OF MARKETS ARE BEST REFLECTED IN THE MOUNTAIN OF SOYBEANS BUILDING UP IN CARRYOVER -- 150 MILLION BUSHELS OR MORE, ON SEPTEMBER 1, 1968.

WITH SOYBEAN PRICES SEVERELY DEPRESSED, BECAUSE OF GOVERNMENT INACTION, MEAL PRICES MUST CARRY THE LOAD, AND IT IS DOING SO AT AN UNECONOMICALLY HIGH LEVEL. THIS IS ADDING TO FARMERS' COSTS -- DECREASING HIS NET INCOME.

WE HAVE LOST A LARGE SHARE OF OUR COMMERCIAL LARD MARKET TO EEC SUBSIDIZED LARD ON SALES TO THE UNITED KINGDOM. THE EEC IS SUBSIDIZING LARD EXPORTS AT THE RATE OF 3 CENTS PER POUND. THE U.S. PRICE IS 6 CENTS PER POUND. THE RESULT IS THAT THIS UNEXPORTED LARD ADDS TO THE U. S. SUPPLY OF FATS AND OILS TO BE USED IN MARGARINE AND SHORTENING. THE NET EFFECT IS HIGHER SOYBEAN MEAL PRICES. THERE IS NO SIGN OF A PROTEST TO THE GATT. THERE IS A DEFINITE SIGN THAT THIS IS COSTING YOUR HOG CUSTOMERS TENS OF MILLIONS OF DOLLARS.

- MUTUAL INTERESTS OF FARMERS AND SUPPLIERS -

MANY OF YOU UNDERSTAND THESE INTRICATE INTERRELATIONSHIPS -- THESE POWERFUL PRICE MAKERS. IT WOULD HELP YOU AND YOUR FARMER CUSTOMERS TO GET THE FACTS OUT FOR ALL TO KNOW AND UNDERSTAND. FARMERS ARE SPENDING \$6.5 BILLION FOR FEED. THEY DESERVE THE COMPETITIVE BEST FROM YOU. YOUR LONG TERM INTERESTS COINCIDE. FOR A PROSPEROUS FARMER IS YOUR BEST CUSTOMER.