

REMARKS OF SENATOR BOB DOLE
RESERVE OFFICERS ASSOCIATION, ROTC BREAKFAST
WASHINGTON, D.C.
FEBRUARY 21, 1974

I AM PLEASED TO HAVE THIS OPPORTUNITY TO WELCOME THIS
OUTSTANDING GROUP OF ROTC STUDENTS TO WASHINGTON.

AS YOUNG PEOPLE WITH A SERIOUS INTEREST IN NATIONAL
AFFAIRS AND AS DIRECT PARTICIPANTS IN THE TASK OF PROVIDING
LEADERSHIP FOR OUR ARMED SERVICES, YOU HAVE COME TO OUR
NATION'S CAPITAL AT A CRUCIAL TIME.

NEW BUDGET SUBMITTED

THE PRESIDENT'S YEARLY BUDGET FOR FEDERAL SPENDING WAS
UNVEILED ON FEBRUARY 4. AND THE CONGRESS IS NOW BEGINNING
ITS EXAMINATION OF THOSE PROPOSALS.

-2-

THE PRESIDENT'S BLUEPRINT FOR SPENDING MORE THAN \$300 BILLION IS AN AMAZINGLY COMPLEX AND CONTROVERSIAL DOCUMENT. IT REPRESENTS AN ENORMOUS AMOUNT OF WORK AND THOUGHT. BUT BECAUSE IT IS IMPOSSIBLE TO GIVE EVERY DEPARTMENT, AGENCY AND PROGRAM ALL THE MONEY IT CONSIDERS WORTHWHILE -- THE BUDGET IS A CHILD OF COMPROMISE WITHIN THE EXECUTIVE BRANCH. IT REFLECTS A GREAT NUMBER OF DIFFICULT CHOICES BASED ON A NECESSARY RANKING OF PRIORITIES.

CONGRESSIONAL CONSIDERATION

NOW, AS OUR CONSTITUTIONAL SYSTEM REQUIRES, THE CONGRESS IS STARTING TO EXAMINE THE BUDGET, JUDGING THE COMPROMISES WORKED OUT WITHIN THE ADMINISTRATION AND BEGINNING THE PROCESS OF ASSERTING ITS PRIORITIES FOR THE WORK OF THE FEDERAL GOVERNMENT IN FISCAL YEAR 1975.

-3-

IN THE COMING MONTHS WE WILL SPEND A GREAT DEAL OF TIME IN CONGRESS WORKING ON THE BUDGET AND ATTEMPTING TO REACH AGREEMENT WITH THE PRESIDENT ON THE SPECIFICS OF AMERICA'S AGENDA FOR THE COMING YEAR.

IT IS A LONG, DIFFICULT PROCESS. BUT IT IS ONE WHICH IS VITAL TO OUR GOVERNMENT -- AND TO THE FUTURE OF EVERY AMERICAN.

AND THERE IS NO MORE VITAL AREA OF THE BUDGET THAN THAT WHICH DEALS WITH OUR ARMED FORCES. EACH YEAR THE PORTION OF THE BUDGET DEVOTED TO NATIONAL DEFENSE IS A SOURCE OF MAJOR CONCERN. AND THIS YEAR IS NO EXCEPTION.

DEFENSE IMPORTANT IN PEACETIME BUDGET

THANKFULLY, THIS IS THE FIRST TRUE PEACETIME BUDGET TO BE PRESENTED IN MORE THAN A DECADE. OUR COMBAT INVOLVEMENT

- 4 -

IN THE VIETNAM CONFLICT HAS ENDED, AND WE ARE NOT ENGAGED IN HOSTILITIES WITH ANY OTHER NATION. WE HAVE A MORE CONSTRUCTIVE AND PRODUCTIVE RELATIONSHIP WITH THE SOVIET UNION THAN AT ANY TIME IN OUR HISTORY. AND WE HAVE BEGUN TO COMMUNICATE WITH CHINA AFTER MORE THAN 20 YEARS OF ISOLATION AND HOSTILITY. THESE ARE ALL GREAT ACCOMPLISHMENTS AND SOURCES OF HOPE FOR THE FUTURE.

BUT REGARDLESS OF THESE SUCCESSES AND THE POSSIBILITY OF OTHER PEACE INITIATIVES THERE ARE STILL GRAVE RISKS AND UNCERTAINTIES AT WORK ABROAD.

THE END OF ONE WAR AND THE THAWING OF GREAT POWER RELATIONSHIPS IS SIGNIFICANT, BUT THEY HAVE NOT MEANT AN END TO THE UNITED STATES' RESPONSIBILITIES FOR PROVIDING LEADERSHIP AND DIRECTION FOR PEACE THROUGHOUT THE WORLD AND

3

-5-

BECAUSE THESE RESPONSIBILITIES -- TO OURSELVES AND THE REST OF MANKIND -- HAVE NOT DIMINISHED, WE CANNOT RELAX OUR VIGILANCE. NOR CAN WE DIMINISH OUR COMMITMENTS TO SECURING THE LASTING PEACE WHICH IS OUR HIGHEST NATIONAL GOAL.

LIKE IT OR NOT, OUR MILITARY STRENGTH AND THE WAY OTHER NATIONS VIEW THAT STRENGTH ARE A KEY ELEMENTS IN OUR POLICIES FOR PEACE. STRENGTH IS THE UNIVERSAL QUANTITY THAT IS UNDERSTOOD BY ADVERSARIES AND ALLIES ALIKE. SO, THE UNITED STATES MUST MAINTAIN -- NOT A GOOD MILITARY CAPABILITY, NOT AN EXPENSIVE MILITARY CAPABILITY -- BUT THE NECESSARY MILITARY CAPABILITY TO SECURE OUR OWN DEFENSE AGAINST AGRESSION AND TO SERVE AS THE FOUNDATION FOR OUR DIPLOMATIC EFFORTS DIRECTED TOWARD PEACE.

-6-

DURING WARTIME OR IN THE FACE OF MAJOR THREATS TO OUR SECURITY, THE PROCESS OF AGREEING ON THIS NECESSARY CAPABILITY IS RELATIVELY EASY. SURVIVAL TAKES PRECEDENCE OVER ANY OTHER CONCERN, AND THE QUESTION IS USUALLY, "DID WE PROVIDE ENOUGH?"

COMPETING CONCERNS

BUT WHEN WAR IS PAST AND WHEN THREATS TO OUR SURVIVAL ARE DISTANT AND UNCERTAIN, THE PRESS OF OTHER CONCERNS COMPETES MORE STRONGLY AGAINST NATIONAL DEFENSE IN OUR DECISIONS ON SPENDING. AT THESE TIMES THE QUESTION USUALLY CHANGES TO "ARE WE DOING TOO MUCH?"

AND THIS IS UNDERSTANDABLE. THE REQUESTED \$85.8 BILLION FOR THE DEPARTMENT OF DEFENSE'S BUDGET IS A HUGE AMOUNT OF MONEY BY ANY STANDARDS. AND WHEN THE COST OF ONE

-7-

AIRCRAFT CARRIER CAN BE TRANSLATED INTO SO MANY NEW
SCHOOLS, EXPANDED POLLUTION CONTROL PROGRAMS OR ADDITIONAL
CANCER RESEARCH, IT IS EASY TO SEE WHY MANY MAY QUESTION
SUCH EXPENDITURES.

MOST RELIABLE INVESTMENT

BUT TO BE FAIR AND REALISTIC, I BELIEVE IT IS NECESSARY
TO TAKE A LONGER VIEW OF THESE MATTERS. AND IN MY MIND,
DEFENSE SPENDING -- AT THIS TIME -- IS THE MOST RELIABLE
INVESTMENT WE CAN MAKE IN THE FUTURE OF OUR COUNTRY.

OF COURSE, DIPLOMACY IS ALSO A NECESSARY COMPANION TO
OUR NATIONAL DEFENSE PROGRAMS. AND WE ALL FERVENTLY HOPE
THAT IT WILL CONTINUE TO BEAR FRUIT.

-8-

BUT IN TERMS OF RELIABILITY, I DO NOT THINK THERE IS ANY QUESTION THAT OUR DIPLOMATIC ACHIEVEMENTS -- TO THIS POINT -- DO NOT PROVIDE US THE DEGREE OF ASSURANCE THAT I WOULD WANT TO RELY ON AS THE FOUNDATION OF AMERICAN SECURITY OR WORLD PEACE.

I HEARTILY SUPPORT THE SALT AGREEMENT ON LIMITING US AND RUSSIAN MISSILE STRENGTH. I BELIEVE THE NEGOTIATIONS ON REDUCING SOVIET AND AMERICAN TROOP LEVELS IN EUROPE ARE TO BE ENCOURAGED. I APPLAUD THE GREAT ACHIEVEMENTS TOWARD MORE NORMAL DIPLOMATIC RELATIONS WITH CHINA.

BUT QUITE FRANKLY, I DO NOT BELIEVE THE RUSSIANS OR CHINESE HAVE PROVED ANYTHING TO US YET. AND UNTIL THEY DO, I WILL PLACE A GREAT DEAL MORE CONFIDENCE IN THE MIGHT OF

-9-

OUR ARMY, NAVY AND AIR FORCE THAN IN BREZHNEV'S SIGNATURE
OR MAO'S HANDSHAKE.

THEREFORE, MY VIEW OF THE NATION'S INTEREST IS THAT
DEFENSE MUST RECEIVE THE HIGHEST PRIORITY IN REVIEWING
THE COMPETING CALLS ON OUR BUDGET RESOURCES.

CAREFUL SCRUTINY REQUIRED

THIS IS NOT TO SAY THAT THE ADMINISTRATION'S PROPOSALS,
SHOULD BE ACCEPTED WITHOUT CRITICAL EXAMINATION. ON THE
CONTRARY, CONGRESS HAS A CLEAR RESPONSIBILITY TO TAKE
THE DEFENSE BUDGET APART AND SEARCH OUT UNNECESSARY OR
WASTEFUL ITEMS. CONGRESS SHOULD QUESTION, PROBE AND EXAMINE
EVERY ASPECT OF THE DEFENSE PROGRAM TO DETERMINE ITS
JUSTIFICATION AND NECESSITY.

-10-

THERE MAY BE SOME AREAS WHICH WE WILL DISAGREE WITH THE ADMINISTRATION AND EVEN THE SERVICES AS TO EMPHASIS, DIRECTION AND GOALS. AND WHEN THESE POINTS ARE IDENTIFIED CONGRESS HAS THE RESPONSIBILITY TO PROPOSE ALTERNATIVES, SUGGEST CHANGES OR REQUIRE REVISIONS.

PERSPECTIVE ON DEFENSE SPENDING

WHEN LOOKING AT THE COLD BUDGET FIGURES, ONE-YEAR INCREASE FROM \$79.5 BILLION TO \$85.8 BILLION IN DEFENSE SPENDING APPEARS QUITE SUBSTANTIAL. AND THERE IS NO QUESTION OF THIS BEING A SIZEABLE SUM. BUT A FEW PERSPECTIVES CAN BE PLACED ON THESE FIGURES BY LOOKING AT THEM IN TERMS OF CONSTANT DOLLARS WHICH COMPENSATE FOR THE INFLUENCE OF

-11-

INFLATION. ON THIS BASIS THE 1975 DEFENSE BUDGET SHOWS A BASICALLY EVEN LEVEL OF EXPENDITURES WITH THE PAST TWO YEARS.

AND WHEN COMPARED WITH 1968, THE PEAK YEAR OF VIETNAM WAR OUTLAYS, THE 1975 BUDGET SHOWS A \$39 BILLION REDUCTION IN OVERALL DEFENSE SPENDING. AND IF YOU GO BACK TO 1964 BEFORE THE VIETNAM BUILDUP BEGAN, THE FIGURES FOR 1975 REPRESENT AN \$8 BILLION DECLINE.

AS THE AVERAGE CITIZEN LOOKS AT HIS TAXES, DEFENSE SPENDING IN THIS BUDGET IS SET AT 29¢ OUT OF EACH DOLLAR -- COMPARED WITH 30 CENTS LAST YEAR, 41 CENTS IN 1965 AND 49.8 CENTS IN 1960.

-12-

THERE IS ALSO THE ADDITIONAL POINT TO CONSIDER THAT MANPOWER EXPENSES -- WITH THE ENDING OF THE DRAFT AND UPGRADING OF MILITARY PAY RATES -- NOW ACCOUNT FOR 55 PERCENT OF DEFENSE OUTLAYS. THIS IS A 13 PERCENT INCREASE SINCE 1968 AND IS GREATER THAN THE COMBINED TOTALS FOR ALL MILITARY OPERATIONS, PROCUREMENT, RESEARCH AND DEVELOPMENT AND CONSTRUCTION.

IMPORTANT PROCESS

SO I BELIEVE THERE ARE SEVERAL WAYS OF LOOKING AT DEFENSE SPENDING AND AT WHAT IT MEANS TO US AS A NATION AND AS INDIVIDUALS.

I WOULD HESITATE TO MAKE ANY PREDICTIONS AS TO SPECIFIC ACTIONS CONGRESS MAY TAKE ON THE DEFENSE BUDGET THIS YEAR. IT IS A BIT EARLY TO DETERMINE ANY TRENDS OF THINKING.

-13-

SECRETARY SCHLESSINGER MADE HIS PRESENTATION TO THE SENATE ARMED SERVICES COMMITTEE JUST LAST WEEK. AND THE JOINT CHIEFS OF STAFF ARE JUST STARTING TO MAKE THEIR APPEARANCES BEFORE THE HOUSE AND SENATE COMMITTEES THIS WEEK.

I CAN SAY, HOWEVER, THAT THE OUTCOME OF CONGRESS' WORK ON THE DEFENSE BUDGET WILL MEAN A GREAT DEAL TO THIS AUDIENCE AS YOU RECEIVE YOUR COMMISSIONS AND BEGIN SERVING ON ACTIVE DUTY.

IT MAY MEAN THE DIFFERENCE BETWEEN CONTINUED PROGRESS ON THE DIPLOMATIC FRONT TOWARD A STABLE STRUCTURE FOR PEACE OR A REVERSION TO COLD WAR CONFRONTATIONS WITH THE THREAT OF MILITARY INVOLVEMENT.

I AM HOPEFUL THAT CONGRESS WILL LIVE UP TO THE

-14-

RESPONSIBILITY THIS PROCESS PLACES UPON IT. OUR EXAMINATION OF THE BUDGET MUST BE THOROUGH, OUR CRITICISMS MUST BE SOUND AND OUR SUGGESTIONS FOR CHANGES AND IMPROVEMENTS MUST BE CONSTRUCTIVE.

THERE ARE MANY COMPETING CONSIDERATIONS TO BE WEIGHED IN ASSESSING THIS FIRST PEACETIME BUDGET IN SO MANY YEARS. BUT I TRUST THAT WE SHALL NEVER LOSE SIGHT OF THE NEED FOR AMERICA ALWAYS STO BE UNQUESTIONABLY CAPABLE OF DEFENDING ITS VITAL INTERESTS AND FULFILLING ITS COMMITMENTS TO PEACE THROUGHOUT THE WORLD.

Remarks by Senator Bob Dole

CATTLEMENS' DAY

KANSAS STATE UNIVERSITY
Manhattan, Kansas

Friday, March 1, 1974

IT'S A PLEASURE TO HAVE THIS OPPORTUNITY TO ADDRESS YOU
TODAY. IN RECENT WEEKS, WE HAVE HEARD REPORTS THAT JUSTIFY A MILD
AND CAUTIOUS OPTIMISM ABOUT WHAT'S IN STORE FOR THE LIVESTOCK INDUS-
TRY. THE MORE NEGATIVE DEVELOPMENTS OF THE PAST SEVERAL MONTHS HAVE
BEEN FRAMED AGAINST A BACKDROP OF INCREASING FEDERAL INVOLVEMENT,
MOST OF WHICH HAS STIFLED AND RESTRICTED THE INDUSTRY. ALTHOUGH IT
LOOKS LIKE WE CAN EXPECT SOME HEALTHY CHANGES IN THIS TREND, THE

1. B. Dole
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LESSON OF THE PAST YEAR IS CLEAR AND SIMPLE. CATTLEMEN MUST BE ALWAYS PREPARED TO CONTEND WITH AND GUARD AGAINST THE ADVOCATES OF GREATER CONTROL AND THE MISCHIEF THEY CAN GET US ALL INTO.

WHO GAINS FROM INCREASED CONTROLS

THESE ADVOCATES OF GREATER REGULATION SEEM TO WANT IT FOR ITS OWN SAKE, AS AN EXPANSION OF POWER PERHAPS, BECAUSE THEY NEVER ASK THE BASIC QUESTION, WHO REALLY GAINS FROM THESE UNNECESSARY GOVERNMENT CONTROLS?

THE FARMERS LOSE, WE KNOW THAT!

THE CONSUMERS LOSE, WE KNOW IT AND THE PUBLIC DOES TOO.

FOR THE PUBLIC LEARNED A LESSON THE PAST YEAR SINCE THE MEAT BOYCOTT. THE CONSUMER HAS LEARNED THAT HE CANNOT HAVE PLENTY

OF MEAT AT ARTIFICIALLY LOW PRICES. HE NOW KNOWS THAT HIGHER AND MORE REALISTIC PRICES STIMULATE MORE MEAT PRODUCTION AND THAT WITHOUT ADEQUATE PRICE MARGINS, CATTLEMEN WILL HAVE TO CURTAIL PRODUCTION.

BOYCOTT COUNTERPRODUCTIVE

IT STARTED WITH THE HOUSEWIVES' BOYCOTT EFFORT. WHEN SUPPLIES FELL OFF, THEY MAY HAVE THOUGHT THE CATTLEMEN WERE MERELY RETALIATING FOR THE BOYCOTT BY REDUCING SHIPMENTS. BUT THEY HAVE FINALLY BEGUN TO LEARN THAT THESE CATTLEMEN HAD TREMENDOUS INVESTMENTS, AND THAT A CATTLEMAN'S BANKERS HAVE A MUCH GREATER INFLUENCE OVER THE REPLACEMENT OF CATTLE AND THE ASSURANCE OF CONTINUED SUPPLY THAN ANY MISGUIDED CONSUMER CRUSADE FOR CHEAP MEAT CAN EVER HAVE.

CHEAP MEAT COULD MEAN NO MEAT!

GREATEST PROBLEM WITH PRICE CONTROLS

THE SEVERE WINTER OF 1972-73 CREATED SOME DIFFICULTIES FOR THE INDUSTRY. BUT THE ECONOMIC STABILIZATION PROGRAM HAS BEEN A FAR GREATER DISASTER FOR THE BEEF CATTLE INDUSTRY. IN SPITE OF WARNINGS BY MANY OF US IN CONGRESS WHO HAVE SUPPORTED THE FREE MARKET CATTLE SYSTEM, CEILINGS WERE IMPOSED ON RED MEAT PRICES AT THE END OF MARCH 1973. ALL OF THIS, OF COURSE, WAS THE RESULT OF THE CLAMOR TO ROLL BACK MEAT PRICES DURING THE DEBATE ON THE RENEWAL OF THE ECONOMIC STABILIZATION ACT. AS IF THIS WASN'T BAD ENOUGH, THE PROBLEM WAS COMPOUNDED IN JULY 1973 WHEN CEILING PRICES WERE REMOVED ON ALL RED MEAT EXCEPT BEEF. IN SPITE OF THE BEST EFFORTS OF SOME OF US, BEEF CEILING PRICES WERE NOT LIFTED UNTIL EARLY

SEPTEMBER. IN SHORT, A MARKET ALREADY ECONOMICALLY DISTORTED IN EARLY 1973 WAS THROWN FURTHER OUT OF LINE BY THE POLITICAL EFFORT TO KEEP CONSUMER PRICES UNREALISTICALLY LOW.

THE HOUSEWIVES KNOW THE PRICES OF MEAT IN THE GROCERY STORE . . . BUT SOME OF THEM STILL THINK, MISTAKENLY, THAT CATTLEMEN ARE RESPONSIBLE FOR IT AND THAT CATTLEMEN ARE STILL GETTING THE PRICES FOR CATTLE THAT THEY GOT LAST SUMMER.

BACK THEN, WASHINGTON SUPERMARKETS WERE SELLING HAMBURGER FOR 85 - 90 CENTS PER POUND. YESTERDAY IN WASHINGTON, THE PRICE OF HAMBURGER HIT \$1.19 PER POUND. ONE STORE SELLS FIVE-POUND ROLLS OF HAMBURGER WHICH JUST YESTERDAY WERE PRICED OVER \$5.00 FOR THE FIRST TIME -- AT \$5.25. HAMBURGER WAS NOT FEATURED IN A SINGLE NEWSPAPER AD THIS WEEK. IT'S NO WONDER WHY.

LAST SUMMER WHEN THEY WERE SELLING HAMBURGER FOR 85 CENTS A POUND, LIVE CATTLE BROUGHT 55 CENTS A POUND. TODAY, WHEN LIVE CATTLE ARE GOING FOR 44 CENTS PER POUND, THEY ARE SELLING HAMBURGER FOR \$1.19 PER POUND.

GROCERS LIKE ANY OTHER BUSINESSMEN ARE ENTITLED TO A FAIR PROFIT. BUT THIS IS RIDICULOUS. ESPECIALLY SO WHEN CATTLEMEN ARE LOSING FROM \$50 TO \$100 A HEAD ON EVERY ANIMAL THEY SELL TO THE PACKER. THE PRICE OF LIVE CATTLE HAS FALLEN OVER NINE CENTS A POUND SINCE LAST AUGUST. BUT OVER THE SAME TIME PERIOD, HAMBURGER HAS GONE UP 29 CENTS AND STEAKS AND ROASTS, IN FACT ALL CUTS OF BEEF, HAVE GONE UP OR AT LEAST HELD CONSTANT. NONE HAVE GONE DOWN.

HAMBURGER -- A STAPLE IN MOST AMERICAN HOUSEHOLDS -- IS NOT EVEN FEATURED IN ANY ADVERTISEMENTS IN WASHINGTON PAPERS ANY MORE, SINCE IT WENT OVER \$1.00 PER POUND.

STEAK PRICES HAVE FLUCTUATED MORE . . . BUT ARE SELDOM FEATURED ITEMS IN NEWSPAPER GROCERY ADS.

ALL THESE PRICE DISTORTIONS POINT UP THE FACT THAT A VERY FINELY TUNED MACHINE -- OUR CATTLE AND BEEF PRODUCTION AND DISTRIBUTION SYSTEM -- HAS BEEN THROWN OFF KILTER. WE HAVEN'T RECOVERED FROM IT YET AND NOW ENERGY PROBLEMS AND TRUCKER PROTESTS HAVE FURTHER DELAYED A RETURN TO ANYTHING LIKE A NORMAL SITUATION.

ECONOMY LOSES

THE ENTIRE ECONOMY LOSES WHEN THE GOVERNMENT TAMPERS WITH THE MARKETS. WHY SHOULD YOU EXPAND YOUR OPERATION WHEN, AT ANY

MOMENT, THE GOVERNMENT MIGHT STEP IN AND CHANGE THE WHOLE PICTURE.

THIS UNCERTAINTY ABOUT THE MARKET ULTIMATELY HURTS THE CONSUMER. BEEF SUPPLIES SIMPLY WON'T BE THERE UNLESS THERE IS AN INCENTIVE TO INCREASE PRODUCTION.

THE ONLY SOLUTION FOR THE UPSET MARKET IS TO GET OUT AND STAY OUT FROM UNDER PRICE CONTROLS. I HOPE CONSUMERS ARE LEARNING THAT YOU CAN'T JUST ORDER PRICES TO FALL AND GET AWAY WITH IT. IF WE WANT LOWER PRICES, WE MUST FORGET PRICE CONTROLS AND CONCENTRATE ON INCREASING THE SUPPLY.

OBVIOUSLY, THE CURRENT ECONOMIC STABILIZATION PROGRAM FOR FOOD MUST BE TERMINATED. THE ECONOMIC STABILIZATION ACT EXPIRES ON APRIL 30, AND IT SHOULD NOT BE EXTENDED. UNLESS IT IS ALLOWED TO

LAPSE, THERE WILL ALWAYS BE THE TEMPTATION TO TAMPER WITH THE MARKET PLACE AGAIN FOR REASONS OF POLITICAL EXPEDIENCY.

FEDERAL INTERFERENCE

AS IF INTERFERENCE BY EPA, FOA AND COLC WAS NOT ENOUGH, WE NOW ALL KNOW THAT THE PACKERS AND STOCKYARDS ADMINISTRATION IS GETTING INTO THE ACT.

METHOD, NOT ISSUES

I AM NOT NECESSARILY QUARRELING WITH THE ISSUES THESE AGENCIES RAISE. NO CATTLEMAN WOULD WANT TO PRODUCE BEEF WHICH IS NOT FIT FOR HUMAN CONSUMPTION. NOBODY WANTS POLLUTED STREAMS AND LAKES AND CERTAINLY NO ONE WANTS TO BE CHEATED OUT OF A FAIR PROFIT BY MARKET MANIPULATION. WHAT I AM OPPOSED TO IS OPPRESSIVE

GOVERNMENT CONTROLS AND A MAZE OF FEDERAL REGULATIONS THROUGH WHICH
NO CATTLEMAN CAN FIND HIS WAY.

THE CATTLE INDUSTRY HAS TRADITIONALLY BEEN FREE OF REGULA-
TION AND I SEE NO REASON WHY CATTLEMEN CANNOT CONTINUE TO RUN A FAIR
AND HONEST BUSINESS WITHOUT BEING REGISTERED AND REGULATED AND
HARASSED BY SEVERAL GIANT FEDERAL BUREAUCRACIES.

PUBLIC PRESSURE

OF COURSE, I CANNOT DENY THAT PRESSURE GROUPS EXERT CON-
SIDERABLE INFLUENCE. FOR EXAMPLE, THE EPA IS BEING SUED RIGHT NOW
BY AN ENVIRONMENTALIST GROUP TO REQUIRE THE REGISTRATION OF ALL
LIVESTOCK OWNERS AS POTENTIAL POLLUTION SOURCES. IT IS CLEARLY
UNREASONABLE TO REQUIRE THE REGISTRATION OF EVERY CATTLE OPERATION

IN THE STATE OF KANSAS, REGARDLESS OF SIZE. BUT THIS IS EXACTLY
WHAT COULD HAPPEN IF EPA LOSES THIS LAWSUIT. IT WOULD BE INTOLER-
ABLE FOR THE THOUSANDS OF FARMERS AND SMALL RANCHERS OWNING A FEW
HEAD. YOU MAY BE SURE I SHALL SUGGEST CORRECTIVE LEGISLATION IF
THAT'S WHAT IT TAKES TO RECTIFY THE SITUATION. BUT AGAIN, POPULAR
PUBLIC OPINION HAS AN EFFECT ON CONGRESS AS WELL AS THE GOVERNMENT
AND COULD BE A LIMITING FACTOR.

POSITIVE ROLE FOR GOVERNMENT

ALTHOUGH MANY FEDERAL MEASURES HAVE BEEN HARMFUL OR
COUNTERPRODUCTIVE, I FEEL THE GOVERNMENT CAN TAKE A POSITIVE ROLE
FOR THE CATTLE INDUSTRY. SUCH A ROLE WOULD BE SUPPORTIVE RATHER
THAN REGULATORY.

ONE BENEFICIAL AREA WOULD BE IN ANIMAL HEALTH RESEARCH.
LAST YEAR IN HEARINGS BEFORE THE SENATE AGRICULTURE COMMITTEE, WE
HEARD TESTIMONY ON THE MILLIONS OF DOLLARS IN LOSSES DUE TO SHIPPING
FEVER AND OTHER DISEASES.

THE VETERINARIAN SCHOOL HERE AT KANSAS STATE UNIVERSITY
HAS TAKEN A LEADING ROLE IN ANIMAL HEALTH RESEARCH. AS MANY OF YOU
KNOW, THE SCHOOL WAS LEFT OUT ON A LIMB IN THE MIDDLE OF AN EXPAN-
SION PROGRAM BY THE CUT-OFF OF FEDERAL FUNDS.

ANIMAL HEALTH RESEARCH BILL

I HAVE ASKED SENATOR TALMADGE, CHAIRMAN OF THE SENATE
AGRICULTURE COMMITTEE, THAT THE ANIMAL HEALTH RESEARCH BILL PASSED
BY THE HOUSE OF REPRESENTATIVES LAST MONTH BE BROUGHT BEFORE THE

COMMITTEE PROMPTLY FOR CONSIDERATION. THIS BILL WOULD PROVIDE FUNDS FOR THE VETERINARIAN SCHOOL HERE AT K-STATE AND FOR SEVERAL OTHER RESEARCH PROGRAMS. HOPEFULLY, THE COMMITTEE WILL REPORT THIS BILL TO THE SENATE FOR A VOTE IN THE NEAR FUTURE.

EXPORT POTENTIAL

THE GOVERNMENT'S ASSISTANCE IN DEVELOPING EXPORT MARKETS FOR OUR MEAT COULD BE A GREAT SUPPORT TO THE CATTLE INDUSTRY.

EXPANDED WORLDWIDE CONSUMPTION OF PROTEIN HAS STIMULATED A NEW INTEREST IN GRAIN FED BEEF, AND THE U. S. IS THE LEADER IN PRODUCTION OF THIS BEEF AND IN RELATED TECHNOLOGIES. IF OUR GOVERNMENT WOULD DEVOTE ITS EFFORT TO HELPING THE INDUSTRY SELL THIS BEEF, OUR DOMESTIC MARKETS AND DEMAND WOULD STABILIZE AFTER THE RECENT DISLOCATIONS CAUSED BY ECONOMIC CONTROLS AND ENERGY SHORTAGES.

IT IS INTERESTING TO NOTE THAT OUR EXPORTS OF LIVESTOCK PRODUCTS HAVE INCREASED OVER FIFTY PERCENT THE PAST YEAR FROM FIFTY MILLION POUNDS TO EIGHTY MILLION POUNDS. AT THE SAME TIME OUR IMPORTS OF BEEF FROM OTHER COUNTRIES HAVE ESSENTIALLY STABILIZED. 1973 BEEF IMPORTS WERE LESS THAN ONE-HALF OF ONE PERCENT HIGHER THAN 1972. TOTAL MEAT IMPORTS DECREASED TWO PERCENT FROM 1972 TO 1973.

A MAJOR CAUSE FOR THIS, OF COURSE, IS THE DEVALUATION OF THE DOLLAR AND THE RESULTING CHANGE IN THE RELATIONSHIP OF OUR PRICES TO THOSE IN OTHER NATIONS. AUSTRALIA, GUATAMALA AND OTHER NATIONS FROM WHOM WE TRADITIONALLY IMPORTED BEEF ARE NOW LOOKING AT POTENTIAL MARKETS THROUGHOUT THE WORLD THAT OFFER \$5.00 to \$10.00 A POUND FOR BEEF.

COMMERCIAL ATTACHES IN FOREIGN NATIONS SHOULD START TO INVESTIGATE HOW WE CAN REDUCE OR ELIMINATE MANY TRADE BARRIERS -- FROM MEAT INSPECTION TO TARIFFS, QUOTAS AND LEVIES. WITH THESE BARRIERS REMOVED, AND A LITTLE ASSISTANCE IN TRADE FAIRS, I AM CONFIDENT THE CATTLE INDUSTRY COULD EXPAND MARKETS WORLDWIDE, TO THE BENEFIT OF ALL AMERICAN CITIZENS FROM THE CATTLEMAN TO THE CONSUMER.

SUCH FEDERAL SUPPORT IS THE PROPER RESPONSIBILITY OF OUR GOVERNMENT AND WOULD BE FAR MORE APPROPRIATE AND PRODUCTIVE THAN THE ENVIRONMENTAL AND ECONOMIC BULLYING TO WHICH THE INDUSTRY IS REPEATEDLY SUBJECTED.

OUR NATION WAS BUILT ON THE CONCEPT OF AN UNRESTRICTED ECONOMY. THAT SYSTEM HAS BEEN OPERATIONAL FOR NEARLY 200 YEARS.

DURING THAT PERIOD THE ADVANCEMENT HAS BEEN GREAT. WHY CHANGE IT
NOW AND INHIBIT FURTHER PROMISES OF THE FUTURE. LET'S LET THE
SYSTEM WORK.