

REMARKS OF SENATOR BOB DOLE
MINNEAPOLIS FARM FORUM
RADISSON HOTEL - MINNEAPOLIS
MARCH 5, 1974

FOODPOWER AND THE AMERICAN FARMER

I WELCOME THIS OPPORTUNITY TO BE WITH YOU, FOR WE SHARE A COMMON CONCERN. IT IS CONCERN FOR AMERICAN AGRICULTURE, AND CONCERN FOR ALL RURAL AMERICA.

WITH THAT CONCERN, WE ALSO SHARE A COMMON DETERMINATION. IT IS A DETERMINATION TO FACE SQUARELY THE PROBLEMS OF THE PRESENT, AND TOGETHER SEEK BETTER ANSWERS FOR A BRIGHTER FUTURE.

2.

NO LONGER IS THE FARMER'S MARKET ONLY HIS NEIGHBORING CITIES, AND HIS NEIGHBORING STATES. NO LONGER IS HE ONLY AFFECTED BY THE LEVEL OF CONSUMPTION AND PROSPERITY IN HIS OWN COUNTRY. TODAY, HIS MARKET EXTENDS TO ALL CORNERS OF THE EARTH, AND CHANGES THAT OCCUR ANYWHERE IN THE WORLD CAN AFFECT HIM AND HIS MARKETS.

THE CHALLENGE OF CHANGE

FOR THE CHIEF CHARACTERISTIC OF OUR WORLD IS CHANGE. THE SOMETIMES BREATHTAKING PACE OF CHANGE DISTINGUISHES OUR AGE FROM ALL THOSE WHICH HAVE PRECEDED US. THIS MEANS NOT ONLY NEW CHALLENGES -- AS WE ARE NOW FACING WITH ENERGY AND OTHER SHORTAGES -- BUT ALSO NEW OPPORTUNITIES TO THE AMERICAN FARMER.

3.

IN A REAL SENSE, WHAT WE NEED TO UNDERSTAND IS THAT AGRICULTURE IS IN THE FOREFRONT OF THE STRUGGLE FOR A BETTER WORLD. IT IS NOT A LAGGARD; IT IS NOT A BURDEN; IT IS NOT HOLDING AMERICA BACK. IT IS WHAT'S PROPELLING AMERICA FORWARD. AND IT IS ABOUT TIME THAT ALL AMERICANS UNDERSTOOD THIS.

AS AN ELECTED OFFICIAL FROM THE STATE OF KANSAS -- A GREAT CATTLE AND WHEAT STATE -- I FEEL STRONGLY THAT THERE IS A MAJOR NEED FOR THE PEOPLE OF THIS NATION TO REALLY UNDERSTAND IN DEPTH THE CONTRIBUTIONS OF OUR FARM FAMILIES TO THE HEALTH AND PROSPERITY OF THE UNITED STATES AND TO THE REST OF THE WORLD. FOR, NO ONE MAN NOR ONE SPEECH CAN DO JUSTICE FULLY TO THE STORY OF WHICH THIS MODERN MIRACLE CALLED AMERICAN AGRICULTURE HAS BROUGHT FORTH. WE NEED TO ACQUAINT THE 95 PERCENT OF OUR POPULATION NOT LIVING ON FARMS WITH THE CONTRIBUTIONS OF AGRICULTURE TO OUR ECONOMY.

4.

THE FARMING 5 PERCENT OF OUR POPULATION DAILY TAKE THE RISKS OF DROUGHT AND FLOOD AND HAIL AND EARLY FROST AND INSECTS AND MARKETS. AND IF THEY ARE TO PRODUCE EFFICIENTLY, THE FARMERS IN TURN ARE DEPENDENT UPON SUPPLIERS -- SUCH AS YOURSELVES -- TO DELIVER NEEDED INPUTS IN A TIMELY MANNER. THERE IS AN INCREASING INTERDEPENDENCE.

FOR BY ANY REASONABLE STANDARD OF MEASUREMENT, AMERICAN AGRICULTURE STANDS FAST AS THE GREATEST ACHIEVER IN HISTORY. LET US EXAMINE SOME FACTS:

5.

CAPACITY TO SERVE CONSUMERS

DESPITE RISING PRICES, THE AMERICAN CONSUMER IS STILL ENJOYING HIS FOOD AT THE LOWEST COST IN TERMS OF HUMAN EFFORT EXPENDED OF ANY PEOPLE IN THE WORLD. NOT ONLY DOES HE HAVE THE WORLD'S RICHEST DIET, BUT HE HAS THE WORLD'S MOST NUTRITIOUS DIET. TODAY, ONLY ABOUT 16 PERCENT OF THE AVERAGE CONSUMER INCOME IS SPENT FOR FOOD AND FIBER, AS COMPARED WITH 27 PERCENT OF CONSUMER DISPOSABLE INCOME IN 1947, AND HE IS GETTING FOODS OF MUCH BETTER QUALITY. THIS PERCENTAGE IS THE LOWEST IN THE WORLD RELATIVE TO THE EARNINGS OF CONSUMERS. IF AMERICANS WERE EATING THE SAME DIET AS IN THE 1930's, THE AVERAGE FAMILY WOULD BUDGET ONLY ABOUT 12 PERCENT OF ITS EARNINGS FOR FOOD.

6.

WE HAVE BEEN WITNESS TO A MASSIVE SHIFT FROM CHEAPER CARBOHYDRATES, SUCH AS BREAD AND POTATOES, TO THE HIGHER PROTEIN, HIGH VITAMIN FOODS, SUCH AS MEAT, MILK, FRUITS AND VEGETABLES. ACTUALLY, THE HOUSEWIFE IS NOW GETTING BETTER QUALITY AND MORE PROCESSING AND PRECOOKING THAN EVER BEFORE IN THE FOOD SHE BUYS. THUS, THE COST OF FOOD ALONE HAS DECLINED EVEN MORE THAN THE ABOVE FIGURES WOULD INDICATE.

FOODPOWER KEY TO HUNGER FIGHT

THE NATION IS NOW COMMITTED TO A DRIVE TO ELIMINATE HUNGER AND MALNUTRITION. WE NOW HAVE PROGRAMS TO DO THE JOB OF PROVIDING AN ADEQUATE DIET FOR EVERY AMERICAN. WE ALSO HAVE THE WILL TO ACHIEVE THIS GOAL WITHIN THE VITALITY OF THE SYSTEM THAT MAKES ABUNDANCE POSSIBLE.

7.

WE ARE CONQUERING HUNGER AND MALNUTRITION IN THIS NATION. WHILE WE ARE IMPROVING THE HEALTH AND WELL BEING OF OUR NEEDIEST, WE ARE INCREASING THE DEMAND FOR FOOD, ESPECIALLY ANIMAL PROTEINS. HOWEVER, REMEMBER THIS AND REMEMBER IT WELL -- THESE PROGRAMS REST ON THE FOODPOWER CREATED BY THE AMERICAN FARMER.

CAPACITY TO PRODUCE ABUNDANTLY

FARM OUTPUT HAS INCREASED SOME 40 PERCENT FROM 1950. ONE FARM WORKER IS SUPPLYING OVER THREE TIMES AS MANY PEOPLE WITH FOOD AS 20 YEARS AGO. IN 1951, 16 PEOPLE WERE SUPPLIED WITH FOOD FOR EVERY FARM WORKER. TODAY, THE FIGURE IS 51 PEOPLE.

8.

CAPACITY TO INCREASE PRODUCTIVITY

OUTPUT PER MAN HOUR ON FARMS IS 3.3 TIMES HIGHER THAN 20 YEARS AGO: WHILE IN MANUFACTURING INDUSTRIES, OUTPUT PER MAN HOUR IS 1.6 TIMES GREATER THAN 20 YEARS AGO. THUS OUTPUT PER MAN HOUR ON FARMS IS INCREASING TWICE AS FAST AS IN INDUSTRY -- AN UNMATCHED EFFICIENCY.

IN 1951, ONE PERSON OUT OF 7 WAS LIVING ON A FARM PRODUCING AGRICULTURAL PRODUCTS; NOW ONE PERSON IN 21 LIVES ON A FARM. THIS HAS RELEASED PEOPLE TO PRODUCE OTHER WEALTH AND SERVICES.

TODAY, IT TAKES ABOUT 60 PERCENT FEWER MAN HOURS TO PRODUCE 40 PERCENT MORE FOOD AND FIBER THAN IN 1950.

9.

IMPACT ON TRADE BALANCE

FOR THE YEAR 1973, U. S. AGRICULTURAL TRADE HAD A POSITIVE BALANCE OF \$9.3 BILLION. THIS MORE THAN OFFSET THE \$7.6 BILLION DEFICIT INCURRED BY TRADE IN NON-AGRICULTURAL PRODUCTS, SO THAT THE TOTAL U. S. INTERNATIONAL TRADE ACCOUNT FOR THE YEAR STOOD AT OVER \$1.7 BILLION ON THE POSITIVE SIDE.

THE 1973 FARM EXPORT TOTAL EXCEEDED THE 1972 RECORD OF \$9.4 BILLION BY ABOUT \$8 BILLION.

A RECORD FARM EXPORT TOTAL FOR THE YEAR GAVE THIS COUNTRY ITS FIRST FAVORABLE TRADE BALANCE SINCE 1970.

10.

1971 AND 1972 WERE YEARS OF TRADE DEFICITS AND WE SAW A DECLINE IN THE VALUE OF THE DOLLAR. 1973 WITH ITS GREAT FARM EXPORTS RESULTED IN GREAT RECOVERY IN OUR TRADE POSITION. AGRICULTURE'S CONTRIBUTION IS EVIDENT FROM THE FACT THAT OUR FAVORABLE BALANCE OF AGRICULTURAL TRADE IN 1973 WAS UP \$6.4 BILLION COMPARED WITH A YEAR EARLIER.

AND, IN THE MIDST OF AN ENERGY CRISIS -- WHILE WE REMAIN FOR THE TIME BEING DEPENDENT ON FOREIGN SOURCES OF FUEL TO SUPPLEMENT OUR OWN ENERGY PRODUCTION -- THE CRITICAL IMPORTANCE OF THIS AGRICULTURE TRADE PICTURE IS SELF-EVIDENT.

11.

STORY TO TELL

IT IS A GREAT CONTRIBUTION! I FIND IT ESSENTIAL TO TELL THIS STORY AT EVERY OPPORTUNITY. WHAT WOULD OUR NATIONAL ECONOMY BE WITHOUT THIS PERFORMANCE BY OUR FARMERS? AGRICULTURAL EXPORTS NOW REPRESENT NEARLY ONE-FOURTH OF ALL U. S. EXPORTS. IT IS THE BRIGHTEST SPOT IN OUR NATIONAL TRADE PICTURE. THE BASIC FACT IS THAT THE FARM EXPORT BALANCE OF TRADE IS STRENGTHENING THE VALUE OF THE DOLLAR AND MAKING THE UNITED STATES STRONGER, NOT WEAKER.

IN RECENT WEEKS WE HAVE WITNESSED THE PREDICTION THAT BREAD WILL RISE TO \$1.00 A LOAF BEFORE THE NEXT WHEAT HARVEST. PROPONENTS INSIST WE SHALL RUN OUT OF WHEAT -- THAT WE HAVE EXPORTED TOO MUCH WHEAT AND WILL BE UNABLE TO SUPPLY ENOUGH TO MILLERS AND BAKERS TILL THE COMBINES COMMENCE TO ROLL IN TEXAS.

12.

THE SOLUTION SUGGESTED IS EXPORT CONTROLS AND EMBARGOES TO PROTECT THE CONSUMER AND ASSURE THEM PLENTY OF BREAD.

WHY TAMPER WITH PRODUCTIVE SYSTEM?

THE FACT IS THAT THESE ADVOCATES OF EXPORT CONTROLS WANT LOWER WHEAT PRICES. IT IS THAT SIMPLE. THERE ARE EVEN THOSE WHO WISH TO USE EXPORT CONTROLS TO ACCUMULATE SUFFICIENT WHEAT STOCKS UNDER CCC LOANS SO THAT AT THE CLOSE OF THE 1974 MARKETING YEAR, OVER 500 MILLION BUSHELLS COULD BE TURNED OVER TO THE CCC.

13.

THIS WOULD MEAN ONE THING FOR SURE. WHEAT PRICES PAID TO THE FARMERS WOULD BE SUBSTANTIALLY LESS THAN THEY ARE TODAY! AND AT THE SAME TIME OUR WHEAT FARMERS WOULD BE GETTING LESS FOR THEIR WHEAT, THE RUSSIANS, CANADIANS AND OTHERS WOULD BE GRATEFULLY ACCEPTING THE MARKETS, HIGHER PRICES AND THE WINDFALL PROFITS WE HANDED OVER TO THEM THROUGH EXPORT CONTROLS. THEY WOULD BE IN THE ENVIABLE POSITION OF BEING ABLE TO MOVE IN AND TAKE OVER THE MARKETS WE HAVE DEVELOPED OVER THE YEARS. THEY WOULD BECOME THE RELIABLE SUPPLIERS. WE WOULD BECOME THE CONTRACT BREAKERS.

REALISTIC PRICES

SINCE THE \$1.00 A LOAF PREDICTION, THE PER BUSHEL PRICE INCREASED FROM \$5.51 ON JANUARY 4 TO \$5.76 PER BUSHEL 60 DAYS LATER. THIS DOES NOT INDICATE THAT WE ARE RUNNING OUT OF WHEAT.

14.

IN RECENT WEEKS, SECRETARY BUTZ AND THE U.S.D.A. HAVE BEEN REPEATEDLY ASSURING THE NATION OF ADEQUATE SUPPLIES UNTIL HARVEST. THEY HAVE THE DATA AND KNOW THE FACTS.

MY POINT IS --SIMPLY -- THAT THE PRESENT SYSTEM WORKS.

WHEN WE HAVE ADEQUATE SUPPLIES, PRICES WILL COMPETITIVELY SEEK THEIR LOWEST ECONOMIC LEVEL. GOVERNMENT CONTROLS ONLY KNOCK THE SYSTEM OUT OF KILTER.

WE HAVE SEEN THIS PROVEN OVER THE PAST 2 YEARS REPEATEDLY, WITH GOVERNMENT INTERVENTION IN ENERGY AND GENERAL PRICE CONTROLS. WE DON'T NEED MORE CONTROLS; WE NEED LESS.

15.

THE LAST THING WE NEED IS EXPORT CONTROLS. WORLD WHEAT PRICES BEING WHAT THEY ARE, IF WE UNILATERALLY OPT OUT OF THE WORLD MARKET -- ESPECIALLY IF WE DO SO ONLY OUT OF FEAR OF SOMEONE'S IMAGINED \$1.00 A LOAF BREAD PRICE -- THEN WE WREAK HAVOC WITH OUR BALANCE OF TRADE. SUCH ACTION MIGHT DO WONDERS FOR THE SOVIET TRADE BALANCE, OR FOR AUSTRALIA'S OR CANADA'S, BUT NOT FOR OURS.

AND UNDER A WHEAT EXPORT EMBARGO, THE WHEAT PRICE PAID TO OUR FARMERS NOW AND DURING THE UPCOMING RECORD BREAKING HARVEST COULD SLUMP FROM OVER \$5.00 PER BUSHEL BY MORE THAN ONE DOLLAR PER BUSHEL WITH ATTENDANT LOSSES TO FARM INCOME.

NOT ONLY IS OUR OWN PROSPERITY AT STAKE HERE, BUT MUCH OF THE REST OF THE WORLD HAS A WATCHFUL EYE ON OUR FOOD EXPORT POLICIES, TOO.

16.

WORLD-WIDE COMMITMENT

WHEN THE CONGRESS PASSED THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954 -- PUBLIC LAW 480, 83rd CONGRESS -- IT SET AS UNITED STATES POLICY THE USE OF OUR ABUNDANT AGRICULTURAL PRODUCTIVITY IN A WORLD-WIDE FIGHT AGAINST HUNGER AND FOR ECONOMIC DEVELOPMENT IN THE DEVELOPING COUNTRIES.

THE CONSTRUCTIVE USE OF OUR FARM ABUNDANCE IS TRULY ONE OF THE MOST INSPIRING ACTIVITIES EVER UNDERTAKEN BY ANY COUNTRY IN WORLD HISTORY.

17.

SUPPLEMENT TO WORLD TRADE

THE \$1 BILLION FOOD FOR PEACE PROGRAM SHARES OUR ABUNDANCE WITH FRIENDLY PEOPLES IN SUCH A WAY AS TO SUPPLEMENT EFFECTIVELY EXPANDING WORLD TRADE IN AGRICULTURE. PLEASE NOTE THE EMPHASIS ON THE WORD "SUPPLEMENT". IT HELPS THE UNITED STATES MAINTAIN ITS POSITION AS THE WORLD'S LEADING EXPORTER OF FOOD AND FIBER. AT THE SAME TIME, THIS P. L. 480 PROGRAM -- KNOWN ALL OVER THE WORLD WITH THOSE INITIALS AND THOSE NUMBERS -- HAS BECOME AN IMPORTANT TOOL IN ACCOMPLISHING U. S. FOREIGN POLICY GOALS.

18.

DEVELOPING COUNTRIES HAVE BEEN AND ARE DEPENDENT UPON CONCESSIONAL SALES AND INTERNATIONAL CONTRIBUTIONS OF FOOD, ESPECIALLY FROM THE UNITED STATES, AND OTHER SURPLUS PRODUCING AREAS OF THE WORLD TO ALLEVIATE THEIR FOOD DEFICITS. THESE FOOD PROGRAMS ADMINISTERED BY NATIONAL, INTERNATIONAL, AND RELIGIOUS AGENCIES THROUGHOUT THE WORLD FORMED THE CORNERSTONE, THE FOUNDATION, OF NUMEROUS HEALTH, SOCIAL AND ECONOMIC PROGRAMS DIRECTED AT UPGRADING THE SELF-SUFFICIENCY AND PRODUCTIVITY OF THESE COUNTRIES. THESE PROGRAMS ARE HAVING THEIR IMPACT. THESE PROGRAMS AND THE INSTITUTIONS INVOLVED IN THEM CANNOT BE PERMITTED TO FALTER OR SURELY THESE NATIONS WILL BACKSLIDE INTO MASS HUNGER, VIOLENT UPHEAVAL, AND SOCIAL DISINTEGRATION.

19.

EVEN IF THE DEVELOPED COUNTRIES MUST TIGHTEN THEIR BELTS, OR CURTAIL THEIR AMBITIOUS NATIONAL DIETARY PROGRAMS, FOOD SUPPLIES AND THE FOOD SUPPLY SYSTEM BETWEEN THE SURPLUS PRODUCING AND DEFICIT AREAS OF THE WORLD MUST BE KEPT VIABLE.

THE FOOD FOR PEACE PROGRAM AND ITS SUPPORTING STRUCTURE IS NOT THE KIND OF PROGRAM THAT CAN BE TURNED OFF AND THEN TURNED ON AT SOME INDEFINITE FUTURE DATE. OUR REAL TEST AS A NATION COMES AT A TIME WHEN OUR SHARING IS NOT JUST AN EASY WAY TO RELIEVE US OF SURPLUS. THIS NATION AND THE WORLD HAS BENEFITED FROM OUR BENEFICENCE. OTHER DEVELOPED NATIONS SHOULD BE URGED TO DO MORE OR TO SHARE IN THE COSTS. BUT, WHETHER THEY DO OR DO NOT, THIS NATION SHOULD STAND FIRM IN THE COURSE WHICH CONGRESS SET FORTH IN THE POLICY ENUNCIATED FOR THE FOOD FOR PEACE PROGRAM.

20.

BALANCED POLICY

WHAT I WOULD ARGUE FOR, IN SHORT, IS THE CONTINUATION OF BALANCE AND A BIT OF PERSPECTIVE IN OUR APPROACH TO NATIONAL POLICY ON AGRICULTURE. AMERICAN AGRICULTURAL PRODUCTIVITY IS AMONG THE GREATEST OF OUR NATIONAL RESOURCES.

OUR FARM PRODUCTION CAPABILITIES OUTSTRIP THAT OF ANY OTHER COUNTRY IN THE WORLD. AND THEY DO SO BECAUSE OUR SYSTEM MAXIMIZES THE FREEDOM UNDER WHICH PRODUCERS, PROCESSORS, AND MARKETERS OF THIS ABUNDANCE OPERATE.

21.

BUT THE MACHINERY OF PRODUCTION, PROCESSING, MARKETING AND CONSUMPTION IS A FINELY TUNED ONE THAT MUST BE KEPT IN A DELICATE BALANCE. TO STIMULATE THE PRODUCTION SIDE OF THAT MACHINERY WHILE SHUTTING OFF THE MARKETING OR CONSUMPTION OUTLETS, THROUGH EXPORT EMBARGOES, AS AN EXAMPLE, WOULD BRING THAT MACHINERY EFFECTIVELY TO A HALT.

TO MAINTAIN LEADERSHIP

WE COULD BREAK PRICES EASILY, WITH ONE FALSE POLICY STEP. OR WE COULD ELIMINATE AMERICA'S COMPETITIVE EDGE IN THE WORLD MARKET -- AND LAST YEAR'S ILL-CONCEIVED ACTION WITH RESPECT TO SOYBEANS GIVES DRAMATIC EVIDENCE OF THIS -- RELINQUISHING OUR LEADERSHIP TO THOSE WHO MAY BE FAR LESS PRODUCTIVE BUT, FOR THEIR OWN REASONS, MUCH MORE WILLING TO COMPETE.

22.

AMERICA'S FARMERS HAVE BEEN ASKED THIS YEAR, FOR THE FIRST TIME IN RECENT MEMORY, TO PULL OUT THE STOPS AND TO PRODUCE, FOR ALL PRACTICAL PURPOSES, TO THE LIMITS OF THEIR PRESENT ABILITIES.

THERE IS A CHALLENGE IN THAT, BUT THERE IS ALSO AN IMPLIED PROMISE -- THE PROMISE THAT GOVERNMENT WILL DO ALL IT CAN TO MAINTAIN STABILITY IN THE AGRICULTURAL MARKET PLACE OF DOMESTIC AND INTERNATIONAL TRADE.

A PREMATURE EMBARGO ON THE EXPORT OF WHEAT WOULD BREAK THAT PROMISE. FOR MY PART, I INTEND TO WORK TO SEE THAT IT IS KEPT.

#