

REMARKS OF SENATOR BOB DOLE

LAWTON, OKLAHOMA SPEECH

LAWTON, OKLAHOMA

SEPTEMBER 8, 1978

CHEAP FOOD POLICY

*J. Ray
Cook*

*For people
Dinner
Dinner
Dinner*

WE CANNOT HAVE A HEALTHY AGRICULTURE IN THE UNITED STATES WITH A LONG-RUN PROGRAM THAT DOES NOT ALLOW THE FARMER TO MAKE A REASONABLE PROFIT. FARMERS HAVE TO COVER THEIR COSTS OF PRODUCTION AND HAVE SOME PROFIT LEFT OVER. THE WAY TO HAVE A PLENTIFUL FOOD SUPPLY FOR CONSUMERS AT HOME AND ABROAD IS TO HAVE POLICIES THAT DELIVER FAIR PRICES TO FARMERS.

*No money
\$1.00*

FOR TOO LONG THE DEPARTMENT OF AGRICULTURE HAS PURSUED A CHEAP FOOD POLICY. CHEAP FOOD MEANS FARMERS ARE SUPPOSED TO RAISE FOOD AND SELL IT BELOW THEIR COST OF PRODUCTION. THE PROGRAMS ARE DESIGNED TO FORCE FARMERS TO LOSE MONEY, INCREASE THEIR BORROWINGS AND REDUCE THE EQUITY FARMERS HAVE IN THEIR LAND.

INFLATION

ANOTHER MAJOR PROBLEM FACING THE FARMER BESIDES THE "CHEAP-FOOD POLICIES" IS DOUBLE DIGIT INFLATION. FARMERS ARE BEING BLAMED BY THE ADMINISTRATION AND BY MANY HOUSEWIVES FOR THE INFLATION IN FOOD PRICES AT THE GROCERY STORE. FARMERS ARE NOT THE CAUSE OF INFLATION, THEY ARE THE VICTIMS OF IT.

AS YOU KNOW, WE ATTEMPTED TO BRING ABOUT SOME RESOLUTION TO THE COST-PRICE SQUEEZE FARMERS FACE, EARLIER THIS YEAR, WITH MY FLEXIBLE PARITY CONCEPT. IN THE FACE OF CONSIDERABLE OPPOSITION WE WERE SUCCESSFUL IN PASSING THE FLEXIBLE PARITY BILL IN THE SENATE, AND SUCCESSFUL AGAIN IN GETTING IT APPROVED IN THE JOINT CONFERENCE COMMITTEE BETWEEN MEMBERS OF THE HOUSE AND SENATE. THE FULL HOUSE, HOWEVER, DISSAPPROVED THE CONFERENCE REPORT, DUE TO THE PREDOMINANCE OF MEMBERS OF THE HOUSE REPRESENTING URBAN DISTRICTS OF THE NATION.

WE GAINED CONSIDERABLE PUBLIC SUPPORT IN NON-RURAL AREAS FOR THE POSITION OF FARMERS--THROUGH THE EFFORT OF THE AAM STRIKERS, THE FARM WIVES AND OUR TRADITIONAL FARM ORGANIZATIONS. WE SHALL CONTINUE OUR EFFORTS.

IN THE NEXT FEW MONTHS I AM EXAMINING A REVISION OF THE FLEXIBLE PARITY BILL AND PLAN TO REVISE THE LEGISLATION SO THAT I MAY INTRODUCE IT NEXT YEAR WHEN CONGRESS CONVENES.

IT IS IMPORTANT TO REMEMBER THAT OUR PAST SUCCESSES IN FARM LEGISLATION WERE CAREFULLY CONSTRUCTED TO ATTRACT SUPPORT OF THE URBAN MEMBERS OF THE HOUSE OF REPRESENTATIVES.

BOTH THE CONSUMER AND FOOD PROTECTION ACT OF 1973 AND THE FOOD AND AGRICULTURE ACT OF 1977 CONTAINED MAJOR TITLES DEALING WITH THE FOOD STAMP PROGRAM. THE FOOD STAMP PROGRAM IS IMPORTANT TO THE URBAN MEMBERS OF CONGRESS AND THEY SUPPORTED THE LEGISLATION--NOT FOR THE FARM PROVISIONS--BUT FOR THE FOOD STAMP PROVISIONS.

WE MUST DEVELOP LEGISLATION THAT WILL BRIDGE THE GAP TO OUR URBAN HOUSE MEMBERS AND GIVE THEM THE OPPORTUNITY TO SUPPORT A BILL THAT BENEFITS THEIR CONSTITUENCY AS WELL AS IMPROVING FARMERS' POSITIONS.

OTHER FARM LEGISLATION

THE SENATE AGRICULTURE COMMITTEE HAS BEEN WORKING ON THE NATION'S AGRICULTURAL PROBLEMS AND WILL CONTINUE TO DO SO. I SERVE AS THE RANKING REPUBLICAN ON THE COMMITTEE. IN THE PAST FEW MONTHS THE AGRICULTURAL FOREIGN INVESTMENT INFORMATION ACT OF 1978, THE AGRICULTURAL CREDIT ACT OF 1978, AND THE INTERNATIONAL EMERGENCY FOOD FUND ACT HAVE BEEN PASSED BY THE SENATE COMMITTEE.

THE FOREIGN INVESTMENT ACT REQUIRES FOREIGN PERSONS WHO ACQUIRE, TRANSFER, OR HOLD INTERESTS IN U.S. AGRICULTURAL LAND TO REPORT SUCH TRANSACTIONS AND HOLDINGS TO THE SECRETARY OF AGRICULTURE.

THE AGRICULTURAL CREDIT ACT EXPANDS THE FARM CREDIT PROGRAMS OF THE FARMERS HOME ADMINISTRATION AND ESTABLISHES A NEW PROGRAM OF EMERGENCY CREDIT FOR FARMERS.

THE INTERNATIONAL EMERGENCY FOOD FUND ACT ESTABLISHES A FIVE-HUNDRED MILLION DOLLAR FINANCIAL RESERVE FOR THE PRESIDENT TO USE TO PURCHASE FOOD DURING TIMES OF INTERNATIONAL FOOD EMERGENCIES.

I HAVE ALSO WORKED TO STOP THE INCREASE IN MEAT IMPORTS, TO RAISE SUGAR PRICES, TO ESTABLISH A BEEF REFERENDUM, TO GET EPA TO APPROVE A CHEMICAL TO KILL GRASSHOPPERS AND TO TRY TO CONVINCE THE ADMINISTRATION TO CHANGE THEIR CHEAP FOOD POLICIES.

THIS MORNING THE SENATE PASSED THE TRADE EXPANSION ACT OF 1978--A BILL WHICH WILL PROVIDE FOR MORE AGGRESSIVE EXPORT SALES OF AGRICULTURAL COMMODITIES.

KEY PROVISIONS IN THIS BILL ARE:

- EXTENSION OF COMMODITY CREDIT CORPORATION(CCC) LOANS FROM 3 YEARS TO UP TO 10 YEARS DURATION.
- ALLOWING 3-YEAR CCC CREDIT SALES TO THE PEOPLES REPUBLIC OF CHINA(PRC).
- ELEVATING THE STATUS OF OUR AGRICULTURAL ATTACHES THROUGHOUT THE WORLD.
- THE ESTABLISHMENT OF A MINIMUM AGGREGATE QUANTITY OF 7 MILLION METRIC TONS OF U.S. FARM COMMODITIES WHICH MUST BE EXPORTED ANNUALLY UNDER THE P.L. 480 "FOOD FOR PEACE" PROGRAM.

I AM ESPECIALLY PLEASED WITH THIS LAST PROVISION WHICH WAS CONTAINED IN AN AMENDMENT THAT I OFFERED TO THE TRADE EXPANSION BILL.

THESE THREE PROVISIONS WILL GREATLY ASSIST IN IDENTIFYING NEW MARKETS FOR OUR FARM PRODUCTS AND IN MEETING THE COMPETITION FROM OTHER NATIONS, PARTICULARLY CANADA, AUSTRALIA AND ARGENTINA. CANADA HAS HAD AN UNFAIR ADVANTAGE IN THEIR ABILITY TO OFFER LONG TERM CREDIT AND ACCESS TO PRC FOR SEVERAL YEARS AND WE HAVE LOST MANY SALES DUE TO OUR LEGAL RESTRAINTS IN THESE AREAS. THIS BILL WILL OVERCOME THESE PROBLEMS AND THE ELEVATION OF OUR AGRICULTURAL ATTACHES SHOULD ASSIST THEM IN THEIR EFFORTS TO SELL OUR FARM PRODUCTS OVERSEAS.

AGRICULTURAL EXPORTS

OUR AGRICULTURAL EXPORTS OF \$24 BILLION IN 1977 GENERATED NET EARNINGS TO THE UNITED STATES OF ALMOST \$10.5 BILLION LAST YEAR. THIS YEAR, FARM EXPORTS WILL CONTRIBUTE AN ESTIMATED \$12 BILLION TO HELP REDUCE OUR BALANCE OF PAYMENTS DEFICIT. THAT RECORD IS UNMATCHED IN ANY OTHER SEGMENT OF OUR ECONOMY.

AGRICULTURAL EXPORTS ARE VERY VALUABLE TO THE FARMERS OF THIS NATION. THEY ARE VALUABLE ESPECIALLY TO WHEAT FARMERS IN OKLAHOMA AND IN MY STATE OF KANSAS. THEY WOULD BE MORE VALUABLE THIS YEAR WITH LESS PRICE DEPRESSING SURPLUS STOCKS.

UNFORTUNATELY, FARMERS HAVE SINGLED OUT IN THE PAST TO BEAR THE BURDEN OF INTERNATIONAL POLICIES WHILE OTHER AMERICAN PRODUCERS HAVE NOT. A POLICY OF THIS TYPE IS NOT FAIR OR EQUITABLE. I SHALL CONTINUE TO OPPOSE SUCH SELECTIVE EMBARGOES THAT HURT FARMERS AND THAT USE FOOD AS THE ONLY WEAPON IN INTERNATIONAL STRATEGIES. IT IS MY VIEW THAT THERE ARE OTHER MORE EFFECTIVE WAYS THAT THE U.S. CAN TELL THE SOVIETS THAT WE DEPLORE THE CONTINUED MISTREATMENT OF SOVIET CITIZENS THAN BY CUTTING OR SUSPENDING GRAIN EXPORTS THROUGH AN EMBARGO.

NEED FOR STRONG DEFENSE COMMITMENT

OKLAHOMA, WITH FOUR MILITARY INSTALLATIONS, IS AN IMPORTANT PART OF OUR NATIONAL DEFENSE SYSTEM, AND THUS OUR FOREIGN POLICY. NATIONAL DEFENSE REMAINS THE BACKBONE OF FOREIGN POLICY. TO PRESERVE AMERICAN SECURITY AND IMPRESS UPON THE SOVIET UNION OUR COMMITMENTS TO INTERNATIONAL STANDARDS OF HUMAN RIGHTS AND THE RIGHT OF SELF-DETERMINATION, THEN, IT IS ESSENTIAL THAT OUR FOREIGN POLICY PROJECT AN IMAGE OF STRENGTH AND FIRM ADHERENCE TO CONSISTENT PRINCIPLES. WE CANNOT QUESTION OUR COMMITMENTS TO ALLIES, WE MUST DEAL FIRMLY WITH ADVERSARIES, AND WE MUST NOT LET OUR GOALS BECOME BLURRED. MORE AND MORE OUR IMAGE IS BECOMING THAT OF A NATION WHICH HAS LOST ITS GRIP ON THE RUDDER OF FREE WORLD LEADERSHIP.

A VERY REAL MILITARY AND IDEOLOGICAL COMPETITION
CONTINUES BETWEEN EAST AND WEST. WE MUST NOT LOSE SIGHT
OF THE PRACTICAL FACT THAT COMPETITION CONTINUES, REGARDLESS
OF WHAT WE, AS A PEACEFUL PEOPLE, WANT TO BELIEVE. THIS
IS A CHALLENGE WHICH THE UNITED STATES CANNOT AFFORD
TO IGNORE, FOR OUR OWN FUTURE, AND THE FUTURE OF FREEDOM
AND DEMOCRACY.

IN EARLY 1977 I URGED PRESIDENT CARTER TO EXPEDITE THEIR PROCEDURES IN PROGRAMMING P.L. 480 (FOOD FOR PEACE) SALES AND DONATIONS. CONFUSION WITHIN THE CARTER ADMINISTRATION AND LOWER ECHELON STATE DEPARTMENT OFFICIALS CONCERNING THEIR POLICIES DEFERRED PROGRAMMING SALES AND DONATIONS UNDER THIS PROGRAM. THIS CONFUSION CONTINUED INTO 1978 AND IT WAS NOT UNTIL RECENT MONTHS THAT WE SAW ANY REAL ACTIVITY IN BOOKING P.L. 480 COMMITMENTS. THE RESULT WAS THAT THEIR SHIPMENTS OF THESE COMMODITIES CAUSED TRAFFIC TIE UPS AT THE GULF PORTS THAT FURTHER COMPLICATED THE RAIL CAR SHORTAGE WE HAVE BEEN EXPERIENCING THROUGHOUT THE GRAIN PRODUCING AREAS.

-2-

WE NOW HAVE OVER 1 BILLION BUSHELS OF WHEAT ON HAND. THIS IS A HUGE SURPLUS AND IS DRIVING DOWN WHEAT PRICES. WHEAT FARMERS ARE HAVING A ROUGH TIME FINANCIALLY. IN SPITE OF LOW WHEAT PRICES THE ADMINISTRATION STILL HAS NOT TAKEN ACTION TO REDUCE WHEAT PRODUCTION TO LEVELS THAT WILL DECREASE THE SURPLUS NOR DO THEY TAKE THE NECESSARY ACTION TO FIND NEW EXPORT MARKETS FOR WHEAT. WHEN THE TARGET PRICE FOR THE 1979 WHEAT CROP WAS SET BY THE PRESIDENT, IT WAS SET AT \$3.40. THIS WAS THE SAME TARGET PRICE AS FOR THE 1978 WHEAT CROP.

WE MUST HAVE AN AGGRESSIVE FARM EXPORT POLICY. CURRENT ADMINISTRATIVE PRACTICES OF FOOT DRAGGING ON AGRICULTURAL EXPORT INITIATIVES ARE BEING PAID FOR BY AMERICAN FARMERS IN LOWER PRICES.