

BOB DOLE
KANSAS

United States Senate

OFFICE OF THE MAJORITY LEADER
WASHINGTON, DC 20510

August 28, 1986

8/30/86

Hays, KS.

TO: SENATOR DOLE

FROM: TOM CARTER

ENCLOSED IS THE FOLLOWING FOR SATURDAY NIGHT:

A) Background/Schedule of VFW Convention

B) Background Information on Norm Staab

--includes Staab's Commander-in-Chief Acceptance Speech

C) Talking Points for Speech

--Defense Authorization

--Veterans Issues

--Kansas Agriculture

--Trade

--Rural Health Care (affects Hays, KS)

D) Miscellaneous Newspaper Articles

E) Miscellaneous VFW Information

NORMAN G. STAAB
COMMANDER-IN-CHIEF 1986-87
VETERANS OF FOREIGN WARS OF THE UNITED STATES

Norman G. Staab was elected Commander-in-Chief at the 87th National VFW Convention in Minneapolis, Minnesota.

A Life Member of Post 6240, Russell, Kansas, he is a veteran of 40-months service in the Army of Occupation in Germany in the Nuernberg area with the 16th Infantry in the First Infantry Division.

He played guard on the 1950 EUCOM championship football team.

A native of Catherine, Kansas, he was born December 27, 1929. Staab attended St. Joseph's Military Academy and graduated from Hays, Kansas High School in 1948.

For the past 32 years, he has been employed with LTV Energy Products Company, an oilfield supply firm, and for 20 years managed the Russell store.

Staab is married to the former Cacilie (Werle) Bence. He has one son, David; five brothers, two of whom are Life Members; and three sisters, who all belong to the Auxiliary.

He belongs to St. Mary's Catholic Church, the Elks, the American Legion, the National Rifle Association and the Knights of Columbus. He is chairman of the Russell Oil Patch Museum. His hobby is gun collecting.

In 1964 he was an All-American Post Commander, Outstanding District Commander in 1967, All-American Department Commander in 1971, a member of the National Council of Administration from 1977 to 1979 and Chairman of the Western Conference from 1982 to 1983. Since his year as Department Commander, he has served on the following national committees: Voice of Democracy, Civil Service and Employment, and Political Action.

He personally recruited more than 400 VFW members and 350 Life Members, contributed to the growth of Post 6240 from 368 in 1963 to its present 1,168 members with 1,050 Life Members in a city of 5,200 and county of 9,100. Post 6240 has produced five All American Commanders.

In addition to the normal Post offices, he has served as Service Officer, VFW-PAC Coordinator, Scholarship Chairman and Voice of Democracy Co-Chairman.

ACCEPTANCE SPEECH

Norman G. Staab, Commander-in-Chief

August 22, 1986

Thank you, comrades, for the great honor you have given me today. To be chosen by my comrades, America's combat veterans, as Commander-in-Chief of this great organization is truly a great honor. I am very proud and humbled at the opportunity you have given me to be your leader for the year ahead. With Earl Stock, our Senior Vice Commander-in-Chief and Larry Rivers, our Junior Vice Commander-in-Chief, we have the leadership team to make this a great year for the VFW. Together -- we will work to make the VFW an even better and stronger organization and I pledge to you and to all our comrades that we will use this year to create even better opportunities for the Veterans of Foreign Wars of the United States.

Without the support and encouragement of my personal friends and supporters in my Post, District and Department, I would not be standing here today as the Commander-in-Chief of this great, patriotic organization. I especially wish to thank the members of our Ladies Auxiliary. Without them we would have a hard time to survive. With them, I know all of our programs will be successful.

You and I know that being elected your Commander-in-Chief is more than a great honor. It is also a very serious responsibility. It is a responsibility I have looked forward to, and which I now accept with humility and determination.

As you know, I have had the privilege of serving two great Commanders-in-Chief, Billy Ray Cameron and John Staum. During these two years they gave me the opportunity to look at our organization and at the United States of America. I saw then, and I see now, the Veterans of Foreign Wars playing a special role in our beloved country.

Wherever I have gone I have seen the VFW as a major force for our veterans in their communities and their states. Wherever I have gone I have seen the VFW hard at work rallying support for our veterans' entitlement programs and rallying support for a strong national defense.

Now I realize what our special role is -- we are the rallying force. In big cities and small towns, the VFW is the rallying force that brings veterans and their concerns together. And that is why we selected as this year's theme, the motto -- THE VFW - THE RALLYING FORCE.

That theme describes more than our special role. It also describes the challenge we veterans must face this year. There are forces in and out of government which are working to bring veterans programs to its knees. There are forces inside and outside our nation's borders which are challenging our nation's security. Those forces, and the challenges they represent, must be met by an equally determined force. They must and will be met by the VFW - The Rallying Force.

We must and will meet and defeat every challenge and every attempt to erode our hard won veterans entitlements and our national security.

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Norman G. Staab, Acceptance Speech

We are at a time in our history when the hotshots in the office of management and budget know the cost of everything but know the value of nothing. More and more we see the erosion and chipping away at veterans programs by individuals who have never even visited a VA hospital. Services are reduced. Limits are imposed. Programs are cut back or eliminated.

We are now at a time when we must rally our forces or face the loss of many of our hard won and valuable veterans programs. We are faced by a cost cutting Congress and an administration who often act as if veterans did nothing special for the preservation of freedom and democracy that each American enjoys and in which two-thirds of the population of the world wish they could enjoy.

The present occupant of the White House wanted to cut eight thousand health care personnel out of VA hospitals in 1986 and 1987. This same administration wanted to increase the home loan user fee to five percent.

This administration wanted to restrict the cemetery plot allowance for only those who qualify for the burial allowance.

This administration proposed a budget for medical construction that fell way short of allowing the VA to replace or remodel its old medical facilities.

Thank God we do have friends in Congress who continue to rally for veterans. Many in Congress, and particularly the members of the House and Senate Veterans Affairs Committees are still our friends.

When we told them what the Reagan administration proposed, they joined in rallying against those cutbacks. Those administration proposals to cut our benefits and entitlements were defeated. The Congress exempted the VA compensation and pension programs from the Gramm-Rudman-Hollings budget cuts.

Congress also rallied behind the veteran and provided special protection for VA medical care programs. But it is up to us to rally the forces in order to assure that these programs and special protections aren't wiped out by OMB's bureaucrats in the next budget attack.

We must continue to rally our friends in Congress to support the Veterans Administration and its mandated role of providing for those who have fought America's battles and for their widows and orphans. We must continue to rally our membership to remind our elected representatives of the special service veterans have given this country.

I know that G.V. (Sonny) Montgomery, Chairman of the House Veterans Affairs Committee, is rallying with us. When Chairman Montgomery, the senior statesman on the Veterans Affairs Committee, saw what was in the administration's proposed budget for fiscal year 1987, he joined us in sounding the alarm.

Chairman Montgomery wrote to us and said:

"It is now more crucial than ever that veterans rally, get into the thick of things, write, make phone calls, and resist attacks on their programs, especially those made through the budget process. The most important thing I can say to any veteran right now is join a service organization and get active; if you're already a member, stay active. It's the most effective tool you've got to help yourself and your fellow veteran, and it's essential to those of us on Capitol Hill who need to carry your input and your concerns through the halls of Congress."

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RL doesn't
feel that
way....

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Norman G. Staab, Acceptance Speech

I agree with Chairman Montgomery. We must let every eligible veteran know that the VFW is the rallying force! Instead of shaking our heads about the problems we face from an uncaring administration or a cost cutting Congress, let us be part of the solution by increasing our membership so that we will get the attention of every member of Congress and every member of this administration. Then and only then will these individuals truly represent the interests of the veteran and their dependents.

As your Commander-in-Chief, I and every National, State, District and Post Officer and their staffs are committed to leading the rallying force that will focus attention on veteran and defense issues that are of concern to you and to all Americans.

We will oppose the chipping away at VA health care programs by working toward better staffing, better planning for the future care of the increasing number of older veterans, the upgrading and modernization of VA hospitals and clinics, the increased numbers of VA and state veterans nursing home beds, and less restrictions on access to care by all veterans.

We will oppose turning over government programs which have traditionally provided veterans with compassionate, quality, cost-effective services to big business corporations by resisting increased efforts towards contracting out.

We will insist that the Department of Labor, the Office of Personnel Management, all other agencies, and federal contractors fulfill their responsibility of providing the Vietnam veteran, disabled veterans and the older working veterans every opportunity for gainful employment.

We will insist that adequate counseling and assistance services presently provided in VA regional offices be maintained in order to assure due process to all veterans.

We will ensure that the VFW continues to provide the best possible representation for veterans seeking their rights through the improved and expanded service officer training program and the service officer pilot program designed to develop a cadre of state service officers.

As your Commander-in-Chief I can assure you that the Veterans of Foreign Wars will be the rallying force in the fight to protect the benefits and entitlements all veterans have earned. We must protect those benefits and entitlements not only for America's veterans but also for our men and women who are still on active duty.

We must make sure that fair and just treatment will always be available to those who still serve. If we should fail our servicemen and women now, Americans of future generations may feel that service to our country in time of war is nothing special and our nation may find itself without the patriots it needs.

During my visits to our active military forces, I have been very impressed by what I have seen. The soldiers, sailors, airmen and marines I saw were proud of what they were doing; they were proud of serving their country; and they were proud to see the VFW was really interested in them.

In the past two years, I have spent a lot of time with the personnel of our armed forces. I have talked to everyone from tank gunners in Germany

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Norman G. Staab, Acceptance Speech

to fighter pilots in their ready rooms to field commanders in their overseas headquarters. Everyone I talked to was glad to see the VFW and glad to hear about our support for what they were doing for our national security and everyone told me of their concerns for our national security.

The members of our armed services have the same concerns we in the VFW have. They are concerned that their service benefits have been cut and the medical care for their dependents is being turned over to business corporations.

They are concerned about our defense and what the budget cuts will mean to them.

When it comes to our national security, the VFW must be the rallying force. We must be the rallying force that leads the Congress and the administration to recognize that our national defense depends on these dedicated, patriotic young men and women. We must rally those in Congress who know that to maintain professional, well trained armed forces we cannot reduce the in-cent-ives and benefits of military service.

Many of our VFW comrades are in the active service ranks and there are many potential members still in the ranks. We all face a common problem. When times are tough, the defense programs that attract and keep people in the armed forces always seem to be the first to be cut. We will rally our friends in the Congress to resist those who would reduce or cut out these programs.

We Americans have more freedoms to preserve and protect than any other nation in history. We are the leader of the free world but we are not secure because we are free. We are free because we are secure.

Over the years, the VFW has led the rally to strengthen our armed forces. We must continue to lead the rally and we will.

Already our armed forces are being reduced below the standards long supported by our organization. Each year Congress cuts back on the production of new weapons that are essential to our national defense. Last month, the Secretary of Defense warned that this year's cuts will "increase the risks we face in an already dangerous world."

Well, we already know it is a dangerous world. I have visited some of the world's hotspots. In the Mideast and in Central America it is plain to see the growing Russian influence. The weapons used by nearly all the Mideast countries are Russian made. The explosives used by terrorists who hunt Americans are Russian made. The revolution in Nicaragua which turned that poor country into a poor communist country was made in Russia. And now that country has become a Russian arms warehouse.

hear, hear! There are forces inside and outside our government who insist the United States should leave countries like terrorist Libya and communist Nicaragua alone. There are forces inside and outside our government who insist the United States should abide by a strategic arms agreement that was unratified, obsolete and which locked us into a posture of military inferiority.

These forces must and will be met and resisted by your VFW. If we want to halt the growing communist influence in Central America, and if we believe that our armed forces should be second to none, then now is the time to act. This year, the VFW - The Rallying Force will act.

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Norman G. Staab, Acceptance Speech

Our unity and our membership are our strength. We must build our strength through membership and display that strength in Washington in behalf of our veterans and our national security. We are heading for our thirty-second year of continued growth. This year we have a new opportunity to expand our life membership program and build new strength for the VFW and its programs. We must remember our life members are a mainstay in the success of the Veterans of Foreign Wars.

We can be even more successful in the years ahead if we reach our life membership goal. We have a new life membership program that will reward the member, the Post, the Department, and the National organization. Have no doubt about it, the tools are in place -- thanks to you, we now have the means to achieve the greatest surge in our history regarding our life membership program.

Our membership and especially our life members are an enduring reminder in Washington of our strength throughout this country. But if our strength is to be effective, it must also be united. Whether the issue is veterans entitlements or our prisoners of war and missing in action in Southeast Asia, or communism in Central America, we must be united behind our common goals.

Unity displays our determination. Membership displays our strength. Together they guarantee that we will reach the goals we have set for ourselves this year.

Today I accept the great responsibility you have given me as your Commander-in-Chief. I thank you for the confidence you have placed in me. The challenges we face may seem difficult. The goals we set for ourselves may seem unreachable. But this great organization of America's combat veterans has faced other challenges before. Our strength and our unity has always led us to success. This year will be our thirty-second year of success. I know it will be a success for we are the Veterans of Foreign Wars -- The Rallying Force.

Thank you.

-vfw-

Tom Carter

Russell Daily News **Staab Nominated as VFW Commander** *8/21/86 Short page—Sewell Speaks to National Convention*

MINNEAPOLIS, Minn. — Norman G. Staab, Russell and Hays, was nominated, by two Russell Comrades at 11 a.m. Thursday for the highest post of the Veterans of Foreign Wars of the United States. Supported by Ed Sewell and Fred Weigel, both of Russell, Staab's election and installation is all but automatic with the vote and ceremony

planned at 9 a.m. Friday in the National Convention Center in Minneapolis.

The huge arena center is site for the 87th annual convention of the national organization for U.S. veterans who have served their country in overseas conflicts.

Making the nomination speech, Sewell said:

"I am honored today to come

before you to place in nomination one of the outstanding members of the Veterans of Foreign Wars of the United States and a life member of the Russell Post No. 8240 and the Department of Kansas.

"Born Dec. 27, 1929, in Catharine, Kan., he attended St. Joseph Military Academy and was graduated from Hays High School in 1948. "He joined the Army of Occupation in the Nurnburg area of Germany for 40 months, receiving an honorable discharge from the service on June 18, 1952. He is now retired from Continental-Emsco Company, an oilfield supply firm for which he was employed for some 22 years.

"In our great organization, he has served in every phase and in various capacities. In 1984-85, he served as your junior Vice Commander in Chief and in the past year, as your Senior Vice Commander in Chief, traveling the world over these past two years as one of our organization's official representatives.

"He has ridden a camel in the

Sinal Desert, soared through the blue skies in a F-15 Phantom jet. . . . Whatever it takes to get the message across, he never hesitates to do.

"He leaves no doubt in anyone's mind as to what he is talking about when he speaks in behalf of the veteran and his dependent.

"Our organization needs the continuation of this kind of leadership, this kind of inspiration that will certainly make the Veterans of Foreign Wars of the United States — a 'Rallying Force.'"

"It is with a tremendous amount of pride and extreme pleasure that I place in nomination the name of Norman G. Staab for the office of Commander in Chief of the Veterans of Foreign Wars of the United States for the year 1986-87.

The seconding remarks were made by Fred Weigel, Russell who said:

"I have had the pleasure of working with this man in this great organization for the past . . .

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Staab —

(Continued From Page 1)

years, going through the post, district and department chairs and now, thanks to you, comrades, on the national level."

"Whatever his duties or obligations were, they were handled in a prudent and efficient manner. He's a tremendous asset to our organization and we feel that when elected your Commander in Chief, the Veterans of Foreign Wars of the United States will have another outstanding year.

"It is a great honor and pleasure for me to second the nomination.

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NEGOTIATIONS. NEEDLESS TO SAY, THE HOUSE'S FURTHER LIMITATION ON ANTI-SATELLITE WEAPONS, CHEMICAL WEAPONS, AND ALL BUT THE SMALLEST OF UNDERGROUND NUCLEAR TESTS CLEARLY INDICATE CONFLICTING 'NATIONAL WILLS' AND SOME OF MY COLLEAGUES FEEL THAT THE HOUSE BILL BORDERS ON 'UNILATERAL DISARMAMENT.'

(IF YOU WANT TO GO ON RECORD RE: T-46)

- O HOUSE SPEAKER O'NEILL SAID ON THURSDAY, AUGUST 14, THAT PRESIDENT REAGAN 'HAS NO DEFENSE POLICY'. HOW BLIND CAN HE BE? HE FURTHER SAID THAT THE PRESIDENT'S ONLY DEFENSE POLICY IS 'TAKING EVERYTHING EVERYBODY AT THE PENTAGON WANTS AND BUYING IT." OBVIOUSLY HE IS MISTAKEN--TAKE THE T-46 TRAINER FOR EXAMPLE. PENTAGON OFFICIALS HAVE REPEATEDLY SAID THEY DON'T WANT THE AIRCRAFT, YET TIP'S BOYS HAVE VOTED TO FUND IT REGARDLESS OF THE NEEDS AND DESIRES OF OUR DEFENSE ESTABLISHMENT.

- O HERE'S MONEY THAT THE HOUSE IS FORCING ON OUR MILITARY AT A TIME WHEN 310,000 ACTIVE-DUTY SERVICE MEMBERS FACE POSSIBLE DISCHARGE DUE TO ACROSS-THE-BOARD CUTS UNDER GRAMM-RUDMAN-HOLLINGS. THE DEPARTMENT OF DEFENSE ESTIMATED THIS WEEK THAT IF \$9.7B IS CUT FOR FY 86, APPROXIMATELY

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- O WE ABSOLUTELY MUST GO FORWARD WITH OUR DEFENSE PROGRAMS. IN THE STRATEGIC MODERNIZATION ARENA, WE'RE FUNDING THE PEACEKEEPER MISSILES, THE STEALTH BOMBER AND AN ADDITIONAL TRIDENT SUBMARINE. WE'RE PLAYING CATCH-UP WITH THE SOVIETS IN THE CASE OF ANTI-SATELLITE AND CHEMICAL WARFARE CAPABILITY.

- O OUR SDI FUNDING DOESN'T GO QUITE AS FAR AS I WOULD LIKE BUT IMAGINE THIS, FOR THE FIRST TIME IN OUR HISTORY WE HAVE THE POTENTIAL TECHNOLOGY TO MAKE THE SOVIET UNION'S MASSIVE BALLISTIC MISSILE OFFENSIVE CAPABILITY IMPOTENT. THEY KNOW THIS AND THAT'S WHY THEY'RE BACK IN GENEVA. RECENT POLLS INDICATE THAT A VAST MAJORITY OF AMERICANS FAVOR THIS PROGRAM--MANY ARE SURPRISED THAT WE DON'T HAVE ANY DEFENSIVE FORCES NOW.

- O I'M AFRAID THE HOUSE BILL DOESN'T QUITE CUT IT. PRESIDENT REAGAN HAS THREATENED TO VETO THIS DEFENSE BUDGET IF THE HOUSE VERSION PREVAILS IN CONFERENCE. THEIR FURTHER CUTS IN THE SDI AREA ARE TOTALLY UNSATISFACTORY AND THERE IS LITTLE DOUBT THAT HOUSE ATTEMPTS TO INFLUENCE THE SALT II WEAPONS LIMITS WILL UNDERCUT OUR NATION IN ARMS CONTROL

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ONE-SEVENTH OF ALL ACTIVE-DUTY SERVICEMEN AND ONE-FOURTH OF ALL RESERVISTS WILL BE DISCHARGED. CBO OFFICIALS CONFIRMED THIS POSSIBILITY.

(INFO: WE PRESENTLY HAVE 2.1M PEOPLE ON ACTIVE DUTY)

O WE MUST:

- DO WHAT IS NECESSARY TO MEET OUR OWN NATIONAL SECURITY INTERESTS,
- DO WHAT IS NECESSARY TO MAKE THE SOVIETS CONTINUE IN SERIOUS ARMS REDUCTION NEGOTIATION,
- BUT AT THE SAME TIME, UPGRADE OUR FORCES TO RESPOND TO SOVIET WEAPONS MODERNIZATION.

August 29, 1986

AUTHORIZATION BILL TALKING POINTS

o OUR RECENTLY DEFINED AUTHORIZATION BILL CONTINUES MOST OF THE PRESIDENT'S CRITICAL PROGRAMS BUT NOT AT A LEVEL THAT I FEEL WE REALLY NEED. CHAIRMAN GOLDWATER PUT IT APTLY IN HIS OPENING REMARKS DURING FLOOR ACTION SAYING, 'IF CONGRESS CONTINUES TO SUPPORT THE SPENDING LIMITS REFLECTED IN THE BUDGET RESOLUTION, THEY WILL BE RESPONSIBLE FOR RETURNING THIS NATION'S DEFENSE POSTURE TO ITS LATE 70'S STATUS.' AND, OF COURSE, WE REMEMBER WELL THOSE DAYS OF:

- MILITARY MANPOWER SHORTAGES
- LOWER QUALITY OF THE MANPOWER WE DID RETAIN
- UNREALISTIC AND INSUFFICIENT TRAINING
- COST OVERRUNS DUE TO PROGRAM STRETCHOUTS
- NEAR OBSOLESCENCE IN MANY OF OUR MAJOR WEAPONS SYSTEMS

John Starn
1st Rallying Force

VETERANS ISSUES

- o It appears that Congress will pass a budget of approximately \$27 billion for the VA for FY87. The Senate budget is \$350 million more than the President's request and is roughly the same in outlays as FY86. The House and Senate bills are similar and we don't anticipate any major problems in Conference.
- o Some people feel that the VA budget's purchasing power has declined significantly since 1975. Not so, the purchasing power of the VA's programs (other than education) has actually increased by \$2.5 billion in the last eleven years.
- o I'm aware that several veterans' publications allege that vets are bearing the blunt of G-R-H budget cuts. I'm here to refute that issue. Veterans are not being singled out for cuts. All Americans are being asked to share the responsibility for budget reduction and we must do our part. In fact, though, veteran's programs are better protected than most. Over one half of all VA programs are exempt from sequestration under G-R-H. In particular, all compensation and pension COLAs for service connected disabled veterans are exempt from cuts.
- o G-R-H did indeed reduce education benefits by an annual rate of 4.3 percent. Even after the reduction, though Vietnam-era G.I. Bill education rates are higher than when these veterans enlisted. (Someone may quote an 8.7 percent reduction--that covered five months only.)
- o For those who are concerned about the Veteran's Job Training Program, our Appropriations Committee has provided \$35 million for this program in FY87.

AUGUST RECESS - KANSAS AGRICULTURE

* FARM SPENDING - FARM PROGRAM COSTS THIS FISCAL YEAR ARE ESTIMATED AT \$25 BILLION BY USDA, COULD BE \$30 - \$35 BILLION. THIS IS TWICE THE ESTIMATED LEVEL OF \$16.6 BILLION PROJECTED UPON PASSAGE OF THE NEW FARM BILL.

* GOV'T PAYMENTS - BETWEEN 1/3 AND 1/4 OF FARMERS' NET CASH INCOME WILL COME FROM THE GOV'T THIS YEAR.

* TRANSITION - IT MAY BE NECESSARY TO SPEND LARGE AMOUNTS OF MONEY DURING THIS TRANSITION PERIOD AS WE MOVE TOWARDS A MORE COMPETITIVE AGRICULTURE, UNTIL WE CAN REGAIN EXPORTS AND INCREASE DEMAND.

* EXPORTS - THE ANNOUNCEMENT OF PROVIDING BONUS WHEAT TO THE SOVIETS THROUGH THE END OF THIS YEAR COULD HELP WHEAT SALES, ALTHOUGH THE SOVIETS HAVEN'T MADE ANY PURCHASES YET. I HAVE STRESSED TO THE ADMINISTRATION ON SEVERAL OCCASIONS THAT THE EXPORT ENHANCEMENT PROGRAM SHOULD BE ACROSS-THE-BOARD TO TRADITIONAL BUYERS AND INCLUDE ALL COMMODITIES.

* COMPETITION - WE ARE SIMPLY TRYING TO BE COMPETITIVE WITH OUR ALLIES -- CANADA, ARGENTINA, AUSTRALIA, AND THE EUROPEAN COMMUNITY. OUR COMPETITORS HAVE NOT BEEN HESITANT TO INCREASE THEIR MARKET SHARE AT OUR EXPENSE.

* STORAGE - SENATOR ZORINSKY AND I HAVE ENCOURAGED THE ADMINISTRATION TO PROVIDE GOVERNMENT PAYMENTS FOR ON-FARM STORAGE TO MATCH LOCAL COMMERCIAL STORAGE RATES. WE WILL HAVE A STORAGE PROBLEM IN PARTS OF KANSAS AND CORN BELT STATES THIS FALL.

August 28, 1986

TRADE TALKING POINTS

- I AM PLEASED THAT THE PRESIDENT AGREED TO USE THE EXPORT ENHANCEMENT PROGRAM TO BOOST SALES OF OUR WHEAT TO THE SOVIET UNION AS WELL AS OTHER MARKETS. AS YOU KNOW, AN AMENDMENT WHICH I AUTHORED INFLUENCED THIS DECISION. BUT THE PRESIDENT HAS NOT GONE FAR ENOUGH, AND I HAVE TOLD HIM SO. THIS PROGRAM SHOULD APPLY TO ALL OUR AGRICULTURAL COMMODITIES AND SHOULD LAST INDEFINITELY SO LONG AS IT IS NEEDED.
- AGRICULTURAL TRADE IS IN A SLUMP, AND I DON'T HAVE TO TELL YOU WHAT THE IMPLICATIONS ARE FOR THE FARMERS OF OUR NATION. WHAT MAY NOT BE SUFFICIENTLY APPRECIATED IN WASHINGTON ARE THE IMPLICATIONS FOR THE OVERALL ECONOMY. AGRICULTURE HAS ALWAYS BEEN A MAINSTAY OF OUR FAVORABLE TRADE BALANCE. RECENTLY IT HAS GONE INTO DEFICIT. THIS HAS GOT TO BE REVERSED.
- THE EEP SHOULD BE USED AGGRESSIVELY TO WIN MARKETS, ESPECIALLY IF THEY HAVE BEEN TAKEN AWAY BY OTHER NATIONS THROUGH THE USE OF THEIR OWN SUBSIDIZED EXPORT PROGRAMS. I RECOGNIZE THAT FOREIGN GOVERNMENTS MAY COMPLAIN WHEN WE EDGE THEM OUT THROUGH THE USE OF THE EEP, BUT WE DIDN'T COMPLAIN WHEN THEY TOOK OUR MARKETS ORIGINALLY. MAYBE THAT WAS THE PROBLEM: WE DIDN'T STAND UP FOR OUR RIGHTS EARLIER.

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- THE AGRICULTURE DEPARTMENT IS RESPONSIBLE FOR DETERMINING THE LEVEL OF ASSISTANCE REQUIRED TO BRING OUR PRICES INTO LINE WITH THOSE OF THE WORLD MARKET. I'M NOT SURE THEY'RE GOING FAR ENOUGH, AND WE HAVE TO KEEP AN EYE ON THIS.

(AMSTUTZ IS TALKING ABOUT \$13 SUBSIDIES, BUT THE INDUSTRY SEEMS TO THINK \$20 MAY BE NECESSARY. USDA ARGUES THAT OUR WHEAT SHOULD BE HIGHER PRICED BECAUSE IT IS BETTER QUALITY, E.G., CONTAINS HIGHER PROTEIN CONTENT. THE USSR HASN'T YET SIGNED UP FOR ITS FOUR MILLION TONS AS WE HAVE BEEN EXPECTING.)

- THE TRADE BILL WHICH IS PENDING BEFORE THE SENATE CONTAINS MANY USEFUL NEW REFORMS. BUT WE MUST BE CAREFUL, IN ENACTING ADDITIONAL IMPORT REMEDIES, TO BE AWARE OF POTENTIAL RETALIATION, WHICH COULD TAKE PLACE AGAINST FARM PRODUCTS. WE DON'T WANT TO CUT OFF OUR NOSE TO SPITE OUR FACE. THAT'S WHAT JIMMY CARTER DID WITH HIS GRAIN EMBARGO. WE NEED TO THINK THINGS THROUGH. WE HAVE TO BE TOUGH BUT SHOW SOME COMMON SENSE, TOO, WHICH SOMETIMES MEANS RESTRAINT.

RURAL HEALTH CARE REFORM INITIATIVES

Background

- o Many of our rural communities are experiencing difficult times.
- o We know that rural health care needs are different than those of large urban centers. And the needs of the rural elderly are most dramatically different.
- o Because of the wide variation in daily census of patients and the declining hospital census in general, many of our rural hospitals have experienced considerable difficulty.
- o And rural hospitals have taken the initiative and began broadening their services beyond traditional acute inpatient care. For example, they are adding rehabilitation and elderly retirement centers with complete geriatric services including home care to their vital role.

Prior Dole Initiatives

- o With respect to Federal initiatives, when the medicare prospective payment system was first enacted, I supported special efforts to address the concerns of small rural hospitals.
- o For example, the swing bed program which allowed small rural hospitals to also provide skilled nursing care was one of our early efforts.
- o We in the Senate formed a Rural Health Caucus of which I am a founding member. We now have thirty three Senators as members of the caucus.
- o Recently, we were successful at urging the addition of a rural representative on the Prospective Payment Assessment Commission (PROPAC) that reviews hospital payment issues. And just two months ago, we were able to add rural representation on the Physician Payment Review Commission (PHYSPRC) to advise us on physician payment concerns.

ADDITIONAL RURAL PROVISIONS

- o I am pleased to be a part of a number of important rural initiatives in the Senate Finance Committee budget reconciliation.

Discharge Weighting:

- o First of all, we were successful at sponsoring a provision that would increase the rate of reimbursement to rural hospitals (called discharge weighting).

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- o We have an opportunity to here to right a wrong. When the prospective payment system was constructed, a decision was made to pay on the basis of a "typical" hospital. In other words, we are dealing with "averages".
- o We now know that the law of averages has resulted in short changing our rural hospitals.
- o Since a larger portion of hospital care in this country ends up in high cost urban settings, that's no reason to make our rural hospitals forever pay a price . . . and thats exactly what the current system does. I want to change that.
- o We are underpaying for acute patient care in our rural hospitals. One correction that makes sense, called discharge weighting, while it doesn't go back and repair past inequities, lets us move forward with a more fair and justifiable payment alternative.
- o Rural hospitals will not gain a windfall -- but at least the revision I am proposing is a step in the right direction.

Capital:

- o Second, we included protections for some rural hospitals (sole community providers) in the form of exclusion from reductions in the way medicare pays hospital for capital expenditures.

Rural Referral Centers:

- o Third, we included protection for rural referral centers, authorizing a 3-year extension of a higher reimbursement rate for those that have already qualified. And, we are looking at easing the eligibility criteria as well.

Prompt Payment For All Hospitals:

- o And last, but certainly not least, we have included a provision that requires prompt payment from medicare intermediaries and carriers. This is especially important because our rural health care providers are most vulnerable to disruptions in cash flow.
- o We cannot impose fiscal restraint on the one hand and then come back and order contractors to drag their heels. That just won't sit with me.

News from Senator

BOB DOLE



(R - Kansas)

SH 141 Hart Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE
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HAYS MEDICAL CENTER GETS NEW "RURAL" DESIGNATION

Washington, DC -- Hadley Regional Medical Center in Hays has been designated a "rural referral center" by the U.S. Dept. of Health & Human Services (HHS), according to Senator Bob Dole (R-KS).

Sen. Dole said the new designation means the center will receive higher reimbursements for Medicare services worth an estimated \$400,000 annually.

"This new designation for the Hadley center is significant in providing quality health care to rural Kansans," said Sen. Dole. "The increased reimbursement for Medicare patients will mean Hadley can invest in new technology, equipment and services to improve medical care for the people of northwest Kansas."

Sen. Dole said that for a hospital to qualify as a rural referral center, at least 50-percent of its Medicare patients must be referred from other hospitals or from physicians not on its staff. Hadley Regional Medical Center serves nearly two dozen rural counties in northwest Kansas.

In addition, Sen. Dole said a minimum 60-percent of a hospital's Medicare patients must live more than 25 miles from the hospital and at least 60-percent of the hospital's services go to those beneficiaries.

The new designation was approved by the HHS department's Health Care Financing Administration with the backing of Sen. Dole.