

January 25, 1964

Congressman Bob Dole (R-Kansas) took issue with a statement released by Congressman Graham Purcell, Chairman of the Wheat Subcommittee.

Dole stated a news release quoted Purcell as indicating the "House Wheat Subcommittee had ordered the drafting of a bill" embracing a certificate program for wheat. Dole stated, "I'm certain those of us who attended, the /meeting at least the Republicans, never made any such demands. In fact, it seemed ridiculous to me that the Wheat Subcommittee has spent some 20 hours in hearings when apparently the Democrat majority has known all along that this would be the result.

Last week I announced to Kansas wheat producers that the Wheat Subcommittee was nearing agreement on some very basic issues in an effort to strengthen farm income and to keep ~~any~~ ^{the} program completely voluntary. There was general agreement on both sides that the resale price would be raised to 115% of the loan rate, plus carrying charges, but in the bill Purcell indicates he was "ordered" to draft the resale price will be only 105% of the loan rate, plus carrying charges. Of course, the obvious purpose of this is to force those who do not wish to comply into the program or in the alternative, require them to set feed price for their wheat. Even in the bill Mr. Purcell is submitting, the farmer will lose an additional 250 million dollar income and this is not the McGovern bill which has been endorsed to the National

Association. The acreage diversion payments would run around \$6 or \$7 per acre, and I certain this would not attract many Kansas farmers into the program.

All in all, it appears we have been carrying on an exercise in futility when you consider the present action of the majority on the Wheat Subcommittee, along with the fact that President Johnson failed to even mention farmers in his State Of the Union Message and the added fact that the Budget called for a reduction of over \$1-billion in farm spending, ^{it is} ~~xxxx~~ rather clear that this Administration has ~~in~~ ~~mind~~ ~~no~~ real program in mind. I would point out that taking into consideration every aspect of the bill now being drafted which will be submitted to our subcommittee on Monday and this includes allowances for diversion payments that the farmer will receive only slightly over 69% of parity, the lowest in recent history. So we ~~end~~ end up with a program which is not voluntary as advertised, which will give the wheat producer only about ~~xxxxxxx~~ \$1.70/^{per bushel}for his wheat and which over all will ~~xxxxxxx~~ return him only about 69% of parity.

It is still my hope that the ~~SW~~ Wheat Subcommittee in Congress will take appropriate action to strengthen farm income by amendment of existing law. This could be done simply by suspending the referendum, by ~~xxx~~ raising the resale price

-3-

(the loan price plus carrying charges,)
to 115% of parity, by extending the Conservation Reserve,
and by raising the support price which ~~will be~~ *is scheduled to drop to* 50%
of parity on July 1. I would also point out that President
Johnson has not even sent his Farm Message to Congress. So,
all in all, it appears that the action of the 8 Democrats
on the Wheat Subcommittee is somewhat premature.

Let me conclude by stating these eight Democrats
represent farmers who have wheat allotted acres of only
around 11-million acres, while the five Republicans represent
farmers with allotted acres of around 24-million acres.