

BOB DOLE
1ST DISTRICT, KANSAS

243 CANNON HOUSE OFFICE BUILDING
AREA CODE 202
225-2715

COMMITTEES:
AGRICULTURE
GOVERNMENT OPERATIONS

DISTRICT OFFICE:
101 FEDERAL BUILDING
GREAT BEND, KANSAS 67530
AREA CODE 316
SW 3-5623

Congress of the United States
House of Representatives
Washington, D.C. 20515

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CHEYENNE	JEWELL	REPUBLIC
CLARK	KEARNY	ROOKS
CLOUD	KIOWA	RUSH
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WASHINGTON, D. C.

FOR RELEASE TUESDAY, AUGUST 29, 1967

DOLE URGES FREEMAN TO ACT

Congressman Bob Dole and the five other Republican members of the House Agriculture Committee's Subcommittee on Livestock and Grains have urged Secretary of Agriculture Orville L. Freeman to raise the price at which the government sells feed grains and soybeans to 100 percent of parity. "On wheat," Dole said, "the release price should be set at full parity minus the value of domestic certificates paid for by wheat processors."

The Congressmen pointed out that the present policy of the Commodity Credit Corporation is to sell its stocks of wheat and feed grains back into the market at 115 percent of the loan level plus carrying charges. In the case of wheat, this is \$1.44 per bushel, and in the case of corn it is \$1.21 per bushel. In the case of grain sorghum it is \$1.85 per cwt. Soybeans are released at 105 percent of the loan level, or \$2.62 per bushel.

In their letter to Secretary Freeman, dated August 25, the Republican lawmakers stated that clear legislative authority for such action exists, and in spite of Freeman's long-standing opposition to this method of improving grain market prices, they urged that he take this action immediately to help sagging prices.

Under the proposal, government-owned wheat would be sold for not less than \$1.87 per bushel, corn for not less than \$1.63 per bushel, grain sorghum for not less than \$2.58 per cwt., and soybeans for not less than \$3.31 per bushel.

"I sincerely feel that the Secretary of Agriculture could materially improve the present grain price situation if he would take this action, and trust he will do so immediately," Dole concluded.

THE COMPLETE TEXT OF THE LETTER TO SECRETARY FREEMAN FOLLOWS:

Honorable Orville L. Freeman
Secretary of Agriculture
Washington, D. C. 20250

Dear Mr. Secretary:

This is to request that you take immediate action to improve farm prices on wheat, feed grains, and soybeans by increasing the Commodity Credit Corporation resale price on these commodities.

As you know, present CCC policies call for the resale of wheat and feed grains at relatively low levels. This in turn helps keep market prices low.

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Pursuant to the authority you possess under Section 407 of the Agricultural Act of 1949, as amended, you have set the resale level at only 115 percent of the current loan on wheat and feed grains and at 105 percent of the loan on soybeans.

We recall your reluctance to raise the resale price to even this modest level when you testified on a similar proposition in 1965 as follows:

"Finally, there has been strong interest in requiring by law a higher minimum price for sales of CCC grain stocks in the open market. A number of bills before Congress would raise the minimum from 105 percent of the loan rate to a range of 115 to 125 percent. The USDA shares the stated objectives of these proposals -- that is, to strengthen prices, to make maximum use of market forces in guiding production and of private marketing facilities in handling commodities, and to minimize CCC activities in marketing commodities. However, in addition to its concern with the effective functioning of the free market, the USDA has the responsibility of operating the feed grain and wheat programs as effectively as possible for the producer at a minimum cost to the taxpayer. This can't be done if we are required to hold stocks from the market to obtain prices so far above loan levels that we can't get farmers into the program."

Experience, however, has shown that better farm prices will not be a deterrent against feed grain and wheat program participation.

We sincerely feel that your efforts to more fully insulate present stocks of wheat and feed grains would have a definite beneficial effect on market prices which are now headed downward.

We, therefore, specifically request that you immediately establish a resale policy on unrestricted domestic and P. L. 480 sales of feed grains and soybeans which would prohibit CCC sales of these commodities for less than 100 percent of parity. In the case of wheat, however, we recommend that the resale level should be set at a price reflecting an adjustment for the 75 cent marketing certificate required to be purchased by wheat processors.

By taking this step now, we feel farm prices on grains will be strengthened. We hope you will agree with our suggestion.

Sincerely yours,