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

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STATEMENT RELEASED BY CONGRESSMAN BOB DOLE
RUSSELL, KANSAS
Thursday, September 7, 1967

THE ADMINISTRATION AND THE AMERICAN FARMER

In a recent press conference, President Johnson made the following statement:
"I do think the farmers are on the short end of the stick. I do know people are leaving the farms by the thousands and going to the city. It is creating a very serious problem for us."

DOWN - DOWN - DOWN

We do know that the number of farms has been going down at the rate of 100,000 per year. We do know that the most recent parity ratio issued on August 30 was nearly at the depression level of 75 -- 6 points under a year ago. We do know that the official figures show that the index of prices received by farmers is down 15 percentage points from a year ago. We do know that the index of costs is up 8 percentage points from a year ago. This terrible crunch on our farm people is reflected by the U. S. Department of Agriculture's latest figures on farm income from 1967, which now indicate a drop of about \$1.8 billion from a year ago -- down 11 percent. This reduced net farm income resulting from the scissors effect of higher costs and lower prices is being felt in every town in the United States. President Johnson's inflationary policies resulting from fiscal irresponsibility are being paid for in the form of higher costs by every farm family. I regret that the farm people have had to be witness to a policy under which a serious effort was made by the Administration to blame the farmer for higher food price levels. There is something wrong when a Secretary of Agriculture states that he is pleased to report that farm prices are expected to fall, as he did in the recent past ---- and they did fall!!!!

Wheat is down. Corn is down. Soybeans are down. Hogs are down. Milk is down. Poultry is down. Eggs are down.

RECOMMENDATIONS MADE

It is against this background of bearish information emanating from the Department of Agriculture that I have made several recommendations to the Secretary of Agriculture. I feel that these are constructive and the Secretary does not need new authority to implement them.

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(1) I have suggested that the Secretary not sell feed grains and soybeans at less than 100 percent of parity. On wheat, the release price should be set at full parity minus the value of domestic certificates paid for by wheat processors.

(2) I have urged that the Secretary announce P. L. 480 agreements as early as possible, while farmers still own the wheat. There is an interagency fight going on right now over how much wheat should be programmed for India. This interagency fight has been dragging on for some time in spite of the urgency expressed by the President when he asked for a special resolution approving aid to India. You will recall that I was a member of the delegation that went to India at the President's urging.

(3) Farmers in the U. S. are being forced to pay uneconomic prices for soybean meal because the Secretary has withheld P. L. 480 announcements on oil. I would urge him to expand P. L. 480 announcements on edible oils so that the processors could sell meal at a lower price and thereby increase farmers' net income.

(4) You must remember that the Secretary of Agriculture and the Council of Economic Advisers withheld P. L. 480 announcements on many commodities because they wanted to hold down farm prices. Cables were sent all over the world telling our Ambassadors to reduce requests for wheat by 25 percent. This lost export business is now in carryover stocks hanging over the market. The objective was to hold down consumer prices.

PEOPLE-STARVATION POLICY

Imagine the rationale of such a people-starvation policy because of the fear of the effects of such sales on the consumer price index. All cereals affect the consumer price index by only 2.5% of which the raw material cost is only about .6 of 1%. This policy has resulted from the fact that there is nobody on the White House staff who understands farm problems. I urge the immediate appointment of such an individual. More and more I am concerned that the Secretary of Agriculture is making speeches and issuing bulletins about the year 2000. Is it not time that he worried about and tried to help farmers in 1967, even though it is not an election year?