

90



U.S. Senator Bob Dole

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SENATOR DOLE SAYS EMERGENCY AGRICULTURE ACT IS TIMELY AND NECESSARY

WASHINGTON, DC "The Emergency Agriculture Act of 1978 is a timely and necessary measure that responds to the nationwide farm crisis by boosting farm prices in a way that is fair to consumers and taxpayers," Senator Bob Dole said today in the U.S. Senate.

Senator Dole, in responding to a veto letter sent to Senators by President Carter, said, "President Carter cites six reasons why he intends to veto the Emergency Farm Bill. I find these reasons inadequate and unconvincing."

"In the first instance, President Carter claims that the bill 'will increase food price inflation to double digit levels.' In fact, the Congressional Budget Office estimates that the bill will increase the consumer price index for food by only 1.1 to 1.5% during fiscal year 1979," stated Dole.

"Secondly, President Carter indicates that the bill will add as much as \$6 billion to the Federal Budget during 1978 and 1979. In fact, this \$6 billion figure rests on the unlikely assumption that farm prices will remain weak, that nearly all eligible farmers will participate at maximum acreage set-aside levels, and that a massive shift from non-price support crops to supported crops will occur. The economic benefits of the bill to America will far outweigh the costs," said Dole.

"Thirdly, concerning the President's point that the emergency farm act would undermine our competitive position in world markets, I want to say there is strong evidence that our competitors in export grain markets, for example, will follow U.S. price leadership."

"Fourth, the President asserts that higher feed prices will adversely affect our own livestock industry. Livestock people have told me that they have always made more money when feed prices were at a reasonable level than they have when feed prices were so cheap that large numbers of cattle or hogs were attracted into feedlots by cheap feed, resulting in an oversupply of fed cattle and hogs which had to be sold at 'bust' prices."

"Fifth, concerning the President's point regarding layers of bureaucracy to administer the 'schedule of eligibility requirements and payments', I do not see why it would take even one more bureaucrat to administer a set-aside which allows a farmer to choose a set-aside level of 20%, 35%, or 50% rather than the Administration's single bureaucrat-selected level of 20% for wheat and 10% for feedgrains."

"Sixth, the President stated in his letter that this bill would direct the vast majority of its benefits to the very largest farmers. This is not true. Farmer payments would be limited to \$40,000 as specified in the Agriculture Act of 1977. I deliberately did not give exemptions in my bill from this limitation because I wanted the benefits to go to the small family farmer."